FORM 10-K

Annual report pursuant to section 13 and 15(d)

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

Form 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended February 28, 2010

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____to _____

Commission file number 333-57818

Augme Technologies, Inc.
(Name of issuer in its charter)

Delaware	**20-0122076**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

43 West 24th Street, Suite 11B
New York, NY 10010
(Address of principal executive offices, including zip code)

(800) 825-8135
(Issuer's telephone number)

Securities registered pursuant to Section 12(B) of the Exchange Act: None
Securities registered pursuant to Section 12(G) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined Rule 405 of the Securities Act.
Yes [ ] No [x]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.
Yes [ ] No [x]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ] No [ ]

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K (Section 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

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

Large accelerated filer [ ] Accelerated filer [√] Non-accelerated filer [ ] Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act
Yes[ ] No [x]

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold on the OTC Bulletin Board on May 28, 2009 was $56,745,292.

The number of shares outstanding of the issuer's Common Stock, $0.0001 par value, on May 28, 2010 was 57,456,977.

DOCUMENTS INCORPORATED BY REFERENCE

None

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

Augme Technologies, Inc., formerly Modavox, Inc., is a technology and services leader in interactive marketing platforms that enable marketers and advertising agencies to seamlessly integrate brands, promotions, video and other digital content through the power of the Internet and mobile communications. Augme's intuitive new media marketing platforms give companies the control they need to quickly create, deploy and measure rich-media, interactive marketing campaigns across all networks and devices. Campaigns built on Augme marketing platforms condense the customer loyalty cycle by delivering personalized brand experience to customers where they work, play and live. Through its three operating divisions including mobile marketing (AD LIFE™), video content broadcasting and delivery (AD BOOM™) and ad network provisioning (AD SERVE™), Augme is connecting brands and content to consumers in a network of mobile and multimedia experiences enabling companies and their advertising agencies to increase marketing ROI and further monetize brand interactions.

Intellectual Property

Augme owns the "Method and System for Adding Function to a Webpage" portfolio of patents. The Augme patents teach technical methods/ systems enabling the dynamic customization of Web pages based upon user (Web site visitor) information (such as browser type, geographic location, behavioral data, etc.). US Patent No. 6,594,691, was issued on July 15, 2003, and is titled "Method and System for Adding Function to a Webpage." US. Patent No. 7,269,636, was issued on September 11, 2007, and is titled "Method and code module for adding function to a Web page." The '636 Patent is a continuation patent based on the '691 Patent and incorporates Claims that reflect how concepts from the '691 Patent are implemented in state-of-the-art delivery infrastructure and delivery practices seen in the marketplace today.

The Augme patents teach a two-code-module system that enables any networked content to be customized based on end-user criteria. The Augme patents thus enable a single Web page (traditional Internet and mobile Web) to have an infinite number of tailored service responses that allow Web page visitors to receive content that is customized to the user's unique computing environment, connectivity, bandwidth level, geographic location, gender, age, or any other information about the Web page visitor (targeting criteria) such as behavioral marketing data. Augme's two-code-module Web page customization process has widespread application in the fields of Targeted Advertising, E-Commerce, Mobile Marketing/Advertising and other customized content delivery operations.

Augme's patented methods and systems use Web browsers which adhere to the standards for Hypertext Transfer Protocol (HTTP) and add function to a Web page through an easily distributed software code module. The method and system deliver responses to client (computer user) browser requests that are customized based upon visitor information and preferences. When a Web page is downloaded, the technology automatically executes a first code module embedded in the Web page. The first code module issues a first command to retrieve a second code module, via a network connection, from a server system. Then, a second code module is assembled based upon the visitor information. Finally, a the assembled second code module, with a service response, is returned to the visitor's browser, where, upon execution, the response is rendered on the visitor's processor platform (computer).

Augme's patents have been cited on at least six occasions in third party filings with the U.S. Patent Office, including by Oracle, IBM, Sun Micro Systems and Hewlett Packard, in support of their own invention filings.

Augme believes that the methods and systems taught by its patents are being widely used in various Internet-based (including the mobile Web) industries and business verticals, including but not limited to "behavioral targeted advertising." Behavioral targeted advertising is the fastest-growing segment of Internet advertising, with expected growth from $575 million in 2007 to $3.8 billion in 2011. Internet advertising as a whole is expected to more than double from $21.7 billion in 2007 to $50.3 billion in 2011.

Augme is engaged in several legal disputes with companies which Augme alleges are infringing the Augme patent portfolio. Currently pending patent infringement lawsuits and related matters are described in Part I, Item 3 ("Legal Proceedings").

Augme's patents are an integral and foundational component of Augme's technology platforms and services as well as providing potential for attractive partnership opportunities with third parties who have been identified to license the technology within prescribed market verticals. As Augme works to attain legal victories in currently pending patent infringement lawsuits, it is also pursuing certain strategic licensing arrangements with companies that Augme has identified as using Augme's patented methods and processes. In addition, Augme is obtaining organic licenses through Augme's clients' use Augme's core technology Platforms – AD LIFE™ (mobile platform), AD Boom™ powered by Boombox® (video platform), and AD SERVE™ (ad-serving platform). As part of these efforts, Augme's Chief Technology Officer has prepared a study in conjunction with patent counsel detailing perceived use of the Augme patented methods and systems within the Mobile Marketing/Advertising Industry.

Augme's Portfolio Detail

METHOD AND SYSTEM FOR ADDING FUNCTION TO A WEB PAGE

Initial Patent
Patent #: 6594691
Filing Date: 10/28/1999

Continuation #1
Patent #: 7269636
Effective Date: 10/28/1999
Issue Date: 09/11/2007

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Related and Pending 6594691 Filings:

Filed: 08/17/ Divisional Filing – Positive Indication on Issuance from U.S.P.T.O.
2007
"Appliance" Patent Filed with Petition to Make Special

Filed: 09/17/ 2nd Continuation Filing – Pending
2007

With the appointment of Mark Severini as the Chief Executive Officer in April 2009 and the Company's subsequent acquisition of the assets of New Aug, LLC, our company began deploying products, services and technology within the mobile marketing marketplace. On July 14, 2009, the company completed the acquisition of one hundred percent (100%) of the business and assets of New Aug, LLC, a provider of a web-based marketing platform that provides marketers, brands and advertising agencies the ability to create, deliver, manage and track interactive marketing campaigns targeting mobile consumers through traditional print advertising channels. The results of New Aug, LLC's operations have been included in the consolidated financial statements of the Company since that date. New Aug, LLC now operates as the Division now known as AD LIFE™. The integration of a mobile marketing division has expanded the reach of the overall strategy to develop, commercialize, and monetize our technological assets within the advertising and marketing industries, complementing pre-existing online targeted advertising initiatives to bring together a comprehensive strategy that fully leverages our core technology capabilities and IP claims.

In an effort to support Augme's FY2010 business strategy, and in conjunction with the repositioning of other corporate assets earlier in FY2010, Augme disposed of certain tangible and intangible assets and certain liabilities and transferred certain obligations related to Internet Radio services. This transaction, effective December 31, 2009, transferred the business operations of our Internet Radio services to World Talk Radio, LLC ("WTR"), an Arizona based Limited Liability Company owned and operated by VoiceAmerica co-founder and ten year veteran Jeff Spenard, the former President of Internet Radio and former Board Member of the Company.

The disposition of the Internet Radio operations resulted in an immediate reduction in expenses. Furthermore, as part of the strategy to streamline operations and to create non-encumbered revenues to support growth businesses, we will receive a perpetual royalty as a percentage of gross revenue generated by WTR for as long as the new entity provides Internet radio services according to the following graded schedule:

(i) January 1, 2010 through March 31, 2010 – 5% of Gross Revenue

(ii) April 1, 2010 through June 30, 2010 – 10% of Gross Revenue

(iii) July 1, 2010 through June 30, 2015 – 15% of Gross Revenue

(iii) July 1, 2016 and after – 5% of Gross Revenue

With the disposition of the Internet Radio operations, Augme now manages three operating divisions branded under "Augme" – derived from the verb Augment: to make something greater by adding to it. The Augme branded portfolio offers products and services based upon Marketing Driven Technology Platforms that enhance the delivery of marketing communications through intelligent distribution to all Internet-enabled devices. The current (FY2010-2011) business strategy is primarily focused generating near-term revenue from AD LIFE™ and AD BOOM™. Meanwhile, AD SERVE™ has the potential to provide an incremental revenue stream for stand-alone ad provisioning, yet more importantly it represents an opportunity to serve in a complementary role to add value to the other divisions, tying together a comprehensive offering to create a one-of-a-kind suite of Marketing Driven Technologies. We believe these three divisions together with our patents essential to behavioral targeting will enable us to pioneer a new era in marketing and new media communications with Internet applications and services for targeted consumers and communities worldwide.

For a complete overview of the technology and our offerings, visit www.augme.com.

AD LIFE™ - Mobile Marketing

AD LIFE™ is our interactive platform to provide marketers, brands and advertising agencies the ability to create, deliver, manage and track interactive marketing campaigns targeting Mobile Consumers through traditional print advertising channels.

Mobile phones are a way of life. There are over 240 million cell phone subscribers in the United States out of a total population of over 300 million. Each cell phone user is a "Mobile Consumer" – exposed to an average of over 80,000 ad impressions annually that could be augmented by interactive mobile marketing messages. Meanwhile, over $150 billion is spent in the US on traditional print marketing media across six major channels: magazine, point-of-purchase, newspaper, free standing inserts ("FSI"), out-of-home, and direct mail. Packaging also has become a recognized marketing medium, as consumer packaged goods companies are increasingly leveraging the package as a means to communicate with consumers.

Despite the proliferation of sophisticated mobile devices and the enormous marketing value promised by interacting directly with mobile consumers, marketers continue to struggle to find an easy, affordable, and effective way to fully integrate mobile into existing marketing and advertising campaigns. Augme solves this "mobile marketing puzzle" through a comprehensive platform that fully integrates all the tools and technologies required for traditional print media channels to deliver digital interactive marketing content on-demand to the mobile consumer.

For clients – including major consumer brands and their advertising agencies – AD LIFE™ augments advertising media with mobile interactivity to enhance and extend communication, persuasiveness, and effectiveness of existing campaigns. For Mobile Consumers, AD LIFE™ is an engine allowing them to respond to advertising by easily connecting to on-demand content and promotions (such as coupons, product information, web links, video/music downloads) printed in advertising media they see every day.

The competitive landscape for mobile marketing applications and services has historically been highly fragmented, comprised of mostly niche providers offering specific components of the required technology and services required for the implementation of a complete mobile marketing campaign. Over the past six months, we have seen noticeable progress by our mobile marketing competitors. Venture capital and private equity financing is aggressively moving into our space, bringing significant capital to consolidate small niche players into more comprehensive competitive threats. What was for a long time a very fragmented mobile marketing industry is quickly consolidating to create new and more formidable competitors. We believe AD LIFE™ maintains a time-to-market advantage with our strategic vision, our integrated and comprehensive technology platform, and our sales strategy. We are closing contracts and delivering service to some of the largest consumer product and pharmaceutical brands, and we continue to build out our channel partner strategy with media purveyors and ad agencies across multiple industries.

AD LIFE™ enables marketers, brands, and advertising agencies to easily create, deliver, manage, and track interactive mobile marketing campaigns through a comprehensive web portal with four fully integrated and forward thinking components.

Consumer Response: Turnkey tools to create and assign Consumer Response Tags ("CRTs") that allow consumers to use their mobile phone to easily and instantly access on-demand digital content. Augme Mobile's open architecture offers the widest variety of CRTs in the market today, including SMS, 2D codes, Logo, and Audio recognition.

Content Formatting: While over 30% of Internet search is done via a mobile device, it has been estimated that only 2% of digital assets are formatted for proper viewing via a mobile device. The sophisticated device detection system in AD LIFE™ automatically renders existing digital assets for proper viewing and navigation on nearly any mobile device regardless of phone type, operating system, or mobile service provider.

Customer Relationship Management (CRM): Using data analysis gathered and processed using proprietary techniques, AD LIFE™ provides key metrics and results of client campaigns including demographic and behavioral data.

Promotional Partnerships: Access to pre-negotiated and readily available branded content to complement existing promotions. These include rebates and coupons that operate through a partnership with Inmar – the nation's leading promotions transaction settlement provider, and many additional applications and services fully integrated with leading technology and service partners.

Technical partnerships are a critical differentiator for the AD LIFE™ platform, demonstrating our vision and success in building and integrating leading edge mobile marketing solutions. In FY2010 we announced a number of unique and valuable technical integration partnerships. Our collaboration with Inmar – the nation's leading promotions transaction settlement provider – enables consumer directed rebate charity program (initially used by our client Springer Mountain Farms). We delivered the SmartSource mobile coupon program for News America Marketing, offering top national brand coupons available exclusively through the mobile phone. We also announced the successful integration and deployment of Scanbuy's mobile multi-barcode scanner application and its new ScanLife Packaging Connect barcode registration solution into the AD LIFE™ mobile marketing platform, enabling product manufacturers and packaging companies to seamlessly link existing UPC, EAN or ISBN barcodes to the AD LIFE™ platform's content creation, delivery, tracking and behavioral analytics tools, thereby providing consumers the opportunity to enhance their shopping and brand experiences.

Our advanced, comprehensive, and fully integrated AD LIFE™ mobile platform drives revenue primarily through license fees, marketing campaign fees, and fees associated with certain add-on promotional applications in the platform. Additional revenue is generated by platform administration and professional service fees related to the mobilization of client content and implementation of marketing campaigns through the platform.

As an early stage business in an emerging market, AD LIFE™ currently has a small number of clients and relatively low revenue, whereby each client is an important piece of our revenue base. However, as our client base grows throughout the current fiscal year, our revenue will naturally and quickly spread and become less dependent on any one client.

The AD LIFE™ sales strategy emphasizes indirect sales channel partnerships which continues to show progress since the acquisition of New Aug, LLC, highlighted by our ongoing working relationships with top traditional media purveyors in the US such as Graphic Packaging International, Shorewood Packaging (International Paper), News Corp's News America Marketing (a division of News Corp), Verifone (formerly Clear Channel). These larger, more established firms create immediate credibility and build brand awareness and lead generation for Augme through their strong existing client relationships. Augme has also expanded the scope of the indirect sales channel to include advertising agencies of all sizes, leveraging the scalability of the AD LIFE™ platform and expanding the reach of our sales efforts by enabling

these agencies to immediately offer a mobile component to their existing client base. The indirect sales channel strategy allows Augme to keep sales costs lower while greatly expanding the reach of our overall sales efforts by leveraging the sales agents of our partners.

AD LIFE™ continues to validate its growth plan of becoming the premier mobile marketing provider for the worlds largest consumer product companies and their marketing agencies. By integrating the AD LIFE™ platform within the marketing technology function of these formidable clients, we anticipate annuitized growth as the platform is utilized across multiple brands under a single master contract. We have historically referred to the initial sales engagements with these clients as "proof of concept" – whereby we serve to augment existing marketing initiatives around a single brand in their portfolio. Our strategy has been to demonstrate our ability to seamlessly and effectively add and execute a mobile component to a marketing campaign of that single brand, enabling us to win incremental business with additional brands under an existing master service agreement with the multi-brand client. We generate revenue from the single-brand proof-of-concept execution, but more importantly we earn credibility and trust company-wide to win business with brands across the client's portfolio. This strategy continues to progress, as we were recently awarded an incremental sales opportunity from an existing customer – one of the largest consumer product companies in the US – to expand our relationship to include additional brands in their portfolio.

In addition to targeting consumer product brands, the AD LIFE™ platform has tremendous potential within specific vertical markets. In order to most effectively address one of the most active mobile marketing segments, we created Augme Mobile Health, which is the AD LIFE™ platform modified for the unique needs of the health care and pharmaceutical industry. This HIPAA-compliant mobile interactive technology offering enables marketers of prescription-drugs and their agencies to communicate with patients, health care providers, and consumers instantly through mobile phones, capturing them at point-of-prescription or point-of-purchase.

AD BOOM™ - Video Content Delivery, Featuring BoomBox® Technology

AD BOOM™ – the Division created around our pre-existing and market-proven BoomBox® technology – is an intelligent Broadcast as a Service (BaaS) platform, now newly packaged and designed specifically for marketers and content owners, designed for marketers and clients who want to sell, promote, extend and enhance their content through a viral Internet distribution model. AD BOOM™ features the BoomBox® Video suite of applications and services to deliver content straight to desktops and Internet-enabled devices, and provides managed access for live and on-demand Internet broadcasting, e-learning and rich media advertising.

We believe the market for the monetization of video content delivery is ready to increase significantly, as all major media companies and content owners of all sizes face increased pressure to monetize their video content to survive. We further believe there is a large underserved market opportunity within the Internet PPV and we are establishing a leadership role in the space and applying exclusive patented targeting technology as barrier to competitors.

In recent months, the AD BOOM™ team has completed the necessary technological development, competitive analysis, platform specific business plan, and go-to-market strategy to successfully compete in the market. AD BOOM™ will be launching an updated, dedicated website and multimedia marketing initiative in Q2FY2011. The company believes AD BOOM™ is now poised with a highly competitive product offering to make an unabashed financial contribution through customer acquisition and revenue production, contributing to top-line revenues and bottom-line profit by the end of this fiscal year.

AD BOOM™ is a patented, secure video platform ideal for broadcasting both live and on-demand video content across any computing platform or mobile device. Our customers have full access to user-friendly BoomBox® Software as a Service (SaaS) admin portal, where they have the ability to fully customize their video player's look, feel, social syndication functions, geo restrictions, SEO metadata and much more. Unlike most Video Platforms today, the BoomBox® also offers full web-page publishing tools; which means, if you do not have any existing web presence but have video you wish to share with the world, we can help you create a fully contextual web experience. Conversely, if you do have a preexisting web experience, we provide you with a variety of widget templates to choose from so that your BoomBox® video player fits perfectly into your existing environment.

We provide easy-to-use templates and tools for anyone to become a video broadcaster. Since our platform offering is SaaS our customers can manage their player/ page look and feel, content & distribution from any computer with web access, which relieves the burden of purchasing and hosting proprietary software, meaning the BoomBox® platform is incredibly convenient and saves our clients' time, money & precious space on their hard drives. We are equipped to accommodate virtually any video format; HTML, Flash, Microsoft Silverlight and coming soon, HTML5 which is the new, preferred format for iPhone & iPad.

Along with our end-to-end platform and broadcast capability comes unique monetization offerings. For clients who wish to execute a full web-page broadcasting experience, our templates come with a variety of combinations of banner inventory (IAB standard 728x90, 300x250, 160x600 and more). Available in full-page and widget applications are in-player logo integration options, in-player pre, mid & post-roll and sponsor watermarks.

On top of all of this, we understand that not all video is created equal and there may be times where premium content needs to be gated and charged for. As a solution, we offer our BoomBox Box Office that allows publishers to charge users a pay-per-view or subscription fees for access to content. Customers can leverage our in-house shopping cart to capture revenue or we can hook our Box Office up to an alternative source for revenue collection. The BoomBox® platform offers real-time analytics so our customers can see exactly who is watching, where they are, and how long they have tuned in.

The BoomBox® video platform, which has been built over 10 years, leverages the support of two US patents which outline our company's ownership of the solution which identifies devices, bandwidth, bit rate, browser, geography, and any other predetermined parameter, allowing us the ability to deliver fully formatted and customized content based on end user criteria. This means that your video content will render perfectly across any device, including mobile**.**

The Online Video Platform market is rapidly evolving, with many emerging applications and utilizations of Internet video still in their infancy and large underserved markets in the space of events and venues, franchise operations, and corporate communications (HR, IR, PR). Some competitors have established greater name recognition and resources than Augme has established do and will continue to undertake more extensive marketing campaigns. Largely, Augme has and may continue to be out invested in the area, technologically as well as advertising and promotion. In addition, these competitors may adopt more aggressive pricing policies than we do. However, Augme has distinct advantages over many of our current and potential competitors particularly in the emerging applications described above. Moreover, many competitors may infringe upon the Augme IP and are accumulating damages that Augme is focused on collecting over the long term. In essence the larger our competitors get so too do the damages and royalties owed to Augme. The most comparable and recognized players include Brightcove, Episodic, Ooyala, LiveStream, Kit Digital, and Monetize Media. Our BoomBox® player is technologically on par with each of the players mentioned above, which is an impressive realization given that many of our competitors have received far more significant outside funding and venture capital to develop their technology. Furthermore, we have identified three key development marketing and product packaging initiatives which will soon be underway, to further enhance the BoomBox® platform to add the edge we need to continue to compete successfully in the emerging areas in this space. Our advancements will be incorporated and deployed by the end of Q2FY2011.

AD BOOM™ has complete International Pay-Per-View for NBC Universal Artists and professional sports operations that have proven out a model that is now being aggressively marketed to customers in three primary verticals. Owners and operators of Events and Venues, Franchise Operations and Multi Unit Operators, and Internet/Mobile Publishers are focal point of the current marketing initiative. BoomBox® continues to be used to power NBC, CBS, ABC, and FOX affiliates, delivering Internet broadcasts of network feeds from satellite remotes, high school sports stadiums, extreme weather alerts, and field reports to website visitors, often during hours outside the normal television broadcasting schedule. Augme has also developed interactive broadcasting platforms for clients including Bank of America (Merrill Lynch), and continues to build on enterprise configurations of the software that have been developed for Advanced Equities Corporation, Sudler & Hennessey, NAACP, Arizona State University, University of Arizona, Georgetown University, State of Arizona, State of New Mexico, The Arizona Republic, The Detroit Free Press, Village Voice and the New York Times.

Roughly $4,000 in passive revenue is captured each month from licensing, hosting and transfer fees of existing legacy deals. Leveraging the latest version of the AD BOOM™ platform scheduled for release in Q2FY2011, our residual passive revenue stream will increase with new sales as well as upselling to our existing client base interested in added features and functionality. Current clients include: West Virgina Media Holdings, DeMartini Seminars, Bank of America, XA The Experiential Agency, and Broadcast Media Incorporated (BMI) amongst others.

A recent client for AD BOOM™ is Comfort Zone Yoga Center for Whole Self Healing. Augme is building fully custom video network and web experience, utilizing our Box Office feature to monetize training videos via monthly subscription, live pay-per-view & on-demand pay-per-view options. This recently executed contract is a template for going forward AD BOOM™ engagements, generating revenue for production and delivery of content (pay-per-view and on-demand), plus residual passive per month licensing, hosting & transfer fees.

The AD BOOM™ division does not rely on a few major customers, but rather generates smaller, recurring revenue streams across multiple clients.

AD SERVE™ - Ad Network Provisioning

AD SERVE™ (formerly Stream Syndicate) is a digital advertising delivery platform that serves rich media and marketing communications to targeted destinations in a compatible, measurable and cost-effective manner. While ad serving is a highly competitive and crowded market, we believe the value of effectively competing is evidenced by the recent acquisitions in this space. In the current strategic plan, AD SERVE™ complements the AD LIFE™ and AD BOOM™ platforms for a complete suite of marketing driven technology products and services, and AD SERVE™ represents an opportunity to directly apply some of the most valuable claims of our intellectual property.

During 2009, the stand alone advertising platform AD SERVE™ (formerly the Stream Syndicate) was enhanced through further adoption within our client accounts, Gannett, Village Voice, West Virginia Media, South Dakota News Network, and ABC Disney's Toledo affiliate. It was also utilized by KFC in a national targeted advertising campaign for our customer Lion New Media. These deployments demonstrate the value of the platform – including targeting and reporting – and will help support core technology blueprints for future product development. More importantly for the current business strategy, the presence of these offers represent valuable complementary features and functionality to AD LIFE and AD BOOM clients, thus creating the opportunity for additional revenue with mobile marketing and video content delivery clients outside the core offers of those two divisions.

Technology Development and Delivery Infrastructure

One area that will play a large role in the success of our business is the effective monetization of Augme's Intellectual property through the development and deployment of our Marketing Driven Technology Platforms, which includes our own proprietary technology development. The company owns mobile (AD LIFE™), video content delivery (AD BOOM™), and ad network provisioning (AD SERVE™) platform technologies. For all three, we have established application throughout FY2010 with foundational customers in key market verticals. We have and continue to invest in new versions of our software platforms with a companywide focus on the mobile AD LIFE™ and audio video AD BOOM™. Our technology continues to be proven in a diverse group of Internet applications all of which we believe have direct utility for use by clients for marketing and advertising purposes across highly scalable industry verticals. We believe that available resources are adequate to meet our current FY2011 development needs, and/or that any additional development resources that may be necessary can be easily obtained by hiring additional employees or by outsourcing either domestically or on a foreign basis through our overall development infrastructure currently in place. Many customer projects fund improvements to the core technologies.

Interactive content, applications, and services are delivered and maintained over the Internet through a series of specialized computer servers maintained for that purpose ("Hosting Services"). Hosting Services are provided by us through hosting agreements with Limelight Networks, Inc. ("Limelight"), and RackSpace Hosting ("RackSpace). We purchase storage, hosting, and bandwidth transfer from these companies based upon the different needs of the content that is being delivered to the Internet. These relationships with Limelight, and RackSpace provide a scalable, up-to-date hosting infrastructure and a secure network of dedicated media servers that allow our customers' content to reach end users. The agreement with Limelight is a 12-month agreement, ending in May 2011. The Agreement with RackSpace is done on a device-by-device basis with varying contract lengths (generally 12 months). We are billed each month by Limelight based upon our usage and our monthly commitment. Any disruption of service with Limelight or Rackspace would adversely affect our business.

Employees

As of May 24, 2009 Augme employs 20 associates, including executive management, sales (including channel management), client services, technology development and IT infrastructure management, technical administration and implementation, and reception. We outsource some of our core technology development, which is currently under a 12-month contract with our vendor. We have no labor union contracts and believe relations with our employees are satisfactory.

Available Information

You can find more information about us at our Internet web site at (http:// www.augme.com). Our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, and our current reports on Form 8-K are available from the Securities and Exchange Commission EDGAR web site at (http://www.sec.gov). All of these reports are available free of charge on our internet website as soon as reasonably practicable after we file such material electronically with the SEC.

Forward Looking Statements

This Annual Report on Form 10-K and the documents incorporated herein by reference contain forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations, estimates and projections about our industry, management's beliefs, and certain assumptions made by management. Words such as "anticipate," "expect," "intend" "plans," "believe," "seek," "estimate" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and actual actions or results may differ materially. These statements are subject to certain risks, uncertainties and assumptions that are difficult to predict, including those noted in the documents incorporated herein by reference. Particular attention should also be paid to the cautionary language appearing elsewhere in this report. We undertake no obligation to update publicly any forward-looking statements as a result of new information, future events or otherwise, unless required by law. Readers should, however, carefully review the risk factors included in other reports or documents we file from time to time with the Securities and Exchange Commission, particularly the Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K.

ITEM 1A. RISK FACTORS

Our business is subject to numerous risks. We caution you that the following important factors, among others, could cause our actual results to differ materially from those expressed in forward-looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors and oral statements. Any or all of our forward-looking statements in this Annual Report on Form 10-K and in any other public statements we make may turn out to be wrong. They can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. Many factors mentioned in the discussion below will be important in determining future results. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially from those anticipated in forward-looking statements. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosure we make in our reports filed with the SEC.

We cannot assure you that we will be able to develop the infrastructure necessary to achieve the potential sales growth.

Achieving revenue growth will require that we develop additional infrastructure in sales, technical and client support functions. We cannot assure you that we can develop this infrastructure or will have the capital to do so. We will continue to design plans to establish growth, adding sales and sales support resources as capital permits. but at this time these plans are untested. If we are unable to use any of our current marketing initiatives or the cost of such initiatives were to significantly increase or such initiatives or our efforts to satisfy our existing clients are not successful, we may not be able to attract new clients or retain existing clients on a cost-effective basis and, as a result, our revenue and results of operations would be affected adversely.

We have a short operating history and a new business model in an emerging and rapidly evolving market. This makes it difficult to evaluate our future prospects and increases the risk of your investment.

We have very little operating history for you to evaluate in assessing our future prospects. You must consider our business and prospects in light of the risks and difficulties we will encounter as an early-stage company in a new and rapidly evolving market. We may not be able to successfully address these risks and difficulties, which could materially harm our business and operating results. In addition, we have limited experience operating our business during an economic downturn. Accordingly, we do not know if our current business model will continue to operate effectively during the current economic downturn. Furthermore, we are unable to predict the likely duration and severity of the adverse economic conditions in the U.S. and other countries, but the longer the duration the greater risks we face in operating our business. There can be no assurance, therefore, that current economic conditions or worsening economic conditions, or a prolonged or recurring recession, will not have a significant adverse impact on our operating and financial results.

The markets that we are targeting for revenue opportunities may change before we can access them.

The markets for traditional Internet and mobile Web products and services that we are targeting for revenue opportunities are changing rapidly and are being pursued by many other companies, and the barriers to entry are relatively low. We cannot provide assurance that we will be able to realize these revenue opportunities before they change or before other companies dominate the market. With the introduction of new technologies and the influx of new entrants to the market, we expect competition to persist and intensify in the future, which could harm our ability to increase sales, limit client attrition and maintain our prices.

We may need additional capital to fund our operations.

We believe that we may require additional capital to fund the anticipated expansion of our business and to pursue targeted revenue opportunities. We cannot assure you that we will be able to raise additional capital. If we are able to raise additional capital, we do not know what the terms of any such capital raising would be. In addition, any future sale of our equity securities would dilute the ownership and control of your shares and could be at prices substantially below prices at which our shares currently trade. Our inability to raise capital could require us to significantly curtail or terminate our operations.

We face significant competition from large and small companies offering products and services related to mobile marketing technologies and services, targeted advertising delivery and the delivery of Web-based video.

Our current and potential competitors may have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their products. Our current and potential competitors may have more extensive client bases and broader client relationships than we have. In addition, these companies may have longer operating histories and greater name recognition. These competitors may be better able to respond quickly to new technologies and to undertake more extensive marketing campaigns. If we are unable to compete with such companies, the demand for our products could substantially decline.

If we fail to promote and maintain our brand in a cost-effective manner, we may lose (or fail to gain) market share and our revenue may decrease.

We believe that developing and maintaining awareness of the Augme brand in a cost-effective manner is critical to our goal of achieving widespread acceptance of our existing and future technologies and services and attracting new clients. Furthermore, we believe that the importance of brand recognition will increase as competition in our industry increases. Successful promotion of our brand will depend largely on the effectiveness of our marketing efforts and the effectiveness and affordability of our products and services for our target client demographic. Historically, efforts to build brand recognition have involved significant expense, and it is likely that our future marketing efforts will require us to incur significant expenses. Such brand promotion activities may not yield increased revenue and, even if they do, any revenue increases may not offset the expenses we incur to promote our brand. If we fail to successfully promote and maintain our brand, or if we incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may lose our existing clients to our competitors or be unable to attract new clients, which would cause our revenue to decrease.

If we do not continue to innovate and provide products and services that are useful to users, we may not remain competitive, and our revenues and operating results could suffer.

Our success depends on providing products and services that client's use to promote their brands and products via mobile Web, Web-based video or other Web-based advertising. Our competitors are constantly developing innovations in customized communications, including technologies and services related to mobile marketing, targeted ad delivery and Web-based video delivery. As a result, we must continue to invest significant resources in research and development in order to enhance our existing products and services and introduce new high-quality products and services that people will use. We are unable to develop code in house and we rely on outsourced and overseas development teams. If we are unable to predict user preferences or industry changes, if we are unable to manage our projects or product enhancements, or if we are unable to modify our products and services on a timely basis, we may lose users, clients and advertisers. Our operating results would also suffer if our innovations are not responsive to the needs of our users, clients and advertisers, are not appropriately timed with market opportunity or are not effectively brought to market.

The success of our business depends on the continued growth and acceptance of mobile marketing/advertising and Web-based video delivery as a communications tool, and the related expansion and reliability of the Internet infrastructure. If consumers do not continue to use the mobile Web and Web-based video delivery, or alternative communications tools gain popularity, demand for our marketing and advertising technologies and services may decline.

The future success of our business depends on the continued and widespread adoption of mobile marketing and Web-based video delivery as a significant means of advertising and marketing communication. Security problems such as "viruses," "worms" and other malicious programs or reliability issues arising from outages and damage to the Internet infrastructure could create the perception that mobile or Web-based marketing/advertising is not a safe and reliable means of communication, which would discourage businesses and consumers from using such methods. Any decrease in the use of mobile devices or Web-based video resources would reduce demand for our marketing technologies and services and harm our business.

If we fail to manage our anticipated growth, our business and operating results could be harmed.

If we do not effectively manage our anticipated growth, the quality of our products and services could suffer, which could negatively affect our brand and operating results. To effectively manage our potential growth, we will need to improve our operational, financial and management controls and our reporting systems and procedures. These systems enhancements and improvements may require significant capital expenditures and allocation of valuable management resources. If the improvements are not implemented successfully, our ability to manage our growth will be impaired and we may have to make significant additional expenditures to address these issues, which could harm our financial position.

Our relationships with our channel partners may be terminated or may not continue to be beneficial in generating new clients, which could adversely affect our ability to increase our client base.

We maintain a network of active channel partners which refer clients to us within different business verticals. If we are unable to maintain our contractual relationships with existing channel partners or establish new contractual relationships with potential channel partners, we may experience delays and increased costs in adding clients, which could have a material adverse effect on us. The number of clients we are able to add through these marketing relationships is dependent on the marketing efforts of our partners over which we exercise very little control.

Competition for employees in our industry is intense, and we may not be able to attract and retain the highly skilled employees whom we need to support our business.

Competition for highly skilled technical and marketing personnel is intense and we continue to face difficulty identifying and hiring qualified personnel in certain areas of our business. We may not be able to hire and retain such personnel at compensation levels consistent with our existing compensation and salary structure. Many of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive terms of employment. In particular, candidates making employment decisions, particularly in high-technology industries, often consider the value of any equity they may receive in connection with their employment. As a result, any significant volatility in the price of our stock may adversely affect our ability to attract or retain highly skilled technical and marketing personnel.

In addition, we invest significant time and expense in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training their replacements and the quality of our services and our ability to serve our clients could diminish, resulting in a material adverse effect on our business.

If we fail to retain our key personnel, we may not be able to achieve our anticipated level of growth and our business could suffer.

Our future depends, in part, on our ability to attract and retain key personnel. Our future also depends on the continued contributions of our executive officers and other key technical and marketing personnel, each of whom would be difficult to replace. The loss of the services of executive officers or key personnel and the process to replace any of our key personnel would involve significant time and expense, may take longer than anticipated and may significantly delay or prevent the achievement of our business objectives.

Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products, services and brand.

Our patents, trademarks, trade secrets, copyrights and all of our other intellectual property rights are important assets for us. There are events that are outside of our control that pose a threat to our intellectual property rights. For example, effective intellectual property protection may not be available in every country in which our products and services are distributed or made available through the internet. Also, the efforts we have taken to protect our proprietary rights may not be sufficient or effective, and we may not prevail in legal proceedings to prosecute alleged patent infringement or intellectual property misappropriation. Any significant impairment of our intellectual property rights, including any adverse ruling or delay in our pending patent or trademark litigation, could harm our business or our ability to compete. Also, protecting our intellectual property rights, including prosecution of patent infringement lawsuits, is costly and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and harm our operating results.

We also seek to maintain certain intellectual property as trade secrets. The secrecy could be compromised by third parties, or intentionally or accidentally by our employees, which would cause us to lose the competitive advantage resulting from these trade secrets.

We may in the future be subject to intellectual property rights claims, which are costly to defend, could require us to pay damages and could limit our ability to use certain technologies in the future.

Companies in the internet, technology and media industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. As we face increasing competition, the possibility of intellectual property rights claims against us grows. Our technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time-consuming, expensive to litigate or settle and could divert management resources and attention.

With respect to any intellectual property rights claim, we may have to pay damages or stop using technology found to be in violation of a third party's rights. We may have to seek a license for the technology, which may not be available on reasonable terms and may significantly increase our operating expenses. We have not fully reviewed and assessed the potential intellectual claims centered on our latest asset purchases, mergers, or acquisitions to evaluate any technology licenses required. The technology also may not be available for license to us at all. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If we cannot license or develop technology for the infringing aspects of our business, we may be forced to limit our product and service offerings and may be unable to compete effectively. Any of these results could harm our brand and operating results.

Our ability to offer our products and services may be affected by a variety of U.S. and foreign laws.

The laws relating to the liability of providers of online services for activities of their users are currently unsettled both within the U.S. and abroad. Future regulations could affect our ability to provide current or future programming.

We have a limited operating history, have incurred net losses in the past and expect to incur net losses in the future.

We have a limited operating history and have not recorded a profit on an annual basis. As a result of this, and the uncertainty of the market in which we operate, we cannot reliably forecast our future results of operations. We expect to increase our operating expenses in the future as a result of developing, refining and implementing a sales strategy.

We have incurred net losses in the past and we expect to incur net losses in the future. As of February 28, 2010, our accumulated deficit was $27,474,568. Our recent net losses were $8.4 million for the year ended February 28, 2010, $5.3 million for the year ended February 28, 2009 and $3.3 million for the year ended February 29, 2008. There is no guarantee we will be profitable in the future. In addition, we expect our operating expenses to increase in the future as we expand our operations. If our operating expenses exceed our expectations, our financial performance could be adversely affected. If our revenue does not grow to offset these increased expenses, we may not be profitable in any future period. Our recent revenue growth may not be indicative of our future performance. In future periods, we may not have any revenue growth, or our revenue could decline.

We are incurring significant costs as a result of operating as a public company, and our management has been, and will continue to be, required to devote substantial time to compliance initiatives.

The Sarbanes-Oxley Act of 2002, and rules subsequently implemented by the SEC require, among other things, that we maintain effective internal control over financial reporting and disclosure controls and procedures. We expect to continue to incur such expenses and expend such time in the future. In addition, we will continue to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. If in the future we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock would likely decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources.

Problems with third party hosting companies could harm us.

We rely on third-party hosting companies. Any disruption in the network access or co-location services provided by these third-party providers or any failure of these third-party providers to handle current or higher volumes of use could significantly harm our business.

Our business depends on the growth and maintenance of the Internet infrastructure.

Our success will depend on the continued growth and maintenance of the internet infrastructure. This includes maintenance of a reliable network backbone with the necessary speed, data capacity and security for providing reliable internet services. Internet infrastructure may be unable to support the demands placed on it if the number of internet users continues to increase or if existing or future internet users access the internet more often or increase their bandwidth requirements. In addition, viruses, worms and similar programs may harm the performance of the internet. The internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure, and it

could face outages and delays in the future. These outages and delays could reduce the level of Internet usage as well as our ability to provide our solutions.

Our operating results may fluctuate.

Our operating results may fluctuate as a result of a number of factors, many of which are outside of our control. The following factors may affect our operating results:

- Our ability to compete effectively.
- Our ability to continue to attract clients.
- Our ability to attract revenue from advertisers and sponsors.
- The amount and timing of operating costs and capital expenditures related to the maintenance and expansion of our business, operations and infrastructure.
- General economic conditions and those economic conditions specific to the internet and internet advertising.
- Our ability to keep our web sites operational at a reasonable cost and without service interruptions.
- The success of our product expansion.
- Our ability to attract, motivate and retain top-quality employees.

Our stock price is volatile, and you may not be able to resell your shares at or above the price you paid.

The trading price of our common stock is highly volatile and subject to wide fluctuations in price in response to various factors, some of which are beyond our control. These factors include:

- Quarterly variations in our results of operations.
  Changes in estimates of our financial results
  Investors' general perception of us
- Disruption to our operations.
- The emergence of new sales channels in which we are unable to compete effectively.
- Commencement of, or our involvement in, litigation.
- Any major change in our board or management.
- Changes in governmental regulations or in the status of our regulatory approvals.

In addition, the stock market in general, and the market for technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our actual operating performance.

Since there is limited trading volume in our common stock, there is a high degree of volatility in our stock price and you may not be able to resell any of the shares you purchase or may have to sell your shares at a substantially reduced price.

Our common stock trades on the OTC Bulletin Board Trading System. The Bulletin Board tends to be highly illiquid, in part because there is no national quotation system by which potential investors can track the market price of shares except through information received or generated by a limited number of broker-dealers that make a market in particular stocks. There is a greater chance of market volatility for securities that trade on the Bulletin Board as opposed to a national exchange or quotation system. The trading volume in our stock is very limited, which causes high price volatility. In addition, because of the limited volume of trading, the last quoted sales price may not represent a price at which you could sell a significant number of shares, and any sustained selling of shares may dramatically reduce the price of the shares. As a result, you may not be able to resell your shares at a favorable price, or at all.

ITEM 2. DESCRIPTION OF PROPERTY

Our headquarters is located in New York City, were we lease approximately 3,000 square feet of space for administrative, sales and client services personnel under a lease that expires in January 2012. Additionally, we lease approximately 1,450 square feet of office space in Tucson, Arizona for sales and technical personnel expiring in 2011. Management believes that these facilities are adequate for current operations. In December 2008, we consolidated our Las Vegas and San Diego offices to allow for better communication and our revenue growth strategies. Our lease in Las Vegas was month to month and we provided a buyout for the San Diego offices equal to the remaining terms of the lease with a clause which allows for remuneration if the space is sublease to another party during the term. We issued 300,000 shares of Augme Common Stock to the landlord in connection with the buyout. The total cash buyout is consistent with the amount owed on the lease through the term. The fair value of the 300,000 shares was $552,000 and was recorded as a lease termination expense at February 28, 2009.

ITEM 3. LEGAL PROCEEDINGS

Tacoda, Inc., AOL, Inc. & Platform A, Inc.

In 2007, Augme, formerly Modavox, filed a lawsuit against Tacoda, Inc. in the U.S. District Court, Southern District of New York, alleging infringement of Augme-owned U.S. Patent Nos. 6,594,691 (“Method and System for Adding Function to a Web Page”) and 7,269,636 (“Method and Code Module for Adding Function to a Web Page”). Augme’s claims against Tacoda allege that Tacoda’s ad-targeting system/ service directly infringes the Augme patents. Augme has identified the technical components of Tacoda’s/AOL’s ad-targeting technology/ systems and believes that such systems misappropriate the methods and systems described in Augme’s aforementioned patents. Tacoda was acquired by AOL, Inc. in September, 2007, for $275 million.

On May 16, 2008, Augme, formerly Modavox, issued a Cease and Desist letter to the AOL, LLC President and Chief Operating Officer. We advised of the possible expansion of our current action against Tacoda to include AOL, LLC if they intended to utilize the Tacoda Advertising process throughout the AOL, LLC “Platform A” as described in then recent publications and news releases. We informed AOL, LLC that a non-exclusive license to the patents-in-suit is available; however, in the absence of a license AOL, LLC’s published intention to make the Tacoda solution available across the Platform-A Network would in fact infringe upon well identified patents.

On May 23, 2008, Augme, formerly Modavox, issued a Cease and Desist letter to AOL, LLC related to its Trademark Registration No. 2,397,385 for the word-mark BOOMBOX® RADIO in connection with "entertainment services featuring music, news, talk shows, video and computer games, movies, and television shows, provided via a global computer network." The use of BOOMBOX by AOL for entertainment services is believed by management to be an infringement of its rights in the BOOMBOX® RADIO mark for confusingly similar services. Management maintains that AOL's use of the near identical mark causes confusion or deceives the public into thinking AOL's services originate or are somehow related to Augme's services, or have the sponsorship or approval of Augme. The remedies available include an injunction or court order prohibiting use of the mark, an award of profits from use of the mark, monetary damages sustained by Augme, or a reasonable royalty for past use as well as seizure, impoundment and destruction of any infringing forms, documents, signage, literature, and material bearing the mark, and costs of the action.

On September 10, 2008, Augme, formerly Modavox, filed a complaint against AOL, LLC at the U.S. District Court, Central District of California, for infringement of our trademark BOOMBOX® RADIO. On January 21, 2009, we filed a First Amended Complaint against AOL, LLC, Time Warner, Inc. and Platform-A, Inc., for trademark infringement relating to our word-mark BOOMBOX® RADIO and infringement of our U.S. Patent Nos. 6,594,691 and 7,269,636. Per court order dated April 14, 2009, the case was transferred to the U.S. District Court, Southern District of New York, where our complaint against Tacoda, Inc. for infringement of our U.S. Patent Nos. 6,594,691 and 7,269,636 is pending. As of June 1, 2010, the AOL action remains unresolved as does the action against Tacoda. The Parties' previously scheduled Mediation with respect to the BOOMBOX® Trademark matter has been continued for what is expected to be a few weeks pending production of certain discovery related to damages.

Recent developments in the Tacoda/AOL patent infringement cases are cited below:

Motion for Sanctions for Spoliation of Evidence and Evasive Disclosure Practices

On April 22, 2010, Augme filed a "Motion for Sanctions for Spoliation of Evidence and Evasive Disclosure Practices." The Motion describes alleged non-preservation activities and omissions of Tacoda which resulted in the loss and/or willful destruction or alteration of evidence, as well as evasive actions taken by Tacoda during discovery. A redacted version of the Motion is available as part of the public court record. In the Motion, Augme describes the correlation between the Claims of the Augme patents and the operation of the Tacoda/AOL ad-targeting technology.

The Motion is an updated version of the motion filed by Augme on October 28, 2009, which was taken off the Court's calendar by Augme (with leave to re-file) following a purported remedial supplemental source code production to be made by Tacoda in response to Augme's motion and the Court's request for clarification of some of the technology. As Augme's renewed Motion states, Tacoda's eleventh-hour production did not cure the alleged material discovery failures highlighted in Augme's original motion, and in fact Augme's technical experts have uncovered what they believe are additional instances of evidence spoliation since Augme's original motion was taken off the Court's calendar.

In addition to the relief it seeks, the Motion shows the comprehensive measures undertaken by Augme's legal team and expert witnesses since Augme's First Request for the Production of Documents in June, 2008, to identify key technical processes within Tacoda's systems, and to obtain access to the critical source code and related files which prove how those systems operate. As described in the Motion, Augme contends that Tacoda's processes map the steps taught by one or more of the Claims of Augme's '691 and '636 patents, and it is Augme's belief that Tacoda's efforts in discovery have sought to deny Augme the opportunity to prove this with direct evidence.

The Motion, which was filed partially under seal pursuant to a previously issued Protective Order, identifies software source code and other significant materials that Augme contends were lost, destroyed, not preserved, or withheld in violation of applicable legal authorities. The Motion further contends that Tacoda had an obligation to preserve this evidence regarding its source code and related materials and that Tacoda should have known that destruction of such source code and related materials would materially increase the effort to Augme to fully and fairly prepare its infringement claims for trial.

The Motion seeks remedial and punitive evidentiary sanctions. Such sanctions include judicial findings and factual stipulations related to Tacoda's Internet software and hardware for the period in question, which include, among others, that: (i) designated facts regarding how Tacoda's systems infringe upon Augme's Patents, be taken as established for the purpose of this case; and (ii) in its defense, Tacoda is precluded from asserting it has not infringed the Augme Patents in reliance upon source code or related data it has failed to produce as of the date of filing this Motion. The sanctions sought also include specific jury instructions, such as: (i) Tacoda destroyed relevant versions of its Source Code and related materials that existed when the Complaint was first filed by Augme in August 2007, (ii) this evidence was relevant to Augme's case and its ability to directly prove infringement, and (iii) these facts can support an inference that the evidence would have been unfavorable to Tacoda. The Motion also seeks attorney fees and costs.
As of June 1, 2010, the Motion is being briefed by the Parties and no hearing date has been set.

Motion for Leave to File Second Amended Complaint Joining Claims Against AOL Based Upon Fraud and Inequitable Conduct

On Friday, May 14, 2010, Augme filed a "Motion for Leave to File Second Amended Complaint Joining Claims Against AOL Based Upon Fraud and Inequitable Conduct" related to its pending patent infringement action against Tacoda, Inc.

Augme's May 14, 2010, Motion alleges that, based upon new evidence discovered by Augme, it would unfairly prejudice Augme to continue litigation solely against Tacoda, given that Tacoda is no longer operating as a separate entity and that AOL, as a matter of law, is responsible for Tacoda's liabilities in this matter. Among other things, Augme's Motion specifically alleges that Tacoda is currently a mere "shell" company with no apparent assets to satisfy a judgment against it. Further, Augme alleges that, based upon recently discovered evidence, AOL has been dominating and controlling Tacoda during almost the entire period this action has been pending, with Tacoda operating as a "division" within AOL, and that as a result AOL has become the alter ego of Tacoda and thus should be directly liable for Tacoda's alleged patent infringement.

Augme's Motion seeks to add AOL as an additional defendant in the Tacoda action and to hold AOL liable for Tacoda's infringement of Augme's patents before and during the time that Tacoda was under AOL's control. Permitting Augme to amend its Complaint against Tacoda to include AOL as an additional defendant will avoid any possible fraud or inequity upon Augme in its pursuit of remedies against Tacoda for alleged infringement of Augme's patents.

As of June 1, 2010, the Motion is still pending.

To date, Augme's patent infringement claims in the AOL case have been "stayed" (suspended) pending resolution of the Tacoda action.

Yahoo, Inc.

On April 28, 2009, we issued a Cease and Desist letter to Yahoo, Inc. related to our U.S. Patent Nos. 6,594,691 and 7,269,636. Up to the past year, Yahoo had been deploying Blue Lithium's technology which involved targeting for internet marketers and Web site publishers by delivery of ads based upon behavioral, contextual and demographic visitor parameters and preferences. Subsequently, our attorneys and experts found that Yahoo! had transitioned to what is believed to be a similar technology. This technology results in customized content delivery accomplished in a manner which Augme believes still falls within the scope of one or more claims of each of the '691 and '636 patents. Accordingly, Augme has concluded that Yahoo and previously its Blue Lithium division have been and are infringing one or more claims of both the '691 and the '636 patents. The remedies available to us include an injunction prohibiting any infringing actions, an award of damages adequate to compensate us for the infringement, and costs of the action.

On November 16, 2009, after extensive investigation and due diligence, Augme, formerly Modavox, filed a Complaint against Yahoo! Inc. for patent infringement, which matter is currently pending in the United States District Court for the Northern District of California, Case No. C-09-5386 JCS. Augme's Complaint specifically asserts that Yahoo! has operated a business for profit that uses Augme's technology claimed and described in the '691 and '636 patents without having sought or received Augme's authorization to use its patented technology. The remedies available to us, if successful, include an injunction prohibiting any infringing actions, an award of damages adequate to compensate us for the infringement, and costs of the action.

Augme's Complaint alleges that it has suffered irreparable harm as a result of the alleged infringement and thus seeks preliminary and permanent injunctions against Yahoo! to prevent Yahoo! from making, using, selling and offering for sale any products or services which infringe the '691 or '636 patents, or otherwise inducing or contributing to the alleged infringement. Augme's Complaint also seeks monetary damages in an amount to be determined at trial, but in no event less than a reasonable royalty, to compensate Augme for Yahoo!'s alleged infringement, as well as a finding that Yahoo!'s infringement was willful and deliberate, which finding could entitle Augme to up to three-times actual damages. The Complaint also seeks attorneys' fees and Court costs, as well as any other remedies that the Court deems equitable and just.

Presently, the parties stipulated to and have been ordered to participate in a Settlement Conference before Magistrate Judge Elizabeth D. Laporte before the end of July and the parties intend to continue settlement discussions before a private mediator if the matter is not thereby resolved.

Other Litigation

On December 29, 2009, two holders of Company Common Stock Purchase Warrant Agreements filed a lawsuit against the Company in the United States District Court for the Central District of California. The Complaint alleges Breach of Contract, Contractual Breach of the Implied Covenant of Good Faith and Fair Dealing, Declaratory Relief, and Injunctive Relief, related to certain Common Stock Purchase Warrant Agreements. Augme disagrees with the allegations contained in the Complaint and intends to vigorously defend the matter and otherwise enforce its rights with respect to the matter. Augme has retained counsel, is defending the matter, and as of June 1, 2010, the matter remains unresolved.

October 26, 2009, Movieland Classics, LLC, a former customer of Augme, now Augme, filed an action for breach of contract, fraud and negligent misrepresentation alleging damages of $30,000 to $40,000. Augme cross-complained for the $8,500 unpaid portion of the $13,500 contract. Augme takes the position that damages in the case are limited by the terms of the contract to the $5,000 paid. The case is presently scheduled for mediation and discovery is underway.

If unsuccessful, these claims may materially and adversely affect our business and , with respect to the warrant litigation, may result in dilution to our shareholders.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

During the year ended February 28, 2010, our common stock traded on the OTC Bulletin Board Market under the symbol "MDVX." Since March 23, 2010, and as part of the change in our corporate identity, we have traded under the symbol "AUGT" The following table sets forth the quarterly high and low reported last bid prices for our common stock during each quarter of fiscal year 2009 and 2008:

Fiscal Year 2009	**High**	**Low**
First Quarter ended May 31, 2008	$ 1.95	$ 1.47
Second Quarter ended August 31, 2008	1.90	1.44
Third Quarter ended November 30, 2008	1.80	1.18
Fourth Quarter ended February 28, 2009	2.18	1.36
Fiscal Year 2010		
First Quarter ended May 31, 2009	$ 3.93	$ 1.65
Second Quarter ended August 31, 2009	4.35	3.10
Third Quarter ended November 30, 2009	3.78	2.20
Fourth Quarter ended February 29, 2010	2.02	1.07

The foregoing quotations reflect interdealer prices, without retail markup, markdown or commission and may not represent actual transactions.

Subsequent to February 28, 2010 and through May 28, 2010, we completed the following transactions:

1) Issued 30,000 shares for cash.
2) Issued 170,227 shares to former employees under cashless exercise of options.

WARRANTS

The Company has issued all such securities in reliance on Section 4(2) of the Securities Act of 1933, as amended.

As of May 28, 2010, the number of holders of record of our common stock was approximately 272.

To date, we have not paid dividends and do not intend to pay dividends in the foreseeable future.

The following sets forth information about our securities authorized for issuance under our equity compensation plans at February 28, 2010.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options.	Weighted - average exercise price of outstanding options.	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	-0-	N/A	N/A
Equity compensation plans not approved by security holders	1,225,000 shares of common stock	$ 0.62	-0-
	4,300,000 shares of common stock	$ 0.25	-0-

Benefit Plans

2004 Stock Plan

In March 2004, we adopted our 2004 Stock Plan pursuant to which key employees, including officers, directors and consultants of the Company are eligible to receive incentive stock options as well as non-qualified stock options and stock appreciation rights ("SARs"). The Stock Plan expires in March 2014 and is administered by the Board of Directors or the Compensation Committee thereof. Incentive stock options granted under the Stock Plan are exercisable for a period of up to 10 years from the date of grant at an exercise price which is not less than the fair market value ("FMV") of the Common Stock on the date of the grant, except that the term of an incentive stock option granted under the Stock Plan to a stockholder owning more than 10% of the outstanding Common Stock may not exceed five years and the exercise price of an incentive stock option granted to such a stockholder may not be less than 110% of the FMV of the Common Stock on the date of the grant. Non-qualified stock options may be granted on terms determined by the Board of Directors or the Compensation Committee. SARs, which give the holder the privilege of surrendering such rights for an amount of stock equal to the appreciation in the Common Stock between the time of grant and the surrender, may be granted on any terms determined by the Board of Directors or the Compensation Committee. The Stock Plan also permits the grant of new stock options to participants who tender shares of the Company's Common Stock as payment of the exercise price of stock options or the payment of withholding tax ("Reload Options"). The Reload Options will be granted at the fair market value of a share of Common Stock on the date of the grant and will be exercisable six months following the date of the grant. The Stock Plan also includes limited option valuation rights upon a change of control of the Company. 2,000,000 shares were reserved for issuance under the Stock Plan, of which, to date, 1,800,000 shares were issued.

During the year ended February 28, 2009, Augme granted 1,732,296 options exercisable into unregistered shares of common stock at $1.50 per share. These options, consistent with those granted during the year ended February 28, 2007, vest over 5 years however have a five year term. Augme did not recognize an expense for these options grants as the first vesting date occurs following the fiscal year ending February 28, 2009.

During the year ended February 28, 2009, Augme also granted 427,342 options exercisable into unregistered shares of common stock at $0.55 per share to a former employee. The options originate from a 2006 agreement that has been under dispute and were considered to have a "Remote" chance under SFAS 5 to be issued. It became probable that Augme would have to issue these options when the settlement agreement was signed into in fiscal 2009. These options have a life of 10 years, and vest immediately.

EMPLOYEE STOCK OPTIONS

On February 28, 2010, we had 5,380,455 of these options outstanding. For the period ended February 28, 2010, we recognized $1,579,033 of stock compensation expense.

ITEM 6. SELECTED FINANCIAL DATA

We derived the selected financial data presented below for the periods or dates indicated from our financial statements. Our financial statements for these periods were audited by an independent registered public accounting firm. You should read the data below in conjunction with our financial statements, related notes and other financial information appearing in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. Financial Statements and Supplementary Data." These historical results are not necessarily indicative of results that may be expected for future periods.

	Year Ended February 28,				
	2010	**2009**	**2008**	**2007**	**2006**
Statement of Operations Data:					
REVENUE	$ 339,901	$ 337,327	$ 743,044	$ 1,064,278	$ -
COST OF REVENUE	492,838	215,412	563,414	542,966	-
Operating expenses:					
Selling, general and administrative	5,580,743	3,271,452	2,945,525	1,400,416	-
Depreciation and amortization	841,280	541,951	383,687	348,103	
Impairment	-	729,000	-	-	-
Lease termination Expense	-	489,845	-	-	-
Total operating expenses	6,422,023	5,032,248	3,329,212	1,748,519	-
LOSS FROM OPERATIONS	(6,574,960)	(4,910,333)	(3,149,582)	(1,227,207)	-
OTHER INCOME (EXPENSES)					
Interest income (expense), net	(1,343)	9,221	(153,995)	3,350	-
Loss on Derivatives	(335,820)	-	-	-	-
Impairment of subscription receivable	-	-	(395,649)	-	-
LOSS FROM CONTINUING OPERATIONS	(6,912,123)	(4,901,112)	(3,699,226)	(1,223,857)	-
DISCONTINUED OPERATIONS					
Loss from discontinued operations	(588,214)	(424,398)	395,221	669,775	(2,186,104)
Loss on sale of discontinued operations	(878,162)	-	-	-	-
INCOME (LOSS) FROM DISCONTINUED OPERATIONS	(1,466,376)	(424,398)	395,221	(669,775)	(2,186,104)
Net income (loss)	$ (8,378,499)	$ (5,325,510)	$ (3,304,005)	$ (554,082)	$ (2,186,104)
Basic and diluted loss per share from continuing operations	$ (0.14)	$ (0.12)	$ (0.10)	$ (0.04)	$ -

Basic and diluted net income (loss) per share	$ (0.16)	$ (0.13)	$ (0.09)	$ (0.02)	$ (0.17)
Weighted average shares of common stock used in computing basic and diluted net loss per share	50,980,171	41,874,738	37,979,062	31,551,573	12,696,032

	As of February				
	February 28, 2010	February 28, 2009	February 29, 2008	February 28, 2007	February 28, 2006
Balance Sheet Data:					
Cash, cash equivalents and short-term marketable securities	$ 1,617,573	$ 374,696	$ 657,174	$ 1,220,592	$ 325,040
Total assets	19,853,749	5,413,953	5,883,750	4,867,363	3,678,051
Deferred revenue	222,345	-	-	-	-
Accumulated Deficit	(27,474,568)	(18,464,925)	(13,139,415)	(9,139,566)	(8,585,484
Total stockholders' equity (deficit)	$ 18,377,936	$ 2,887,134	$ 4,142,043	$ 4,083,456	$ 1,369,181

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with financial statements and the notes to those statements included elsewhere in this report. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed under Business- Risk Factors above and elsewhere in this report.

Overview

In fiscal year 2010, we initiated a comprehensive business growth strategy aimed at fully leveraging the value of our technology and patent portfolio by accelerating the advanced development of technology platforms that apply the most valuable aspects of the patents, and selling applications and services based upon our technology platforms in high growth markets.

In an effort to support our fiscal year 2010 business strategy, we transferred the business operations of our Internet Radio services to World Talk Radio, LLC ("WTR"). Note that due to the disposition of these assets and discontinued operations of Internet Radio business, the historical revenues, costs, and expenses of our Internet Radio business are retroactively presented as discontinued operations in our income statement for the recently ended fiscal year and all prior years. As a result of the Internet Radio transaction, we will receive a perpetual royalty as a percentage of gross revenue generated by WTR for as long as the new entity provides Internet radio services. Income from this royalty will be reported as part of discontinued operations and not part of our revenues. Consequently, this analysis compares the operating results of our continuing operations, which presently includes our three operating divisions.

With the disposition of the Internet Radio operations, Augme now manages three operating divisions. Our current business growth strategy is primarily focused generating near-term revenue from AD LIFE™ and AD BOOM™, while AD SERVE™ represents an opportunity to serve in a complementary role to add incremental revenue opportunities to clients of the other divisions.

We believe that we have validated the strategic assumption that our patented and proprietary software technology may be utilized to create scalable, salable and highly competitive products and services, and that our current strategy will enable us to pioneer a new era in marketing and new media communications with Internet applications and services for targeted consumers and communities worldwide. While we have secured proof-of-concept revenue for our current operating divisions, we have yet to generate sufficient revenue or an adequate client base to demonstrate scalability that would allow us to project sustainable long-term growth and predictable profit margins. However, in fiscal year 2010, we have established sales and delivery infrastructure to fulfill our revenue goals. Furthermore, because our applications and services are based on scalable marketing driven technology platforms with integrated components offering a wide variety of valuable, leading edge, easy to integrate services for a broad client base, we believe that steadily increasing revenue and a growing client base in fiscal year 2011 will provide data that will enable us to better project revenue and profit margins.

Our advanced, comprehensive, and fully integrated AD LIFE™ mobile platform drives revenue primarily through license fees, marketing campaign fees, and fees associated with certain add-on promotional applications and services. Additional revenue is generated by platform administration and professional service fees related to the mobilization of client content and implementation of marketing campaigns through the platform. As an early stage business in an emerging market, AD LIFE™ currently has a small number of clients and relatively low revenue, whereby each client is an important piece of our revenue base. However, as our client base grows, our revenue will naturally and quickly spread and become less dependent on any one client.

For AD BOOM™, roughly $4,000 in passive revenue is captured each month from licensing, hosting & transfer fees of existing legacy contracts. Leveraging the latest version of the AD BOOM™ platform scheduled for release in the second quarter of fiscal year 2011, our residual passive revenue stream will increase with new sales as well as upselling added features and functionality to our existing client base, which includes West Virgina Media Holdings, DeMartini Seminars, Bank of America, XA The Experiential Agency, and Broadcast Media Incorporated (BMI) amongst others. A recent client for AD BOOM™ is Comfort Zone Yoga Center for Whole Self Healing. Augme is building fully custom video network and web experience, utilizing our Box Office feature to monetize training videos via monthly subscription, live pay-per-view & on-demand pay-per-view options. This recently executed contract is a template for going forward AD BOOM™ engagements, generating revenue for production and delivery of content (pay-per-view and on-demand), plus residual passive per month licensing, hosting & transfer fees.

Production and service delivery expenses include client services (project managers, marketing managers) and implementation personnel (platform administration and other professional services including the development of traditional and mobile web sites), as well as third party software production costs and third party hosting costs.

Selling, general and administrative expenses consist primarily of salaries, commissions (including indirect channel partner commissions) and related expenses for sales, marketing, accounting, and administrative personnel, as well as other general corporate expenses such as rent, communication (public relations and investor relations), legal and accounting fees.

Results of Operations

The discussion of the results of operations compares the fiscal years ended February 28, 2010 with the fiscal year ended February 28, 2009 and the fiscal year ended February 28, 2009 with the fiscal year ended February 29, 2008, and is not necessarily indicative of the results which may be expected for any subsequent periods. Our limited operating history makes predicting future operating results very difficult. Our prospects should be considered in light of the risks, expenses and difficulties encountered by companies in similar positions. We may not be successful in addressing these risk and difficulties.

2010 Versus 2009

For the year ended February 28, 2010, gross revenues were $339,901 an increase of $2,574 over 2009 revenues of $337,327. The increase in revenues relates to revenues from the AD LIFE division, which is our newest division and resulted from our acquisition of New Aug, LLL, completed on July 14, 2009. This increase in revenues was partially offset by lower revenues from our AD BOOM and AD SERVE divisions, which were in the process of being repositioned in the market and went through a restructuring of the sales department during fiscal 2010.

Cost of revenues primarily consist of salaries and wages of our client services and service delivery personnel and cost to host our platforms and deliver content to our clients. Our cost of revenues for the year ended February 28, 2010 were $492,838 vs. $215,412 for the fiscal year ended February 28, 2009, an increase of $277,426. This increase in costs is primarily related to our new AD LIFE division as we establish the necessary infrastructure in order to support our increasing customer base in this area. We believe that as revenues grow we will not need to increase costs at the same rate due to the ability to leverage our platforms and related costs over a larger revenue base.

Selling general and administrative expenses primarily consist of wages and benefits for sales, administrative, development personnel and outside development expenses, finance and accounting personnel, professional fees, stock option expense, expenses to market our products, and other corporate expenses. For the year ended February 28, 2010 our selling, general and administrative expenses were $5,580,743 vs. $3,271,453 for the year ended February 29, 2009, an increase of $2,309,290. The increase primarily consists of a $951,762 non-cash expense increase related to stock compensation, an increase in salaries and wages of $923,496 from $634,582 in fiscal year 2009 to $1,558,078 primarily due to increase in personnel related to the acquisition of New Aug, LLC, an increase in professional fees of $237,007 from $1,084,821 in fiscal year 2009 to $1,321,828 in fiscal year 2010.

Depreciation and amortization expenses increased to $841,280 in 2010 from $541,950 in 2009 due principally to the increase in software amortization expense arising from the software developed internally and the amortization of intangible assets associated with the acquisition of New Aug, LLC in July 2009.

There was no impairment on goodwill recorded for the year ended February 28, 2010, compared to $729,000 for the year ended February 28, 2009.

In fiscal year 2009, we recorded a lease termination expense of $489,845 associated with the termination of the termination of an office lease in San Diego. This payment was made in the form of the Company's common stock.

Interest expense, net of interest income was $1,343 compared to net interest income of $9,221 in the prior year.

Loss from discontinued operations was $1,466,376 in fiscal year 2010 vs. a loss of $424,398. This increase consists primarily of the loss on the sale of discontinued operations that was recorded in fiscal 2010 of $878,162.

The net loss was $8,378,499 in 2010 compared to a net loss of $5,325,510 in 2009 for the reasons as explained above.

2009 Versus 2008

For the year ended February 28, 2009, gross revenues were $337,327 vs. revenues of $743,044 in fiscal 2008, a decrease of $405,717. This decrease was due to decreased in the Interactive Division (now broken into AD BOOM and AD SERVE) because of the strategic focus on our patent and Intellectual Property strategy. As a result, we have extended the reach of our Interactive Products Enterprise Communication Software which is primarily our BoomBox® Video product and related hosting. In the fourth quarter of 2009 we finalized an internal control policy related to collections which required a write off of certain accounts that had been in the reserve for doubtful accounts for more than year.

Cost of revenues for fiscal 2009 were $215,412 compared to $563,414 for fiscal 2008, a decrease of $348,002. This decrease in costs is due to the lower revenues, which reduce our internal delivery costs. Also in fiscal 2009, we renegotiated contracts with content management and hosting vendors in order to decrease costs

Selling general and administrative expenses for fiscal year 2009 were $3,271,453 vs. $2,945,525 for fiscal year 2008, an increase of $325,928. This increase consists primarily of a $651,749 increase in non-cash stock compensation expense, a $284,851 loss on a settlement, an increase in salaries and benefits of $214,947 from $419,635 in fiscal year 2008 to $634,582 in fiscal year 2009. These increases were partially offset by a decrease of $370,723 in professional fees from $1,455,544 in fiscal year 2008 vs. $1,084,821 in fiscal year 2009.

Depreciation and amortization expenses increased to $541,950 in fiscal year 2009 from $383,687 in fiscal year 2008 due principally to the increase in software amortization expense arising from the software developed internally and acquired externally during fiscal 2008 and 2007.

Impairment in the amount of $729,000 was recorded for the year ended February 28, 2009 on the Goodwill related to Kino acquisition. No such expense was recorded for fiscal year 2008.

In fiscal year 2009, we recorded a lease termination expense of $489,845 associated with the termination of the termination of an office lease in San Diego. This payment was made in the form of the Company's common stock.

Interest income, net of interest expense was $9,221in 2009 compared to net interest expense of $153,995 in the prior year.

The loss from discontinued operations in fiscal year 2009 was $424,398 vs. income from discontinued operations of $395,221 in fiscal year 2008.

The net loss was $5,325,510 in 2009 compared to $3,304,005 in 2008 for the reasons as explained above.

Liquidity and Capital Resources

During fiscal year 2010, we raised $5,450,960 of capital through the issuance of unregistered shares of common stock.

As of February 28, 2010, we had cash balances of $1,617,573 and working capital surplus of $348,331. We do not believe that this liquidity is adequate to fund our current operations without supplemental funds from sales of our equity or other sources. Due to the sustained and substantial progress in the procurement of necessary working capital required to meet operating and general corporate expenditures, we believe that we will have enough cash flow from operations and from financing sources to continue for the next twelve months. Specifically, we have had substantive discussions with existing warrant holders and other prospective financing sources which lead us to believe that we will be able to obtain the capital necessary to not only maintain current operations, but also to develop and implement our growth strategy in our core businesses as well as ensure a vigorous effort in protecting our Intellectual Property.

Critical Accounting Policies

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires our management to make certain 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. Certain of these accounting policies involve judgments and uncertainties to such an extent that there is a reasonable likelihood that materially different amounts would have been reported if future events indicate that different assumptions should have been used or uncertainties are resolved differently than currently anticipated. The following describes the assumptions involved in these accounting policies:

Management evaluated the probability of the utilization of the deferred income tax asset related to the net operating loss carry forwards. We have estimated a $4,823,000 deferred income tax asset that relates to net operating loss carry forwards at February 28, 2010. Management determined that because we have yet to generate taxable income and that the generation of taxable income in the short term is uncertain, it was appropriate to provide a valuation allowance for the total deferred income tax assets.

We evaluate the impairment of long-lived tangible and intangible assets, including goodwill, in accordance authoritative guidance in order to determine whether a write down of the applicable long-lived asset is required. This evaluation requires that we estimate future cash flows in order to evaluate whether any impairment has occurred. Due to the nature of estimates, actual cash flows will vary from those estimated.

Stock option expense is recorded in accordance with authoritative guidance. The calculation of this expense requires certain assumptions, including the expected volatility of our stock price. See Note 2 of Notes to the Consolidated Financial Statements for the assumptions utilized.

Our revenue recognition policy requires that we evaluate client contracts with multi-deliverables in accordance with authoritative guidance to determine the period in which revenues are recognized. These evaluations are based upon the interpretation of client contracts.

We record a liability for contingencies when we believe that it is reasonably possible that a liability exists and when we can estimate the potential range of that liability. We evaluate contingencies based upon our analysis of the contingency, which includes receiving advice from professionals, such as attorneys.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Augme Technologies, Inc. (formerly Modavox, Inc.)

Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Augme Technologies, Inc. (formerly Modavox, Inc.)
New York, NY

We have audited the accompanying consolidated balance sheets of Augme Technologies, Inc. (formerly Modavox, Inc.) as of February 28, 2010 and 2009, and the consolidated statements of operations, stockholders' equity, and cash flows for each of the three years ended February 28, 2010, February 28, 2009 and February 29, 2008. These consolidated financial statements are the responsibility of management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. Augme is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits 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 Augme'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. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Augme Technologies, Inc. as of February 28, 2010 and February 28, 2009, and the consolidated results of its operations and its cash flows for the three years ended February 28, 2010, February 28, 2009 and February 29, 2008 in conformity with accounting principles generally accepted in the United States of America.

MaloneBailey, LLP
Houston, Texas
www.malonebailey.com
June 1, 2010

AUGME TECHNOLOGIES, INC. (FORMERLY MODAVOX, INC.)
CONSOLIDATED BALANCE SHEETS

	February 28, 2010	February 28, 2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,617,573	$ 374,696
Accounts receivable, net of allowance for doubtful accounts of $63,747 and $436,273, respectively	115,747	373,965
Prepaid expenses and other current assets	79,133	30,816
Current assets of discontinued operations	-	444,871
Total current assets	1,812,453	1,224,348
Property and equipment, net of accumulated depreciation of $733,241 and $449,266, respectively	464,690	508,258
Goodwill	13,106,969	386,746
Software and patents, net of accumulated amortization of $1,456,679 and $899,417 , respectively	4,442,187	1,548,272
Deposits	27,450	348,000
Long-term assets of discontinued operations	-	1,398,329
TOTAL ASSETS	$ 19,853,749	$ 5,413,953
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 879,584	$ 1,059,242
Accrued liabilities	362,193	605,653
Deferred revenue	222,345	-
Related party note payable	-	15,574
Current liabilities of discontinued operations	-	846,350
Total current liabilities	1,464,122	2,526,819
Long-term deferred revenue	11,691	-
Total liabilities	1,475,813	2,526,819
STOCKHOLDERS' EQUITY:		
Common stock, $.0001 par value; 100,000,000 shares authorized; 57,256,750 and 44,863,064 shares issued and outstanding, respectively	5,726	4,486
Additional paid-in capital	45,846,778	21,347,573
Accumulated deficit	(27,474,568)	(18,464,925)
Total stockholders' equity	18,377,936	2,887,134
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 19,853,749	$ 5,413,953

See accompanying notes to the consolidated financial statements.

AUGME TECHNOLOGIES, INC. (FORMERLY MODAVOX, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended		
	February 28, 2010	**February 28, 2009**	**February 29, 2008**
REVENUE	$ 339,901	$ 337,327	$ 743,044
COSTS OF REVENUES (Excluding depreciation):			
Production of service delivery costs	492,838	215,412	563,414
Operating Expenses			
Selling, general, and administrative	5,580,743	3,271,453	2,945,525
Depreciation and amortization	841,280	541,950	383,687
Impairment	-	729,000	-
Lease termination expense	-	489,845	-
Total operating expenses	6,422,023	5,032,248	3,329,212
LOSS FROM OPERATIONS	(6,574,960	(4,910,333	(3,149,582
OTHER INCOME (EXPENSES)			
Interest income (expense), net	(1,343	9,221	(153,995
Loss on derivatives	(335,820	-	-
Impairment of subscription receivable	-	-	(395,649
LOSS FROM CONTINUING OPERATIONS	(6,912,123	(4,901,112	(3,699,226
DISCONTINUED OPERATIONS:			
Income (loss) from discontinued operations	(588,214	(424,398	395,221
Loss on sale of discontinued operations	(878,162	-	-
INCOME (LOSS) FROM DISCONTINUED OPERATIONS	(1,466,376	(424,398	395,221
NET LOSS	$ (8,378,499)	$ (5,325,510	$ (3,304,005
BASIC AND DILUTED NET LOSS PER SHARE:			
Loss from continuing operations	$ (0.14)	$ (0.12)	$ (0.10
Income (loss) from discontinued operations	$ (0.03)	$ (0.01)	$ 0.01
NET LOSS PER SHARE – basic and diluted	$ (0.16)	$ (0.13)	$ (0.09
WEIGHTED AVERAGE SHARES OUTSTANDING			
Basic and diluted	50,980,171	41,874,738	37,979,062

See accompanying notes to the consolidated financial statements.

AUGME TECHNOLOGIES, INC. (FORMERLY MODAVOX, INC.)
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED FEBRUARY 28, 2010, 2009 AND FEBRUARY 29, 2008

	Common Stock		Additional			Total
	Number of Shares	Total	Paid-in Capital	Stock Subscription	Accumulated Deficit	Shareholders' Equity
Balances, March 1, 2007	**36,069,203**	**$ 3,607**	**$ 14,318,067**	**$ (402,808)**	**$ (9,835,410)**	**$ 4,083,456**
Common stock issued for purchase of World Talk Radio assets	900,000	90	1,259,910	-	-	1,260,000
Common stock issued for:						
Cash	2,022,376	202	851,181	(100,000)	-	751,383
Services	650,000	65	468,435	-	-	468,500
Common stock issued for warrant cashless exercise	140,140	14	(14)	-	-	-
Common stock issued for settlement of accounts payable	61,881	6	55,687	-	-	55,693
Employee stock option expense	-	-	141,796	-	-	141,796
Warrants granted for services	-	-	289,571	-	-	289,571
Impairment of subscription receivable	-	-	-	395,649	-	395,649
Net loss	-	-	-	-	(3,304,005)	(3,304,005)
Balances, February 29, 2008	**39,843,600**	**3,984**	**17,384,633**	**(107,159)**	**(13,139,415)**	**4,142,043**
Common stock issued for:						
Cash	3,177,801	318	1,672,035	-	-	1,672,353
Services	50,000	5	87,495	-	-	87,500
Common stock issued for warrant cashless exercise	99,353	10	(10)	-	-	-
Common stock issued for option cashless exercise	952,310	95	(95)	-	-	-
Common stock issued to placement agent	60,000	6	(6)	-	-	-
Common stock issued for purchase of Avalar assets	150,000	15	277,485	-	-	277,500
Common stock issued for deposit on purchase of New Augme	200,000	20	347,980	-	-	348,000
Contingent shares issued for purchase of WTR assets	30,000	3	52,497	-	-	52,500

Common shares issued for termination of lease agreement	300,000	30	551,970	-	-	552,000
Employee stock option expense	-	-	888,653	-	-	888,653
Warrants granted for services	-	-	84,936	-	-	84,936
Proceeds from subscription receivable	-	-	-	107,159	-	107,159
Net loss	-	-	-	-	(5,325,510)	(5,325,510)
Balances, February 28, 2009	**44,863,064**	**4,486**	**21,347,573**	**$ -**	**(18,464,925)**	**2,887,134**
Common stock issued for:						
Cash	2,514,201	251	4,049,745	-	-	4,049,996
Services	246,467	25	510,292	-	-	510,317
Patent defense costs	705,103	70	1,326,164	-	-	1,326,234
Litigation settlement	75,000	8	284,993	-	-	285,001
Common stock issued for:						
Option exercise	323,000	32	80,718	-	-	80,750
Warrant Exercise	3,829,886	383	1,319,831	-	-	1,320,214
Common stock issued for:						
Cashless option exercise	1,102,593	112	(112)	-	-	-
Cashless warrant exercise	30,769	3	(3)	-	-	-
Purchase of New Aug, LLC assets	3,466,667	346	13,831,655	-	-	13,832,001
Purchase of Radio Pilot – escrowed shares	100,000	10	121,990	-	-	122,000
Employee Stock Option Expense	-	-	1,667,739	-	-	1,667,739
Warrant Expense	-	-	339,229	-	-	339,229
Derivative instruments - Cumulative effect of change in accounting principle	-	-	(68,798)	-	(631,144)	(699,942)
Settlement of derivative liabilities	-	-	1,035,762	-	-	1,035,762
Net loss	-	-	-	-	(8,378,499)	(8,378,499)
Balances, February 28, 2010	**57,256,750**	**$ 5,726**	**$ 45,846,778**	**$ -**	**$ (27,474,568)**	**18,377,936**

See accompanying notes to the consolidated financial statements.

AUGME TECHNOLOGIES, INC. (FORMERLY MODAVOX, INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended		
	February 28,		February 29,
	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (8,378,499)	$ (5,325,510)	$ (3,304,005)
Adjustments to reconcile net loss to net cash used in operations:			
Depreciation and amortization	841,280	541,951	383,687
Bad debt expense	67,503	203,816	120,665
Common stock issued for termination of lease	-	552,000	-
Common stock issued for services	510,317	87,500	468,500
Common stock issued for settlement	285,001	-	-
Impairment of goodwill	-	729,000	-
Impairment of subscription receivable	-	-	395,649
Loss on sale of discontinued operations	878,162	-	-
Loss on disposal of fixed assets	-	1,746	-
Loss on derivative instruments	335,820	-	-
Stock option expense	1,667,739	888,653	141,796
Warrants granted for services	339,229	84,936	289,571
Changes in operating assets and liabilities:			
Receivables	215,715	(371,731)	192,602
Prepaid expenses and other current assets	(48,317)	(12,797)	(3,904)
Other assets	(27,450)	-	-
Accounts payable and accrued expenses	(362,923)	708,035	-
Deferred revenue	178,619	-	-
Net cash used in continuing operations	(3,497,804)	(1,912,401)	(1,315,439)
Net cash provided by discontinued operations	118,688	683,860	294,273
NET CASH USED IN OPERATING ACTIVITIES	(3,379,116)	(1,228,541)	(1,021,166)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property and equipment	(240,449)	(313,104)	(232,088)
Purchase of assets from New Aug, LLC	(324,000)	-	-
Cash paid for purchase of intangible assets	-	(50,476)	(27,163)
Patent defense cost	(248,944)	(353,000)	-
Net cash used in continuing operations	(813,393)	(716,580)	(259,251)
Net cash used in discontinued operations	-	(88,986)	(57,841)
NET CASH USED IN INVESTING ACTIVITIES	(813,393)	(805,566)	(317,092)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Common stock issued for cash	4,049,996	1,672,353	751,383
Proceeds from subscription receivable	-	107,159	-
Proceeds received from the exercise of warrants	1,320,214	-	-
Proceeds received from the exercise of stock options	80,750	-	-
Payments on line of credit	-	(19,590)	(410)
Net proceeds from (payments on) related party note payable	(15,574)	(8,293)	23,867
NET CASH PROVIDED BY FINANCING ACTIVITIES	5,435,386	1,751,629	774,840
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,242,877	(282,478)	(563,418)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	374,696	657,174	1,220,592
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,617,573	$ 374,696	$ 657,174

SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for interest	$ -	$ -	
Cash paid for income taxes	-	-	
NONCASH INVESTING AND FINANCING ACTIVITIES:			
Cumulative adjustment to retained deficit for derivative liabilities	$ 699,942	$ -	$ -
Settlement of derivative liabilities	1,035,762	-	-
Stock issued for purchase of assets from New Aug, LLC	13,832,001	-	-
Stock issued for patent defense	1,326,234	-	-
Issuance of accrued Radio Pilot common stock	122,000	-	-
Stock issued for purchase of assets from Avalar	-	277,500	-
Contingent shares issued for purchase of World Talk Radio	-	52,500	-
Contingent shares issued for purchase of Avalar	-	122,000	-
Stock issued for placement agent services	-	6	-
Stock issued for deposit on acquisition of New Augme	-	348,000	-
Stock issued for purchase of World Talk Radio	-	-	1,260,000
Stock issued for subscription receivable	-	-	100,000
Stock issued for settlement of accounts payable	-	-	55,693

See accompanying notes to the consolidated financial statements.

NOTE 1 – DESCRIPTION OF BUSINESS

Augme Technologies, Inc. (formerly Modavox, Inc.) ("we", "our", or the "Company") is a Delaware corporation headquartered in New York, New York. We are a provider of technology and services in interactive media marketing platforms that enable marketers and agencies to seamlessly integrate brands, promotions, video and digital content through the power of the internet and mobile communications. Our intuitive new media marketing platforms give companies the control they need to quickly create, deploy and measure rich-media, interactive marketing campaigns across all networks and devices. Campaigns built on Augme marketing platforms condense the customer loyalty cycle by delivering personalized brand experience to customers where they work, play and live.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America necessarily requires management to make estimates and assumptions that affect the amounts reported in the financial statements. The Company regularly evaluates estimates and judgments based on historical experience and other relevant facts and circumstances. Actual results could differ from those estimates. Significant estimates relate to allowances for tax assets, the use of the Black-Scholes pricing model for valuing stock option and common stock warrant issuances, estimates of future cash flows used to evaluate impairment of long-lived assets, the period in which revenues should be recorded, and the collectability of accounts receivable.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its controlled subsidiaries. Equity investments in which the Company exercises significant influence, but does not control and is not the primary beneficiary, are accounted for using the equity method of accounting. Investments in which the Company does not exercise significant influence over the investee are accounted for using the cost method of accounting. Intercompany transactions are eliminated.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Revenue Recognition

The Company provides access to its AD LIFE™ mobile marketing platform and services through term license fees, support fees, and mobile marketing campaign fees. The contracts generally include multiple elements as part of the overall service delivery and revenues are generally recognized over the term of the contract. The Company also offers professional services related to the strategy and execution of mobile marketing campaigns. Professional services revenue is recognized as the services are performed as these services have value on a standalone basis, do not involve unique acceptance criteria and have a fair value that can be obtained as the other services are generally sold without professional services.

Revenue from the Company's AD BOOM™ digital video platform and AD SERVE™ ad delivery platform is based upon the terms of individual contracts and includes revenue from the production and delivery of online media content, revenue from the creation of custom software for online content delivery functionality, fees for hosting websites, and fees for producing online advertising content for third party and company websites.

Contracts may include single deliverables such as production and delivery of media content, hosting, fees from content retention or fees from online advertising content, or may include multiple deliverables such as custom software creation, audio production, and delivery of online media content or hosting. Revenues from single delivery contracts for the production and delivery of online media content and hosting are recorded pro rata over the term of the media content production and delivery or hosting period. Multiple deliverable contracts are evaluated based on authoritative guidance to determine whether they meet the separation criterion for recognition of each deliverable as a separate unit.

Revenues from the creation of custom software are generally a component of contracts that include hosting and/or production and delivery services. Software revenues are recorded when the software is completed and accepted by the client if the software has free standing functionality, the fee for the software is separately determinable and the Company has demonstrated its capability of completing any remaining terms under the contract. Otherwise all revenues under the multi-deliverable contracts are recorded pro rata over the term of the production and content delivery or hosting period.

Fees for producing interactive advertising content are based upon a fee for the production and hosting of the advertising content and/or a percentage of the fees paid by third party advertisers. Fees from third parties for the production and hosting of the advertising content are recorded pro rata over the related hosting period. Fees representing a percentage of the fees paid by third party advertisers for advertising on third party or company websites are recorded when the contractual criteria has been met and amounts are due from third party advertisers.

Stock-Based Compensation

The Company applies the fair value recognition provisions for all stock-based payments granted or modified on or subsequent to March 1, 2006 in accordance with authoritative guidance. Under this guidance, the Company records compensation costs over the requisite service period of the award based on the grant-date fair value. The straight-line method is applied to all grants with service conditions.

Loss per Share

In accordance with authoritative guidance, basic net loss per share is computed by dividing the net loss available to common stockholders for the period by the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss for the period by the number of common and common equivalent shares outstanding during the period, assuming full dilution. As of February 28, 2010, there were potentially dilutive securities of options exercisable into 2,399,622 shares of common stock, and warrants exercisable to purchase 5,384,195 shares of common stock. However, the computation of diluted earnings per share does not assume conversion or exercise of securities that would have an anti-dilutive effect on the calculation of earnings per share as the inclusion of these outstanding warrants and stock options would be anti-dilutive. Accordingly, diluted net loss per share and basic net loss per share are identical for each of the periods in the accompanying consolidated statements of operations.

Fair Value of Financial Instruments

Financial instruments consist primarily of cash, accounts receivable, obligations under accounts payable and accrued expenses. The carrying amount of cash, accounts payable and accrued expenses approximates fair value because of the short maturity of those instruments.

The Company applies the authoritative guidance in measuring assets and liabilities that are carried at fair value. The guidance defines fair value, establishes a framework for measuring fair value, and provides required disclosures about fair value measurements.

Fair value under the authoritative guidance is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company classifies fair value balances based on the observability of those inputs. The guidance establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The three levels of the fair value hierarchy defined are as follows:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.
- Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value.

Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The Company’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels.

Accounts Receivable

The Company's accounts receivable balances are due from customers throughout the United States. Credit is extended based on evaluation of a customer's financial condition and, generally, collateral is not required. Based on the nature of the contract, our billing terms are such that a certain percentage is billed at the time of the contract and then at various time intervals or through the length of the agreement, which are generally up to twelve months.

The Company determines its allowance for doubtful accounts by considering a number of factors, including the length of time trade accounts receivable are past due, previous loss history, the customer's current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. Our allowance for doubtful accounts was $63,747 and $436,273 as of February 28, 2010 and February 28, 2009, respectively.

Property and Equipment

Property and equipment consists primarily of software, office and computer equipment, furniture, fixtures and leasehold improvements and is stated at cost less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from 3 to 7 years. Depreciation expense was $284,017, $223,578, and $122,334 for the years ended February 28, 2010 and 2009 and February 29, 2008, respectively.

Property and equipment consisted of the following at February 28, 2010 and February 28, 2009:

	2010	2009
Furniture	$ 43,374	$ 70,607
Computers, software, production equipment	1,081,410	1,033,368
Phone systems	30,687	30,687
Leasehold improvements	38,460	38,460
Total	1,197,931	957,524
Accumulated depreciation	(733,241)	(449,266)
Net	$ 464,690	$ 508,258

The Company capitalizes the costs of developing software for internal use or to be sold, leased or otherwise marketed in accordance with authoritative guidance. These costs include both purchased software and internally developed software. Costs of developing software are expensed until technological feasibility has been established. Thereafter, all costs are capitalized and are carried at the lower of unamortized cost or net realizable value. Internally developed and purchased software costs are generally amortized over three years.

Goodwill, Intangible Assets, and Long-lived Assets

Goodwill represents costs in excess of fair values assigned to the underlying net assets acquired. The Company follows authoritative guidance with respect to the accounting for business combinations, goodwill and other intangible assets, and the impairment or disposal of long-lived assets. This guidance requires the use of the purchase method of accounting for business combinations, sets forth the accounting for the initial recognition of acquired intangible assets and goodwill and describes the accounting for intangible assets and goodwill subsequent to initial recognition. Under these provisions, goodwill is not subject to amortization and an annual review is required for impairment. The impairment test is based on a two-step process involving (i) comparing the estimated fair value of the related reporting unit to its net book value and (ii) comparing the estimated implied fair value of goodwill to its carrying value. Impairment losses are recognized whenever the implied fair value of goodwill is less than its carrying value. The Company's annual impairment testing date is February 28.

The Company recognizes an acquired intangible asset apart from goodwill whenever the intangible asset arises from contractual or other legal rights, or when it can be separated or divided from the acquired entity and sold, transferred, licensed, rented or exchanged, either individually or in combination with a related contract, asset or liability. Such intangibles are amortized over their useful lives. Impairment losses are recognized if the carrying amount of an intangible asset subject to amortization is not recoverable from expected future cash flows and its carrying amount exceeds its fair value.

The Company reviews its long-lived assets, including property and equipment, identifiable intangibles, and goodwill annually or whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. To determine recoverability of its long-lived assets, the Company evaluates the probability that future undiscounted net cash flows will be less than the carrying amount of the assets. See Note 6 for the impairment recorded by the Company for the year ended February 28, 2010, 2009 and February 29, 2008.

When incurring legal costs to sue other parties for infringing on the Company’s patents, or in defending against claims by other parties that our patents are not valid, the Company capitalizes those legal costs as additional costs of the patent where the Company determines that a favorable outcome from the litigation is probable. If the Company is ultimately unsuccessful, the costs are charged to expense. For legal costs that are capitalized, the value of any award received upon successful resolution of the legal action will first be recorded as a reduction of the capitalized legal costs, with any excess recorded as income. For the years ended February 28, 2010 and 2009, the Company capitalized $1,575,178 and $353,000, respectively, of legal costs related to our lawsuit against Tacoda and Yahoo as the Company has determined that a favorable outcome is probable.

Software and patents consisted of the following at February 28, 2010 and February 28, 2009:

	Useful Life in Months	2010	2009
Software	36 to 84	$ 2,084,393	$2,084,393
Trademarks and patents	55	1,938,473	363,296
Identifiable intangible assets:			
Customer relationships	72	950,000	-
Acquired technology	60	670,000	-
Non-compete agreement	36	212,000	-
Acquired trade name	24	44,000	-
Total		5,898,866	2,447,690
Accumulated amortization		(1,456,679)	(899,417)
Net		$ 4,442,187	$1,548,273

During the years ended February 28, 2010 and 2009 and February 29, 2008, the Company recorded amortization expense on intangible assets of $557,263, $318,372, and $105,416, respectively.

Deferred Revenue

Amounts billed or collected in advance of the period in which the related product or service qualifies for revenue recognition are recorded as deferred revenue.

The Company relieves the deferred revenue balance and records revenue when the service has been performed in accordance with the Company's revenue recognition policy.

Income Taxes

Income taxes are provided for tax effects of transactions reported in the financial statements and consist of income taxes currently due plus deferred income taxes related to timing differences between the basis of certain assets and liabilities for financial statement and income tax reporting. Deferred taxes are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. A valuation allowance is provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company applies the authoritative guidance in accounting for uncertainty in income taxes recognized in the financial statements. This guidance prescribes a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination. If the tax position is deemed "more-likely-than-not" to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement.

Recent Accounting Pronouncements

In September 2009, the FASB issued authoritative guidance on revenue arrangements with multiple deliverables that are not covered by software revenue guidance. This guidance provides another alternative for establishing fair value for a deliverable when vendor specific objective evidence or third-party evidence for deliverables in an arrangement cannot be determined. Under this guidance, companies will be required to develop a best estimate of the selling price for separate deliverables. Arrangement consideration will need to be allocated using the relative selling price method as the residual method will no longer be permitted. This guidance is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 and early adoption is permitted. The Company is currently evaluating the impact, if any, of this guidance on its consolidated financial statements.

In May 2009, the FASB issued authoritative guidance establishing general standards of accounting and disclosure for events that occur after the balance sheet date but before the financial statements are issued. This new standard was effective beginning with the Company's second quarter financial reporting and did not have a material impact on the Company's consolidated financial statements

In June 2008, the FASB issued authoritative guidance requires all derivatives to be recorded on the balance sheet at fair value. Fair value for securities traded in the open market and derivatives are based on quoted market prices. Where market prices are not readily available, fair values are determined using market based pricing models incorporating readily observable market data and requiring judgment and

estimates. The pricing model the Company used for determining fair values of its derivatives is the Black-Scholes option-pricing model. Valuations derived from this model are subject to ongoing internal and external verification and review. The model uses market-sourced inputs such as interest rates, exchange rates and option volatilities. Selection of these inputs involves management's judgment and may impact net income. All of the securities underlying the Company's derivatives were exercised during the fiscal year ended February 28, 2010, and, therefore, no derivative liability is reported on the balance sheet as of February 28, 2010.

NOTE 3 – DISCONTINUED OPERATIONS

On December 31, 2009, the Company entered into to a binding letter of intent with World Talk Radio, LLC ("WTR"), an Arizona Limited Liability Company, regarding the disposition of certain assets and liabilities related to the Internet Radio operations based in Tempe, AZ.

On February 25, 2010, the Company and WTR executed the final Asset Purchase Agreement in connection with the Binding Letter of Intent.

As consideration for the sale of the assets of the Internet Radio operations, the Company will receive a perpetual royalty as a percentage of gross revenue collected by WTR, based on the following schedule:

January 1, 2010 – March 31, 2010 - 5% of Gross revenues collected
April 1, 2010 – June 30, 2010 - 10% of Gross revenues collected
July 1, 2010 – June 30, 2015 - 15% of Gross revenues collected
July 1, 2015 and after - 5% of Gross revenues collected

Since the proceeds from the sale of the Internet Radio operations is contingent on future revenue collected, we were required to record the net asset sold to WTR as a loss on the sale of discontinued operations, which amounted to $878,162. However, all future royalty payments received will be reported as a gain on the sale of discontinued operations in the period received.

Management evaluated the future royalty payments and determined the cash flows are indirect. Management then performed an evaluation under FASB ASC 205-20 and determined there was no significant continuing involvement by Augme in the operations of the disposed Internet Radio component. Augme does not retain an interest and there are no existing contracts that would allow Augme to influence the operating or financial policies of the Internet Radio component.

Pursuant to accounting rules for discontinued operations, we have classified fiscal year 2010 and prior reporting periods to present the activity related to the Internet Radio operations as a discontinued operation. Discontinued operations for the twelve months ended February 28, 2010, 2009, and February 29, 2008 are summarized as follows:

	For the Year Ended		
	February 28, 2010	**February 28, 2009**	**February 29, 2008**
Revenues	$1,571,014	$2,326,614	$2,074,650
Cost of revenues	489,721	489,274	361,662
Operating expenses	1,669,507	2,261,737	2,108,209
Income (loss) from discontinued operations before income taxes	$ (588,214)	$ (424,397)	$ 395,221

NOTE 4 – DERIVATIVE INSTRUMENTS

In June 2008, the FASB ratified ASC 815-15, "Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock" ("ASC 815-15"). ASC 815-15, "Accounting for Derivatives and Hedging Activities" ("ASC 815-15"), specifies that a contract that would otherwise meet the definition of a derivative, but is both (a) indexed to its own stock and (b) classified in stockholders' equity in the statement of financial position would not be considered a derivative financial instrument. ASC 815-15 provides a new two-step model to be applied in determining whether a financial instrument or an embedded feature is indexed to an issuer's own stock, including evaluating the instrument's contingent exercise and settlement provisions, and thus able to qualify for the ASC 815-15 scope exception. It also clarifies the impact of foreign currency denominated strike prices and market-based employee stock option valuation instruments on the evaluation. ASC 815-15 is effective for the first annual reporting period beginning after December 15, 2008, and early adoption is prohibited.

Initially, Augme evaluated all of its financial instruments and determined that 382,359 warrants associated with two July 2004 financings qualified for treatment under ASC 815-15 and adjusted its financial statements to reflect the adoption of the ASC 815-15 as of March 1, 2009. The fair value of these warrants were reclassified as of March 1, 2009 in the amount of $699,942 from additional paid in capital to derivative liability and the cumulative effect of the change in accounting principle in the amount of $631,144 was recognized as an adjustment to the opening balance of retained earnings. During the year ended February 28, 2010, all 382,359 of these warrants were exercised for common stock. An aggregate loss since March 1, 2009 on the warrants of $335,820 and a reduction of the derivative liability of $1,035,762 were recorded on the settlement dates.

All of these warrants were exercised during the fiscal year. The fair values of the warrants on March 1, 2009 were estimated using the following assumptions:

	March 1, 2009
Expected volatility	75% - 95%
Expected term	5 - 11 months
Risk free rate	0.44% - 0.72%
Expected dividends	-
Fair value	$ 699,942

NOTE 5 – BUSINESS COMBINATIONS

Acquisition of New Aug, LLC: On July 14, 2009, the Company completed the acquisition of one hundred percent (100%) of the business and assets of New Aug, LLC, a provider of a web-based marketing platform that provides marketers, brands and advertising agencies the ability to create, deliver, manage and track interactive marketing campaigns targeting mobile consumers through traditional print advertising channels. The results of New Aug, LLC's operations, which now represents our AD LIFE™ operating division, have been included in the consolidated financial statements of the Company since that date.

The aggregate purchase price was $14,505,000, which consisted of $14,180,000 in stock and $325,000 in cash. The purchase price has been allocated to the tangible and intangible assets acquired and liabilities assumed with the excess purchase price being allocated to goodwill. The allocation of the purchase price to intangible assets and goodwill was based on an independent valuation. The following table summarizes the allocation of the purchase price:

CC Consideration:	
Cash paid	$ 325,000
C Common stock issued to New Aug, LLC's Member's	14,180,000
Total purchase price	$ 14,505,000
Allocation of purchase price:	
C Cash	$ 1,000
A Accounts receivable	25,000
Accounts payable	(61,806)
Deferred revenue	(55,417)
Intangible assets	1,876,000
Goodwill	12,720,223
Total net assets acquired	$ 14,505,000

The following table reflects the final fair value off the acquired identifiable intangible assets and related useful lives:

	Fair value	Useful life (In years)
Customer relationships	$ 950,000	6
Acquired technology	670,000	5
Non-compete agreement	212,000	3
Acquired trade name	44,000	2
Total intangible asset value	$ 1,876,000	

The results of this acquisition are included in the consolidated financial statements from the date of acquisition. The following table presents the pro forma statements of operations obtained by combining the historical consolidated statements of operations of the Company and New Aug, LLC for the fiscal years ended February 2010, 2009 and 2008, giving effect to the merger as if it occurred on March 1 of each year:

	Year Ended February 28,		
	2010	2009	2008
Pro forma revenues	$ 411,199	$ 411,481	$ 857,515
Pro forma net loss	(8,809,820)	(5,641,727)	(3,345,361)
Pro forma weighted average common shares	52,857,949	45,541,405	41,645,729
Pro forma basic and diluted net loss per share	$ (0.17)	$ (0.12)	$ (0.08)

NOTE 6 - ASSET PURCHASES

On March 1, 2007, The Company purchased certain equipment and intangible assets from World Talk Radio, LLC (WTR), a San Diego based internet talk radio company, for 900,000 shares of common stock valued at $1,260,000 based upon the market price at the date of purchase. The purchase agreement provided that another 100,000 common shares be retained in escrow for one year after the March 1, 2008. As of February 29, 2008, 30,000 common shares have been released and recorded at a fair value of $52,500. During the fiscal year, 15,000 of the escrow common shares were cancelled pursuant to a clause in the Brento lease termination agreement (See note 9 for more details). The remaining 55,000 have been accrued for as of February 28, 2009 at a fair value of $96,250. In addition, the Company incurred $25,138 of fees associated with the transaction. The Company valued the purchased property and equipment at $35,000 and certain intangible assets, consisting of the trade name, domain name and various archived internet radio programs at $1,250,138. At the time of the purchase, WTR had two employees and minimal operating activity. In addition, the technology, marketing, and operating activities were abandoned and replaced with a Company version. As a result, the Company accounted for this transaction as an asset purchase and not an acquisition of a business.

In May 2008, the Company purchased certain assets (RadioPilot) from Avalar, Inc., a Washington based internet radio software developer to enhance the Company's current BoomBox® Radio offering. The Company acquired the internet radio assets and enhancement platform for 250,000 shares and $50,000 cash. The purchase provides the Company with all of the intangible assets and no liabilities of Avalar. These shares were valued at their fair value of $1.85 per share for a share value of $277,500 for the 150,000 issued immediately, while the purchase agreement provides that the Company will hold in escrow 100,000 common shares for six months while the Company implements the software and integrates the systems. These shares have not been issued as of February 28, 2009. An accrual has been set up for the future issuance of these 100,000 common shares at its fair value of $122,000. At the time of the purchase, Avalar had one employee who will provide front line support of the system integration and texting through October 15, 2008. In addition, the technology, marketing, and operational activities, where they existed, were abandoned following integration and replaced with the Company versions. As a result, the Company accounted for the transaction as an asset purchase and not an acquisition of a business.

NOTE 7 – IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS

At February 28, 2010, 2009 and February 29, 2008, the Company performed its annual review for impairment. This review was based upon the valuation approaches described in Note 2 – "Summary of Significant Accounting Policies—Goodwill, Intangibles and Long-Lived Assets".

On July 14, 2009, the Company acquired New Aug, LLC, now included in the AD LIFE™ division. The Company accounted for this transaction using the purchase method of accounting for business combinations. In the original purchase price allocation, the Company allocated $12,720,223 to Goodwill. At February 28, 2010, the estimated fair value of the reporting unit was more than the carrying value of the reporting unit requiring no impairment.

On March 1, 2006, the Company acquired Kino Interactive Group, LLC, now included in the AD BOOM™ and AD SERVE™ divisions. The Company accounted for this transaction using the purchase method of accounting for business combinations. In the original purchase price allocation, the Company allocated $1,115,746 to Goodwill. At February 28, 2009, the estimated fair value of the reporting unit was less than the carrying value of the reporting unit requiring the Company to determine the implied fair value of the Goodwill. The implied Goodwill was $386,746 resulting in impairment of Goodwill of $729,000, which is reflected in the consolidated statement of operations for the fiscal year ended February 28, 2009. There was no impairment expense for Kino during the fiscal years ended February 28, 2010 and February 29, 2008.

NOTE 8 – INCOME TAXES

The Company uses the liability method, where deferred tax assets and liabilities are determined based on the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial and income tax reporting purposes.

At February 28, 2010 and 2009, for federal income tax and alternative minimum tax reporting purposes, the Company had unused net operating losses available for carry forward to future years of approximately $13,780,000 and $7,332,000, respectively. The benefits from carry forward of such net operating losses will expire in various years through 2030. The benefit could be subject to limitations if significant future ownership changes occur in the Company. The Company has provided a valuation allowance for the full amount of its deferred tax assets because at February 28, 2010 and 2009 it is not more likely than not that any future benefit from deductible temporary differences and net operating loss and tax credit carryforwards would be realized. Future utilization of the available net operating loss carryforward may be limited under Internal Revenue Code Section 382 as a result of changes in ownership that have or may result from the issuance of common stock, and from options and warrants for the purchase of common stock.

Deferred Tax Assets as of February 28, 2010 and February 28, 2009 are as follows:

	2010	2009
Deferred Tax Assets	$ 4,534,000	$ 2,566,000
Valuation Allowance	(4,534,000)	(2,566,000)
Net Deferred Tax Assets	-	-

NOTE 9 – RELATED PARTY DEBT

On February 28, 2009, the Company borrowed $15,574 from one of its officers. The loan is unsecured and due on demand with no stated interest rate. During the year ended February 28, 2010, the Company repaid the unsecured loan.

NOTE 10 – STOCKHOLDERS' EQUITY

COMMON STOCK:

During fiscal year ended February 29, 2008, the Company completed the following transactions:

1) Issued 900,000 common shares to purchase all of the intangible assets of World Talk Radio LLC, a San Diego based internet radio company. These shares were valued at $1,260,000 based upon the market price at the date of purchase.

2) Issued 2,022,376 common shares for cash of $751,383.

3) Issued 650,000 common shares for services valued at $468,500.

4) Issued 140,140 common shares to investors under cashless exercise of warrants.

5) Issued 61,881 common shares with a fair value of $55,693 to settle accounts payable totaling $14,915 resulting in a loss of $40,778 on the settlement.

During the fiscal year ended February 28, 2009, the Company completed the following transactions:

1) Issued 3,177,801 common shares for cash of $1,672,353.

2) Issued 99,353 common shares to investors under cashless exercise of warrants.

3) Issued 952,310 common shares to employees under cashless exercise of stock options.

4) Issued 150,000 common shares to purchase the intangible assets of Avalar. These shares were valued at $277,500 based upon the market price at the date of purchase (see Note 4 for details).

5) Issued 30,000 common shares with a fair value of $52,500 to World Talk Radio pursuant to contingent items that were completed. The remaining 55,000 contingent shares have been accrued for as of August 31, 2008 with a fair value of $96,250. See Note 4 for details.

6) Issued 50,000 common shares for services valued at $87,500.

7) Issued 60,000 common shares to a placement agent for services related to a future equity offering.

8) Issued 200,000 common shares to New Aug, LLC pursuant to an Asset Purchase Agreement. These shares were valued at their fair value of $348,000. See note 4 for details.

9) Issued 300,000 common shares as lease termination fees. These shares were valued at their fair value of $552,000.

During the fiscal year ended February 28, 2010, the Company completed the following transactions:

1) Issued 2,514,201 common shares for cash of $4,049,996.

2) Issued 30,769 common shares to investors under cashless exercise of warrants.

3) Issued 1,102,593 common shares in connection with the cashless exercise of stock options.

4) Issued 3,829,886 common shares in connection with the exercise of warrants for cash of $1,320,214.

5) Issued 323,000 common shares in connection with the exercise of options for cash of $80,750

6) Issued 246,467 common shares for services valued at $510,317.

7) Issued 705,103 common shares with a value of $1,326,234 for patent defense costs.

8) Issued 75,000 common shares with a fair value of $285,001 for a litigation settlement.

9) Issued the remaining 3,466,667 common shares with a fair value of $13,832,001 related to the purchase of the assets and business of New Aug, LLC.

10) Issued the remaining 100,000 common shares with a fair value of $122,000 related to the purchase of certain assets from Radio Pilot in 2008.

STOCK OPTIONS:

The Company maintains stock incentive plans for its employees.

The 2002 Stock Incentive Plan provides for the grant to employees, officers, directors and consultants of options, stock appreciation rights, restricted shares, deferred shares and other stock based awards to purchase up to an aggregate of 400,000 shares of common stock. The stock based awards may consist of both incentive stock options and non-qualified options. To date, the Company issued 381,129 shares of common stock and no stock options under this Plan.

The 2004 Stock Plan provides for the grant to employees, including officers, directors and consultants of incentive stock options as well as non-qualified stock options and stock appreciation rights. The Stock Plan expires in March 2014 and is administered by the Board of Directors or the Compensation Committee thereof. A total of 2,000,000 shares are reserved for issuance under the Stock Plan. To date, the Company issued 1,800,000 shares of common stock and no stock options under this Plan.

During the fiscal year ended February 29, 2008, the Company completed the following transactions:

1) No options were granted and 600,000 prior period options were cancelled during the year.

During the fiscal year ended February 28, 2009, the Company completed the following transactions:

1) Granted 1,732,296 options exercisable into unregistered shares of common stock at $1.50 per share to its employees. These options vest over 5 years and have a five year term. The fair value of the options on the grant date was $3,225,647. Variables used in the Black-Scholes option-pricing model, include (1) 1.99% risk-free interest rate (2) 5 years expected term, (3) expected volatility of 158%, and (4) zero expected dividends.

2) Granted 427,342 options exercisable into unregistered shares of common stock at $0.55 per share to a former employee. The options originate from a 2006 agreement that has been under dispute and were considered to have a “Remote” chance to be issued. It became probable that the Company would have to issue these options when the settlement agreement was signed in fiscal 2009. These options have a life of 10 years, and vest immediately. The fair value of the options on the grant date was $764,168 and was recognized immediately. Variables used in the Black-Scholes option-pricing model, include (1) 1.79% risk-free interest rate (2) 5 years expected term, (3) expected volatility of 158%, and (4) zero expected dividends.

During the fiscal year ended February 28, 2010, the Company completed the following transactions:

1) Granted 300,000 options exercisable into unregistered shares of common stock at $1.69 per share to a consultant, who is also a former employee. These options vest over five years and have a five year term. The fair value of the options on the grant date was $1,068,779. Variables used in the Black-Scholes option-pricing model, include (1) 2.75% risk-free interest rate (2) four years expected term, (3) expected volatility of 116%, and (4) zero expected dividends.

2) Granted 300,000 options exercisable into unregistered shares of common stock at $1.63 per share to certain employees. These options vest over three years have a life of ten years. The fair value of the options on the grant date was $459,434. Variables used in the Black-Scholes option-pricing model, include (1) 1.23% risk-free interest rate (2) 6.5 years expected term, (3) expected volatility of 146%, and (4) zero expected dividends.

3) Granted a total of 18,750 options exercisable into unregistered shares of common stock at $2.25 per share in two separate grants to a vendor of the Company. These options were fully vested as of December 1, 2009 and have a five year term. The fair value of the options on the grant date totaled $32,768. Variables used in the Black-Scholes option-pricing model, include (1) risk-free interest rates ranging from 2.23% to 2.36% (2) 2.5 years expected term, (3) expected volatility ranging from 38% to 70%, and (4) zero expected dividends.

4) Granted 300,000 options exercisable into unregistered shares of common stock at $1.36 per share to a director. These options vest over three years have a life of ten years. The fair value of the options on the grant date was $381,216. Variables used in the Black-Scholes option-pricing model, include (1) 2.39% risk-free interest rate (2) 6.5 years expected term, (3) expected volatility of 148%, and (4) zero expected dividends.

5) Granted 280,000 options exercisable into unregistered shares of common stock at $3.49 per share to certain employees. These options vest over five years have a life of ten years. The fair value of the options on the grant date was $971,109. Variables used in the Black-Scholes option-pricing model, include (1) 2.29% risk-free interest rate (2) 7.5 years expected term, (3) expected volatility of 198%, and (4) zero expected dividends.

6) Granted 750,000 options exercisable into unregistered shares of common stock at $3.90 per share to certain employees. These options vest over three years have a life of ten years. The fair value of the options on the grant date was $2,795,210. Variables used in the Black-Scholes option-pricing model, include (1) 1.23% risk-free interest rate (2) 6.5 years expected term, (3) expected volatility of 156%, and (4) zero expected dividends.

The Company recognized $1,579,033, $876,604 and $141,796 for stock option expense during the fiscal years ended February 28, 2010 and 2009 and February 29, 2008, respectively. The stock option expense for each fiscal year is related to stock options granted in each respective year, as well as prior period grants.

A summary of stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance at February 28, 2007	5,828,000	$ 0.33		
Granted	-	$ N/A		
Exercised	-	$ N/A		
Cancelled	(600,000)	$ 0.31		
Balance at February 29, 2008	5,228,000	$ 0.33	6.75	
Granted	2,159,638	$ 1.31		
Exercised	(952,310)	$ 0.06		
Forfeited/Expired	(969,310)	$ 0.13		
Balance at February 28, 2009	5,465,794	$ 0.74	5.67	
Granted	1,948,750	$ 2.74		
Exercised	(1,425,593)	$ 0.30		
Cancelled	(130,500)	$ 0.25		
Forfeited/Expired	(600,037)	$ 1.63		
Balance at February 28, 2010	5,258,415	$ 1.51	5.20	
Options exercisable at February 28, 2010	2,399,622	$ 0.87		$ 1,475,102

The aggregate intrinsic value was calculated based on the positive differences between the market value of the Company's common stock on February 28, 2010 of $1.23 per share and the exercise prices of the exercisable options.

The exercise prices of options outstanding as of February 28, 2010 ranged from $0.25 to $3.90. The weighted average fair value of options granted was $2.93 and $1.85 for the fiscal years ended February 28, 2010 and 2009, respectively. There were no options granted during the fiscal year ended February 29, 2008.

STOCK WARRANTS:

During the fiscal year ended February 29, 2008, the Company completed the following transactions:

1) Granted 500,000 warrants at an exercise price of $0.25 to a former corporate consultant. The warrants vest immediately and have a term of 5 years. The fair value of the warrants on the grant date was $110,036 all of which was expensed in fiscal 2008. Variables used in the Black-Scholes option-pricing model, include (1) 2.95% risk-free interest rate (2) 2.5 years expected term - using the simplified method pursuant to SAB 107, (3) expected volatility of 256%, and (4) zero expected dividends.

2) In June 2007, we granted 300,000 warrants at an exercise price of $0.50 in connection with a common stock offering of $75,000 prior to February 28, 2007. The warrants vest immediately and have a term of 3 years. The relative fair value of the warrants is $63,848. Variables used in the Black-Scholes option-pricing model, include (1) 5.07% risk-free interest rate (2) 1.5 years expected term using the simplified method pursuant to SAB 107, (3) expected volatility of 143%, and (4) zero expected dividends.

3) In November 2007, we granted 120,000 warrants at an exercise price of $1.15 to a former corporate consultant. The warrants vest immediately and have a term of 3 years. The fair value of the warrants on the grant date was $56,861 all of which was expensed in fiscal 2008. Variables used in the Black-Scholes option-pricing model, include (1) 2.92% risk-free interest rate (2) 1.5 years expected term - using the simplified method pursuant to SAB 107, (3) expected volatility of 81%, and (4) zero expected dividends.

4) In November 2007, the Company modified certain warrants that were originally issued to purchasers of common stock in connection with their purchase of common stock by lowering the exercise price from $1.50 to $1.00. The change in the fair value of these warrants when measured immediately prior to and immediately after the modification, resulted in an increase of $73,727. No expense was recognized because these warrants were originally issued to purchasers of common stock in connection with a capital raise.

5) In December 2007, the Company granted 50,000 warrants at an exercise price of $1.00 that vest immediately, 50,000 warrants at an exercise price of $1.00 that vest March 1, 2008, 100,000 warrants at an exercise price of $1.75 that vest ratably over 36 months, and 100,000 warrants at an exercise price of $2.00 that vest ratably over 36 months all to a corporate consultant. The warrants have a contractual term of 3 years. The fair value of the warrants on the grant date was $361,078 of which $122,674 was expensed in fiscal 2008. Variables used in the Black-Scholes option-pricing model, include (1) 3.15% to 3.51% risk-free interest rates (2) 2.5 to 4 years expected terms - using the simplified method pursuant to SAB 107, (3) expected volatilities of 135% to 173%, and (4) zero expected dividends.

6) In January 2008, the Company granted 3,000,000 warrants at an exercise price of $1.25 that vest immediately in connection with an equity placement agent agreement. The fair value of the warrants on the grant date was $1,577,302. Variables used in the Black-Scholes option-pricing model, include (1) 2.61% risk-free interest rate (2) 3 years expected term - using the simplified method pursuant to SAB 107, (3) expected volatility of 83.68%, and (4) zero expected dividends. No expense was recognized because these warrants were originally issued to purchasers of common stock in connection with a capital raise.

7) 2,162,516 warrants were exercised by the investors during the year.

8) The Company recognized $289,571 warrant related expense during the year.

During the fiscal year ended February 28, 2009, the Company granted 637,801 warrants at an exercise price of $0.20 pursuant to an anti-dilution clause from a warrant that originated in 2005. The warrants vest immediately. These warrants were immediately exercised by the holder for cash of $117,353. The Company sold 700,000 warrants for $275,000. These warrants were exercised by the investor immediately after the issuance.

During the fiscal year ended February 28, 2010, the Company granted 1,126,668 warrants exercisable into unregistered shares of common stock at exercise prices ranging from $2.50 to $4.00 per share to its investors in its common stock and 17,143 warrants exercisable at $3.80 to a placement agent for placement services. These warrants vest immediately and have a two year term. The relative fair value of the warrants on the grant date was $533,233 for the warrants that were issued to the stock for cash investors. Variables used in the Black-Scholes option-pricing model, include (1) risk-free interest rate ranging from 0.89% to 2.69% (2) two years contractual term, (3) expected volatility ranging from 71% to 158%, and (4) zero expected dividends.

During the fiscal year ended February 28, 2010, the Company granted 300,000 warrants exercisable into unregistered shares of common stock at $1.75 per share to an independent Director of the Company. The warrants vest over three years and have a term of ten years. The fair value of the warrants on the grant date was $979,631. Variables used in the Black-Scholes option-pricing model, include (1) 2.86% risk-free interest rate (2) 6.5 years expected term (3) expected volatility of 189%, and (4) zero expected dividends.

During the fiscal year ended February 28, 2010, the Company granted 1,400,000 warrants exercisable into unregistered shares of common stock at $0.50 per share to an investment broker. The broker will exercise the warrants and sell the common shares to investors with the proceeds going to the Company. No expense was recognized on these grants during the year ended February 28, 2010.

Additionally, during the fiscal year ended February 28, 2010, there were 1,409,247 of additional shares of common stock available underlying warrants previously granted as a result of antidilution provisions and adjustments to certain prior grants. These warrants are accounted for as derivatives as described in Note 2 – “Summary of Significant Accounting Policies – Recent Accounting Pronouncements.”

The Company recognized $339,229, $84,936, and $0 for warrant expense during fiscal years ended February 28, 2010 and 2009 and February 29, 2008, respectively, associated with a prior period grants of warrants.

The summary of activity for the Company's stock warrants for the fiscal years ended February 28, 2010, 2009 and February 29, 2008 is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance at February 28, 2007	5,015,304	$ 0.58		
Granted	4,220,000	$ 1.10		
Exercised	(2,162,516)	$ 0.44		
Forfeited/Expired	(41,193)	$ 0.38		
Balance at February 29, 2008	7,032,595	$ 0.89	2.24	
Granted	1,337,801	$ 0.35		
Exercised	(2,657,154)	$ 0.39		
Forfeited/Expired	(223,403)	$ 0.60		
Balance at February 28, 2009	5,489,839	$ 1.02	1.55	
Granted	2,843,811	$ 1.71		
Adjustments for antidilution provision	1,409,247	$ 0.62		
Exercised	(3,860,655)	$ 0.54		
Cancelled	(200,000)	$ 0.68		
Forfeited/Expired	(19,231)	$ 1.50		
Balance at February 28, 2010	5,663,011	$ 1.60	1.67	
Warrants exercisable at February 28, 2010	5,384,195	$ 1.59		$ 541,536

The aggregate intrinsic value was calculated based on the positive differences between the market value of the Company's common stock on February 28, 2010 of $1.23 per share and the exercise prices of the exercisable warrants.

The exercise prices of warrants outstanding as of February 28, 2010 ranged from $0.25 to $4.00. The weighted average fair value of warrants granted was $0.47 and $1.10 for the fiscal years ended February 28, 2010 and February 28, 2009, respectively. There were no warrants granted to non-investors during the fiscal year ended February 29, 2009.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings and Claims

On December 29, 2009, two holders of Company Common Stock Purchase Warrant Agreements filed a lawsuit against the Company in the United States District Court for the Central District of California. The Complaint alleges Breach of Contract, Contractual Breach of the Implied Covenant of Good Faith and Fair Dealing, Declaratory Relief, and Injunctive Relief, related to certain Common Stock Purchase Warrant Agreements. Augme disagrees with the allegations contained in the Complaint and intends to vigorously defend the matter and otherwise enforce its rights with respect to the matter. Augme has retained counsel, is defending the matter, and as of June 1, 2010, the matter remains unresolved.

October 26, 2009, Movieland Classics, LLC, a former customer of Augme, filed an action for breach of contract, fraud and negligent misrepresentation alleging damages of $30,000 to $40,000. Augme cross-complained for the $8,500 unpaid portion of the $13,500 contract. Augme takes the position that damages in the case are limited by the terms of the contract to the $5,000 paid. The case is presently scheduled for mediation and discovery is underway.

In December 2008, the Company notified Sun Media Group, our Las Vegas landlord that our month to month relationship would cease as of January 1, 2009. In addition, we contacted Brento Corporation, our landlord in San Diego, and developed an agreement to terminate the remaining three year lease. The Company agreed to the issuance of 300,000 shares of common stock to terminate the lease agreement. The 300,000 shares of common stock had a fair value of $552,000. We also reversed $62,155 of deferred rent obligation that remained at the time of the lease termination. This reversal was netted against the fair value of the common stock issued of $552,000. The total lease termination expense at February 28, 2009 was $489,845.

During the year ended February 28, 2009, the Company received several demands from former employees and consultants requesting that the Company issue common stock and/or common stock warrants that purportedly were due based upon formal and informal agreements made by previous management for services allegedly rendered in 2005 and previous years. The Company has reviewed each demand as received, and has either rejected such requests or requested additional support for the demands as follows:

On September 4, 2007, a former Chief Executive Officer and Chairman began AAA arbitration proceedings against the Company in Atlanta, GA citing breach in the settlement agreement between both parties on March 21, 2006. On February 18, 2009, the Company settled the September 4, 2007 AAA arbitration. The settlement provides for a bleed out agreement for any and all shares issued to the former Chief Executive Officer & Chairman based on the options granted in 2005 and 2006. In addition, the settlement calls for the former Chief Executive Officer & Chairman to receive 1,488,156 stock options at an exercise price of $0.25 per share from the 2005 agreement and 427,342 stock options at an exercise price of $0.55 per share from the 2006 agreement. The Company was required, and complied, to register the options underlining the options agreements. This matter has been resolved.

On March 20, 2008 a former investor began AAA arbitration proceedings seeking enforcement of terms pursuant to the former Chief Executive Officer and Chairman stock option assignment presumably in late 2007. Subsequent to February 28, 2009, the Company settled the March 20, 2008 AAA arbitration. The plaintiff forfeited 540,000 options under the assignment from the May 2005 options grant to the former Chief Executive Officer& Chairman. The total issuance to the plaintiff is 660,000 shares of the Company’s Common Stock. In addition, plaintiff is afforded the right to purchase the Company’s Common Stock over fifteen months with the shares restricted for no less than six months. This matter has been resolved.

On January 9, 2009, the Company was named as a defendant in a direct lawsuit filed by a group of six of the Company’s shareholders in the United States District Court, District of Arizona. The suit seeks injunctive relief and damages relating to allegedly fraudulent securities-related transactions during the period 2003 through 2005 undertaken and authorized by prior management, including the Company's former Chief Executive Officer and Chairman, Robert Arkin. The suit also claims that plaintiffs have suffered damages resulting from new management's handling of information learned from its investigation of prior management. The Company's response to the court was due on January 26, 2009. In fiscal year February 28, 2010, the Company issued 75,000 common shares to resolve this matter. The common shares had a fair value of $285,000.

Operating Leases

The Company currently leases space in two locations under noncancellable leases, with one of them expiring in 2011 and the other in 2012.

Total rent expense under operating leases was $144,398, $71,121, and $94,514 for the years ended February 28, 2010 and 2009, and February 29, 2008, respectively.

As of February 28, 2010, future minimum lease payments under noncancelable operating leases are as follows:

Fiscal year 2011	$ 118,283
Fiscal year 2012	107,302
Fiscal year 2013 and thereafter	-
	$ 225,585

12. Quarterly Information (Unaudited)

	Three Months Ended							
	Feb. 28, 2010	**Nov. 30, 2009**	**Aug. 31, 2009**	**May 31, 2009**	**Feb., 2009**	**Nov. 30, 2008**	**Aug. 31, 2008**	**May 31 2008**
Statements of Operations Data:								
Revenue	$ 190,570	$ 71,130	$ 39,507	$ 38,694	$ (197,714)	$ 264,525	$ 134,242	$ 136,274
(Loss)/ income from operations	(2,586,329)	(1,535,241)	(1,378,707)	(1,074,683)	(3,503,433)	(695,572)	(352,991)	(358,337)
Net (loss)/ income	(3,884,239)	(1,758,248)	(1,477,262)	(1,258,750)	(4,041,215)	(634,963)	(322,190)	(327,142)
Basic and diluted net (loss)/ income per share	$ (.07)	$ (.03)	$ (.03)	$ (.03)	$ (.10)	$ (.02)	$ (.01)	$ (.01)

NOTE 13 – SUBSEQUENT EVENTS

Subsequent to the fiscal year ended February 28, 2010, the Company completed the following transactions:

1) Issued 30,000 common shares for cash totaling $7,500.

2) Issued 170,227 common shares to former employees under cashless exercise of options.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Act") is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. As of the end of the period covered by this Annual Report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Corporate Controller of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer has concluded that the Company's disclosure controls and procedures are not effective due to a lack of segregation of duties. Given the Company's size, we have a small accounting staff, which makes it difficult to adequately segregate duties to obtain adequate disclosure controls and procedures. To partially mitigate this issue, during the fiscal year we contracted with a senior level financial executive to provide oversight of the accounting function and review of the financial reports, assist with our external financial reporting. We will continue to work on improving our segregation of duties, including the hiring of additional personnel as our business continues to grow and as our finances will allow.

Changes in Internal Controls over Financial Reporting

We have not made any changes in our internal controls over financial reporting that occurred during the period covered by this report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

This annual report does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of the Company's registered public accounting firm. This assessment was not completed due to the sale of the Internet Radio division and given that we are in the initial year after the acquisition of New Aug, LLC. The Internet Radio division, which was sold through an asset sale effective December 31, 2009, represented the majority of the Company's revenues and operations prior to being sold and prior to the acquisition of New Aug, LLC. As of February 28, 2010, the revenues and operations related to the business acquired from New Aug, LLC represented the vast majority of our revenues and personnel. This transformation in the Company's business during the year, did not provide management with the time necessary to conduct its assessment of internal controls over financial reporting.

Changes in Internal Controls

Changes in Internal Controls over Financial Reporting

There has been no change in the company's internal control over financial reporting during the fourth quarter ended February 28, 2010, that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth information regarding our executive officers and directors as of February 28, 2010:

Officers And Directors	**Age**	**Position**
Mark Severini	55	Chief Executive Officer and Director
David Ide	36	Chief Strategy Officer and Director
Anthony Iacovone	36	Chief Innovation Officer
Scott Russo	38	Chief Operating Officer
James Lawson	38	Chief Legal Officer and General Counsel
Nathaniel Bradley	36	Chief Technology Officer
Jim Crawford	34	Chief Information Officer and Director
Shelly Meyers	51	Chairwoman of the Board of Directors
John Devlin	65	Director and Audit Committee Chairman

Mark Severini – Chief Executive Officer and Director

Mark Severini, CEO and Founder of the Gramercy Group, began his career in advertising in 1978 working in account management at a number of major agencies, including Grey Advertising in New York City. In 1987, Mr. Severini started his own integrated marketing communications company, named the Gramercy Group, which provided clients with an array of marketing solutions from strategic marketing and branded advertising to direct marketing, sales promotion and interactive advertising. While heading the Gramercy Group, Mr. Severini designed and executed integrated marketing assignments for a number of Fortune 500 companies including Smith Kline and Beecham's Consumer Products division working on well-known household names such as Tums and Aqua Fresh. The Gramercy Group under Mr. Severini's leadership also developed advertising, sales and interactive promotions for major consumer product clients including Michelin, Pepsi and Subway. The Gramercy Group, as a result of Mr. Severini's management and new business efforts grew to capitalized billings of $50,000,000 and was acquired by the Publicis Group, S.A., the fourth largest advertising and media conglomerate in the world. In October of 1999, Gramercy was assimilated into Publicis Dialog, a unit that was established to provide integrated, holistic marketing and public relations programs, to in-house clients of Publicis Advertising such as Siemens and L'Oreal. For two years following the sale to Publicis, Mr. Severini served as CEO and then as a consultant, after which he established Severini Communications LLC.

As CEO and Creative Director of Severini Communications, Mr. Severini has focused on developing Branded Entertainment programming that integrates clients' products and services into film and television properties. Mr. Severini also consulted an interactive advertising company, Morpheus Media, on new business and acquisitions.

In 2008, Mr. Severini co-founded Augme Mobile, an interactive mobile marketing company that provides brands and their agency a web-based platform to create, manage and track mobile marketing campaigns. Mr. Severini graduated summa cum laude from Boston College with a B.A. in 1977. He attended Northwestern's Medill School of Broadcast Journalism.

James G. Crawford – Chief Information Officer and Director

A founding member of both Audio Eye, Inc and Kino Communications, LLC, Mr. Crawford raised the seed capital through private investment to fund Kino's initial move into the Streaming Media sector in 2001. With the 2006 merger of Kino Interactive and Surfnet Media (which became Augme) Mr. Crawford became Director of Interactive Production overseeing the production of the Interactive Product line, as well as managing the content management system that powered the radio platform. In March of 2006 he joined the Board of Directors for Augme and assisted the company in maneuvering through the initial challenges of the merger, becomingChief Technology Officer in July of 2006. As CTO, Mr. Crawford worked on the development of the company's new radio platform, as well as leading the effort to upgrade the company's server infrastructure. Mr. Crawford also developed and managed the Stream Syndicate product line managing high end clients such as ABC Disney, New Times Media, and more. In April, 2007, Mr. Crawfordbecame the Company's Chief Information Officer to focus in more on internal product development.

Shelly J. Meyers – Chairwoman Board of Directors

Shelly J. Meyers (MBA, CPA) comes to Augme with over 20 years of financial and investment experience. She is Founder and President of Palisades Management LLC, a Registered Investor Advisor (RIA) that provides investment management services to high net worth individuals and institutions. The Firm also provides strategic advisory services to corporations pertaining to corporate finance and capital market activities. Prior to founding Palisades Management, Ms. Meyers served as Executive Vice President for Pacific Global Investment Management Company (PGIMC), where she played an integral role in launching PGIMC's high net worth management business, merging the separately managed account business of Meyers Capital Management (MCM) into PGIMC in mid-2003. While at PGIMC, the Firm's high net worth business grew from less than $1,000,000 to approximately $100,000,000. Ms. Meyers also managed the Pacific Advisor Funds' Multi-Cap Value Fund from inception (April 2002) to a five year record that beat the S&P 500 on an annualized basis, and which ranked the Fund in the top 10% in its five year Morningstar peer group. Ms. Meyers founded MCM and the Meyers Investment Trust in June 1996, and managed the Trust's Meyers Pride Value Fund from inception in June 1996 to September 2001. The Fund was awarded a five star ranking by Morningstar under her management, and in 2001 the Fund was recognized as the #1 large-cap value fund in the United States by Morningstar with Ms. Meyers as manager. The Meyers Value Fund was sold to Citizens Funds in September 2001 with Ms. Meyers serving as sub-advisor until October 2002.

From 1993 to 1996, Ms. Meyers served as Assistant Vice-President at The Boston Company Asset Management, Inc. (BCAM). She acted as an Assistant Portfolio Manager and equity research analyst for the institutional investment group in a team responsible for equity investments valued at $10 billion. Prior to that, she served in the Finance Department at Chevron Corp, and was the first woman sent to important oil and gas operations throughout Asia and the South Pacific. Ms. Meyers has often addressed national audiences on investing issues, with regular appearances on CNBC's *Power Lunch*, CNN, and Bloomberg TV. She's also been featured in publications such as The Wall Street Journal, The New York Times, Investor's Business Daily, USA Today, The Washington Post, Mutual Fund Magazine and Business Week. In 1998, Ms. Meyers was named to the Board of Trustees for E*Trade Funds, serving until September 2006. She was elected to the U.S. National Registry of Who's Who, first listed in the year 2000 edition.

Ms. Meyers received her MBA from Dartmouth College's Amos Tuck School of Business Administration. She received her BA with a major in Political Science and minor in Economics from the University of Michigan. Ms. Meyers was issued a CPA license by the state of California in 1990.

David J. Ide – Chief Strategy Officer and Director

Mr. Ide is one of the original founders of Kino Communications, AudioEye, and Kino Interactive, LLC. David J. Ide has a proven record in Executive Management spanning ten years of service with Fortune 500 Companies. He has directed the newest venture of Kino in transitioning the management and service infrastructure of Surfnet Media Group into the new Augme Technologies, Inc. operation. In doing so David has exhibited his capabilities to manage the expectations of share holders, clients, and employees with a complete command of the operation. Terminating numerous legacy issues, retiring bad debts of Surfnet Media Group, Inc. and providing financial stability to the operation, while growing sales to record levels, taking the company to sustained positive operational cash position are all factual benchmarks of his tenure as CEO. Mr. Ide engineered the acquisition of four companies for Augme, formulated the integration processes, and enhanced the technology foundation with a keen eye for current and future product offerings.

From 2000 – 2004, prior to the engagement with Augme, David directed the operations of two separate private companies with combined annual revenues exceeding thirty-six million dollars. David also spent time as an Operations Manager for Westin Hotels & Resorts (NYSE: HOT), Omni Hotel & Resorts, and an Executive Manager for Avatar Holdings (NASDAQ:AVTR) subsidiary Rio Rico Resort & Country Club. In April 2009, Mr. Ide became the Company’sChief Strategy Officer to work on the overall strategy of the company and execute the forward vision of the organization.

John M. Devlin - Director and Audit Committee Chairman

Mr. Devlin has been in the investment and asset management business for over 23 years. Before retiring from J.P. Morgan Investment Management, he was a Senior Portfolio manager for ten years, responsible for directing investment activity, providing pension asset and liability advice as well as tactical and strategic portfolio management for institutional relationships with over $44 billion in assets. Mr. Devlin was also the Committee Chairman for client portfolio guidelines, compliance and performance review for J.P. Morgan accounts with an asset size over $200 billion. Throughout his career at J.P. Morgan, Mr. Devlin worked in all aspects of the investment and asset management business in areas such as fixed income trader and portfolio manager. Mr. Devlin is currently Managing Director of the American Irish Historical Society where he is responsible for managing day-to-day operations of the Society and its Fifth Avenue Brownstone headquarters, including banking relationships, financial reporting, administration, and trustee and fund raising relationships. Prior to that, Devlin was the Vice Chairman of McKim & Company LLC. where he was responsible for providing strategic planning and direction for McKim & Company, a venture capital source firm for start-up companies in the $1million to $20 million bracket. Sourcing new ideas, due diligence, corporate governance, business plan review, discussions and discernment with company managements and assistance in subsequent financings. Previous experience includes positions at U.S. Steel Corporation including Accounting Manager, Treasury Manager and Corporate Auditor and Consultant. Responsibilities also included being responsible for the direct management of United States Steel & Carnegie Pension Funds with an asset size of over $7 billion. Devlin holds Series 7, 63, 66 and 3 FINRA Registrations. Mr. Devlin received an MBA from Pace University and completed his undergraduate degree in Finance at Georgetown University.

Anthony Iacovone – Chief Innovation Officer

Mr. Iacovone is a leading voice in the area of mobile integration for large traditional media organizations. Mr. Iacovone conceptualized the Augme Mobile strategy in 2004, identifying gaps that existed in the both the technology and distribution strategies in the mobile marketing space. Employing unique distribution models to the mobile interactive market and integrating a new approach to bridge existing technology gaps, Mr. Iacovone has helped lead a new paradigm in which media channels, brands and agencies deploy mobile interactivity across traditional advertising as a method to invigorate consumer consumption. With extensive experience in the telecom industry, Mr. Iacovone has spent the last decade developing and providing business development leadership with AllNet, Frontier/Global Crossing and WorldCom. During his time at these leading telecommunications providers, Mr. Iacovone achieved outstanding success expanding revenue growth in both the mid-market and large enterprise markets.

James Lawson – Chief Legal Officer and General Counsel

James Lawson previously served as COO and General Counsel at Augme Mobile. Prior to Augme, Mr. Lawson offered legal and business support services to growing businesses and private equity backed startups as both a member of a management team and a consultant. Before turning his attention to new businesses, Mr. Lawson was a partner in the Washington, DC office of the law firm McDermott, Will & Emery, LLP. During his private law practice Mr. Lawson represented Fortune 500 companies and growing businesses in both litigation and counseling capacities with respect to a wide range of legal matters. Mr. Lawson has appeared before state and federal courts and has a record of accomplishment representing clients in complex regulatory filings, petitions, conciliation agreements and related negotiations involving federal, state and local authorities. Mr. Lawson has negotiated sub-specialty areas of multi-million and billion dollar corporate transactions, including employment, employee benefits and tax matters, and has advised corporate boards of directors regarding fiduciary considerations and corporate governance.

Scott Russo – Chief Operations Officer

Scott Russo is responsible for product development and a range of business operations functions across the company. Mr. Russo has provided operational, product management, and strategic planning leadership in both private and public company settings. Prior to serving as CEO at Augme Mobile, Mr. Russo led Operations for the Managed Services business at Avaya Inc, where he provided strategic direction and managed general operations for a $300M business. Also while at Avaya, Mr. Russo served as the Director of Business Operations for the multi-billion dollar product business, where he managed revenue-impacting functions supporting the entire Avaya product portfolio. Previously, Mr. Russo was Founder and CEO of Freewire Networks, a broadband wireless venture launched out of Lucent Technologies that leveraged Bell Labs IP to deliver location specific multimedia content to wireless handheld devices in sports and entertainment venues. Before Freewire, Mr. Russo worked in Lucent's New Ventures Group, a corporate incubator driven by Bell Labs technology, where he developed new business concepts for wireless ventures built around Bell Labs intellectual property. Mr. Russo received an MBA from the Yale School of Management and a BA from Bucknell University.

Nathaniel Bradley – Chief Technology Officer

Nathaniel has been recognized as a leading entrepreneur and innovator in the new media technology industry and has developed internet communications technology solutions for many leading organizations. He has provided technical leadership and management of several successful interactive media applications on behalf of clientele including Genentech, Allergan, Merrill Lynch, NAACP, The University of Phoenix, New York Times, and State governments of Arizona and New Mexico. Previous to his service with Augme®, Nathaniel founded

Kino Digital, LLC, Kino Communications, LLC and AudioEye, Inc a Delaware corporation with patent pending accessibility and audio publication Software Company. Prior to his entrepreneurial endeavors Nathaniel was a General Manager for Intercontinental Hotels and Resorts and served as a Marketing and operational manager for The Westin La Paloma Resort & Spa in Tucson, Arizona.

Board of Directors

Our directors hold office until the next annual meeting of stockholders and the election and qualification of their successors.

The Board of Directors held telephonic and met in person for their scheduled board meetings during the fiscal year ending February 28, 2009. All or a majority of members of the Board of Directors participated in these meetings. The Board of Directors accepted the resignation of Jeffrey Spenard during the fiscal year and nominated Mr. Dennis Webb as his replacement subsequent to February 28, 2010. Mr. Webb resigned from the Board, and as Chair of the Compensation Committee of the Board, effective May 17, 2010, for personal reasons, and the Company is currently working to appoint his replacement on the Board.. The Board currently provides independence through two outside directors, Shelly Meyers and John Devlin, who also provide leadership on our Compensation Committee and Audit Committee.

Committees of the Board of Directors

Our Board of Directors has an Audit Committee and Compensation Committee which committees provide guidance during the fiscal year ending February 28, 2010.

Audit Committee

The Audit Committee is comprised of Mr. John Devlin. Our audit committee's main function is to oversee our accounting and financial reporting processes, internal systems of control, independent auditor relationships and the audits of our financial statements. The Company has determined Mr. Devlin an independent Director, is an audit committee financial expert.

Compensation Committee

The purpose of the Compensation Committee is to aid the Board of Directors in meeting its responsibilities with regard to oversight and determination of executive compensation. Among other things, the Committee reviews, recommends and approves salaries and other compensation of Augme's executive officers, administers Augme's equity incentive plans (including reviewing, recommending and approving stock option and other equity incentive grants to executive officers), and administers the executive officer incentive plans.

Code of Ethics

On March 11, 2010, the Company adopted Code of Business Conduct and Ethics, that applies to our officers, including our principal executive, financial and accounting officers, and our directors and employees. We plan to post the Code of Business Conduct and Ethics on our website at www.augme.com under the "Investor Relations — Corporate Governance" section of the website. We intend to make all required disclosures concerning any amendments to, or waivers from, the Code of Business Conduct and Ethics on our website.

Corporate Governance and Nominating Committee

The full Board currently performs the functions of a corporate governance and nominating committee,the purpose of which is to identify individuals qualified to become members of our board of directors consistent with criteria set by our board and to develop our corporate governance principles.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee will be one of our officers or employees. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee. The Compensation Committee is comprised of the Board's independent Directors.

ITEM 11 - EXECUTIVE COMPENSATION

Compensation Discussion and Analysis
The following discussion and analysis is intended to provide an understanding of the actual compensation earned by each of our Executive Officers from the Company.

Total compensation for each Executive officer is reviewed and approved annually by the Compensation Committee. The Board of Directors excuses affected Executive Officers from meetings during which the Executive Officer's compensation is discussed or voted upon, and affected Executive Officers and Directors abstain from voting on any matters with respect to same.

Compensation Philosophy

The objectives of the Company's compensation program are to (1) attract, motivate, develop and retain top quality executives who will increase long-term shareholder value and (2) deliver competitive total compensation packages based upon the achievement of both Company and individual performance goals. The Company expects its executives to balance the risks and related opportunities inherent in its industry and in the performance of his or her duties and share the upside opportunity and the downside risks once actual performance is measured.

To achieve the above goals, the Compensation Committee has set forth a compensation program for its Executive Officers that is reviewed annually. It includes the following elements:

- Base salary;
- Annual cash incentive bonuses;
- Share-based compensation; and
- Health and other benefits.

In order to maintain a competitive compensation program for its Executive Officers, the Compensation Committee, on an annual basis, performs the following: (a) reviews compensation practices to assure fairness, relevance, support of the strategic goals of the Company and contribution of the executive to the creation of long-term shareholder value, (b) considers the relevant mix of compensation based upon three components, each an important factor — base salary, annual or intermediate incentives and long-term compensation, including stock options and (c) implements a compensation plan that reasonably allocates a portion of the executives' total compensation through incentives and other forms of longer-term compensation linked to Company and individual performance and the creation of shareholder value, including stock option awards and programs.

Factors Considered In Determining Compensation
The Compensation Committee reviews executive compensation levels for its Executive Officers on an annual basis to ensure that they remain competitive within the industry. The overall value of the compensation package for an Executive Officer is determined by the Compensation Committee, in consultation with the Board. The factors considered by the Compensation Committee include those related to both the overall performance of the Company and the individual performance of the Executive Officer. Consideration is also given to comparable compensation data for individuals holding similarly responsible positions at other and peer group companies in determining appropriate compensation levels.

With respect to long-term incentive compensation to be awarded to Executive Officers, any such awards are granted only upon the written approval of the Compensation Committee.

Elements of Executive Compensation
As discussed above, the Company's compensation programs for its Executive Officers are based on four components: base salary, annual cash incentives, stock-based compensation and retirement, health and other benefits; each intended as an important piece of the overall compensation.

Base Salary
Base salary is used to attract and retain the Executive Officers and is determined using comparisons with industry competitors and other relevant factors including the seniority of the individual, the functional role of the position, the level of the individual's responsibility, and the ability to replace the individual. Salaries for the Executive Officers are reviewed by the Compensation Committee and the Board on an annual basis. Changes to base salaries, if any, are affected primarily by individual performance.

Annual Bonuses

Annual bonuses are intended to be a component of an Executive Officer's compensation package. The amount of annual bonus compensation to be awarded to the Executive Officers (if any) is determined by the Compensation Committee, upon recommendation by the Chief Executive Officer. While the Chief Executive Officer and the Compensation Committee consider the Company's overall performance and each individual's performance when determining the amount of bonus to award, there is no predefined written plan, acknowledged by the recipient, with respect to performance measures that obligates the Company to pay an annual bonus, and the Compensation Committee retains absolute discretion to award bonuses and to determine the amount of such bonuses.

Share-Based Compensation (Long-Term Incentive Compensation; Stock Options)

Share-based long-term incentive compensation awarded to Executive Officers has been and is provided through the issuance of stock options. Stock options are an important element of the Company's long-term incentive programs. The primary purpose of stock options is to provide Executive Officers and other employees with a personal and financial interest in the Company's success through stock ownership, thereby aligning the interests of such persons with those of our shareholders. The Compensation Committee believes that the value of stock options will reflect the Company's financial performance over the long-term. Because the Company's stock option program provides for a vesting period before options may be exercised and, in general, an exercise price based on the fair market value as of the date of grant, employees benefit from stock options only when the market value of the common shares increases over time.

Share-based awards typically consist of options to purchase Common Stock which vest over three to five years and have a term of five to ten years.

The Company's long-term incentive programs are generally intended to provide rewards to executives only if value is created for shareholders over time and the executive continues in the employ of the Company. The Compensation Committee believes that employees should have sufficient holdings of the Company's Common Stock so that their decisions will appropriately foster growth in the value of the Company. The Compensation Committee reviews with the Chief Executive Officer the recommended individual awards and evaluates the scope of responsibility, strategic and operational goals of individual contributions in making final awards.

With respect to the share-based compensation, the Company recognizes stock compensation expense based on the Statement of Financial Accounting Standard 123R "Share-Based Payments" ("SFAS 123R"). SFAS 123R requires public companies to measure the cost of employee services received in exchange for an award of equity instruments based on the grant
date fair value of the award. The Company uses the Black-Scholes option-pricing model to determine the grant date fair value. The Company ensures that stock option awards approved by the Compensation Committee will be granted subsequent to any planned release of material non-public information. The Company has not engaged in the backdating, cancellation or re-pricing of stock options awarded to its Executive Officers.

Retirement, Health and Other Benefits

The Company provides health and other benefits as an additional incentive to retain employees. The Company does not maintain any defined contribution plan (retirement plan) or defined benefit plan (pension plan).

We currently make available to our Executive Officers and all employees a comprehensive health insurance program. The Company currently provides a basic term life insurance policy to all employees and makes additional coverage available at the employee's expense and discretion.

The Company does not provide any additional perquisites to the Executive Officers, other than a $500 monthly car allowance made available to the Chief Executive Officer, which is included in the Summary Compensation Table below. The Company values this car allowance benefit based upon the actual cost to the Company. The total of all perquisites to any Executive Officer did not equal or exceed $10,000 for Fiscal Year 2010.

Employment, Change in Control and Severance Agreements

The Company has entered into formal employment agreements with the following Executive Officers, each filed as an Exhibit herewith:

Mark Severini, Chief Executive Officer
David Ide, Chief Strategy Officer
Nathaniel Bradley, Chief Technical Officer
Anthony Iacovone, Chief Innovation Officer
Scott Russo, Chief Operations Officer
James Lawson, Chief Legal Officer and General Counsel

The employment agreements with Messrs. Severini, Iacovone, Russo and Lawson entitle the Executive to certain compensation and benefits upon termination from the Company without Cause, or by the Executive for Good Reason, or upon a Change of Control of the Company. Such benefits include cash severance equal to two times (with respect to Mr. Severini) or 1.5 times (with respect to Messrs. Iacovone, Russo and Lawson) the Executive's Annual Compensation in addition to full vesting of all outstanding stock options.

The employment agreement with Mr. Ide entitles Mr. Ide to certain compensation and benefits upon termination from the Company without Cause. Such benefits include salary continuation for the duration of the Term (until October 15, 2011) plus two-times Mr. Ide's most current annual base salary, in addition to full vesting of all outstanding stock options.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis, required by Item 402(b) of Regulation S-K, with management of the Company. Based on this review and discussion, we recommend to the Board of Directors that the Compensation Discussion and Analysis be included in Item 11 ("Executive Compensation") of the Company's Fiscal Year 2010 Form 10K.

THE COMPENSATION COMMITTEE
John Devlin
Shelly Meyers

SUMMARY COMPENSATION TABLE

The following table sets forth information concerning compensation awarded to, earned by or paid to Executive Officers for services rendered during the past three fiscal years.

SUMMARY COMPENSATION TABLE

Name	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Mark Severini CEO (1)	2010	$121,154	-0-	-0-	-0-	-0-	-0-	$6,000	$127,154
Scott Russo COO (1)	2010	$75,386	-0-	-0-	$1,034,302	-0-	-0-	-0-	$1,109,688
Anthony Iacovone Chief Innovation Officer (1)	2010	$82,385	-0-	-0-	$1,034,302	-0-	-0-	-0-	$1,116,687
Jim Lawson Legal Counsel (1)	2010	$60,846	-0-	-0-	$1,034,302	-0-	-0-	-0-	$1,101,148

(1) Messrs. Severini, Russo, Iacovone, and Lawson all became employees of the Company during fiscal year 2010

GRANTS OF EQUITY AWARDS IN FISCAL 2010

The following equity awards were granted to Executive Officers during Fiscal 2010.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	(#)	($/Sh)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Mark Severini (1)		-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Scott Russo (1)		-0-	-0-	-0-	-0-	-0-	-0-	-0-	100,000 250,000	$1.63 $3.90	12/7/09 7/8/09
Anthony Iacovone (1)		-0-	-0-	-0-	-0-	-0-	-0-	-0-	100,000 250,000	$1.63 $3.90	12/7/09 7/8/09
James Lawson (1)		-0-	-0-	-0-	-0-	-0-	-0-	-0-	100,000 250,000	$1.63 $3.90	12/7/09 7/8/09

(1) Messrs. Severini, Russo, Iacovone, and Lawson all became employees of the Company during fiscal year 2010.

OUTSTANDING EQUITY AWARDS AT END OF FISCAL 2010

The following table sets forth information about the number of outstanding equity awards held by our Executive Officers at February 28, 2010.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Mark Severini (1)	-0-	-0-	-0- -0-	-0-	-	-0-	-0-	-0-	-0-
Scott Russo	5,556 48,611	94,444 201,389	-0- -0-	$1.63 $3.90	12/7/2014 7/8/2019	-0-	-0-	-0-	-0-
Anthony Iacovone	5,556 48,611	94,444 201,389	-0-	$1.63 $3.90	12/7/2014 7/8/2019	-0-	-0-	-0-	-0-
James Lawson	5,556 48,611	94,444 201,389	-0- -0-	$1.63 $3.90	12/7/2014 7/8/2019	-0-	-0-	-0-	-0-

(1) Mr. Severini, who is an employee of Augme, along with being a BOD member is not separately compensated for service as a director.

OPTION EXERCISES AND STOCK VESTED IN FISCAL YEAR 2010

There were no exercises of stock options by the Executive Officers during Fiscal Year 2010.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information about shares of Common Stock that may be issued upon exercise of options and other stock based awards under all of the Company's equity compensation plans as of February 28, 2010.

	Plan Category	***Number of Securities to be issued upon exercise of outstanding options, warrants and rights*** **(a)**	***Weighted average exercise price of outstanding options, warrants and rights ($)*** **(b)**	***Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)*** **(c)**
S	Stock options	5380,455	1.33	(1)
W	Warrants	600,000	1.67	(1)
		5,980,455	1.36	

(1) Option and warrant grants are approved by the Board of Director's Compensation Committee and are not being issued under a formalized stock plan.

DIRECTOR COMPENSATION

Officers of the Company who are also directors do not receive any fee or remuneration for services as members of the Board of Directors or of any Committee of the Board of Directors. Non-management directors have historically received a stock option award upon commencement of service on the Board. Set forth below are the amounts paid to non-management directors in Fiscal Year 2010.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Shelly Meyers	-0-	-0-	-0-	-0-	-0-	-0-	-0-
John Devlin	-0-	-0-	$979,631	-0-	-0-	-0-	$979,631

Warrants issued to Mr. Devlin on 5/21/2009; these warrants vest monthly over 3 years and have a term of 10 years.

Liability and Indemnification of Officers and Directors

Our Bylaws provide that our directors will not be liable for breach of their fiduciary duty as directors, other than the liability of a director for:

- An intentional breach of the director's fiduciary duty to our company or our stockholders;
- Acts or omissions by the director which involve intentional misconduct, fraud or a knowing violation of law; or
- The payment of an unlawful dividend, stock purchase or redemption.

Our Bylaws also require us to indemnify all persons whom we may indemnify pursuant to the full extent permitted by Delaware law.

Our bylaws require us to indemnify our officers and directors and other persons against expenses, judgments, fines and amounts incurred or paid in settlement in connection with civil or criminal claims, actions, suits or proceedings against such persons by reason of serving or having served as officers, directors, or in other capacities, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to our best interests and, in a criminal action or proceeding, if he had no reasonable cause to believe that his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of no contest or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to our best interests or that he or she had reasonable cause to believe his or her conduct was unlawful. Indemnification as provided in our bylaws shall be made only as authorized in a specific case and upon a determination that the person met the applicable standards of conduct. Insofar as the limitation of, or indemnification for, liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, or persons controlling us pursuant to the foregoing, or otherwise, we have been advised that, in the opinion of the Commission, such limitation or indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore, unenforceable.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of our common stock as of May 28, 2010. All stockholders have sole voting and investment power over the shares beneficially owned.

Included within this table is information concerning each stockholder who owns more than 5% of any class of our securities, including those shares subject to outstanding options, and each Officer and Director.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
C&H Capital (1)	3,502,430	6.0%
Nathaniel T. Bradley (2)	2,620,833	4.5%
David J. Ide (3)	2,479,806	4.2%
James G. Crawford (4)	2,155,390	3.7%
Shelly Meyers (5)	162,900	0.284%
John Devlin (6)	399,600	0.70%
Mark Severini (7)	553,334	0.963%
Scott Russo (8)	674,162	1.17%
James Lawson (8)	674,162	1.17%
Anthony Iacovone (8)	1,043,118	1.82%
All Officers and Directors as a group (9 persons)	8,568,529	18.7%

(1) Shares owned by C&H Capital include 700,000 warrants to purchase common stock at $.50 per share and 25,000 warrants to purchase common stock at $.25. The amount also includes 2,236,129 shares of common stock owned by the principle of C&H Capital

(2) Includes 250,000 options to acquire common stock at $.62 per share vesting over five years and 250,000 options to acquire common stock at $1.50 per shares vesting over five years

(3) Includes 300,000 options to acquire common stock at $.62 per share vesting over five years and 475,000 options to acquire common stock at $1.50 per share vesting over five year

(4) Includes 125,000 options to acquire common stock at $.62 per share vesting over five years and 250,000 options to acquire common stock at $1.50 per share vesting over five years

(5) Includes 42,900 warrants to acquire common stock at $1.25 per share and 80,000 shares of common stock plus 40,000 warrants to acquire stock at $2.50 per share owned by another party managed through Shelly Meyers

(6) Includes 300,000 warrants to acquire common stock at $1.75 per share vesting over three years.

(7) No personal or beneficial ownership of common stock

(8) Includes 250,000 options to acquire common stock at $3.90 per share vesting over three years and 100,000 options to acquire common stock at $1.63 per vesting over three years.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the fiscal year ending February 28, 2010, there were no related party transactions.

The Company borrowed $15,574 from one of its officers during the year ended February 28, 2009 and accrued compensation in the amount of $11,250.

Since March 1, 2010, there have been no related party transactions.

Our certificate of incorporation and bylaws require us to indemnify our directors and officers to the fullest extent permitted by Delaware law.

ITEM 14. EXHIBITS

See the Exhibit Index following the signature page of this report, which Index is incorporated herein by reference.

ITEM 15. PRINCIPAL ACCOUNTING FEES AND SERVICES

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the Company's annual financial statements and review of financial statements included in the Company's Forms 10-Q are as follows:

	Fiscal Year	
	2010	2009
Audit fees	$ 144,500	$ 140,000
Audit-related fees	-	6,000
Tax Fees	-	-
All other fees	26,242	-
Total	$ 170,742	$ 146,000

The Company did not incur any fees for tax or other services for each of the last two fiscal years from its principal accountant.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AUGME TECHNOLOGIES, INC.

By: /s/ Mark Severini
Mark Severini
Chief Executive Officer
Principle Financial and Accounting Officer

Date: June 1, 2010

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ John Devlin John Devlin	Audit Committee Chairman and Director
/s/ Shelly Meyers Shelly Meyers	Chairwoman, Board of Directors
/s/ Mark Severini Mark Severini	Chief Executive Officer ,
/s/ Jim Crawford Jim Crawford	Chief Information Officer and Director
/s/David J. Ide David J. Ide	Chief Strategy Officer and Director

SUPPLEMENTAL INFORMATION FOR REGISTRANTS WHICH HAVE NOT REGISTERED SECURITIES PURSUANT TO SECTION 12 OF THE EXCHANGE ACT

The Registrant has not provided any annual report to its security holders covering the registrant's last fiscal year, and has not sent a proxy statement, form of proxy or other proxy soliciting material to more than 10 security holders with respect to any annual or special meeting of security holders.

Augme Technologies, Inc.
Exhibit Index to Annual Report on Form 10-K
For the Year Ended February 28, 2010

2.1	Asset Purchase Agreement Between Modavox, Inc. and New Aug, LLC Effective July, 1, 2009 (incorporated by reference to Exhibit 2.1 on Form 8-K dated July 17, 2009 (File No. 333.577818))
2.2	Completion of Acquisition or Disposition of Assets Between Modavox, Inc. and World Talk Radio, LLC Effective December 31, 2010 by reference to Exhibit 2.1 on Form 8-K dated March 3, 2010 (File No. 333.577818)
2.3	Completion of Acquisition or Disposition of Assets Between Modavox, Inc. and Kino Interactive Effective April 28, 2006 by reference to Exhibit on Form 8-K dated March 3, 2010 (File No. 333.577818)
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 3.1 on Registrant's Registration Statement on Form SB-2, filed on March 28, 2001 and amended on March 29, 2001, May 4, 2001, June 15, 2001 and July 5, 2001 (File No. 333-577818)
3.2	Bylaws (incorporated by reference to Exhibit 3.3 on Registrant's Registration Statement on Form SB-2, filed on March 28, 2001 and amended on March 29, 2001, May 4, 2001, June 15, 2001 and July 5, 2001 (File No. 333-577818) Bylaws (incorporated by reference to Exhibit 3.1 on Registrant's Form 8-K, filed on April 28, 2006 (File No. 333-577818)
3.4	Certificate of Amendment of Certificate of Incorporation dated February 11, 2010 Name change from Modavox, Inc. to Augme Technologies, Inc. (incorporated by reference to on Registrant's Form 8-K, filed on December 7, 2009 (File No. 333-577818)
4.1	Bylaws (incorporated by reference to Exhibit 3.1 on Registrant's Form 8-K, Instruments defining the rights of security holders, including Form 8-K, Instruments defining the rights of security holders, including Form 8-K, Instruments defining the rights of security holders, including indentures filed on April 28, 2006 (File No. 333-577818)
5.1	Opinion Regarding Legality and Consent of Counsel (incorporated by reference to Exhibits 5.1 and 23.1 on Registrant's Registration Statement on Form S-8, filed on July 30, 2009 and December 18, 2009 (File No. 333-577818)
10.1	Entry into a Material Definitive Agreement Between AudioEye, Inc. and Modavox, Inc. Non Exclusive Licensing Agreement dated January 27, 2010 **.**
10.3	Entry into a Material Definitive Agreement Between Modavox, Inc. and World Talk Radio, LLC dated December 31, 2009 (incorporated by reference to Exhibit 99.1 on Form 8-K January 7, 2010 (File No. 333-577818))
10.4	Professional Services Agreement Between Augme Technologies, Inc. and Digi Avenues dated May 7, 2009.
10.7	Professional Services Agreement Between Augme Technologies, Inc and C&H Capital, Inc. effective as of January 1, 2010.
10.8	Amended Engagement Letter between Augme Technologies, Inc. and Shaub & Williams, LLP dated May 29
10.9	Mark Severini Employment Agreement
10.10	Scott Russo Employment Agreement
10.11	James Lawson Employment Agreement

10.12	David Ide Employment Agreement
10.13	Nathan Bradley Employment Agreement
10.14	Anthony Iacocone Employment Agreement
11.1	Statement re computation of per share earnings (incorporated by reference to earnings per share table on Form 10-K June 1, 2010 (File No. 333-577818))
12.1	Statements re computation of ratios (incorporated by reference to earnings per share table on Form 10-K June 1, 2010 (File No. 333-577818))
14.1	Code of Ethics adopted March 11, 2010.
16.1	Letter re change in certifying accountant (incorporated by reference to Exhibit 16.1 on Registrant's Form 8-K, Change in certifying accountant, filed on February 5, 2007 (File No. 333-577818)
16.2	Letter re change in certifying accountant (incorporated by reference to Exhibit 16.1 on Registrant's Form 8-K, Change in certifying accountant, filed on February 22, 2007 (File No. 333-577818)
31.1	Certification of Chief Executive Officer and Chief Financial Officer Under Section 302 of the Sarbanes-Oxley Act of 2002 dated June 1, 2010.
32.1	Certification of Chief Executive Officer and Chief Financial Officer Under Section 302 of the Sarbanes-Oxley Act of 2002 dated June 1, 2010.
99.1	Audited financial statements of New Aug, LLC, previously filed in Form 8-K/A on September 29, 2009

Exhibit 10.1

NON-EXCLUSIVE LICENSE AGREEMENT

This Non-Exclusive License Agreement (the "Agreement") is made and entered into as of the _____ day of _____, 2010 (the "Effective Date"), by and between Modavox, Inc., a Delaware corporation having a principal place of business at 43 West 24th Street, 11th Floor, New York, NY 10011 ("Modavox") and Audio Eye, Inc., a Delaware corporation having a principal place of business at 9070 S. Rita Road, Suite 1550, Tuscon, AZ 85747 ("Licensee").

WHEREAS, Modavox has developed and markets a variety of targeted communications products and related services, and owns certain intellectual property including certain patents related to delivering targeted communications.

WHEREAS, Licensee would like to license, and Modavox is willing to grant, a license to certain Licensed Patents (as defined below) in the Field of Use set forth below.

WHEREAS, Modavox is willing to license the Licensed Patents to Licensee as set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein the parties hereto agree as follows:

1. **Definitions.** The following definitions shall apply to this Agreement:

1.1 "Licensed Patents", as used herein, refers to U.S. Patent Nos. 6,594,691 ("Method and System for Adding Function to a Web Page") (the "691' Patent") and 7,269,636 ("Method and Code Module for Adding Function to a Web Page") (the "636' Patent"), and a release with respect to any other patents owned or controlled by Modavox or its affiliates that Licensee needs to use or practice the claims of the '691 Patent or '636 Patent.

1.2 "Field of Use" means the accessibility software industry, which industry focuses on providing software solutions to generate audio outputs from traditional Web content in order to make such content accessible to disabled/impaired users consistent with the purposes of the Americans with Disabilities Act.

1.4 "Licensee Products or Services" means products and services that are developed by or for Licensee or provided by Licensee and as to which right, title and interest are primarily owned by Licensee. Licensee Products or Services which utilize the Licensed Patents, per the license grant under this Agreement, are called "Targeted Accessibility Products or Services," as described in Section 2.2 below.

1.5 "Gross Revenue" means all revenue or other consideration recognized by Licensee in accordance with United States Generally Accepted Accounting Principles related to use of the Licensed Patents in the Field of Use, including through Targeted Accessibility Products or Services, including sales, licenses, leases, subscriptions and maintenance, services, development and consulting fees.

1.7 "Territory means the fifty stated of the United States and the District of Columbia.

2. **Grant.**

2.1 License Grant. Subject to the terms and conditions of this Agreement, Modavox grants to Licensee, solely within the Territory and within the Field of Use, a non-exclusive, non-sublicensable, non-transferable and non-assignable license under the Licensed Patents to utilize the systems, methods, code modules and apparatuses covered by one or more claims of the Licensed Patents through the incorporation into Licensee Products and Services as described in Section 2.2 below. Modavox warrants that (i) it is the owner of the Licensed Patents, and (ii) it has the sole right to provide a license for the Licensed Patents. If Modavox transfers any of its rights in the Licensed Patents or if Modavox's ownership or right to enforce any of the Licensed Patents changes, Modavox will provide written notice to Licensee within thirty (30) days of when Modavox gains knowledge of such events, but any such action or change will not affect the license granted herein or Licensee's right to utilize the Licensed Patents as described herein.

2.2 End User Use of Licensee Products or Services Using Licensed Patents. The Licensed Patents may be incorporated by Licensee into Licensee Products or Services within the Field of Use ("Targeted Accessibility Products or Services") as an enhancement thereto solely in the Field of Use for use by end user customers of Licensee ("End User(s)"). Licensee will not make available to any End User any Targeted Accessibility Products or Services unless the End User executes a written agreement, in a form acceptable to Modavox, specifying that (i) End User obtains no property rights to the Licensed Patents by virtue of such use of the Targeted Accessibility Products or Services; and (ii) End User's use of the Licensed Patents is restricted to its use of the Targeted Accessibility Products or Services within the Territory and will not extend beyond the term of this Agreement. All End User agreements must include confidentiality terms concerning the Modavox Confidential Information at least as restrictive as the Confidentiality terms in Section 9.5 below and must not be inconsistent with the terms of this Agreement.

2.3 Proprietary Rights. Except for the rights and licenses expressly granted to Licensee in this Agreement, Modavox shall reserve and retain all right title and interest (including, without limitation, all intellectual property rights) in and to the Licensed Patents, and all revisions, modifications, updates and upgrades of the foregoing.

2.4 No Sublicense. For the avoidance of doubt, this Agreement does not authorize Licensee to grant any license of Licensed Patents that is 'naked' or not in connection with the use of Targeted Accessibility Products or Services in accordance with Section 2.1.

2.5 No Additional Licenses/Rights Conveyed. Nothing contained in this Agreement shall be construed as conferring by implication, estoppels or otherwise, any license or other right under any Modavox patent rights or other industrial or intellectual property rights except for the licenses and rights expressly granted hereunder.

3. **Payments and other Consideration**

3.1 Royalties.

3.1.1 For each calendar quarter, Licensee shall owe Modavox royalties equal to fifteen percent (15%) of Gross Revenue.

3.1.2 Licensee shall pay Modavox quarterly royalties as calculated in this Section 3.1.1 only for the amount of those royalties that exceed the Guaranteed Royalty Payment of Section 3.2 due in that calendar quarter. There will be no carryover from calendar quarter to calendar quarter.

3.2 Guaranteed Royalty Payment. Licensee shall pay Modavox a non-refundable guaranteed royalty payment on a quarterly basis, commencing the calendar quarter following Licensee's incorporation of the Licensed Patents into Targeted Accessibility Products or Services and before Licensee uses/sells or promotes for use/sale the Targeted Accessibility Products or Services ("Guaranteed Royalty Payment"). The Guaranteed Royalty Payment obligation shall be determined by Modavox and Licensee based upon Licensee's written financial/business revenue projections related to the Targeted Accessibility Products or Services, which financial/business revenue projections, including but not limited those which are provided to any investor(s) of Licensee, will be shared with Modavox.

3.3 Payment Timing. Guaranteed Royalty Payments due under Section 3.2 will be due on or before the first day of the calendar quarter. Payments due under Section 3.1.1 shall be due in full within thirty (30) days after the last day of the calendar quarter for which payment is due.

3.4 Assignment; Modavox Right to Adjust Guaranteed Royalty Payment. If the Grants of either Sections 2.1 or 2.2 continue after Licensee assigns this Agreement under Section 9.9 to an entity which, at the time of assignment, (a) had at least $1 billion in annual revenues over the last four reported quarters; (b) has a corporate shareholder owning over twenty percent of the assignee entity and that corporate and that corporate shareholder had at least $1 billion in annual revenues over the last four reported quarters; or (c) has corporate shareholders that each has at least $1 billion in annual revenues over the last four reported quarters and these corporate shareholders collectively own over fifty percent of the assignee entity, then Modavox has the option to raise the Guaranteed Royalty Payment under Section 3.2 to up to three times the amount currently in these sections. Any increase in such Guaranteed Royalty Payment would be effective on a pro-rata basis, as of the date that notice by Modavox to the assignee of this Agreement of increased Guaranteed Royalty Payment is considered effective.

4. **Licensee Joint Marketing Activities.**

In addition to the license arrangement described herein related to the Field of Use, Licensee and Modavox desire to work together under a separate referral arrangement to promote Modavox's lines of business, which business focuses on providing technical platform-based services and solutions. Such referral arrangement is described more fully in Exhibit A hereto.

5. **Indemnification.**

5.1 Licensee Indemnification. Licensee will at all times during the Term of this Agreement and thereafter, indemnify, defend and hold Modavox, its directors, officers and employees harmless against all claims, proceedings, demands and liabilities of any kind, including legal expenses and reasonable attorneys fees ("Losses"), arising out of any breach of any representation or warranty or covenant made by Licensee in this Agreement.

5.2 Modavox Indemnification. Modavox will at all times during the Term of this Agreement and thereafter, indemnify, defend and hold Licensee, its directors, officers and employees harmless against all Losses arising out of any breach of any representation or warranty or covenant made by Modavox in this Agreement.

6. **Trademark Usage.**

6.1 Modavox Usage Guidelines. Any use by Licensee of Modavox Marks shall be in conformance with any trademark usage guidelines communicated by Modavox to Licensee from time to time. Prior to publishing any Printed Material, other materials, web pages or the like bearing a Modavox Mark, Licensee shall provide Modavox with copies and samples of any such items bearing the Modavox Marks, and shall promptly remedy any failure of such items to conform to Modavox's trademark usage guidelines that are communicated to Licensee by Modavox. Licensee will acquire no interest in the Modavox Marks or their translations into any other languages and all rights in the Modavox Marks shall belong to Modavox. Licensee shall not register any trademarks or service marks incorporating the word Modavox, the word Modavox, any Modavox logo or any other Modavox trademark and if Licensee acquires any rights in such marks, such rights shall automatically be assigned to Modavox.

6.2 Goodwill. Any goodwill arising out of or relating to Licensee' use of the Modavox Marks shall inure to the sole benefit of Modavox. Licensee shall execute any documents reasonably requested by Modavox to evidence Modavox's ownership of such marks on Modavox's request.

7. **Reports, Books and Records; Audit; Late Payments and Taxes.**

7.1 Reports. Within thirty (30) days after the last day of each quarter during the Term, Licensee shall submit to Modavox written statement (the "Quarterly License Reporting Statement") detailing with respect to the preceding quarterly period: (a) all Gross Revenue; and (b) the Royalties to be paid to Modavox under this Agreement based on such Gross Revenue.

7.2 Adjustments. If Licensee has to reverse previously recognized Gross Revenue reported under a previous Quarterly License Reporting Statement, Licensee can claim credit on a subsequent Quarterly License Reporting Statement for the same quarter it reverses the previously recognized Gross Revenue in Licensee' income statement. Such credit will not exceed the amount of Royalties to be paid in the then-current quarter, but the unused credit may be carried over to succeeding quarters within the same contract year.

7.3 Payment Timing. Licensee shall pay Modavox, on a quarterly basis, the Royalty amounts reported in the Quarterly License Reporting Statement for such quarter not later than thirty (30) days after the end of such quarter.

7.4 Books and Records. Licensee shall maintain appropriate books of account and records with respect to Gross Revenue and Targeted Accessibility Products and Services in accordance with generally accepted accounting principles and shall make complete and accurate entries concerning all transactions relevant to the Agreement. All such books of account and records shall be kept available by Licensee for no less than three (3) years after the end of each calendar year, or, in the event of a dispute between the parties involving in any way those books of accounts and records, until such time as the dispute will have been resolve, whichever is later.

7.5 Audit. Modavox shall have the right during the Term and for a period of three (3) years after the end of the calendar year, or, in the event of a dispute concerning the accuracy and/or correctness of a Quarterly License Reporting Statement or any other payment made under this Agreement, until the dispute is resolved, whichever is later, through an independent public accountant or other qualified expert selected by Modavox and reasonably acceptable to Licensee, in inspect and examine Licensee' relevant books of accounts and records, server log files and other documents (including, without limitation, vouchers, records, purchase orders, sales orders, re-orders, agreements and technical information) relating to the subject matter of this Agreement. Such inspection and examination shall be done to confirm that appropriate payments have been made or that the Modavox Patents are being used only within the license granted under this Agreement. Any such audit shall take place upon reasonable prior written notice to Licensee and during Licensee' regular business hours. Except as set forth in Section 7.6, the cost of such audit shall be borne by Modavox.

7.6 Late Payments. Modavox shall be entitled to charge, and Licensee shall pay, interest on any overdue amounts under this Agreement at the rate of one percent (1%) per month (or part thereof), or at such lower rate as may be the maximum rate allowed under applicable law. In the event that an audit reveals any undisputed underpayment, Licensee shall, within thirty (30) days after written notice from Modavox, make up for such underpayment by paying the difference between amounts the audits reveals and the amounts Licensee actually paid, together with such interest on such difference. If the underpayment is more than five percent (5%), Licensee shall pay the reasonable cost of the audit. If any amount is overdue by more than ninety (90) days, in addition to any other remedies Modavox may have under this Agreement, Modavox can turn over the right to collect such overdue amounts to a collection agency. Licensee shall be responsible for any reasonable costs incurred by Modavox or such collection agency in collecting any amount that is overdue by more than ninety (90) days including, but not limited to, reasonable attorney's fees.

7.7 Taxes. In addition to the fees, royalties and other charges set forth in this Agreement, Licensee shall pay all taxes, duties and levies imposed by all national, state, province and local authorities (including, without limitation, export, sales, use and excise) based on the transactions or payments under this Agreement. Amounts payable by Licensee hereunder shall be paid without deduction or withholding for or on account of any present or future tax, levy, impost, fee, assessment, deduction or charge by any taxing authority except the withholding tax deductible on any tax based Modavox income.

8. Term and Termination.

8.1 Term. This Agreement and all licenses hereunder shall take effect upon the Effective Date and shall continue until the last of the Licensed Patents expires, unless terminated sooner in accordance with Section 8.2 below.

8.2 Termination for Cause. Modavox and Licensee may terminate this Agreement if:

8.2.1 the other party breaches any material provision of this Agreement and fails to remedy such breach within thirty (30) days of the non-breaching party's written notice of such breach (or, if such breach cannot be remedied in that time, fails to commence remedial procedures within said thirty (30) day period and diligently prosecutes the cure to completion);

8.2.2 the other party dissolves, becomes insolvent or makes a general assignment for the benefit of its creditors; or

8.2.3 a voluntary or involuntary petition or proceeding is commenced by or against the other party under the applicable bankruptcy laws or any other statue of any state or country relating to insolvency or the protection of the rights of creditors, or any other insolvency or bankruptcy proceeding or other similar proceedings for the settlement of the other party's debt is instituted.

8.3 Injunctive Relief. If Modavox terminates this Agreement in accordance with Section 8.2 and Licensee thereafter makes, uses or sells systems, methods, apparatuses or code modules covered by one or more of the claims of the Licensed Patents, then Modavox shall, at its option, be entitled to seek an injunction to prohibit such activity and, in any event, shall be entitled to money damages, together with attorneys fees for enforcement of this Agreement.

8.4 Effect of Termination. Upon the expiration or sooner termination of this Agreement:

8.4.1 all rights and licenses granted to Licensee hereunder will terminate, and Licensee shall cease use of the Modavox Patents, the Modavox Marks and cease all direct or indirect distribution of Targeted Accessibility Products or Services;

8.4.2 Licensee will destroy or return to Modavox all Confidential Information of Modavox and all copies of any of the foregoing;

8.4.3 Any goodwill associated with the Modavox Marks that is built up by Licensee during the Term shall be owned by Modavox; and

8.4.4 Modavox, at its option, will destroy or return to Licensee all Confidential Information of Licensee and all copies of the foregoing.

9. **Miscellaneous**

9.1 Jurisdiction. The parties agree that exclusive jurisdiction for any dispute related to this Agreement lies in the courts of the State of New York, U.S.A, and according to New York law. For the avoidance of doubt, the parties understand that upon termination or expiration of this Agreement, Modavox may seek judgments and remedies for unauthorized infringement of Modavox intellectual property in any forum including the United States International Trade Commission or a Government Customs agency.

9.2 Licensee Representations & Warranties. Licensee represents and warrants that:

9.2.1 it is a corporation duly organized and validly existing under the laws of the jurisdiction in which it is incorporated, and has the corporate power and authority to enter into and perform this Agreement;

9.2.2 all corporate action on the part of Licensee necessary for the authorization, execution and delivery of this Agreement and for the performance of all its obligations hereunder has been taken, and this Agreement, when fully executed and delivered, shall each constitute a valid, legally binding and enforceable obligation of Licensee;

9.3 WARRANTY DISCLAIMERS. EXCEPT EXPRESSLY STATED HEREIN, EACH PARTY EXPRESSLY DISCLAIMS ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANT ABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHETHER ARISING IN LAW, CUSTOM, CONDUCT OR OTHERWISE.

9.4 LIMITATION OF LIABILITY. EXCEPT WITH RESPECT TO LICENSEE'S USE OF THE LICENSED PATENTS IN A MANNER NOT PERMITTED BY SECTION 2 ABOVE, IN NO EVENT WILL ANY PARTY BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR SPECIAL DAMAGES, OR ANY DAMAGES FOR LOSS OF DATA, PROFITS, REVENUE, BUSINESS OR GOODWILL, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9.5 Mutual Confidentiality.

9.5.1 Parties' Obligations. Each of the parties will: (i) keep and maintain all Confidential Information of the other Party in confidence, using such degree of care as is appropriate to avoid unauthorized use or disclosure; (ii) not, directly or indirectly, disclose Confidential Information of the other Party, except with the prior written consent of the other Party; (iii) upon the expiration or termination of this Agreement and upon the request of the other Party, promptly deliver to the requesting Party or, at the requesting Party's option or in the absence of direction from the other Party, destroy, all information, data, memoranda, notes, records, reports, media and other documents and materials (and all copies thereof) regarding or including any Confidential Information of the requesting Party which the other Party may then possess or have under its control; and (iv) not take any action with respect to the Confidential Information of the other Party that is inconsistent with its confidential and proprietary nature.

9.5.2 Confidential Information Defined. For purposes of this Agreement, "Confidential Information" will mean (i) information with respect to each Party's technology, employees, customers, products and business strategies, and (ii) any information marked confidential, restricted or proprietary.

9.5.3 Permitted Disclosure. Each of the Parties will be permitted to disclose Confidential Information of the other Party: (i) to its employees, agents and subcontractors having a need to know such information in connection with the performance or receipt of the Services or its obligations pursuant to this Agreement; and (ii) if disclosure is required by law or requested by an authorized government agency; provided, however, that the disclosing Party will notify the other Party in advance of such disclosure, and provide the Party with copies of any related information so that the Party may take appropriate action to protect its Confidential Information. With respect to clause (i) of this Subsection 9.5.3, each of the parties will instruct all such employees, agents and subcontractors of their obligations under this Agreement.

9.5.4 Limitations. The obligations set forth in this Section 9.5 will not apply to information that (i) is or becomes generally known to the public, other than as a result of a disclosure of a Party's Confidential Information by the other Party, (ii) is rightfully in the possession of the other Party prior to disclosure, free of any obligation of confidentiality, (iii) is received by a Party in good faith and without restriction from a third party not under a confidentiality obligation to the other party and having the right to make such disclosure, or (iv) is independently developed without reference to the other party's Confidential Information. Each of the parties acknowledges that the disclosure of Confidential Information may cause irreparable injury to the other party and damages which may be difficult to ascertain. Each party will, therefore, be entitled to seek injunctive relief upon a disclosure or threatened disclosure of its Confidential Information, in addition to such other remedies as may be available at law or in equity. Without limitation of the foregoing, each party will advise the other immediately in the event that it learns or has reason to believe that any person or entity that has had access to Confidential Information has violated or intends to violate the terms of this Section 9.5.

9.6 Costs. Each party will bear its own costs except as provided for in this Agreement.

9.7 Non-Monetary Consideration. If Licensee proposes to receive any consideration beyond direct exchange of money for Targeted Accessibility Products or Services or other use of the Licensed Patents provided under the license agreement (e.g. equity, marketing commitments or any offsets), Licensee and Modavox will negotiate a customer-specific amendment to the agreement that provides fair and reasonable compensation to Modavox prior to Licensee selling or licensing any such Targeted Accessibility Products or Services. If the parties are unable to reach agreement on this amendment, Licensee shall not have the right to sell or license such Licensee Products or Services.

9.8 Currency. All payments made hereunder shall be made in U.S. Dollars.

9.9 Assignability. Licensee will not be able to assign the Agreement without prior written consent from Modavox. Modavox can assign this Agreement to a party who agrees to be bound by Modavox's obligations under this Agreement, including any successor to Modavox or any party who acquires assets of Modavox.

9.10 Nonwaiver. The failure of a party to enforce at any time any of the provisions hereof shall not be construed to be a waiver of the right of such party thereafter to enforce any such provisions.

9.11 Agency or Obligation. This Agreement is limited to the rights and obligations set forth herein; no agency, partnership, joint venture, fiduciary or similar relationship is created hereby, and no party has any authority of any kind to bind another party in any respect whatsoever, nor any obligation of any kind to another party except as provided herein.

9.12 Force Majeure. No party shall be responsible for its failure to perform to the extent due to unforeseen circumstances or causes beyond its control, such as acts of God, wars, riots, embargoes, strikes, acts of civil or military authorities, fires, or floods, provided that such party gives another party prompt written notice of the failure to perform and the reason therefore and uses its reasonable efforts to limit the resulting delay in its performance.

9.13 Notices. Notices under this Agreement shall be sufficient only if given by certified or registered mail, return receipt requested, personally delivered or sent by commercial overnight courier or if sent by facsimile with a written confirmation or acknowledgment of receipt or sent by e-mail with confirmation of receipt. Notice by mail shall be deemed received five days after mailing. Notices shall be sent to:

Audio Eye, Inc.	Modavox, Inc.
c/o Nathaniel Bradley	Legal Department
7450 Sandbar Willow Place	43 West 24th Street, 11th Floor
Tuscon, AZ 85747	New York, NY 10011
E-mail:	E-mail:
nbradley@audioeye.com	jim.lawson@modavox.com
Attn: Nathaniel Bradley	Attn: James Lawson

9.14 Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original instrument, but all of which shall constitute one and the same agreement.

9.15 Severability; Headings. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be unenforceable in any respect under any federal or state law, such unenforceability shall not affect any other provision, but this Agreement shall then be construed as if such unenforceable provision or provisions had never been contained herein. The parties agree that the section or paragraph headings used in this Agreement are for references purposes only and shall not be used in the interpretation of this Agreement.

9.16 Modification; Entire Agreement. This Agreement may be modified only by a writing signed by an authorized representative of each party. This Agreement supersedes all proposals oral and written, all negotiations, conversations or discussions between the parties relating to the subject matter hereof and thereof.

9.17 Survival. The parties' rights and obligations under Sections 3, 5, 6, 7, 8 and 9 and any outstanding obligations incurred prior to termination (including earned but not yet due to royalties, fees and charges) will survive any expiration or sooner termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement:

* * * * *

ACKNOWLEDGED AND AGREED:

AUDIO EYE, INC.	**MODAVOX, INC.**
By:	**By:**
Name:	**Name: Mark Severini**
Title:	**Title: CEO**
Date:	**Date:**

EXHIBIT A

Joint Marketing/Referral Arrangement

Licensee and Modavox desire to work together to promote Modavox's platform-based technology solutions and services ("Modavox Services") to Designated Customers, as defined below, through the specific work and involvement of the Licensee Designated Contact, as defined below. This arrangement will be handled as follows:

A. Modavox Referrals. Licensee will work with Modavox, through the Licensee Designated Contact(s), to introduce and sell the Modavox Services to client targets which are specifically pre-approved in writing by Modavox ("Designated Customers"). Schedule A-1 hereto identifies the Licensee Designated Contact(s) and contains a list of Designated Customers and the effective date of each such designation. Schedule A-1 may be amended from time to time to add new Designated Customers or to modify the Licensee Designated Contact, upon the written consent of both parties (which consent may be provided by email from each consenting party). Only the Designated Customer(s) and Licensee Designated Contact(s) listed in Schedule A-1 hereto, as amended in writing from time to time, will be covered by the terms of this Agreement.

Modavox and Licensee, through the active involvement of the Licensee Designated Contact(s), will participate jointly and collaboratively in arranging and participating in meetings with Designated Customers to promote the Modavox Services. If a Designated Customer agrees to implement the Modavox Services, Modavox will contract independently with the Designated Customer and Modavox will have complete discretion in setting the terms and conditions of service.

After designation of a client target as a "Designated Customer," Modavox will not pursue the Designated Customer to sell the Modavox Services outside the scope of this Agreement for a period of six (6) months after the client target's designation as a "Designated Customer" (or, if the Designated Customer enters into a production services agreement with Modavox, at any time before Modavox payment obligations to Licensee are complete as described in (B) below). If the Designated Customer does not enter into a production services agreement to purchase the Modavox Service within six (6) months, or a greater period if extended by the parties in writing, or if the Licensee Designated Contact ceases to actively market and sell the Modavox Service as contemplated herein, then the Designated Customer and will no longer be covered by the terms of this Agreement and the parties will have no future rights or responsibilities with respect to marketing or selling the Modavox Services to that Designated Customer.

B. Licensee Referral Fee. As compensation for the efforts of the Licensee Designated Contact(s) in helping Modavox enter into production level service agreements with Designated Customers, Licensee will receive a commission (the "Licensee Fee") based on the Gross Revenue received by Modavox for any production services agreement entered into within the six-month period described above (including any written extension thereto) between Modavox and the Designated Customer (the "Designated Customer Agreement"). The Licensee Fee will equal: (i) twenty percent (20%) of the Gross Revenue received by Modavox under a Designated Customer Agreement with respect to the first two (2) years of the Designated Customer Agreement; and (ii) ten percent (10%) of the Gross Revenue received by Modavox under a Designated Customer Agreement with respect to the third through fifth years of the Designated Customer Agreement. Modavox will pay the Licensee Fee on a quarterly basis in arrears based upon the Gross Revenue received by Modavox during that quarter.

Schedule A-1

List of Designated Customer(s), Effective Dates & Licensee Designated Contact(s)

Designated Customer(s)	Effective Date(s)	Licensee Designated Contact(s)
Name	Date	Contact

Exhibit 10.3

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, effective as of January 1, 2010 (the "Effective Date"), by Augme Technologies, Inc., f/k/a Modavox, Inc., a Delaware corporation (the "Seller"), and World Talk Radio, LLC, doing business as Voice America, an Arizona limited liability company (the "Buyer") (the "Agreement"). Seller and Buyer are collectively referred to herein as the Parties.

WHEREAS, the Seller, prior to the Effective Date, operated an Internet Radio business featuring certain technical platforms, brand and trade names and other property (the "iRadio Division"); and

WHEREAS, upon the terms and subject to the conditions set forth in this Agreement, which terms and conditions further memorialize the transaction described in the Parties' Binding Letter of Intent entered into as of December 31, 2009, the Buyer desires to purchase from the Seller, and the Seller desires to sell to the Buyer, certain designated assets of the Seller related to Seller's iRadio Division, as specifically described herein, in consideration for the payments and promises from the Buyer as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained herein, intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I.

PURCHASE AND SALE OF ASSETS

Section 1.01.Purchase and Sale of Assets. Upon the terms and subject to the conditions set forth herein, on the Closing Date (as defined below), the Seller shall sell, convey, transfer, assign and deliver to the Buyer, and the Buyer shall purchase, acquire and accept from the Seller, free and clear of all liens, claims, charges and encumbrances (collectively, "Liens"), all of the Seller's right, title and interest in and to the tangible and intangible assets identified in Exhibit A hereto, which assets relate to historic and current operation of Seller's iRadio Division (the "Business") and which assets are being transferred to Buyer for the purpose of transferring to Buyer the ongoing operations of the Business (each an "Asset" and collectively, the "Assets").

Section 1.02. Excluded Assets. Notwithstanding anything to the contrary in this Agreement, the Seller shall retain and shall not sell, transfer, convey or assign to the Buyer, and the Buyer shall not purchase or acquire, any asset or property not specifically listed in Exhibit A hereto.

Section 1.03. Liabilities. As consideration for the Assets identified and transferred hereunder, and in addition to the consideration to be paid to Seller under the revenue sharing arrangement described below, Buyer agrees to assume full responsibility for certain designated operational liabilities commencing as of the Effective Date, as follows:

(a) As of the Effective Date, Buyer agrees to assume certain liabilities related to designated employees of Seller who became employees of Buyer as of the Effective Date, including the following (i) Buyer agrees to hire certain individuals who were employed by the Business prior to the Effective Date, a list of whom is attached hereto as Exhibit E ("Transferred Employees"); and (ii) Buyer agrees to assume all liabilities associated with the ongoing employment of such Transferred Employees commencing as of the Effective Date (including recognizing the accrued/unused vacation of Transferred Employees).

(b) The Parties agree that any and all liabilities accrued by Buyer commencing on the Effective Date, including with respect to any agreements to be transferred to Buyer per Exhibits B through E of this Agreement, or with respect to any Transferred Employees, will be the sole responsibility of Buyer.

(c) Buyer has informed clients, partners and vendors of the Business, as in existence on the Effective Date, about the transaction contemplated by this Agreement and the transfer of business operations from Seller to Buyer as of the Effective Date, and Buyer has obtained written assignments to Buyer of any agreements previously entered into between Seller and such clients/partners/vendors related to the Business, transferring the rights and duties of Seller to Buyer. Buyer understands the historical revenue generated from these clients. Transferred client contracts are described in Exhibit B, attached hereto ("Transferred Clients"), transferred partner agreements are described in Exhibit C, attached hereto ("Transferred Partners") and transferred vendor agreements are described in Exhibit D attached hereto ("Transferred Vendors").

(d) In addition to the foregoing, Buyer agrees to assume all operational liabilities associated with the Business, commencing as of the Effective Date, as described in Exhibit F hereto.

Section 1.04. Purchase Price. Upon the terms and subject to the conditions of this Agreement, and in consideration of the sale, conveyance, assignment, transfer and delivery of the Assets, the Buyer shall assume the Liabilities described in Section 1.03 above as of the Effective Date, and Buyer shall pay to Seller certain on-going revenue sharing payments:

(a) For as long as Buyer is in the business of providing Internet-based radio services, Buyer will pay to Seller a commission based on Buyer Gross Revenue according to the following graded schedule, which schedule is intended to be discounted for two calendar quarters to assist Buyer with start-up costs:

(i) January 1, 2010 through March 31, 2010 – 5% of Gross Revenue

(ii) April 1, 2010 through June 30, 2010 – 10% of Gross Revenue

(iii) July 1, 2010 through June 30, 2015 – 15% of Gross Revenue

(iii) July 1, 2016 and after – 5% of Gross Revenue

(b) For purposes of the revenue sharing arrangement described in Section 1.04(a), Gross Revenue is defined as: (i) all cash collections received by Buyer; and (ii) the value of any non-cash consideration received by Buyer (determined based upon the value of the services provided for such non-cash consideration). Such commissions are to be paid monthly no later than the tenth (10^{th}) day of each calendar month following receipt, with late payments accruing interest at the rate of one percent per month. Notwithstanding the foregoing, the payment for January, 2010, will be due no later than the tenth (10^{th}) day after the Closing Date. If Seller provides any services to Buyer (including the Transition Assistance described in Section 1.05 below), Buyer is not required to pay to Seller revenue commissions based on the value of the services received by Seller.

(c) Upon ten (10) days' prior written notice to Buyer and no more than one (1) time per calendar quarter, Seller or a firm selected by the Seller may audit Buyer's books and records to ensure Buyer's compliance with its obligations, including its payment obligations, under this Agreement. To the extent such an audit indicates underpayment of the Revenue Sharing Fee, Buyer will promptly remit such underpayment (and applicable late payment interest) to Seller and, if the underpayment exceeds five percent (5%) of the previously paid fees, Buyer will pay Seller's reasonable costs and expenses of such audit/review.

Section 1.05. Transition Assistance. As of the Closing Date, Seller has assisted Buyer with certain business transition matters, including those specific items listed in Exhibit G hereto ("Transition Assistance").

Section 1.06. Closing Date. The Closing Date for this transaction shall be the last date on which both Parties execute this Agreement.

ARTICLE II.

REPRESENTATIONS AND WARRANTIES OF SELLER

The Seller represents and warrants to the Buyer as follows:

Section 2.01.Organization and Standing. The Seller is a Delaware corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

Section 2.02. Authorization; Validity. The Seller has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Seller and no other corporate proceedings on the part of the Seller are necessary to authorize this Agreement or to consummate the transactions so contemplated. This Agreement has been duly executed and delivered by Seller and, assuming this Agreement constitutes a valid and binding obligation of the Buyer, constitutes a valid and binding obligation of Seller enforceable against Seller in accordance with its terms.

Section 2.03. Consents and Approvals; No Violations. No consent of any other party is required in connection with the execution, delivery and performance of this Agreement by the Seller. Neither the execution, delivery or performance of this Agreement by Seller nor the consummation of the transactions contemplated hereby nor compliance with any of the provisions hereof will (i) conflict with or result in any breach of any provision of the charter or by-laws of the Seller, (ii) to Seller's knowledge, require any filing with, or permit, authorization, consent or approval of any governmental entity, (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which the Seller is a party or by which any of the Seller's properties or assets may be bound or (iv) to Seller's knowledge, violate any federal, state, local, regional, municipal or foreign laws, statutes, rules, regulations, ordinances, codes, decrees, judgments, injunctions, writs, orders, guidance documents, standards or other legal requirements ("Laws").

Section 2.04. Compliance with Laws. To Seller's knowledge, the conduct of the Business, including the ownership of the Assets, has not violated, and as presently conducted does not violate, any Laws or any industry standards, nor has Seller received a notice of any such violation.

Section 2.05.Title to Properties; Liens. The Seller has good, valid, legal, equitable and marketable title to all of the Assets, free and clear of any Liens. The Seller is hereby conveying to the Buyer good, valid, legal, equitable and marketable title to the Assets, free and clear of any Liens.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES OF BUYER

The Buyer hereby represents and warrants to the Seller as follows:

Section 3.01. Organization and Standing. The Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona.

Section 3.02. Authorization; Validity. The Buyer has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Buyer and no other corporate proceedings on the part of the Buyer are necessary to authorize this Agreement or to consummate the transactions so contemplated. This Agreement has been duly executed and delivered by the Buyer and, assuming this Agreement constitutes a valid and binding obligation of the Seller, constitutes a valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms.

Section 3.03. Consents and Approvals; No Violations. Neither the execution, delivery or performance of this Agreement or any of the agreements and instruments to be delivered pursuant to the terms hereof by the Buyer nor the consummation by it of the transactions contemplated hereby nor compliance by it with any of the provisions hereof will (i) conflict with or result in any breach of any provision of the certificate of formation or operating agreement of the Buyer, (ii) require any filing with, or permit, authorization, consent or approval of any governmental entity, (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which the Buyer is a party or by which any of its properties or assets may be bound or (iv) violate any Laws.

ARTICLE IV.

COVENANTS

Section 4.01. Cooperation. Seller agrees to cooperate with Buyer and provide reasonable assistance to Buyer in retaining the customers of the Business.

Section 4.02. Assignment of Agreements. Buyer agrees that it will perform any and all tasks and execute any documents required to ensure the assignment of agreements, and the transfer of liabilities, as contemplated by this Agreement, whether before or after the Closing Date.

ARTICLE V.

SURVIVAL OF REPRESENTATIONS, WARRANTIES,

COVENANTS AND AGREEMENTS

Except as otherwise specifically provided for herein, the representations, warranties, covenants and agreements of the Buyer and the Seller included or provided for herein, or in other instruments or agreements in connection herewith, and the obligation of the Buyer and Seller to indemnify on account of a breach or violation thereof shall survive for a period of thirty-six (36) months following the date hereof (or such longer period as set forth in the succeeding sentences). Similarly, the obligation of Seller to indemnify the Buyer with respect to any liability of Seller, shall survive until such liability or claim is fully paid and discharged. There shall be no limit on the survival of the indemnification obligations of Seller for breaches of the representations or warranties made by Seller as to the transfer of legal and valid title to the Assets. Notwithstanding anything herein to the contrary, if, prior to the expiration of any indemnification period, the Buyer, or Seller, as the case may be, shall have been notified of a claim for indemnity hereunder and such claim shall not have been finally resolved before the expiration of such period, any representation, warranty, covenant or agreement that is the basis for such claim shall continue to survive and shall remain a basis for indemnity as to such claim until such claim is finally resolved. All statements contained herein or to consummate the transactions as contemplated shall be deemed representations and warranties for all purposes of this Agreement. The respective representations and warranties of Seller and the Buyer contained herein or in any other documents covered in the preceding sentence shall not be deemed waived or otherwise affected by any investigation made by any party hereto or any amendment or supplement to the schedules or exhibits hereto occurring after the signing of this Agreement.

ARTICLE VI.

INDEMNIFICATION

Section 6.01. General Indemnity.

Subject to the limitations and other provisions of Articles V and this Article VI, the Seller agrees to indemnify and hold harmless the Buyer from, against and in respect of any and all liabilities (whether accrued, contingent or otherwise), damages, deficiencies, costs, claims, judgments, amounts paid in settlement, interest, penalties, assessments, out-of-pocket expenses (including reasonable attorneys' fees and disbursements) or losses resulting from, incurred in connection with or arising out of (i) any breach of any representation, warranty, covenant or agreement of the Seller, (ii) any litigation to which the Buyer is or becomes subject relating to the conduct of the Business on or prior to the Effective Date, and (iii) liabilities of the Seller and related Liens ("Losses"). The Buyer shall indemnify and hold harmless the Seller, its Affiliates and their successors and assigns, from, against and in respect of any and all liabilities (whether accrued, contingent or otherwise), damages, deficiencies, costs, claims, judgments, amounts paid in settlement, interest, penalties, assessments, out-of-pocket expenses (including reasonable attorneys' fees and disbursements) or losses resulting from, incurred in connection with or arising out of (a) any breach of any representation, warranty, covenant or agreement of the Buyer and any claim, actual action or proceeding in connection therewith, (b) any liabilities related to any Transferred Client, Transferred Partner, Transferred Vendor, Transferred Employee, or Transferred Liability, as described herein, or (c) the operation of the Business on or after the Effective Date. The party or parties being indemnified are referred to herein as the "Indemnitee" and the indemnifying party is referred to herein as the "Indemnitor". The term "Affiliate" or "Affiliated" or any similar term shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a specified person.

Section 6.02.Indemnification Procedure.

(a) Any party who receives notice of a potential claim that may, in the judgment of such party, result in a Loss shall use all reasonable efforts to provide the parties hereto written notice (a "Notice") thereof stating the nature and basis of such claim, provided that failure or delay or alleged delay in providing such notice shall not adversely affect such party's right to indemnification hereunder. In the case of Losses arising by reason of any third party claim, the Notice shall be given within fifteen (15) days of the filing or other written assertion of any such claim against the Indemnitee, but the failure of the Indemnitee to give the Notice within such time period shall not relieve the Indemnitor of any liability that the Indemnitor may have to the Indemnitee.

(b) In the case of third party claims for which indemnification is sought, the Indemnitor shall have the option (i) to conduct any proceedings or negotiations in connection therewith, (ii) to take all other steps to settle or defend any such claim (provided that the Indemnitor shall not settle any such claim without the consent of the Indemnitee which consent shall not be unreasonably withheld) and (iii) to employ counsel to contest any such claim or liability in the name of the Indemnitee or otherwise. In any event, the Indemnitee shall be entitled to participate at its own expense and by its own counsel in any proceedings relating to any third party claim. The Indemnitor shall, within ten (10) days of receipt of the Notice, notify the Indemnitee of its intention to assume the defense of such claim. If (i) the Indemnitor shall decline to assume the defense of any such claim, (ii) the Indemnitor shall fail to notify the Indemnitee within ten (10) days after receipt of the Notice of the Indemnitor's election to defend such claim or (iii) the Indemnitee shall have reasonably concluded that there may be defenses available to it which are different from or in addition to those available to the Indemnitor or a conflict exists between the Indemnitor and the Indemnitee (in which case the Indemnitor shall not have the right to direct the defense of such action on behalf of the Indemnitee), the Indemnitee shall defend against such claim and the Indemnitee may settle such claim without the consent of the Indemnitor, and Indemnitor may not challenge the reasonableness of any such settlement. The expenses of all proceedings, contests or lawsuits in respect of such claims shall be borne and paid by the Indemnitor and the Indemnitor shall pay the Indemnitee, in immediately available funds, the amount of any Losses, as such Losses are incurred. Regardless of which party shall assume the defense of the claim, the parties agree to cooperate fully with one another in connection therewith. In the event that any Losses incurred by the Indemnitee do not involve payment by the Indemnitee of a third party claim, then, the Indemnitor shall within 10 days after agreement on the amount of Losses or the occurrence of a final non-appealable determination of such amount pay to the Indemnitee, in immediately available funds, the amount of such Losses. Anything in this Article VI to the contrary notwithstanding, the Indemnitor shall not, without the Indemnitee's prior written consent, settle or compromise any claim or consent to entry of any judgment in respect thereof which imposes any future obligation on the Indemnitee or which does not include, as an unconditional term thereof, the giving by the claimant or plaintiff to the Indemnitee, a release from all liability in respect of such claim.

(c) The remedies provided for in this Agreement shall not be exclusive of any other rights or remedies available to one party against the other, either at law or in equity.

ARTICLE VII.

MISCELLANEOUS.

Section 7.01. Publicity. Neither party shall make any notices to third parties or other publicity or public announcements concerning the transactions contemplated by this Agreement except as agreed to by the Buyer and Seller. Each of the Buyer and the Seller shall keep confidential the price and terms of this Agreement unless, and to the extent, required by law.

Section 7.02. Costs. Each of the Buyer and the Seller represents to the other that it has not used a broker in connection with the transactions contemplated by this Agreement. Each of the Buyer and the Seller shall each pay its own costs and expenses incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement, except as otherwise provided in this Agreement.

Section 7.03.Headings. Subject headings are included for convenience only and shall not affect the interpretation of any provisions of this Agreement.

Section 7.04. Notices. Any notice, demand, request, waiver, or other communication under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if personally served or sent by telecopy, and on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered, return receipt requested, postage prepaid and addressed as follows:

If to the Seller, to:

Attention: Mr. Jeff Spenard
World Talk Radio, LLC (Voice America)
1900 W. University Drive, Suite 231
Tempe, AZ 85281

If to the Buyer, to:

Attention: Legal Department
Augme Technologies, Inc.
43 West 24th Street, Suite 11B
New York, NY 10001

Section 7.05. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

Section 7.06.Governing Law; Forum; Process. This Agreement shall be construed in accordance with, and governed by, the laws of the State of New York as applied to contracts made and to be performed entirely in the State of New York without regard to principles of conflicts of law. Each of the parties hereto hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any court of the State of New York or any federal court sitting in the State of New York for purposes of any suit, action or other proceeding arising out of this Agreement (and agrees not to commence any action, suit or proceedings relating hereto except in such courts). Each of the parties hereto agrees that service of any process, summons, notice or document by U.S. registered mail at its address set forth herein shall be effective service of process for any action, suit or proceeding brought against it in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement, which is brought by or against it, in the courts of the State of New York or any federal court sitting in the State of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 7.07. Entire Agreement. This Agreement, including the Schedules and Exhibits hereto, sets forth the entire understanding and agreement and supersedes any and all other understandings, negotiations or agreements between the Seller and the Buyer relating to the sale and purchase of the Assets, including the Parties' Binding Letter of Intent entered into as of December 31, 2009.

Section 7.08.Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute a single agreement.

Section 7.09.Severability. In the event that any one or more of the immaterial provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the same shall not affect any other provision of this Agreement, but this Agreement shall be construed in a manner which, as nearly as possible, reflects the original intent of the parties.

Section 7.10. No Prejudice. This Agreement has been jointly prepared by the parties hereto and the terms hereof shall not be construed in favor of or against any party on account of its participation in such preparation.

Section 7.11. Words in Singular and Plural Form. Words used in the singular form in this Agreement shall be deemed to import the plural, and vice versa, as the sense may require.

Section 7.12.Parties in Interest. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give to any person, firm or corporation other than the parties hereto any rights or remedies under or by reason of this Agreement or any transaction contemplated hereby.

Section 7.13. Amendment and Modification. This Agreement may be amended or modified only by written agreement executed by all parties hereto.

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

Augme Technologies, Inc.

By: /s/ Mark Severini
Name: Mark Severini
Title: Chief Executive Officer
Date: February 24, 2010

World Talk Radio, LLC (Voice America)

By:_____
Name: Jeff Spenard
Title: President
Date: _____

Exhibit A

Transferred Assets

Fixed Assets:

See Schedule A-1 ("12-29-09 Fixed Asset Roll Forward")

Domain Names:

VoiceAmerica.Com
WorldTalkRadio.Com
VoiceAmericaBusiness.Com
7thWaveNetwork.Com
VoiceAmericaSports.Com
VoiceAmericaHealth.Com
VoiceAmericaGreen.Com

Platform:

RadioPilot – Internet-Based Radio Platform for the delivery of iRadio programs, as used by the Business prior to the Effective Date, including content management system for self publishing host content, advertising, and images (the "Platform"). For avoidance of doubt, the Platform does not include Seller's patents or other intellectual property not expressly listed in this Exhibit A.

Logos:

VoiceAmerica
VoiceAmerica Business
VoiceAmerica Health & Wellness
VoiceAmerica Sports
VoiceAmerica Green
7th Wave Network

Trademarks:

World Talk Radio TM
VoiceAmerica TM
RadioPilot TM

Accounts Receivable:

The Parties agree that Accounts Receivable on the books of Seller related to the operation of the Business prior to the Effective Date will be transferred to Buyer (excluding AR previously sent to any outside agency for collections purposes), which transferred AR is attached hereto as Schedule A-2. The Parties further agree that monies received by Seller prior to the Effective Date, attributable to payment for services of the Business following the Effective Date, will remain the property of Seller.

Intangible Assets:

Any library/archives of prior iRadio broadcasts, including archived/back-up discs, as in existence on the Effective Date.

Exhibit B

Transferred Clients

All clients of (and client agreements with) the Business as of December 31, 2009, will be transferred from Seller to Buyer as described in Section 1.03 of the Agreement. Such clients/agreements include:

[See accompanying Excel document entitled “Exhibit B - Clientlist.xls”]

Exhibit C

Transferred Partners

All partners of (and partner agreements with) the Business as of December 31, 2009, will be transferred from Seller to Buyer as described in Section 1.03 of the Agreement.

Exhibit D

Transferred Vendors

All vendors of (and vendor agreements with) the Business as of December 31, 2009, will be transferred from Seller to Buyer as described in Section 1.03 of the Agreement..

Such vendor agreements include:

Aweber Communications: Email marketing software used for Iradio Newsletters. Billing, admin contact, and login access have been turned over to Buyer. http://www.aweber.com/

Godaddy.com – World Talk Radio's Godaddy account has been signed over to Buyer. Billing, admin contact, and login access have been turned over to Buyer.

See Schedule D-1 ("Account Assignments") which contains a list of accounts/vendor agreements to be assigned (or already assigned) from Seller to Buyer.

Exhibit E

Transferred Employees

Employee	Title
Audrey Gubik	Executive Producer
Brandy Jackson	Corporat Trainer/Network Director
Chad Wagner	Engingeer
David Dimmick	iRadio Quality Control
Frank Interdonato	Executive Producer
Jeffrey Gerstl	Host Services Director
Jeffrey Spenard	President of iRadio
Jon Cabrera	Executive Producer
Jon Missall	Executive Producer
Jose Lagarda	Executive Producer
Justin Jackman	Radio Board Operator
Karen Dana	Executive Producer
Mark Pace	Executive Producer
Melissa Schmitz	Network Director and Senior EP
Melissa Smith	Executive Assistant to President
Michael Mitchell	AM Radio Board Operator
Randall Libero	Executive Producer
Ray Ellis	Network Director - Sports
Ronald Jackman	Host Services/AV Production
Ruben Colombe	iRadio Program Director
Ryan Treasure	A/V Production Operation Manager
Scott Duffy	Executive Producer
Scott Halvorsen	Research Assistant
Stephan Jacob	Executive Producer
Tacy Trump	Senior Executive Producer
Tony Tomko	Executive Producer
William Lowe	Video Operations

Exhibit F

Transferred Liabilities

(1) All liabilities under the agreements listed in Exhibits B, C and D above.

(2) Lease obligations for 1900 W. University Drive, Suite 231, Tempe AZ 85281, including lease payment obligations of approximately $11,299.00 per month for the duration of the lease term) for the period commencing on the LOI Date. The Lease Agreement between Modavox, Inc. and MSC Tempe, LLC will be assigned from Seller to Buyer with the effective date of such assignment being the Effective Date, per Buyer's duties under Section 1.03 of this Agreement. See Schedule F-1 herewith ("Regents Lease Schedule"), which includes a list of lease payment obligations to be assumed by Buyer as of the Effective Date. The Parties agree that (a) Seller paid Buyer's rent pursuant to the Lease Agreement attributable to January, 2010, and Buyer agrees to re-pay Seller for such January rent, which re-payment will be made with the Revenue Share payment for January, 2010, as described in Section 1.04(b) of the Agreeemnt; and (b) Buyer will make all monthly rent payments under the Lease Agreement until the Lease Agreement is assigned to Seller.

(3) Phone lease obligation with NEC Financial Services, LLC

(4) See Schedule F-2 herewith ("AP Aging 12-30-2009"), which Schedule includes a list of liabilities to be assumed by Buyer as of the Effective Date, which liabilities will no longer be liabilities of Seller.

Exhibit G

Transition Assistance

Seller has/will assist Buyer with the assumption of certain business operations by providing the following the Transition Assistance:

- Set up of Hostway Account for Buyer. Account to host primary domain, and email.
- Set up of Voiceamerica.com domain
- DNS setup for voiceamerica.com. Includes various subdomains used by Radiopilot Platform
- Server migration of two Windows servers
- Transfer of domains:
    1. bigmediausa.com
    2. gateway2media.com
    3. ideocast.com
    4. radiopilot.net
    5. talkzone.com
- Transfer of iRadio Blog to Radiopilot Server
- Installation of SQL server on Radiopilot Application Server
- Support on integrating player and Live Stream with new CDN (ongoing)
- Personnel training on Radiopilot Platform administration
- Seller agrees to leave one Windows server active until January 15, 2010, to assist Buyer with client transition (archives server)
- Updating and migrating of download script which is used with the MP3 download functionality of Radiopilot Platform

Exhibit 10.4

Dedicated Team Agreement

Modavox, Inc.

Prepared for: Modavox, Inc.

Prepared by: Vineet Kothari, Digital Avenues Limited

Date: May 07, 2009

THE SCHEDULE

Suppliers Name	Digital Avenues Limited (Digital Avenues)
Suppliers Address	133A Southern Avenue Kolkata 700 029 West Bengal, India
Clients Name	Modavox, Inc.
Clients Address	1900 W. University Drive, Suite 231 Tempe, AZ 85281
Commencement Date	May 15, 2009
Expiry Date	May 14, 2010
Client Contact (Account Manager)	Sean Bradley
Supplier Contact (Account Manager)	Vineet Kothari
Team Size	8
Fees	US$ 21,000 per month (US Dollars Twenty One Thousand per month)

RESOURCE REQUIREMENTS

Role	**Nos.**	**Team Member**
Team Lead (Augme)	0.5	Biswajit Mukhopadhyay
Team Lead (Product Development)	0.5	Suvendu Banik
Sr. PHP Developer (Augme)	1.0	Subrata Mukherjee
Sr. PHP Developer (Augme)	1.0	Souvik Ghosh
Sr. ASP.Net Lead	1.0	Anshuman Roy
Sr. ASP.Net Developer	1.0	TBD
Sr. ASP.Net Developer / Flash	1.0	TBD
Tester	1.0	TBD
Creative / Design Skills	1.0	Multiple team members with the following skills: •Logos •Flash Design •Website Designing •Print •Illustrations and 3D •Presentation
TOTAL	**8.0**	

TERMS AND CONDITIONS

GENERAL TERMS

- A team member may be replaced on account of the client asking for a change or the team member leaving the company or moving into a different role within the company. If a team member has to be replaced, then Digital Avenues will in good faith replace the resource/skill set with equal or better qualifications at its own cost.
- Digital Avenues will be responsible for providing Hardware and Software for the resources unless otherwise agreed in writing.
- Digital Avenues will be responsible for training any additional resources.
- The resources provided by Digital Avenues will be required to represent Modavox, Inc. in their communications with any Clients of Modavox and in doing so will use a Modavox email address if provided.
- Access to electronic timesheet reports will be available to the client.
- The skills of the team members in various roles will be as defined in Appendix A of this contract.

CALCULATION OF BILLABLE TIME

- Each team member will work 150 hours per month on average during the length of the contract
- If a team member works for lesser hours than required in a given month on account of idle time due to insufficient work load, then the client will be billed for those hours
- If a team member works for lesser hours than required in a given month on account of excess leaves / absenteeism or any other reason for which the client is not responsible, the differential will be made up in subsequent periods or adjusted against the final invoicing of the contract period.

ENGAGEMENT PERIOD

- The engagement will begin on May 15, 2009 for a period of 1 year (if not terminated sooner as described below) and the contract will be auto-renewed for an additional year thereafter, unless Modavox provides written notice of it's intent not to renew prior to the expiration of the Engagement Period.

CANCELLATION POLICY

- In addition to the parties' rights under Section 8 of the Agreement, the engagement may be cancelled by Modavox for convenience upon 3 months' notice or upon 1 month's notice with an additional one month fee (which means that from the date the cancellation notice is issued, the team would be engaged for 1 month but the amount due would be for that month and an additional month).

TRIAL PERIOD

- The first 3 months of the contract (until Aug 15, 2009) will be a trial period with an allowed variance of 10% in terms of hours spent. Hence if 1280 hours (160 hours x 8 resources) is the base for the 8 member team, then the team will work for a max of 1280 plus10% (128 hours) without additional billing. Beyond that, additional billing at $20/hour would be applied. Similarly, if the hours used is less than 1280 minus10% (128 hours), DA will still invoice MDVX for 1280 minus128 hours.

- Beyond the trial period, the billing will be fixed at $21,000 per month for a team of 8 resources as outlined above.
- If additional effort/resources are required, then a billing rate of US$20/hour will be applied. All such overages and associated charges will have to be pre-approved in writing by the Client Contact / Account Manager.
- After the 3 month testing period, client will re-assess the resource allotment and adjust as needed. Digital Avenues will apply the excess credit to the first full month.

PAYMENT TERMS

- Payments will be made to Digital Avenues Limited via International Wire Transfer against invoices raised by Digital Avenues on the client.
- Invoices will be raised on the first of a month (or at the beginning of the work period as in the case of May 2009). Any adjustments that need to be done will be carried forward to the next invoice.
- Payments will be made by the 3rd of every month following the completed month of services rendered. Hence for June 2009, invoice will be raised on June 1 and payable on or before July 3, 2009. May 2009 will be an exception where we would raise the invoice on May 15 and expect to be paid by June 3, 2009.

LATE PAYMENTS AND INTEREST

- Digital Avenues reserves the right to charge interest in over-due invoices at the rate of 8% per annum. Notwithstanding the foregoing, such interest will not apply if Client contests or requests correction of an invoice before payment is due and the parties work together to resolve the dispute as provided in Section 10.6 of the Agreement.

EXCEPTIONS

- For new projects worked on by Digital Avenues for the period commencing May 1, 2009, and ending May 14th, 2009, those projects will be billable under this Agreement and otherwise subject to the terms of this Agreement, and hours will be tracked and invoiced accordingly. On May 14th, such hours worked will be calculated, DAL and MDVX will come to an agreement on the total hours and then applicable fees will be added to the first invoice hereunder to be paid June 3, 2009 .

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

For and on behalf of
Digital Avenues Limited
133A Southern Avenue
Kolkata 700 029, West Bengal
India

Vineet Kothari
Chief Executive Officer

Signed: _____

Dated: _____

For and on behalf of
Modavox, Inc.
1900 W. University Drive, Suite 231
Tempe, AZ 85281
USA

Mark Severini
Chief Executive Officer

Signed: _____

Dated: _____

TERMS AND CONDITIONS

1. Definitions

1.1 In this agreement:

"Agreement" means the agreement between the Client and the Supplier constituted by these Terms and Conditions and the Schedule;

"Client" means the person, firm or company requiring the Service Provider's services which for the purpose of this contract will be "**Modavox, Inc.**" or "**MDVX**";

"Commencement Date" means the date on which this Agreement is to commence as specified in the 'Schedule';

"Confidential Information" means all designs, drawings, data, specifications, processes, procedures, Intellectual Property, trade secrets, reports, records, including details of customers, suppliers and similar databases and all other technical, financial, business or other information relating to the Services and/or to MDVX and/or to DAL and obtained or created by the Supplier at any time, whether or not such information is reduced to a tangible form or expressly stated to be 'confidential';

"Event of Force Majeure" any cause or causes beyond either party's reasonable control including, but not limited to, acts of God, terrorism, war, fire, flood, earthquake, explosion, strike or civil commotion;

"Fees" means the fees for the provision of the Services by the Supplier to the Client as detailed in the Schedule or otherwise mutually agreed;

"Intellectual Property" means any and all patents, trade marks, service marks, registered designs, utility models, design rights, copyrights (including but not limited to copyright in computer software), database rights, inventions, technical information, know-how, business or trade names, goodwill and all other intellectual property and rights of a similar or corresponding nature in any part of the world, whether registered, registrable or not or capable of registration or not and including all applications and the right to apply for any of the foregoing rights;

"Mutually Agreed" means mutually agreed in writing between the authorized representatives of the Client and the Supplier at any time after the date of this Agreement;

"Nominated Staff" means that employee of the Supplier who has been specifically identified to provide Services to the Client, either individually or as a part of the group;

"Payment Terms" means the terms agreed for the payment;

"Pre-existing work" means any code / snippet / system, whether or not developed / modified by the Supplier, not in connection with this Agreement, to which the Supplier may have royalty free access;

"Schedule" means the schedule forming part of this Agreement;

"Service Provider" *or* ***"Supplier"*** means the person, firm or company providing the services which for the purpose of this contract will be "**Digital Avenues Limited**" or "**DAL**";

"Services" mean the Services which the Supplier has agreed to supply to the Client as set out in the Schedule;

"Special Conditions" means the provisions (if any) specified as such in the Schedule;

"***Term***" means the Engagement Period as described in the Schedule.

1.2 The headings in this Agreement are inserted only for convenience and shall not affect its construction.

1.3 Reference to a person shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or one or more of the foregoing.

1.4 References to the singular include the plural and references to the masculine include the feminine and vice versa.

2. These Terms

2.1 These Terms and Conditions form part of the Agreement. Where these Terms and Conditions are inconsistent with any terms set out in the Schedule the latter shall apply to the extent of such inconsistency.

2.2 No variation or amendment to these Terms and Conditions shall be valid unless Mutually Agreed to in writing by the Client and the Supplier.

3. The Services - General Obligations

3.1 The Supplier shall provide the Services in accordance with the timetable or other targets for progress as set out in the Schedule or otherwise Mutually Agreed.

3.2 The Supplier will perform and undertake the Services in accordance with the terms set out in the Schedule using the highest standards of workmanship and exercising all proper care and skill. The Supplier will act at all times in the best interests of the Client and their Clients. To the extent that the Supplier acts in breach of these obligations, the Client may require the Supplier to correct any defects arising from poor workmanship and Client will not be billed for such work.

3.3 The Supplier shall provide the Services at such locations as shall be nominated by the Client from time to time and shall ensure that the Supplier's employees, agents or subcontractors, whilst providing the Services at such locations, comply with such health and safety and other procedures and policies as may be notified to them from time to time by the Client. The Client will be required to reimburse the Supplier for all reasonable travel expenses incurred by the Supplier where it is necessary for the Supplier to provide the services at an alternative location than agreed to.

3.4 The Supplier shall be deemed to have satisfied itself as regards the nature and extent of the Services, the supply of and conditions affecting labour and the equipment necessary for the performance of the Services, and shall provide and maintain an organisation having the necessary facilities and resources to undertake the Services.

3.5 The Supplier shall:

3.5.1 without prejudice to the generality of Clause 3.4 above provide, at all times, the number of staff required to fulfil its obligations under the Agreement and shall ensure that all such staff have appropriate qualifications, experience and competence and are in all respects acceptable to the Client;

3.5.2 take all reasonable steps, as far as possible, to avoid changes of staff assigned to and accepted for the work under the Agreement;

3.5.3 give at least two week’s written notice of proposals to change Nominated Staff.

3.6 Unless otherwise stated in the Schedule or Mutually Agreed, the Supplier shall supply at its own cost any equipment or other items required in the course of providing the Services. Insofar as the Client does provide the Supplier from time to time in connection with the Services with any property (of whatever kind, whether equipment, software, paper materials or any other items) which is owned or rented by or licensed to the Client:

3.6.1 the Supplier shall only use such property for the purposes of providing the Services and in accordance with any instructions for use and/or any hire or licence terms made known to the Supplier by the Client;

3.6.2 such property shall remain the property of the Client (as between the Client and the Supplier) and the Supplier shall not sell, assign, mortgage, hire or part with possession of that property or otherwise do or permit or cause to be done anything which might prejudicially affect the Client's rights to such property;

3.6.3 the Supplier shall keep such property safe and secure and, if requested to do so by the Client at any time, return it immediately to the Client.

3.7 The Client may from time to time designate a "Contract Manager" to be responsible for liaising with and overseeing the work carried out by the Supplier under the Agreement, in which case:

3.7.1 the Contract Manager shall be the Supplier's first point of contact with the Client on all issues connected with the Services;

3.7.2 the Supplier shall ensure that the Contract Manager is advised of all meetings between the Supplier and the Client in connection with the Services.

3.8 The Supplier shall be responsible for monitoring its performance of the Agreement (including the performance of any sub-Suppliers) and shall notify the Client immediately and provide full particulars if there is any risk that any requirements of the Agreement may not be met.

3.9 Where progress reports are required by the Client under the Agreement, the Supplier shall render those reports at such time and in such form as may be specified by the Client from time to time.

3.10 The Supplier shall keep detailed records of all things done by it in relation to the provision of the Services (including, but not limited to, proper accounts, records and vouchers for all expenditure referable to the Services) and shall:

3.10.1 provide such explanations as the Client or its agents or auditors may request in connection with such records;

3.10.2 keep all such records available for at least one year following termination of the Agreement.

3.11 The Supplier shall permit representatives of the Client to inspect and examine the provision of the Services by the Supplier.

3.12 The Supplier shall conform in every material respect to its equal opportunities and valuing diversity policies and shall not, in any dealings with its own employees or prospective employees or with any other person in connection with this Agreement, discriminate on the grounds of age, disability, sex, sexual orientation, color, race, ethnic or national origin or religion.

3.13 The Supplier shall not solicit or accept any gratuity, tip, reward, collection or other form of money taking, or make any charge for any part of the Services, save for the Fees payable by the Client and any other sums expressly approved by the Client in writing.

3.14 The Supplier warrants and represents to the Client that it is an independent Supplier and as such shall be responsible for making appropriate deductions for tax from the remuneration it pays its staff as well as for providing for contribution towards retirement benefits for them.

3.15 Nothing in the Agreement shall be construed as creating a partnership or a relationship of employer and employee or principal and agent between the Client and the Supplier.

3.16 The Supplier shall have no authority to incur any expenditure or enter into any contracts in the name of the Client.

3.17 Both parties (the Supplier and the Client) undertake to the other (the Client and the Supplier respectively) that they will not during the term of the contract nor during the period 12 months immediately following the date of termination of the contract, either on their own account, or on behalf of any other person, firm, company or other organization, directly or indirectly solicit or induce or endeavor to solicit or induce any person who on the Termination Date was a developer, manager, director or consultant of either party with whom they had dealings during the currency of this Agreement, to cease working for the other party, whether or not such person would commit any breach of contract by reason of leaving such other party.

3.18 The Supplier also undertakes not to entice away from the Client or solicit the customer or business of, any person, firm, company or other organization who at any time during the 6 months preceding the Termination Date have been a customer of, or in negotiations with, the Client in respect of Restricted Business and with whom the Supplier has had personal dealings during its employment or with whom any employee who was under its direct or indirect supervision had personal dealings during the course of the Agreement.

4. The Services

4.1 The Supplier will only be paid for the Services actually undertaken or performed in accordance with the Schedule. The Client is only obliged to pay for days worked in accordance with the Schedule. There is no obligation to make any payment, for days when the Supplier is not providing the Services. The Client will not pay the Supplier in relation to any periods where the assigned resources are ill or otherwise incapacitated nor for holidays which the assigned resource may choose to take. The Supplier reserves the right to substitute a resource in the event that the current resource is ill, incapacitated or on leave so long as the replacement is of equivalent skill / experience and it does not affect the current work or scheduled deadlines. The Supplier also reserves the right to have resources work on ‘off-days’ in lieu of holidays or in lieu of days when the assigned resources were ill or otherwise incapacitated.

5. Fees and Payment

5.1 The Supplier will be paid the Fees for the Services provided as set out in the Schedule.

5.2 Save where specifically included in the Schedule, the Client shall have no obligation to pay or reimburse any costs or expenses incurred in performing the Services. To the extent that the Client is obliged to pay or reimburse the Supplier for any such expenses the details will be set out in the Schedule. As a condition of making any such reimbursement, the Client will be entitled to receive receipts or other documentary evidence that such costs or expenses have been properly incurred.

5.3 All fees or other sums agreed between the Supplier and the Client are (unless otherwise stated in the Schedule) exclusive of any taxes payable. (Taxes, if applicable, shall be paid to the Supplier by the Client, subject to the receipt of a proper tax invoice).

5.4 The Supplier shall be paid the Fees as set out in the Schedule in full, net off any withholdings.

5.5 Both parties will each use their respective reasonable endeavours to resolve a dispute arising in relation to any statement or invoice submitted as soon as possible after submission thereof.

6. Security and Data Protection

6.1 All Client or Client-provided data ("Data") shall belong (as between the Client and the Supplier) to the Client.

6.2 The Supplier shall only use Data in connection with the provision of the Services and shall comply at all times with any directions or guidelines given or issued by the Client from time to time in relation to the processing of Data.

6.3 Without prejudice to the generality of the foregoing parts of this Clause 6:

6.3.1 the Supplier shall take appropriate technical and organizational measures against unauthorized or unlawful disclosure of Data and against accidental loss or destruction of, or damage to, Data;

6.3.2 The Supplier shall adhere to the Clients security policy and the Client shall ensure that the Supplier is made aware of the security policy;

6.3.3 the Supplier shall permit the Client to carry out spot checks on a pre-arranged basis and, on request, the Supplier shall provide such information as the Client may reasonably request to confirm that the Supplier is acting in compliance with its obligations under this Agreement with respect to the protection of Data.

7. Intellectual Property

7.1 For all Intellectual Property conceived or made by the Supplier in the course of providing the Services including but not limited to the entire copyright whether vested contingent or future and all other Intellectual Property rights of whatever nature in and to any material whether now known or in the future created shall, subject to all outstanding payments for invoices raised by the Supplier for Services rendered as per the Schedule being made to the Supplier, belong to the Client, and the Supplier with full title guarantee hereby irrevocably assigns and agrees to assign all its interest in such Intellectual Property to the Client. Supplier agrees to sign, execute and acknowledge or cause to be signed, executed or acknowledged without cost, but at the expense of Client, any and all documents and to perform such acts as may be necessary, useful or convenient for the purpose of perfecting the foregoing assignment and obtaining, enforcing and defending intellectual property rights in any and all countries with respect to the Intellectual Property assigned herein. It is understood and agreed that Client or Client's designee shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain patent applications and patents worldwide with respect to such Intellectual Property.

7.2 For Pre-existing work owned by the Supplier and which has been used for the purpose of delivery to the Client, the Supplier shall grant world-wide, royalty-free right to the Client to be used only for the purposes for which it was delivered to them.

7.3. The Supplier warrants and represents that:

7.3.1 deliverables shall comprise of Supplier's original work and may include royalty-free publicly available code / snippets or pre-existing code owned by the Supplier and that use of the deliverables and exercise by the Client of the rights assigned to it by Clause 7.1 above will not infringe the rights (including Intellectual Property rights) of any third party;

7.3.2 it will be the exclusive legal and beneficial owner of the entire right title and interest in and to any Intellectual Property conceived, originated or made by the Supplier during the course of the provision of the Services and that the Supplier will be free to assign such Intellectual Property to the Client pursuant hereto without any third party claims liens charges or encumbrances of any kind and that the Supplier is free of any duties or obligations to third parties which may conflict with the terms of this Agreement;

7.3.3 the deliverables will not contain anything that is libelous, defamatory or indecent or which would otherwise infringe the statutory or common law rights of any third parties;

7.3.4 the Supplier will not do anything that may threaten or endanger any Intellectual Property subsisting in the Materials or otherwise owned by the Client.

7.5 The Supplier will take all reasonable steps to ensure that any documents or other materials and data or other information which are supplied to them by the Client or the Client's Client (whether in connection with the Agreement of otherwise) remain confidential to the person, firm or company supplying the same. Such information documents or other materials and data will not be made available to any third parties.

7.6 The Client will take all reasonable steps to ensure that any documents or other materials and data or other information which are supplied to them by the Supplier or the Supplier's Client (whether in connection with the Agreement of otherwise) remain confidential to the person, firm or company supplying the same. Such information documents or other materials and data will not be made available to any third parties.

7.7 This obligation of confidentiality will remain in force beyond the cessation or other termination of this Agreement.

7.8 The Supplier agrees to ensure that any information which is received from either the Client or their Clients in connection with the Agreement will only be used for the purposes of carrying out the Services.

7.9 The Supplier will not at any time make any copy, abstract, summary or précis of any document or other material belonging to a Client except when required to do so in the course of providing the Services (or for routine back-up purposes) in which event any such item shall belong to the Client absolutely and shall be left with or delivered up to the Client during the course of or at the end of the Term.

7.10 The provisions of Clauses 7.7 to Clause 7.9 shall not apply to any Confidential Information to the extent that it:

7.10.1 is or becomes publicly available otherwise than by breach by the Supplier of this Agreement or any other obligation of confidentiality;

7.10.2 is required to be disclosed by law to a proper authority, provided that the Client is given prior notification of the intended disclosure.

8. Duration and Termination of the Agreement

8.1 The Agreement shall begin on the Commencement Date set out in the Schedule and (except where detailed in these Terms and Conditions) shall remain in force until the expiry of the Term (without any need for either party to give to the other any prior notice of such expiry).

8.2 Either the Client or the Supplier may terminate the Agreement by giving to the other the requisite period of notice set out in the Schedule.

8.3 Either party may terminate the Agreement by notice if the other party materially breaches this Agreement, goes into liquidation, or (in the case of an individual or firm) becomes bankrupt, makes voluntary arrangement with his or its creditors or has a receiver or administrator appointed.

8.4 Upon termination of this Agreement, or upon Client's earlier requests upon satisfaction of Section 5 of this Agreement, Supplier will deliver to Client all property relating to, and all tangible embodiments of, the Intellectual Property assigned herein in Supplier's possession or control.

9. Warranty

9.1 The Supplier warrants to the Client as follows:

9.1.1 that all information provided to the Client (whether in relation to previous projects undertaken and/or the qualifications, skills and experiences) is true and accurate in all respects; and

9.1.2 the Supplier is not subject to any restrictions which may otherwise prevent it from undertaking or performing the Services for the Client or their client/s.

9.1.3 there is no action, suit, proceeding or material claim or investigation pending or threatened against Supplier in any court, or by or before any governmental department, commission or instrumentality, foreign or domestic, or before an arbitrator of any kind, which if adversely determined, might adversely affect the Deliverables or Intellectual Property assigned hereunder, or restrict Supplier's ability to consummate this Agreement.

10. General

10.1 These Terms and Conditions together with the terms set out in the Schedule represent the entire agreement between the parties relating to the provision of the Services by the Supplier and supersede any previous representations or agreements whether in writing or otherwise.

10.2 The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with other provisions of this Agreement.

10.3 The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.

10.4 Either party's liability, including attorney's fee, on the said Agreement is not to exceed higher of the value received under this Agreement or US$ 100,000; provided that such limitation will not apply with respect to any liability caused by a party's gross negligence or material breach of this Agreement.

10.5 The parties agree that the Agreement will be governed by and construed according to the laws of the Republic of India.

10.6 Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be the subject of resolution efforts by the Chief Executive Officers / Managing Partners and General Counsels of each Party for at least 30 days prior to any action being commenced. Any unresolved disputes shall be settled exclusively by arbitration. Such arbitration shall be conducted before a single arbitrator in accordance with the provisions of 'The Arbitration and Conciliation Act, 1996' (India) then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction, and the parties irrevocably consent to the jurisdiction of the honourable courts of Kolkata for that purpose. All decisions of the arbitrator shall be final and binding on the Parties. Each Party shall bear its own legal fees in any dispute. The arbitrator may grant injunctive or other relief.

10.7 This Agreement, along with the Schedule hereto contains the entire Agreement between the parties hereto with respect to the matters specified herein. This Agreement shall not be amended except by a written amendment executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorised officers as of the date first above written.

For and on behalf of
Digital Avenues Limited
133A Southern Avenue
Kolkata 700 029, West Bengal
India

Vineet Kothari
Chief Executive Officer

Signed: _____

Dated: _____

For and on behalf of
Modavox, Inc.
1900 W. University Drive, Suite 231
Tempe, AZ 85281
USA

Mark Severini
Chief Executive Officer

Signed: _____

Dated: _____

APPENDIX A

Biswajit Mukhopadhyay (Team Lead – Augme)

- Total Experience: 10+ years (5.5 years with Digital Avenues)
- Head of Process Engineering Group at Digital Avenues
- Microsoft Certified Solution Developer
- Technology Experience: C#, ASP.Net, SQL Server, Oracle 9i
- Significant Project Experience:
  - Asset Tracking through Radio Frequency Identification – handling large amounts of data in real-time scenarios, customizing and generalizing asset tracking rules to make the system respond effectively to a wide range of business policies
  - Database Architect for enterprise level Ad-platform

Suvendu Banik (Team Lead – MDVX Product Development)

- Total Experience: 10+ years (5 years with Digital Avenues)
- Microsoft Certified Solution Developer
- Technology Experience: C#, ASP.Net, SQL Server, AJAX
- Significant Project Experience:
  - Asset Tracking through Radio Frequency Identification – handling large amounts of data in real-time scenarios, customizing and generalizing asset tracking rules to make the system respond effectively to a wide range of business policies
  - Asset Tracking through Radio Frequency Identification – handling large amounts of data in real-time scenarios, customizing and generalizing asset tracking rules to make the system respond effectively to a wide range of business policies
  - Office Management System – an enterprise level web-based service application for corporate formation, maintenance and document management. The application is designed for professionals, business owners and individuals who wish to create and maintain a thriving business from inception to exit.

Anshuman Roy (Lead Developer)

- Total Experience: 4.5 years (3.5 years with Digital Avenues)
- Microsoft Certified Application Developer
- Technology Experience: C#, ASP.Net, SQL Server, AJAX

Typical Skillset for Sr. ASP.Net Developer

Skill	Level
.NET Framework Concepts	Expert
ADO.net	Expert
ASP.net	Expert
C#	Expert
SQL	Expert
AJAX	Practiced
CSS	Practiced
XHTML	Practiced
Javascript	Practiced
Object Oriented Principles	Practiced
RDBMS Concepts	Practiced
Sharepoint Services	Practiced
Web Services	Practiced
Windows Services	Practiced
CMMi model	Trained
Concepts - SDLC Models	Trained
DAL QMS	Trained
UML	Trained
XML	Trained
Dundas Controls	Novice

Typical Skillset for Sr. PHP Developer

Skill	Level
PHP	Expert
CakePHP Framework	Expert
MySQL	Expert
AJAX	Practiced
CSS	Practiced
XHTML	Practiced
Javascript	Practiced
Object Oriented Principles	Practiced
RDBMS Concepts	Practiced
Web Services	Practiced
Windows Services	Practiced
CMMi model	Trained
Concepts - SDLC Models	Trained
DAL QMS	Trained
UML	Trained
XML	Trained

Exhibit 10.7

Referral Agreement

THIS REFERRAL AGREEMENT is made and entered into as of January 1, 2010, between Modavox, Inc., a Delaware corporation, with its principal place of business at 43 W. 24th Street, Suite 11B, New York, NY 10001 ("Company"), and C&H Capital, Inc., a Georgia corporation with its principal place of business at 2020 Stone Meadow Way, Cumming, GA 30041 ("Consultant").

Recitals

1. Company is engaged in the business of providing Internet-based communication and interaction services using the Company's proprietary brand, technical platforms, and patented processes and methods;

2. Consultant is engaged in the business of consulting and making capital investments in early stage technology companies and as a result Consultant has a network of high net worth individuals and investment fund managers who Consultant desires to introduce to the Company from time to time;

3. In furtherance of its business objectives, Company desires to receive certain investor/capital referrals from Consultant; and

4. Consultant agrees to provide investor/capital referrals to the Company under the terms and conditions set forth in this Agreement.

In consideration of the mutual promises set forth herein, it is agreed by and between Company and Consultant as follows:

I. Nature of Work

A. Accredited Investor Referrals. Consultant, where commercially practical and consistent with good business practice, will identify to Company management certain "Accredited Investors," as that term is defined in Regulation D promulgated under the Securities Act of 1933, as amended (each, an "Accredited Investor"), who may desire to make capital investments in the Company given the Accredited Investor's background and investment profile. In advance of introducing an Accredited Investor to the Company, Consultant will notify the Company in writing (which writing may be via email) of the identity of the Accredited Investor. In addition, Consultant will qualify that the Accredited Investor has expressed a reasonable interest in learning more about the Company or making a capital investment in the Company. If, based upon such information, the Company desires, in its sole discretion, to receive an introduction to the Accredited Investor from Consultant, then Company will "accept" or "register" the referral by authorizing Consultant, in writing (which writing may be via email), to facilitate the introduction of the Accredited Investor (each, a "Referred Accredited Investor").

B. Prohibited Activities. Consultant is not a registered broker dealer and may not be compensated for any financings or securitization of capital. Consultant will not act, either directly or indirectly, as a broker, dealer, agent or investment advisor under applicable federal or state securities laws. In providing services under this Agreement, Consultant's activities will be limited to introducing Accredited Investors to the Company, and Consultant will not use any general solicitation or general advertising within the meaning of applicable securities laws in connection with any offering of securities by the Company. Consultant will introduce the Company to Accredited Investors only in states in which Consultant has been advised that offers and sales of securities can be legally made by the Company. Consistent with the foregoing, Consultant has no authority to, and will not: (i) offer for sale or solicit offers to buy any securities of the Company to or from any person; (ii) provide any advisory or valuation services to any person regarding any securities offerings or the merits or risks of an investment in such securities; (iii) provide any information to any person, other than such information reasonably necessary to introduce such person to the Company, regarding the Company, its proposed business or any such securities or offerings; (iv) make any representations or warranties in connection with any such offerings; (v) otherwise effect any transactions with respect to, or induce or attempt to induce the purchase or sale of, any such securities; (vi) make or have made written postings or publications about the Company, on the Internet (chat rooms, message boards, etc.) or in any other published media, without express written approval from the Company as to the content of such publication; provided, however, that the foregoing does not prohibit Consultant from disseminating Company-issued press releases, filings or third party articles relevant to the Company's business.

II. Warranties

Consultant hereby represents and warrants to Company that: (i) it has the authority and capacity to execute and deliver this Agreement and perform its obligations hereunder; (ii) this Agreement constitutes a legal, valid and binding obligation of Consultant, enforceable against Consultant in accordance with its terms; (iii) it has all necessary rights or approvals, for which it is responsible, for Consultant to be able to provide the Services to Company; (iv) in executing its duties under this Agreement, Consultant will comply with all laws, regulations and rules, whether pursuant to state, federal or administrative authorities, including, by way of example, laws related to Securities and all rules, guidance and regulations issued or promulgated by the Securities Exchange Commission (the "SEC"), and (iv) in executing its duties under this Agreement, Consultant will not divulge non-public material information about the Company ("Insider Information"), to the extent Consultant obtains such Insider Information, to any third party, whether directly or indirectly, and in all events Consultant agrees to comply with the Company's Policy "Securities Trading By Company Personnel" attached hereto as Exhibit B.

III. Compensation

A. Annual Consulting Fee. As compensation for Consultant's efforts in making introductions of Accredited Investors to the Company as defined under this Agreement, Company will pay Consultant an annual fee of one hundred and twenty five thousand dollars ($125,000) (the "Annual Referral Fee"), which Annual Referral Fee is payable by the Company as follows: (i) $50,000 payable within ten (10) business days after the date the Agreement is executed; and (ii) $25,000 payable quarterly thereafter following calendar quarters 2, 3 and 4, within ten (10) business days after the last day of each such calendar quarter. Such fee is not contingent on the "success" of any particular Consultant referral and will be paid regardless of whether such Accredited Investor Referrals lead to investments in the Company. The Company has agreed to the Annual Consulting Fee given the Company's business judgment as to the perceived value of referrals from Consultant and assumptions made by the Company as to the likelihood of receiving investments from Accredited Investor Referrals during the Consulting Term. In the event of a Change of Control of the Company, unpaid portions of the Annual Referral Fee will accelerate and Consultant will be paid within ten (10) business days following public announcement of the Change of Control. For purposes of this Agreement, "Change Of Control" means a change in control of the Company of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), whether or not the Company is subject to the Exchange Act at such time.

B. Expenses. Consultant will be responsible for paying all expenses associated with Consultant's services hereunder, including computer, telephone, travel and office expenses.

IV. Confidentiality

As a condition to this Agreement, Consultant will execute a Confidentiality & Non-Solicitation Agreement with an effective date of December 1, 2009, which document is hereby incorporated into and made part of this Agreement as Exhibit A.

V. Duration & Termination

A. Term. The duration of the Agreement, unless otherwise extended by the mutual written consent of both parties, shall be for the one-year period beginning January 1, 2010, and ending December 31, 2010 (the "Consulting Term"), unless the Agreement is terminated sooner in accordance with the following paragraph.

B. Termination. Either party may terminate this Agreement upon thirty (30) days advanced written notice to the other party. Upon such termination, the Company's only liability to Consultant will be its obligation to pay fees earned by Consultant prior to the date of termination.

VI. Status of Consultant

This Agreement calls for the performance of the services of the Consultant, as an independent contractor, and Consultant will not be considered an employee of the Company for any purpose, including, but not limited to, tax and insurance matters. Company is not responsible for the payment of employer-related taxes which may be imposed with respect to any employees or agents of Consultant including, but not limited to, FICA, unemployment taxes, state and federal income tax withholding payments. The employees, subcontractors, methods, facilities and equipment used by Consultant shall be at all times under its exclusive direction and control. Company's relationship to Consultant under the Agreement shall be that of an independent contractor, and nothing in the Agreement shall be construed to constitute Consultant, its subcontractors or any of their employees as an employee, agent, associate, joint venturer, or partner of Company. It is agreed that Consultant's employees who are assigned to Company work under the Agreement, if any, shall at all times be and remain employees of Consultant.

VII. Services for Others

During the term of this Agreement, Consultant may not perform consulting or similar professional services for any other person or firm engaged in a business competitive to Company, without Company's prior written approval.

VIII. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of New York. All actions arising out of the Agreement shall be brought in New York, New York.

IX. Integration, Execution, and Headings

A. Entire Agreement. This Agreement, including the Mutual Non-Disclosure Agreement and Insider Trading Policy incorporated herein, contains the entire agreement among parties and supersedes all prior and contemporaneous oral and written agreements, understandings, and representations among the parties. No amendments to this Agreement shall be binding unless executed in writing by all of the parties.

B. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be original, and all of such together shall constitute one and the same instrument.

C. Invalidity. If any provision, or portion thereof, of this Agreement is invalid under applicable statute or rule of law, it is only to that extent to be deemed omitted.

X. Arbitration; Attorney's Fees

Any controversy or claim arising out of, or relating to, this Agreement, or the making, performance, or interpretation, of it, shall be settled by arbitration in New York, New York, or as otherwise mutually agreed upon by the parties, under the commercial arbitration rules of the American Arbitration Association then existing, and judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy. If any legal action or any arbitration of other proceeding is brought for the enforcement of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees and other costs incurred in that action or preceding, in addition to any other relief to which it or they may be entitled.

XI. Assignment & Subcontracting

The Agreement shall not be assignable or otherwise transferable, in whole or in part, by Consultant. Consultant shall not be permitted to subcontract any Services or work without the prior written consent of Company.

XII. Company Policy and Procedures

Consultant and any agents of Consultant shall observe Company's policies and procedures and shall perform their respective duties in a manner which does not interfere with Company's business and operations.

IN WITNESS WEREOF, the parties to this Agreement have duly executed on the day and year as written above:

Modavox, Inc.	**C&H Capital, Inc.**
By:	By:
Print Name: Mark Severini	Print Name:
Title: CEO	Title:
Date: January 15, 2010	Date:

Exhibit A

Mutual Non-Disclosure Agreement

Modavox, Inc., a Delaware Corporation including its division Augme Mobile™, having a principle place of business at 135 West 20th Street, 5th Floor, New York, NY 10011 ("Modavox"), and C&H Capital, Inc., a Georgia corporation, having a principle place of business at 2020 Stone Meadow Way, Cumming, GA 30041 ("Company"), hereby enter into this Mutual Non-Disclosure Agreement ("Agreement"), effective as of December 1, 2009 ("Effective Date") and agree as follows:

1. Modavox and Company, for their mutual benefit, desire to disclose to one another certain Confidential Information (defined in Paragraph 2 below) for the purpose of discussing services, products, or potential business relationships (the "Purpose").

2. Confidential Information consists of certain specifications, designs, plans, drawings, software, data, internal processes, prototypes, or other business and/or technical information, and all copies and derivatives containing such Confidential Information, which a party considers proprietary or confidential, including but not limited to information related to Modavox's technical platforms, portal, intellectual property, processes and services ("Confidential Information"). Confidential Information may be in any form or medium, tangible or intangible, and may be communicated in writing, orally, or through visual observation.

3. The receiving party's duty to protect the disclosing party's Confidential Information expires five (5) years from the date on which the Confidential Information was disclosed to receiving party. Either party may terminate this Agreement upon ten (10) days written notice to the other party; however, any termination of this Agreement shall not relieve the receiving party of its confidentiality and use obligations with respect to Confidential Information disclosed prior to the date of termination.

4. Modavox and Company agree that:

a) The receiving party shall use Confidential Information only for the Purpose, shall hold Confidential Information in confidence using the same degree of care as it normally exercises to protect its own proprietary Confidential Information, but not less than reasonable care, taking into account the nature of the Confidential Information, and shall grant access to Confidential Information only to its employees who have a need to know, shall cause its employees to comply with the provisions of this Agreement applicable to the receiving party, shall reproduce Confidential Information only to the extent essential to fulfilling the Purpose, and shall prevent disclosure of Confidential Information to third parties. The receiving party may, however, disclose the Confidential Information to its consultants and contractors with a need to know; provided that by doing so, the receiving party agrees to bind those consultants and contractors to terms at least as restrictive as those stated herein, advise them of their obligations, and the receiving party will be responsible for any violation of the terms of this Agreement by its employees, consultants and contractors and will indemnify the disclosing party for any breach of those obligations.

b) Upon the disclosing party's request, the receiving party shall either return to the disclosing party all Confidential Information or shall certify to the disclosing party that all media containing Confidential Information have been destroyed. Provided, however, that an archival copy of the Confidential Information may be retained in the files of the receiving party's counsel, solely for the purpose of proving the contents of the Confidential Information.

5. The foregoing restrictions on each party's use or disclosure of Confidential Information shall not apply to Confidential Information that the receiving party can demonstrate:

a) was independently developed by or for the receiving party without reference to the Confidential Information, or was received without restrictions; or

b) has become generally available to the public without breach of confidentiality obligations of the receiving party; or

c) was in the receiving party's possession without restriction or was known by the receiving party without restriction at the time of disclosure; or

d) is the subject of a subpoena or other legal or administrative demand for disclosure; provided, however, that the receiving party has given the disclosing party prompt notice of such demand for disclosure and the receiving party reasonably cooperates with the disclosing party's efforts to secure an appropriate protective order.

6. Access to Confidential Information hereunder shall not preclude an individual who has seen such Confidential Information for the purposes of this Agreement from working on future projects for the receiving party which relate to similar subject matters, provided that such individual does not make reference to the Confidential Information and does not copy the substance of the Confidential Information. Furthermore, nothing contained herein shall be construed as imposing any restriction on the receiving party's disclosure or use of any general learning, skills or know-how developed by the receiving party's personnel under this Agreement, if such disclosure and use would be regarded by a person of ordinary skill in the relevant area as not constituting a disclosure or use of the Confidential Information. As between the parties, all Confidential Information shall remain the property of the disclosing party. By disclosing Confidential Information or executing this Agreement, the disclosing party does not grant any license, explicitly or implicitly, under any trademark, patent, copyright, mask work protection right, trade secret or any other intellectual property right. THE DISCLOSING PARTY DISCLAIMS ALL WARRANTIES REGARDING THE CONFIDENTIAL INFORMATION, INCLUDING ALL WARRANTIES WITH RESPECT TO INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS AND ALL WARRANTIES AS TO THE ACCURACY OR UTILITY OF SUCH CONFIDENTIAL INFORMATION. Execution of this Agreement and the disclosure of Confidential Information pursuant to this Agreement does not constitute or imply any commitment, promise, or inducement by either party to make any purchase or sale, or to enter into any additional agreement of any kind.

7. The parties acknowledge that certain products, software and technical information provided pursuant to this Agreement may be subject to United States export laws and regulations and agree that any use or transfer of such items must be authorized by the appropriate United States government agency. Neither party shall directly or indirectly use, distribute, transfer or transmit any item of Confidential Information (even if incorporated into other products, software and technical information), except in compliance with United States export laws and regulations.

8. Either party's failure to enforce any provision, right or remedy under this Agreement shall not constitute a waiver of such provision, right or remedy.

9. This Agreement and performance thereunder shall be governed by the laws of the law of the State of New York, without regard to the conflict of law rules of such state, and excluding the United Nations Convention on the Sale of Goods.

10. If a dispute arises with respect to this Agreement which cannot be resolved by negotiation, it shall be referred to a neutral arbitrator selected in accordance with the commercial arbitration rules of the American Arbitration Association (“AAA”). The arbitration shall be governed by the United States Arbitration Act and the rules of the AAA. The arbitrator shall not be empowered to limit, expand, or modify this Agreement, to award punitive or exemplary damages, or to award any financial damages other than damages caused by breach of this Agreement. The arbitrator may order limited discovery, but in determining whether to permit discovery shall balance the benefit of the requested discovery against the burden on the party against whom discovery is sought. Each party shall bear its own expenses and an equal share of all the costs and fees of arbitration. The contents and results of the arbitration shall be held in confidence by all participants. Nothing herein shall preclude either party from seeking interim equitable relief from a court of competent jurisdiction. A request by a party to a court for interim relief shall not affect either party's obligation hereunder to arbitrate.

11. This Agreement constitutes the entire agreement of the parties with respect to the parties' respective obligations in connection with Confidential Information disclosed hereunder and supersedes all prior oral and written agreements and discussions with respect thereto. Each party intends that a facsimile of its signature printed by a receiving fax machine be regarded as an original signature and agrees that this Agreement can be executed in counterparts. The parties can amend or modify this Agreement only by a writing duly executed by their respective authorized representatives. Neither party shall assign this Agreement without first securing the other party's written consent.

Modavox, Inc.	**Company**
By: [Missing Graphic Reference]	By:
Print Name: Mark Severini	Print Name:
Title: CEO	Title:
Date: January 15, 2010	Date:

Exhibit B

SECURITIES TRADING BY COMPANY PERSONNEL

The Board of Directors of Modavox, Inc. has adopted the following Policy which applies to all personnel (including directors and officers) of our corporation and its subsidiaries (collectively called the "Company") arising from our legal and ethical responsibilities as a public company.

1. *Prohibition Against Trading on Undisclosed Material Information*. If you are aware of material information relating to the Company which has not yet been made available to the public for at least two full trading days (often called "inside information"), you are prohibited from trading in our securities, directly or indirectly, and from disclosing such information to any other persons who may trade in our securities. Any information, positive or negative, is "material" if it might be of significance to an investor in determining whether to purchase, sell or hold our securities. Information may be significant for this purpose even if it would not alone determine the investor's decision. Examples include a potential business acquisition, internal information about revenues, earnings or other aspects of financial performance which departs in any way from what the market would expect based upon prior disclosures, important business developments, the acquisition or loss of a major customer or an important transaction. We emphasize that this list is merely illustrative.

Once material information is announced, trading generally can occur after a lapse of two full trading days. Therefore, if an announcement is made before the commencement of trading on a Monday, an employee generally may trade in the Company's stock starting on the Wednesday of that week, because two full trading days would have elapsed by then (all of Monday and Tuesday). If the announcement is made on Monday after trading begins, employees may not trade in the Company's stock until Thursday. However, as discussed below, all trades must be precleared in writing by the Company's CEO.

The above prohibition against trading on inside information generally reflects the requirements of law as well as the Company's Policy. As more fully discussed below, in many cases a breach of this Policy also will constitute a serious legal violation.

2. *Restricted Periods.* No personnel may trade any securities of the Company during the periods that begin on the day following the end of a quarterly reporting period and end two full trading days after the financial results for the quarter, or for the full year with respect to the fourth quarter, have been announced publicly. The announcement date of the quarterly results varies, but normally occurs toward the end of the month following the end of the fiscal quarter. The announcement date of yearly results also varies, but normally occurs during May or June.

Note that the limitations in Section 1 above relating to material undisclosed information remain applicable in the period when trading is permitted by this Section 2. The two sections apply independently.

3. *Pre-clearance of all Trades*. Information relating to the Company's business is highly sensitive and does not arise at predictable times during quarterly reporting periods. In addition, due to the relatively small number of Company personnel, sensitive information cannot effectively be isolated in all instances within the Company. Accordingly, in order to prevent intentional and unintentional violations of applicable law and Company Policy, all trades in Company securities by any director, officer or employee of the Company must be approved in advance, in writing, by the President/Chief Executive Officer of the Company or, in his absence, the Chairman of the Board of the Company. Trading by the President/Chief Executive Officer must be approved in advance, in writing, by the Chairman of the Board of the Company. Requests for approval of a proposed trade should be directed to the President/Chief Executive Officer, who will promptly approve or deny the request. In recognition of the fact that circumstances may arise from time to time that constitute material nonpublic information, but which cannot be widely disclosed within the Company, the President/Chief Executive Officer may, but shall not be obligated to, describe the reason for any denial of a trading request.

4. *Confidentiality.* Serious problems could be caused for the Company by unauthorized disclosure of internal information about the Company (or confidential information about our customers or vendors), whether or not for the purpose of facilitating improper trading in our stock. Company personnel should not discuss internal Company matters or developments with anyone outside of the Company, except as required in the performance of regular corporate duties.

This prohibition applies specifically (but not exclusively) to inquiries about the Company which may be made by the press, investment analysts, shareholders or others in the financial community. It is important that all such communications on behalf of the Company be made only through an appropriately designated officer under carefully controlled circumstances. Unless you are expressly authorized to the contrary, if you receive any inquiries of this nature, you should decline comment and refer the inquiry to the President/Chief Executive Officer or Chief Financial Officer.

5. *Information About Other Companies*. In the course of your employment, you may become aware of material non-public information about other public companies -- for example, other companies with which our Company has business dealings. You are prohibited from trading in the securities of any other public company at a time when you are in possession of material non-public information about such company.

6. *Tipping.* Improper disclosure of non-public information to another person who trades in the stock (so-called "tipping") is also a serious legal offense by the tipper and a violation of the terms of this Policy. If you disclose information about our Company, or information about any other public company which you acquire in connection with your employment with our Company, you may be fully responsible legally for the trading of the person receiving the information from you (your "tippee") and even persons who receive the information directly or indirectly from your tippee. Accordingly, in addition to your general obligations to maintain confidentiality of information obtained through your employment and to refrain from trading while in possession of such information, you must take utmost care not to discuss confidential or non-public information with family members, friends or others who might abuse the information by trading in securities.

7. *Limitation of Certain Trading Activities.* We encourage interested employees to own our securities as a long-term investment at levels consistent with their individual financial circumstances and risk bearing abilities (since ownership of any security entails risk). However, Company personnel may not trade in puts, calls or similar options on our stock or sell our stock "short." (You may, of course, exercise any stock options granted to you by the Company on the terms in your grant letter.)

8. *Consequence of Violation.* The Company considers strict compliance with this Policy to be a matter of utmost importance. We would consider any violation of this Policy by an employee as a threat to our reputation. Violation of this Policy could cause extreme embarrassment and possible legal liability to you and the Company. Knowing or willful violations of the letter or spirit of the Policy will be grounds for immediate dismissal from the Company. Violation of the Policy might expose the violator to severe criminal penalties as well as civil liability to any person injured by the violation. The monetary damages flowing from a violation could be three times the profit realized by the violator, as well as the attorney's fees of the persons injured.

9. *Resolving Doubts.* If you have any doubt as to your responsibilities under this Policy, seek clarification and guidance before you act from the President/Chief Executive Officer or Chief Financial Officer. Do not try to resolve uncertainties on your own.

10. *A Caution About Possible Inability to Sell*. Although the Company encourages employees to own our securities as a long-term investment (see Section 7), all personnel must recognize that trading in securities may be prohibited at a particular time because of the existence of material non-public information. Anyone purchasing our securities must consider the inherent risk that a sale of the securities could be prohibited at a time he or she might desire to sell them. The next opportunity to sell might not occur until after an extended period, during which the market price of the securities might decline.

Exhibit 10.9

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT dated as of May 19, 2009 (the "Agreement") between Modavox, Inc., a Delaware corporation, or any successor thereto ("Company"), and Mark Severini ("Executive").

WHEREAS, the Company desires to employ Executive as its Chief Executive Officer upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the Company and Executive hereby agree as follows:

Article I.

DEFINITIONS

The terms set forth below have the following meanings (such meanings to be applicable to both the singular and plural forms, except where otherwise expressly indicated):

1.1 "Accrued Annual Bonus" means the amount of any Annual Bonus earned but not yet paid with respect to the Year ended prior to the Date of Termination.

1.2 "Accrued Base Salary" means the amount of Executive's Base Salary which is accrued but not yet paid as of the Date of Termination.

1.3 "Affiliate" means any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, the Company. For the purposes of this definition, the term "control" when used with respect to any Person means the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

1.4 "Agreement" – see the recitals to this Agreement.

1.5 "Agreement Date" means the date that is specified in the recitals to this Agreement.

1.6 "Anniversary Date" means any annual anniversary of the Agreement Date.

1.7 "Annual Bonus" – see Section 4.2(a).

1.8 "Annualized Total Compensation" means, as of any date, the sum of Executive's Base Salary as of such date and Target Annual Bonus applicable to the Year that includes such date.

1.9 "Base Salary" – see Section 4.1.

1.10 "Beneficiary" – see Section 9.3.

1.11 "Board" means the Board of Directors of the Company.

1.12 "Cause" means any of the following:

(a) Executive's conviction of a felony or of a misdemeanor involving fraud, dishonesty or moral turpitude, or

(b) Executive's willful or intentional material breach of this Agreement, or grossly neglects his duties under this Agreement, that results, or in all probability is likely to result, in financial detriment that is material to the Company.

(c) a repeated failure by Executive to follow the written directives of the Board or any written Company policy or guidelines expressly approved by the Board which results, or in all probability is likely to result, in financial detriment that is material to the Company; provided, however, that (a) if Executive initially refused to obey the written directives of the Board, Executive is furnished a written statement by the Board that it believes in good faith that the acts or non-acts being directed are in the best interests of the Company, and (b) Executive is provided the opportunity to discuss with the Board its reasons for not complying with the Board's directives, and provided further that following the written directive of the Board would not cause Executive to commit any illegal act or engage in any illegal course of conduct.

For purposes of clause (b) of the preceding sentence, Cause shall not include any one or more of the following:

(i) bad judgment,

(ii) ordinary negligence,

(iii) any act or omission that Executive believed in good faith to have been in or not opposed to the interest of the Company (without intent of Executive to gain therefrom, directly or indirectly, a profit to which he was not legally entitled), or

(iv) any act or omission of which any member of the Board who is not a party to such act or omission has had actual knowledge for at least 12 months.

1.13 "Change of Control" means any of the following events:

(a) individuals who, as of the Agreement Date, constitute the Board (the "Incumbent Directors") cease for any reason to constitute a majority of the members of the Board; provided that any individual who becomes a director after the Agreement Date whose election or nomination for election by the Company's shareholders was approved by a majority of the members of the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with any action or threatened "election contest" relating to the election of the directors of the Company (as such terms are used in Rule 14a-11 under the Exchange Act), "tender offer" (as such term is used in Section 14(d) of the Exchange Act) or a proposed Merger (as defined below)) shall be deemed Incumbent Directors and to be members of the Incumbent Board; or

(b) approval by the stockholders of the Company of either of the following:

(i) a merger, reorganization, consolidation or similar transaction (any of the foregoing, a "Merger"), as a result of which the Persons who were the respective beneficial owners of the outstanding Common Stock and Voting Securities of the Company immediately before such Merger are not expected to beneficially own, immediately after such Merger, directly or indirectly, more than 60% of, respectively, the common stock and the combined voting power of the Voting Securities of the corporation resulting from such Merger in substantially the same proportions as immediately before such Merger,

(ii) a plan of liquidation of the Company or a plan or agreement for the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, there shall not be a Change in Control if, in advance of such event, Executive agrees in writing that such event shall not constitute a Change in Control.

1.14 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.15 "Committee" means the Compensation Committee of the Board.

1.16 "Common Stock" means the common stock, $.0001 par value, of the Company.

1.17 "Company" – see the recitals to this Agreement.

1.18 "Date of Termination" means the effective date of a Termination of Employment for any reason, including death or Disability, whether by either of the Company or by Executive.

1.19 "Disability" means a mental or physical condition which, in the opinion of the Board, renders Executive unable or incompetent to carry out the material job responsibilities which such Executive held or the material duties to which Executive was assigned at the time the disability was incurred, which has existed for at least three (3) months and which in the opinion of a physician mutually agreed upon by the Company and Executive (provided that neither party shall unreasonably withhold his agreement) is expected to be permanent or to last for an indefinite duration or a duration in excess of a total of six (6) months.

1.20 "Employment Period" – see Section 3.1.

1.21 "Exchange Act" means the Securities Exchange Act of 1934.

1.22 "Executive" – see the recitals to this Agreement.

1.23 "Fair Market Value" means, as of any date, (a) the average of the high and low prices of the Common Stock on such date reported on the national securities exchange on which the Company is listed (or, if no sale of the Common Stock was reported for such date, on the next preceding date on which such a sale of security was reported), (b) if the Common Stock is not listed on any national securities exchange, the average of the high bid and low asked quotations for the Common Stock on such date un the over-the-counter market (or, if no quotation of the Common Stock was reported for such date, on the next preceding date on which such a quotation of such security was reported), or (c) if there is no public market for the Common Stock, the fair market value for the Common Stock determined by the Committee in the good faith exercise of its discretion.

1.24 "Good Reason" means the occurrence of any one or more of the following events unless Executive specifically agrees in writing that such event shall not be Good Reason:

(a) any material breach of this Agreement by the Company, including:

(i) the failure of the Company to comply with the provisions of Articles II, III, IV, V, or VI of this Agreement;

(ii) any material adverse change in the status, responsibilities or prerequisites of Executive;

(iii) any failure to nominate or elect Executive as Chief Executive Officer or as a member of the Board;

(iv) causing or requiring Executive to report to anyone other than the Board; or

(v) assignment of duties materially inconsistent with his position and duties described in this Agreement,

(b) the failure of the Company to assign this Agreement to a successor to the Company or failure of a successor to the Company to explicitly assume and agree to be bound by this Agreement, or an Agreement with materially identical terms, but, for example, with stock options in a successor rather than the Company,

(c) requiring Executive to be principally based at any office or location more than ten miles from the current offices of the Company in New York, NY.

(d) the delivery of Executive of a Notice of Consideration pursuant to Section 7.1(d) if, within a period of 90 days thereafter, the Board fails for any reason to terminate Executive for Cause in compliance with all of the substantive and procedural requirements of Section 7.1, or

(e) a Termination of Employment by Executive for any reason or no reason during the 30-day period commencing 12 months after a Change of Control.

1.25 "Including" means including without limitation.

1.26 "Initial Option" – see Section 5.1.

1.27 "Notice of Consideration" – see Section 7.1(b).

1.28 "Option" means an option to purchase shares of Common Stock.

1.29 "Option Term" – see Section 5.2(d).

1.30 "Permitted Transferee" means the spouse of Executive, a lineal descendent of Executive or a spouse of a lineal descendant of Executive or a trust, limited partnership or other entity principally benefiting all or a portion of such individuals.

1.31 "Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

1.32 "Prorata Annual Bonus" means (a) the product of the amount of Bonus to which the Board determines Executive would have been entitled if he had been employed by the Company on the last day of the Year that includes the Termination Date, and if Executive had achieved his Target Annual Goals for such Year, multiplied by (b) a fraction of which the numerator is the number of days which would have elapsed in such Year through the Date of Termination and the denominator is 365.

1.33 "Severance Payment" means the payment of a multiple of Executive's Annualized Total Compensation pursuant to Section 7.3 or Section 7.4, as applicable.

1.34 "Subsequent Options" – see Section 5.1(a).

1.35 "Subsidiary" means, with respect to any Person, (a) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by such Person, and (b) any partnership in which such Person has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) or more than 50%.

1.36 "Taxes" means the incremental United States federal, state and local income, excise and other taxes payable by Executive with respect to any applicable item of income.

1.37 "Termination for Good Reason" means a Termination of Employment by Executive for a Good Reason, whether during or after the Employment Period.

1.38 "Termination of Employment" means a termination by the Company or by Executive of Executive's employment by the Company.

1.39 "Termination without Cause" means a Termination of Employment by the Company for any reason other than Cause or Executive's death or Disability, whether during or after the Employment Period, including Termination of Employment at the end of the Employment Period after the Company's giving a Notice of Non-Renewal.

1.40 "Witholding Taxes" means any United States federal, state, local or foreign withholding taxes and other deductions required to be paid in accordance with applicable law by reason of compensation received pursuant to this Agreement.

1.41 "Year" means a calendar year period ending December 31.

Article II.

DUTIES

2.1 Duties. The Company shall employ Executive during the Employment Period as its Chief Executive Officer. During the Employment Period, Executive shall perform the duties properly assigned to him hereunder and shall use his reasonable best efforts to promote the interests of the Company.

2.2 Other Activities. Executive may serve on non-competitive corporate, civic or charitable boards or committees, teach at educational institutions or engage in other non-competitive business interests and manage personal investments; provided that such activities do not individually or in the aggregate significantly interfere with the performance of his duties under this Agreement.

Article III.

EMPLOYMENT PERIOD

3.1 Employment Period. Subject to the termination provisions hereinafter provided, the term of Executive's employment under this Agreement shall begin on the Agreement Date and shall remain in effect until terminated by either Executive or the Company as described herein (the "Employment Period"). The employment of Executive by the Company shall not be terminated other than in accordance with Article VII.

Article IV.

COMPENSATION

4.1 Salary. The Company shall pay Executive in accordance with its normal payroll practices (but not less frequently than monthly) an annual salary at a rate of $150,000 per year ("Base Salary"). During the Employment Period, the Base Salary shall be reviewed at least annually by the Committee after consultation with Executive and may from time to time be increased as determined by the Committee. Effective as of the date of any such increase, the Base Salary as so increased shall be considered the new Base Salary for all purposes of this Agreement and may not thereafter be reduced. Any increase in Base Salary shall not limit or reduce any other obligation of the Company to Executive under this Agreement unless otherwise expressly agreed by the parties.

4.2. Annual Bonus.

(a) At the discretion of the Board, Executive shall be eligible for an annual cash bonus ranging from zero to 33% of his Base Salary ("Annual Bonus") in accordance with the terms hereof for each Year which begins during the Employment Period.

(b) In determining whether Executive is to receive an Annual Bonus, the Board shall consider whether Company has a positive operating cash flow in the applicable Year and whether Executive has achieved his target performance goals (the "Target Annual Goals"), initially drafted by Executive and edited and approved by the Committee after consulting with Executive on an annual basis. Such performance goals shall be provided by Executive within a reasonable time to allow of finalization by the Committee within 90 days after the first day of the applicable Year.

(c) The Company shall pay the entire Annual Bonus that is payable with respect to a Year in a lump-sum cash payment as soon as practicable after the Committee can determine whether and the degree to which Maximum Annual Goals or Target Annual Goals have been achieved following the close of such Year. Any such Annual Bonus shall in any event be paid within 30 days after the end of the Year.

Article V.

STOCK GRANTS

5.1 Option Grants. As an inducement to Executive to enter into this Agreement, the Company shall grant to Executive an Option to purchase 500,000 shares of Common Stock (the "Initial Option"). Although the Company and Executive intend the Initial Option to be in lieu of normal annual or other option grants through the end of the Year 2010, the Committee may at any time in its discretion consider Executive for possible future annual or other grants of Options (such Options collectively, the "Subsequent Options") and, commencing in the Year 2011, shall at least once during each Year consider Executive for a grant of a Subsequent Option.

5.2 Terms & Conditions of Options.

(a) The Initial Option and each Subsequent Option shall be subject to the terms and conditions specified in paragraphs (b) or (c) of this Section, respectively, and shall also be subject to the terms and conditions specified in paragraph (d) of this Section.

(b) The Initial Option:

(i) shall have an exercise price equal to 100% of the Fair Market Value of the Common Stock on the date on which the Stock Option grant is approved by the Board or the Committee.

(ii) shall become vested/exercisable at a rate of 1/36th per month for a vesting period of thirty six (36) months for as long as Executive remains employed by the Company; provided, however, that the Initial Option shall immediately become 100% vested/exerciseable upon a Termination of Employment by reason of the death or Disability, a Termination Without Cause, a Termination for Good Reason, or a Change of Control.

(c) Each Subsequent Option shall in all other respects be on terms and conditions that are no less favorable to Executive than the terms and conditions applicable to Options granted at or about the same time to other senior executives of the Company.

(d) The Initial Option and each Subsequent Option:

(i) shall have a term (the "Option Term") of at least ten (10) years;

(ii) may be exercised after the Date of Termination to the extent such Option was exercisable on such date (after giving effect to any acceleration of exercisability by reason of Termination of Employment):

(A) in the event of Termination of Employment by reason of death or Disability, a Termination for Good Reason, or a Termination without Cause, at any time or from time before the expiration of the applicable Option Term, or

(B) in the event of any other Termination of Employment, at any time or from time to time during the five-year period commencing on the Date of Termination, but not after the expiration of the applicable Option Term;

(iii) shall not be transferable by Executive during his lifetime except to a Permitted Transferee; and

(iv) shall be cancelled in the event of a merger or consolidation pursuant to the terms of which cash is to be paid for each share of Common Stock then outstanding, such cancellation to be effective immediately before the consummation of such merger or consolidation, subject to the immediate payment by the Company of a cash amount to Executive equal to the Option Spread (as defined below). The "Option Spread" applicable to an Option shall equal the product of the number of shares of Common Stock subject to such Option multiplied by the positive difference, if any, between the cash amount to be paid for each share of Common Stock in such merger or consolidation and the exercise price of such Option

(e) In the event of a Merger (as defined in 1.13(b)(i), pursuant to which Company shares are exchanged for or converted into other securities or property, the Board shall appropriately adjust each outstanding vested Option (including exercise price, as appropriate) such that, upon exercise thereof, each Option will entitle the holder to receive the securities and/or property that such holder would have received had the Option been exercised immediately prior to upon payment of the applicable exercise price of such option.

5.3 Manner of Exercise of Options. Any Option or any part thereof shall be exercised by Executive, his Permitted Transferee or, if after his death, a Beneficiary by a written notice to the Company stating the number of shares of Common Stock with respect to which the Option is being exercised and the form of payment of the exercise price of the Option and any related Withholding Taxes. Such payment may be made in any one or more of the following forms:

(a) cash, or

(b) previously-owned shares of Common Stock (which, if acquired from the Company or an Affiliate, shall have been held by Executive for at least six (6) months) valued at their Fair Market Value on the date of exercise.

The Company shall deliver the purchased shares of Common Stock promptly after its receipt of notice of exercise and payment.

5.4 Adjustment of Options. If any dividend is declared on the Common Stock which is payable in Common Stock, the number of shares of Common Stock to which any Option is subject shall be multiplied by (and the exercise price of such Option shall be divided by) the sum of the number 1.0 plus the number of shares of Common Stock (including any fraction thereof) payable as a dividend on each share of Common Stock. In the event of any change in the number or kind of outstanding shares of Common Stock by reason of any recapitalization, reorganization, merger, consolidation, stock split or any similar change affecting the Common Stock (other than a dividend payable in Common Stock), the Company shall make an appropriate adjustment in the number of shares of Common Stock and exercise price applicable to each Option so that, after such adjustment, the Option shall represent a right to receive, upon payment of the same aggregate exercise price as in effect immediately before such adjustment, the same consideration (or of such consideration is not available, other consideration of the same value) that Executive would have been entitled to receive before such recapitalization, reorganization, merger, consolidation, stock split or other change affecting the Common Stock.

Article VI.

OTHER BENEFITS

6.1 Incentive, Savings & Retirement Plans. In addition to Base Salary and an Annual Bonus, Executive shall be entitled to participate during the Employment Period in all incentive, savings, and retirement plans, practices, policies and programs that are from time to time applicable to other senior executives of the Company.

6.2 Welfare Benefits. During the Employment Period, Executive and/or his family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare plans, practices, policies and programs provided by the Company (including medical, prescription, dental, disability, salary continuance, employee life, group life, dependent life, accidental death and travel accident insurance plans and programs) applicable to other senior executives of the Company.

6.3 Fringe Benefits; Car Allowance. During the Employment Period, Executive shall be entitled to all fringe benefits that are from time to time available to other senior executives of the Company. Executive shall also be entitled to an allowance of five hundred dollars ($500) per month to be used for the payment of car services and parking expenses.

6.4 Vacation. During the Employment Period, Executive shall be entitled to paid vacation in accordance with the plans, practices, policies, and programs applicable to other senior executives of the Company, but in no event shall such vacation time be less than three (3) weeks per calendar year.

6.5 Expenses. During the Employment Period, Executive shall be entitled to receive prompt reimbursement for all reasonable employment-related expenses incurred by Executive upon the receipt by the Company of accounting in accordance with practices, policies and procedures applicable to other senior executives of the Company.

6.6 Insurance. The Company will at all times during the Employment Period maintain D&O and Fiduciary insurance policies which policies cover the acts and omissions of Executive in furtherance of his duties hereunder.

6.7 Indemnification; Legacy Matters. In addition to any other protections afforded to Executive under the Company's By-Laws, Articles of Incorporation, corporate charters or governing documents, and applicable law, the Company agrees to fully indemnify and hold harmless Executive for all liabilities, losses or expenses incurred by Executive, including attorney's fees ("Losses"), to the extent such Losses relate to any act or omission of the Company, including any act or omission of any employee, agent or representative of the Company, regarding any action, transaction, matter or omission that occurred (or should have occurred) prior to the Agreement Date, including all legacy legal matters, or to the extent such Losses arise due to acts or omissions with respect to which Executive was not informed or involved.

Article VII.

TERMINATION BENEFITS

7.1 Termination for Cause or Other than for Good Reason, or Death or Disability

(a) If the Company terminates Executive's employment for Cause or Executive terminates his employment other than for Good Reason, death or Disability, the Company shall pay to Executive immediately after the Date of Termination an amount equal to the sum of Executive's Accrued Base Salary and Accrued Annual Bonus, and Executive shall not be entitled to receive any Severance Payment.

(b) The Company may not terminate the Executive's employment for Cause unless:

(i) no fewer than 60 days prior to the Date of Termination, the Company provides Executive with written notice (the "Notice of Consideration") of its intent to consider termination of Executive's employment for Cause, including a detailed description of the specific reasons which form the basis for such consideration;

(ii) for a period of not less than 30 days after the date Notice of Consideration is provided, Executive shall have the opportunity to appear before the Board, with or without legal representation, at Executive's election, to present arguments and evidence on his own behalf; and

(iii) following the presentation to the Board as provided in (ii) above or Executive's failure to appear before the Board at a date and time specified in the Notice of Consideration (which date shall not be less than 30 days after the date the Notice of Consideration is provided), Executive may be terminated for Cause only if (x) the Board, by the affirmative vote of all of its members (excluding Executive if he is a member of the Board, and any other member of the Board reasonably believed by the Board to be involved in the events leading the Board to terminate the Executive for Cause), determines that the actions or inactions of Executive specified in the Notice of Termination occurred, that such actions or inactions constitute Cause, and that Executive's employment accordingly should be terminated for Cause; and (y) the Board provides Executive with a written determination (a "Notice of Termination for Cause") setting forth in specific detail the basis of such Termination of Employment, which Notice of Termination for Cause shall be consistent with the reasons set forth in the Notice of Consideration.

Unless the Company establishes both (i) its full compliance with the substantive and procedural requirements of this Section 7.1 prior to a Termination of Employment for Cause, and (ii) that Executive's action or inaction specified in the Notice of Termination for Cause did occur and constituted Cause, any Termination of Employment shall be deemed a Termination Without Cause for all purposes of this Agreement.

(c) After providing a Notice of Consideration pursuant to the provisions of Section 7.1(b), the Board may, by the affirmative vote of all of its members (excluding for this purpose Executive if he is a member of the Board, and any other member of the Board reasonably believed by the Board to be involved in the events issuing the Notice of Consideration), suspend Executive with pay until a final determination pursuant to such Section 7.1(b) has been made.

7.2 Termination for Death or Disability. If Executive's employment terminates during the Employment Period due to his death or Disability, the Company shall pay to Executive or his Beneficiaries, as the case may be, immediately after the Date of Termination an amount which is equal to the sum of Executive's Accrued Base Salary, Accrued Annual Bonus and Prorata Bonus.

7.3 Termination Without Cause or for Good Reason. In the event of a Termination Without Cause or a Termination for Good Reason (whether during or after the Employment Period), Executive shall receive the following:

(a) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to the sum of Executive's Accrued Base Salary, Accrued Annual Bonus and Prorata Annual Bonus;

(b) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to (x) the product of two (2) multiplied by (y) Executive's Annualized Total Compensation;

(c) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to the total amount for up to twelve (12) months (if any) of Executive's unvested benefits under any plan or program sponsored by the Company which is forfeited on account of Executive's employment being terminated, except unvested Subsequent Options.

7.4 Termination After a Change of Control. If a Termination Without Cause or a Termination for Good Reason occurs within two years after a Change of Control, then Executive shall receive the payments required by Section 7.3.

7.5 Other Termination Benefits. In addition to any amounts or benefits payable upon a Termination of Employment hereunder, Executive shall, except as otherwise specifically provided herein, be entitled to any payments or benefits provided hereunder or under the terms of any plan, policy or program of the Company or as otherwise required by applicable law.

Article VIII.

RESTRICTIVE COVENANTS

8.1 Non-solicitation of Employees; Confidentiality; Non-Competition.

(a) Executive covenants and agrees that, at no time during the Employment Period nor during the one-year period immediately following a Termination of Employment by the Company for Cause or by Executive for other than Good Reason, will Executive:

(i) directly or indirectly employ or seek to employ any person employed at that time by the Company or any of its Subsidiaries or otherwise encourage or entice any such person to leave such employment;

(ii) become employed by, enter into a consulting arrangement with, or otherwise agree to perform personal services for a Competitor (as defined in Section 8.1(b));

(iii) acquire an ownership interest in a Competitor; or

(iv) solicit vendors of the Company on behalf of or for the benefit of a Competitor.

(b) Executive covenants and agrees that, at no time during the Employment Period nor during the two-year period immediately following a Termination of Employment by the Company for Cause or by Executive for other than Good Reason, will Executive, directly or indirectly, solicit the Company's Customers for the purpose of selling such customer services then offered or available through Company. For the purposes of this Agreement.

(c) For purposes of this Section: "Competitor" means any Person which sells goods or services which are directly competitive with those sold by a business that (i) is being conducted by the Company or any Subsidiary at the time in question and (ii) was being conducted at the Date of Termination and, for the Company's most recently-completed fiscal year, contributed more than 10% of the Company's consolidated revenues. Notwithstanding anything to the contrary in this Section, goods or services shall not be deemed to be competitive with those of the Company (A) solely as a result of Executive being employed by or otherwise associated with a business of which a unit in competition with the Company or a Subsidiary but as to which unit Executive does not have direct or indirect responsibilities for the products or services involved. "Company's Customers" shall mean all persons, firms, corporations, partnerships, limited liability companies and other legal entitles and all governmental bodies or agencies (including municipalities) for which Company is providing services as of the date of termination of Executive's employment with Company.

(d) Executive covenants and agrees that at no time during the Employment Period not at any time following any Termination of Employment will Executive communicate, furnish, divulge or disclose in any manner to any Person, or use, any Confidential Information (as defined in Section 8.1(d)) without the prior express written consent of the Company. After a Termination of Employment, Executive shall not, without the prior written consent of the Company, or as may otherwise be required by law or legal process, communicate or divulge such Confidential Information to anyone other than the Company and its designees.

(e) For purposes of this Section, "Confidential Information" shall mean financial information about the Company, contract terms with vendors and suppliers, customer and supplier lists and data, research and development, purchasing, accounting, marketing and selling practices, trade secrets and such other competitively-sensitive information to which Executive has access as a result of his positions with the Company, except that Confidential Information shall not include any information which was or becomes generally available to the public other than as a result of a wrongful disclosure by Executive, as a result of disclosure by Executive during the Employment Period which he reasonably and in good faith believes is required by the performance of his duties under this Agreement.

(f) This Article does not prohibit executive from disclosing information compelled to be disclosed by applicable law or administrative regulation; provided that Executive, to the extent not prohibited from doing so by applicable law or administrative regulation, shall give the Company written notice of the information to be so disclosed pursuant to his subsection as far in advance of its disclosure as practicable.

8.2 Injunction. Executive acknowledges that monetary damages will not be an adequate remedy for the Company in the event of a breach of this Article VIII, and that is would be impossible for the Company to measure damages in the event of such a breach. Therefore, Executive agrees that, in addition to other rights that the Company may have, the Company is entitled to an injunction preventing Executive from any breach of this Article VIII.

Article IX.

MISCELLANEOUS

9.1. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action to mitigate the amounts payable to Executive under any of the provisions of this Agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned as a result of Executive's employment by another employer.

9.2. Legal Fees; Late Payments.

(a) If any contest or dispute shall arise between the Company and the Executive regarding any provision of this Agreement, the losing party shall reimburse the prevailing party for all legal fees and expenses reasonably incurred in connection with such contest or dispute, but only if the prevailing party prevails to a substantial extent with respect to its claims brought and pursued in connection with such contest or dispute. Such reimbursement shall be made as soon as practicable following the resolution of such contest or dispute (whether or not appealed) to the extent the losing party receives reasonable written evidence of such fees and expenses.

(b) If the Company fails to pay any cash amount owed under this Agreement when due, the Company shall pay interest on such amount at a rate equal to one percent (1%) per month (12 % per annum).

9.3. Beneficiary. If Executive dies prior to receiving all of the amounts payable to him in accordance with the terms of this Agreement, such amounts shall be paid to one or more beneficiaries (each, a "Beneficiary") designated by Executive in writing to the Company during his lifetime, or if no such Beneficiary is designated, to Executive's estate. Such payments shall be made in a lump sum to the extent so payable and, to the extent not payable in a lump sum, in accordance with the terms of this Agreement. Executive, without the consent of any prior Beneficiary, may change his designation of a Beneficiary or Beneficiaries at any time or from time to time by submitting to the Company a new designation in writing.

9.4. Assignment; Successors. The Company may not assign its rights and obligations under this Agreement without the prior written consent of Executive except to a successor of the Company's business which expressly assumes the Company's obligations hereunder in writing. This Agreement shall be binding upon and inure to the benefit of Executive, his estate and Beneficiaries, the Company and the successors and permitted assigns of the Company.

9.5. Nonalienation. Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, prior to actually being received by Executive or a Beneficiary, as applicable, and any such attempt to dispose of any right to benefits payable hereunder shall be void.

9.6. Severability. If one or more parts of this Agreement are declared by any court or government authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any part of this Agreement not declared to be unlawful or invalid. Any part so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such part to the fullest extent possible while remaining lawful and valid.

9.7. Captions. The names of the Articles and Sections of this Agreement are for convenience of reference only and do not constitute a part hereof.

9.8. Amendment; Waiver. This Agreement shall not be amended or modified except by written instrument executed by the Company and Executive. A waiver of any term, covenant, or condition contained in this Agreement shall not be deemed a waiver of any other term, covenant or condition, and any waiver of any default in any such term, covenant or condition shall not be deemed a waiver of any later default thereof.

9.9. Notices. All notices hereunder shall be in writing and delivered by hand, by nationally-recognized delivery service that guarantees overnight delivery, or by first-class, registered or certified mail, return receipt requested, postage pre-paid, addressed as follows:

If to the Company, to:

Modavox, Inc.
Attention: Chief Executive Officer
43 West 24th Street
11th Floor
New York, NY 10011

If to Executive, to:

Mark Severini
200 West 86th Street
Apartment 1K
New York, NY 10024

9.10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

9.11. Entire Agreement. This Agreement forms the entire agreement between the parties hereto with respect to the subject matter contained in this Agreement and, except as otherwise provided herein, shall supercede all prior agreements, promises and representations regarding employment, compensation, severance or other payments contingent upon termination of employment, whether in writing or otherwise.

9.12. Applicable Law. The Agreement shall be interpreted and construed in accordance with the laws of the State of New York, without regard to its choice of law principles.

9.13. Survival of Executive's Rights. All of Executive's rights hereunder, including his rights to compensation and benefits, and his obligations under Section 9.1 hereof, and all of Company's rights under Article VIII shall survive the termination of Executive's employment and/or the termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in the date first above written.

EXECUTIVE:

_____
Mark Severini

MODAVOX, INC.:

BY: _____

Its: _____

Exhibit 10.10

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT dated as of August 3, 2009 (the "Agreement") between Modavox, Inc., a Delaware corporation, or any successor thereto ("Company"), and Scott Russo ("Executive").

WHEREAS, the Company desires to employ Executive as its Chief Operating Officer upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the Company and Executive hereby agree as follows:

Article I.

DEFINITIONS

The terms set forth below have the following meanings (such meanings to be applicable to both the singular and plural forms, except where otherwise expressly indicated):

1.1 "Accrued Annual Bonus" means the amount of any Annual Bonus earned but not yet paid with respect to the Year ended prior to the Date of Termination.

1.2 "Accrued Base Salary" means the amount of Executive's Base Salary which is accrued but not yet paid as of the Date of Termination.

1.3 "Affiliate" means any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, the Company. For the purposes of this definition, the term "control" when used with respect to any Person means the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

1.4 "Agreement" – see the recitals to this Agreement.

1.5 "Agreement Date" means the date that is specified in the recitals to this Agreement.

1.6 "Anniversary Date" means any annual anniversary of the Agreement Date.

1.7 "Annual Bonus" – see Section 4.2(a).

1.8 "Annualized Total Compensation" means, as of any date, the sum of Executive's Base Salary as of such date and Target Annual Bonus applicable to the Year that includes such date.

1.9 "Base Salary" – see Section 4.1.

1.10 "Beneficiary" – see Section 9.3.

1.11 "Board" means the Board of Directors of the Company.

1.12 "Cause" means any of the following:

(a) Executive's conviction of a felony or of a misdemeanor involving fraud, dishonesty or moral turpitude, or

(b) Executive's willful or intentional material breach of this Agreement, or grossly neglects his duties under this Agreement, that results, or in all probability is likely to result, in financial detriment that is material to the Company.

(c) a repeated failure by Executive to follow the written directives of the Board or any written Company policy or guidelines expressly approved by the Board which results, or in all probability is likely to result, in financial detriment that is material to the Company; provided, however, that (a) if Executive initially refused to obey the written directives of the Board, Executive is furnished a written statement by the Board that it believes in good faith that the acts or non-acts being directed are in the best interests of the Company, and (b) Executive is provided the opportunity to discuss with the Board its reasons for not complying with the Board's directives, and provided further that following the written directive of the Board would not cause Executive to commit any illegal act or engage in any illegal course of conduct.

For purposes of clause (b) of the preceding sentence, Cause shall not include any one or more of the following:

(i) bad judgment,

(ii) ordinary negligence,

(iii) any act or omission that Executive believed in good faith to have been in or not opposed to the interest of the Company (without intent of Executive to gain therefrom, directly or indirectly, a profit to which he was not legally entitled), or

(iv) any act or omission of which any member of the Board who is not a party to such act or omission has had actual knowledge for at least 12 months.

1.13 "Change of Control" means any of the following events:

(a) individuals who, as of the Agreement Date, constitute the Board (the "Incumbent Directors") cease for any reason to constitute a majority of the members of the Board; provided that any individual who becomes a director after the Agreement Date whose election or nomination for election by the Company's shareholders was approved by a majority of the members of the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with any action or threatened "election contest" relating to the election of the directors of the Company (as such terms are used in Rule 14a-11 under the Exchange Act), "tender offer" (as such term is used in Section 14(d) of the Exchange Act) or a proposed Merger (as defined below)) shall be deemed Incumbent Directors and to be members of the Incumbent Board; or

(b) approval by the stockholders of the Company of either of the following:

(i) a merger, reorganization, consolidation or similar transaction (any of the foregoing, a "Merger"), as a result of which the Persons who were the respective beneficial owners of the outstanding Common Stock and Voting Securities of the Company immediately before such Merger are not expected to beneficially own, immediately after such Merger, directly or indirectly, more than 60% of, respectively, the common stock and the combined voting power of the Voting Securities of the corporation resulting from such Merger in substantially the same proportions as immediately before such Merger,

(ii) a plan of liquidation of the Company or a plan or agreement for the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, there shall not be a Change in Control if, in advance of such event, Executive agrees in writing that such event shall not constitute a Change in Control.

1.14 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.15 "Committee" means the Compensation Committee of the Board.

1.16 "Common Stock" means the common stock, $.0001 par value, of the Company.

1.17 "Company" – see the recitals to this Agreement.

1.18 "Date of Termination" means the effective date of a Termination of Employment for any reason, including death or Disability, whether by either of the Company or by Executive.

1.19 "Disability" means a mental or physical condition which, in the opinion of the Board, renders Executive unable or incompetent to carry out the material job responsibilities which such Executive held or the material duties to which Executive was assigned at the time the disability was incurred, which has existed for at least three (3) months and which in the opinion of a physician mutually agreed upon by the Company and Executive (provided that neither party shall unreasonably withhold his agreement) is expected to be permanent or to last for an indefinite duration or a duration in excess of a total of six (6) months.

1.20 "Employment Period" – see Section 3.1.

1.21 "Exchange Act" means the Securities Exchange Act of 1934.

1.22 "Executive" – see the recitals to this Agreement.

1.23 "Fair Market Value" means, as of any date, (a) the average of the high and low prices of the Common Stock on such date reported on the national securities exchange on which the Company is listed (or, if no sale of the Common Stock was reported for such date, on the next preceding date on which such a sale of security was reported), (b) if the Common Stock is not listed on any national securities exchange, the average of the high bid and low asked quotations for the Common Stock on such date un the over-the-counter market (or, if no quotation of the Common Stock was reported for such date, on the next preceding date on which such a quotation of such security was reported), or (c) if there is no public market for the Common Stock, the fair market value for the Common Stock determined by the Committee in the good faith exercise of its discretion.

1.24 "Good Reason" means the occurrence of any one or more of the following events unless Executive specifically agrees in writing that such event shall not be Good Reason:

(a) any material breach of this Agreement by the Company, including:

(i) the failure of the Company to comply with the provisions of Articles II, III, IV, V, or VI of this Agreement;

(ii) any material adverse change in the status, responsibilities or prerequisites of Executive;

(iii) causing or requiring Executive to report to anyone other than the Chief Executive Officer of the Company or the Board; or

(iv) assignment of duties materially inconsistent with his position and duties described in this Agreement,

(b) the failure of the Company to assign this Agreement to a successor to the Company or failure of a successor to the Company to explicitly assume and agree to be bound by this Agreement, or an Agreement with materially identical terms, but, for example, with stock options in a successor rather than the Company,

(c) requiring Executive to be principally based at any office or location more than ten miles from Executive's current offices in the New York, NY metropolitan area.

(d) the delivery of Executive of a Notice of Consideration pursuant to Section 7.1(d) if, within a period of 90 days thereafter, the Board fails for any reason to terminate Executive for Cause in compliance with all of the substantive and procedural requirements of Section 7.1, or

(e) a Termination of Employment by Executive for any reason or no reason during the 30-day period commencing 12 months after a Change of Control.

1.25 "Including" means including without limitation.

1.26 "Initial Option" – see Section 5.1.

1.27 "Notice of Consideration" – see Section 7.1(b).

1.28 "Option" means an option to purchase shares of Common Stock.

1.29 "Option Term" – see Section 5.2(d).

1.30 "Permitted Transferee" means the spouse of Executive, a lineal descendent of Executive or a spouse of a lineal descendant of Executive or a trust, limited partnership or other entity principally benefiting all or a portion of such individuals.

1.31 "Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

1.32 "Prorata Annual Bonus" means (a) the product of the amount of the Bonus to which the Board determines Executive would have been entitled if he had been employed by the Company on the last day of the Year that includes the Termination Date, and if Executive had achieved his Target Annual Goals for such Year, multiplied by (b) a fraction of which the numerator is the number of days which would have elapsed in such Year through the Date of Termination and the denominator is 365.

1.33 "Severance Payment" means the payment of a multiple of Executive's Annualized Total Compensation pursuant to Section 7.3 or Section 7.4, as applicable.

1.34 "Subsequent Options" – see Section 5.1(a).

1.35 "Subsidiary" means, with respect to any Person, (a) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by such Person, and (b) any partnership in which such Person has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) or more than 50%.

1.36 "Taxes" means the incremental United States federal, state and local income, excise and other taxes payable by Executive with respect to any applicable item of income.

1.37 "Termination for Good Reason" means a Termination of Employment by Executive for a Good Reason, whether during or after the Employment Period.

1.38 "Termination of Employment" means a termination by the Company or by Executive of Executive's employment by the Company.

1.39 "Termination without Cause" means a Termination of Employment by the Company for any reason other than Cause or Executive's death or Disability, whether during or after the Employment Period, including Termination of Employment at the end of the Employment Period after the Company's giving a Notice of Non-Renewal.

1.40 "Witholding Taxes" means any United States federal, state, local or foreign withholding taxes and other deductions required to be paid in accordance with applicable law by reason of compensation received pursuant to this Agreement.

1.41 "Year" means a calendar year period ending December 31.

Article II.

DUTIES

2.1 Duties. The Company shall employ Executive during the Employment Period as its Chief Legal Officer. During the Employment Period, Executive shall perform the duties properly assigned to him hereunder and shall use his reasonable best efforts to promote the interests of the Company.

2.2 Other Activities. Executive may serve on non-competitive corporate, civic or charitable boards or committees, teach at educational institutions or engage in other non-competitive business interests and manage personal investments; provided that such activities do not individually or in the aggregate significantly interfere with the performance of his duties under this Agreement.

Article III.

EMPLOYMENT PERIOD

3.1 Employment Period. Subject to the termination provisions hereinafter provided, the term of Executive's employment under this Agreement shall begin on the Agreement Date and shall remain in effect until terminated by either Executive or the Company as described herein (the "Employment Period"). The employment of Executive by the Company shall not be terminated other than in accordance with Article VII.

Article IV.

COMPENSATION

4.1 Salary. The Company shall pay Executive in accordance with its normal payroll practices (but not less frequently than monthly) an annual salary at a rate of $140,000 per year ("Base Salary"). During the Employment Period, the Base Salary shall be reviewed at least annually by the Committee after consultation with Executive and may from time to time be increased as determined by the Committee. Effective as of the date of any such increase, the Base Salary as so increased shall be considered the new Base Salary for all purposes of this Agreement and may not thereafter be reduced. Any increase in Base Salary shall not limit or reduce any other obligation of the Company to Executive under this Agreement, unless otherwise expressly agreed by the parties.

4.2. Annual Bonus.

(a) At the discretion of the Board, Executive shall be eligible for an annual cash bonus ranging from zero to 33% of his Base Salary ("Annual Bonus") in accordance with the terms hereof for each Year which begins during the Employment Period.

(b) In determining whether Executive is to receive an Annual Bonus, the Board shall consider whether Company has a positive operating cash flow in the applicable Year and whether Executive has achieved his target performance goals (the "Target Annual Goals") initially drafted by Executive and edited and approved by the Committee after consulting with Executive on an annual basis. Such performance goals shall be provided by Executive within a reasonable time to allow of finalization by the Committee within 90 days after the first day of the applicable Year.

(c) The Company shall pay the entire Annual Bonus that is payable with respect to a Year in a lump-sum cash payment as soon as practicable after the Committee can determine whether and the degree to which Maximum Annual Goals or Target Annual Goals have been achieved following the close of such Year. Any such Annual Bonus shall in any event be paid within 30 days after the end of the Year.

Article V.

STOCK GRANTS

5.1 Option Grants. As an inducement to Executive to enter into this Agreement, the Company shall grant to Executive an Option to purchase (i) 250,000 shares of Common Stock (with a Date of Grant of July 8, 2009) and (ii) 100,000 shares of Common Stock (with a Date of Grant of December 7, 2009) (collectively, such Option grants referred to herein as the "Initial Option"). Although the Company and Executive intend the Initial Option to be in lieu of normal annual or other option grants through the end of the Year 2010, the Committee may at any time in its discretion consider Executive for possible future annual or other grants of Options (such Options collectively, the "Subsequent Options") and, commencing in the Year 2011, shall at least once during each Year consider Executive for a grant of a Subsequent Option.

5.2 Terms & Conditions of Options.

(a) The Initial Option and each Subsequent Option shall be subject to the terms and conditions specified in paragraphs (b) or (c) of this Section, respectively, and shall also be subject to the terms and conditions specified in paragraph (d) of this Section.

(b) The Initial Option:

(i) shall have an exercise price equal to 100% of the Fair Market Value of the Common Stock on the date on which the Stock Option grant is approved by the Board or the Committee.

(ii) shall become vested/exercisable at a rate of 1/36th per month for a vesting period of thirty six (36) months for as long as Executive remains employed by the Company; provided, however, that the Initial Option shall immediately become 100% vested/exercisable upon a Termination of Employment by reason of the death or Disability, a Termination Without Cause, a Termination for Good Reason, or a Change of Control.

(c) Each Subsequent Option shall in all other respects be on terms and conditions that are no less favorable to Executive than the terms and conditions applicable to Options granted at or about the same time to other senior executives of the Company.

(d) The Initial Option and each Subsequent Option:

(i) shall have a term (the "Option Term") of at least ten (10) years;

(ii) may be exercised after the Date of Termination to the extent such Option was exercisable on such date (after giving effect to any acceleration of exercisability by reason of Termination of Employment):

(A) in the event of Termination of Employment by reason of death or Disability, a Termination for Good Reason, or a Termination without Cause, at any time or from time before the expiration of the applicable Option Term, or

(B) in the event of any other Termination of Employment, at any time or from time to time during the five-year period commencing on the Date of Termination, but not after the expiration of the applicable Option Term;

(iii) shall not be transferable by Executive during his lifetime except to a Permitted Transferee; and

(iv) shall be cancelled in the event of a merger or consolidation pursuant to the terms of which cash is to be paid for each share of Common Stock then outstanding, such cancellation to be effective immediately before the consummation of such merger or consolidation, subject to the immediate payment by the Company of a cash amount to Executive equal to the Option Spread (as defined below). The "Option Spread" applicable to an Option shall equal the product of the number of shares of Common Stock subject to such Option multiplied by the positive difference, if any, between the cash amount to be paid for each share of Common Stock in such merger or consolidation and the exercise price of such Option.

(e) In the event of a Merger (as defined in 1.13(b)(i), pursuant to which Company shares are exchanged for or converted into other securities or property, the Board shall appropriately adjust each outstanding vested Option (including exercise price, as appropriate) such that, upon exercise thereof, each Option will entitle the holder to receive the securities and/or property that such holder would have received had the Option been exercised immediately prior to upon payment of the applicable exercise price of such option.

5.3 Manner of Exercise of Options. Any Option or any part thereof shall be exercised by Executive, his Permitted Transferee or, if after his death, a Beneficiary by a written notice to the Company stating the number of shares of Common Stock with respect to which the Option is being exercised and the form of payment of the exercise price of the Option and any related Withholding Taxes. Such payment may be made in any one or more of the following forms:

(a) cash, or

(b) previously-owned shares of Common Stock (which, if acquired from the Company or an Affiliate, shall have been held by Executive for at least six (6) months) valued at their Fair Market Value on the date of exercise.

The Company shall deliver the purchased shares of Common Stock promptly after its receipt of notice of exercise and payment.

5.4 Adjustment of Options. If any dividend is declared on the Common Stock which is payable in Common Stock, the number of shares of Common Stock to which any Option is subject shall be multiplied by (and the exercise price of such Option shall be divided by) the sum of the number 1.0 plus the number of shares of Common Stock (including any fraction thereof) payable as a dividend on each share of Common Stock. In the event of any change in the number or kind of outstanding shares of Common Stock by reason of any recapitalization, reorganization, merger, consolidation, stock split or any similar change affecting the Common Stock (other than a dividend payable in Common Stock), the Company shall make an appropriate adjustment in the number of shares of Common Stock and exercise price applicable to each Option so that, after such adjustment, the Option shall represent a right to receive, upon payment of the same aggregate exercise price as in effect immediately before such adjustment, the same consideration (or of such consideration is not available, other consideration of the same value) that Executive would have been entitled to receive before such recapitalization, reorganization, merger, consolidation, stock split or other change affecting the Common Stock.

Article VI.

OTHER BENEFITS

6.1 Incentive, Savings & Retirement Plans. In addition to Base Salary and an Annual Bonus, Executive shall be entitled to participate during the Employment Period in all incentive, savings, and retirement plans, practices, policies and programs that are from time to time applicable to other senior executives of the Company.

6.2 Welfare Benefits. During the Employment Period, Executive and/or his family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare plans, practices, policies and programs provided by the Company (including medical, prescription, dental, disability, salary continuance, employee life, group life, dependent life, accidental death and travel accident insurance plans and programs) applicable to other senior executives of the Company.

6.3 Fringe Benefits. During the Employment Period, Executive shall be entitled to all fringe benefits that are from time to time available to other senior executives of the Company.

6.4 Vacation. During the Employment Period, Executive shall be entitled to paid vacation in accordance with the plans, practices, policies, and programs applicable to other senior executives of the Company, but in no event shall such vacation time be less than three (3) weeks per calendar year.

6.5 Expenses. During the Employment Period, Executive shall be entitled to receive prompt reimbursement for all reasonable employment-related expenses incurred by Executive upon the receipt by the Company of accounting in accordance with practices, policies and procedures applicable to other senior executives of the Company.

6.6 Insurance. The Company will at all times during the Employment Period maintain D&O and Fiduciary insurance policies which policies cover the acts and omissions of Executive in furtherance of his duties hereunder.

6.7 Indemnification; Legacy Matters. In addition to any other protections afforded to Executive under the Company's By-Laws, Articles of Incorporation, corporate charters or governing documents, and applicable law, the Company agrees to fully indemnify and hold harmless Executive for all liabilities, losses or expenses incurred by Executive, including attorney's fees ("Losses"), to the extent such Losses relate to any act or omission of the Company, including any act or omission of any employee, agent or representative of the Company, regarding any action, transaction, matter or omission that occurred (or should have occurred) prior to the Agreement Date, including all legacy legal matters, or to the extent such Losses arise due to acts or omissions with respect to which Executive was not informed or involved.

Article VII.

TERMINATION BENEFITS

7.1 Termination for Cause or Other than for Good Reason, or Death or Disability

(a) If the Company terminates Executive's employment for Cause or Executive terminates his employment other than for Good Reason, death or Disability, the Company shall pay to Executive immediately after the Date of Termination an amount equal to the sum of Executive's Accrued Base Salary and Accrued Annual Bonus, and Executive shall not be entitled to receive any Severance Payment.

(b) The Company may not terminate the Executive's employment for Cause unless:

(i) no fewer than 60 days prior to the Date of Termination, the Company provides Executive with written notice (the "Notice of Consideration") of its intent to consider termination of Executive's employment for Cause, including a detailed description of the specific reasons which form the basis for such consideration;

(ii) for a period of not less than 30 days after the date Notice of Consideration is provided, Executive shall have the opportunity to appear before the Board, with or without legal representation, at Executive's election, to present arguments and evidence on his own behalf; and

(iii) following the presentation to the Board as provided in (ii) above or Executive's failure to appear before the Board at a date and time specified in the Notice of Consideration (which date shall not be less than 30 days after the date the Notice of Consideration is provided), Executive may be terminated for Cause only if (x) the Board, by the affirmative vote of all of its members (excluding Executive if he is a member of the Board, and any other member of the Board reasonably believed by the Board to be involved in the events leading the Board to terminate the Executive for Cause), determines that the actions or inactions of Executive specified in the Notice of Termination occurred, that such actions or inactions constitute Cause, and that Executive's employment accordingly should be terminated for Cause; and (y) the Board provides Executive with a written determination (a "Notice of Termination for Cause") setting forth in specific detail the basis of such Termination of Employment, which Notice of Termination for Cause shall be consistent with the reasons set forth in the Notice of Consideration.

Unless the Company establishes both (i) its full compliance with the substantive and procedural requirements of this Section 7.1 prior to a Termination of Employment for Cause, and (ii) that Executive's action or inaction specified in the Notice of Termination for Cause did occur and constituted Cause, any Termination of Employment shall be deemed a Termination Without Cause for all purposes of this Agreement.

(c) After providing a Notice of Consideration pursuant to the provisions of Section 7.1(b), the Board may, by the affirmative vote of all of its members (excluding for this purpose Executive if he is a member of the Board, and any other member of the Board reasonably believed by the Board to be involved in the events issuing the Notice of Consideration), suspend Executive with pay until a final determination pursuant to such Section 7.1(b) has been made.

7.2 Termination for Death or Disability. If Executive's employment terminates during the Employment Period due to his death or Disability, the Company shall pay to Executive or his Beneficiaries, as the case may be, immediately after the Date of Termination an amount which is equal to the sum of Executive's Accrued Base Salary, Accrued Annual Bonus and Prorata Bonus.

7.3 Termination Without Cause or for Good Reason. In the event of a Termination Without Cause or a Termination for Good Reason (whether during or after the Employment Period), Executive shall receive the following:

(a) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to the sum of Executive's Accrued Base Salary, Accrued Annual Bonus and Prorata Annual Bonus;

(b) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to (x) the product of one and one half (1.5) multiplied by (y) Executive's Annualized Total Compensation;

(c) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to the total amount for up to twelve (12) months (if any) of Executive's unvested benefits under any plan or program sponsored by the Company which is forfeited on account of Executive's employment being terminated, except unvested Subsequent Options.

7.4 Termination After a Change of Control. If a Termination Without Cause or a Termination for Good Reason occurs within two years after a Change of Control, then Executive shall receive the payments required by Section 7.3.

7.5 Other Termination Benefits. In addition to any amounts or benefits payable upon a Termination of Employment hereunder, Executive shall, except as otherwise specifically provided herein, be entitled to any payments or benefits provided hereunder or under the terms of any plan, policy or program of the Company or as otherwise required by applicable law.

Article VIII.

RESTRICTIVE COVENANTS

8.1 Non-solicitation of Employees; Confidentiality; Non-Competition.

(a) Executive covenants and agrees that, at no time during the Employment Period nor during the one-year period immediately following a Termination of Employment by the Company for Cause or by Executive for other than Good Reason, will Executive:

(i) directly or indirectly employ or seek to employ any person employed at that time by the Company or any of its Subsidiaries or otherwise encourage or entice any such person to leave such employment;

(ii) become employed by, enter into a consulting arrangement with, or otherwise agree to perform personal services for a Competitor (as defined in Section 8.1(b));

(iii) acquire an ownership interest in a Competitor; or

(iv) solicit vendors of the Company on behalf of or for the benefit of a Competitor.

(b) Executive covenants and agrees that, at no time during the Employment Period nor during the two-year period immediately following a Termination of Employment by the Company for Cause or by Executive for other than Good Reason, will Executive, directly or indirectly, solicit the Company's Customers for the purpose of selling such customer services then offered or available through Company. For the purposes of this Agreement.

(c) For purposes of this Section, "Competitor" means any Person which sells goods or services which are directly competitive with those sold by a business that (i) is being conducted by the Company or any Subsidiary at the time in question and (ii) was being conducted at the Date of Termination and, for the Company's most recently-completed fiscal year, contributed more than 10% of the Company's consolidated revenues. Notwithstanding anything to the contrary in this Section, goods or services shall not be deemed to be competitive with those of the Company solely as a result of Executive being employed by or otherwise associated with a business of which a unit in competition with the Company or a Subsidiary but as to which unit Executive does not have direct or indirect responsibilities for the products or services involved. "Company's Customers" shall mean all persons, firms, corporations, partnerships, limited liability companies and other legal entitles and all governmental bodies or agencies (including municipalities) for which Company is providing services as of the date of termination of Executive's employment with Company.

(d) Executive covenants and agrees that at no time during the Employment Period not at any time following any Termination of Employment will Executive communicate, furnish, divulge or disclose in any manner to any Person, or use, any Confidential Information (as defined in Section 8.1(d)) without the prior express written consent of the Company. After a Termination of Employment, Executive shall not, without the prior written consent of the Company, or as may otherwise be required by law or legal process, communicate or divulge such Confidential Information to anyone other than the Company and its designees.

(e) For purposes of this Section, "Confidential Information" shall mean financial information about the Company, contract terms with vendors and suppliers, customer and supplier lists and data, research and development, purchasing, accounting, marketing and selling practices, trade secrets and such other competitively-sensitive information to which Executive has access as a result of his positions with the Company, except that Confidential Information shall not include any information which was or becomes generally available to the public other than as a result of a wrongful disclosure by Executive, as a result of disclosure by Executive during the Employment Period which he reasonably and in good faith believes is required by the performance of his duties under this Agreement.

(f) This Article does not prohibit Executive from disclosing information compelled to be disclosed by applicable law or administrative regulation; provided that Executive, to the extent not prohibited from doing so by applicable law or administrative regulation, shall give the Company written notice of the information to be so disclosed pursuant to this subsection as far in advance of its disclosure as practicable.

8.2 Injunction. Executive acknowledges that monetary damages will not be an adequate remedy for the Company in the event of a breach of this Article VIII, and that is would be impossible for the Company to measure damages in the event of such a breach. Therefore, Executive agrees that, in addition to other rights that the Company may have, the Company is entitled to an injunction preventing Executive from any breach of this Article VIII.

Article IX.

MISCELLANEOUS

9.1. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action to mitigate the amounts payable to Executive under any of the provisions of this Agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned as a result of Executive's employment by another employer.

9.2. Legal Fees; Late Payments.

(a) If any contest or dispute shall arise between the Company and the Executive regarding any provision of this Agreement, the losing party shall reimburse the prevailing party for all legal fees and expenses reasonably incurred in connection with such contest or dispute, but only if the prevailing party prevails to a substantial extent with respect to its claims brought and pursued in connection with such contest or dispute. Such reimbursement shall be made as soon as practicable following the resolution of such contest or dispute (whether or not appealed) to the extent the losing party receives reasonable written evidence of such fees and expenses.

(b) If the Company fails to pay any cash amount owed under this Agreement when due, the Company shall pay interest on such amount at a rate equal to one percent (1%) per month (12 % per annum).

9.3. Beneficiary. If Executive dies prior to receiving all of the amounts payable to him in accordance with the terms of this Agreement, such amounts shall be paid to one or more beneficiaries (each, a "Beneficiary") designated by Executive in writing to the Company during his lifetime, or if no such Beneficiary is designated, to Executive's estate. Such payments shall be made in a lump sum to the extent so payable and, to the extent not payable in a lump sum, in accordance with the terms of this Agreement. Executive, without the consent of any prior Beneficiary, may change his designation of a Beneficiary or Beneficiaries at any time or from time to time by submitting to the Company a new designation in writing.

9.4. Assignment; Successors. The Company may not assign its rights and obligations under this Agreement without the prior written consent of Executive except to a successor of the Company's business which expressly assumes the Company's obligations hereunder in writing. This Agreement shall be binding upon and inure to the benefit of Executive, his estate and Beneficiaries, the Company and the successors and permitted assigns of the Company.

9.5. Nonalienation. Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, prior to actually being received by Executive or a Beneficiary, as applicable, and any such attempt to dispose of any right to benefits payable hereunder shall be void.

9.6. Severability. If one or more parts of this Agreement are declared by any court or government authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any part of this Agreement not declared to be unlawful or invalid. Any part so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such part to the fullest extent possible while remaining lawful and valid.

9.7. Captions. The names of the Articles and Sections of this Agreement are for convenience of reference only and do not constitute a part hereof.

9.8. Amendment; Waiver. This Agreement shall not be amended or modified except by written instrument executed by the Company and Executive. A waiver of any term, covenant, or condition contained in this Agreement shall not be deemed a waiver of any other term, covenant or condition, and any waiver of any default in any such term, covenant or condition shall not be deemed a waiver of any later default thereof.

9.9. Notices. All notices hereunder shall be in writing and delivered by hand, by nationally-recognized delivery service that guarantees overnight delivery, or by first-class, registered or certified mail, return receipt requested, postage pre-paid, addressed as follows:

If to the Company, to:

Modavox, Inc.
Attention: Chief Executive Officer
43 West 24th Street
11th Floor
New York, NY 10011

If to Executive, to:

Scott Russo
36 Timber Rock Trail
Bernardsville, NJ 07924

9.10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

9.11. Entire Agreement. This Agreement forms the entire agreement between the parties hereto with respect to the subject matter contained in this Agreement and, except as otherwise provided herein, shall supercede all prior agreements, promises and representations regarding employment, compensation, severance or other payments contingent upon termination of employment, whether in writing or otherwise.

9.12. Applicable Law. The Agreement shall be interpreted and construed in accordance with the laws of the State of New York, without regard to its choice of law principles.

9.13. Survival of Executive's Rights. All of Executive's rights hereunder, including his rights to compensation and benefits, and his obligations under Section 9.1 hereof, and all of Company's rights under Article VIII, shall survive the termination of Executive's employment and/or the termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in the date first above written.

EXECUTIVE:

_____
Scott Russo

MODAVOX, INC.:

BY: _____

Its: _____

Exhibit 10.11

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT dated as of July 15, 2009 (the "Agreement") between Modavox, Inc., a Delaware corporation, or any successor thereto ("Company"), and James Lawson ("Executive").

WHEREAS, the Company desires to employ Executive as its Chief Legal Officer upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the Company and Executive hereby agree as follows:

Article I.

DEFINITIONS

The terms set forth below have the following meanings (such meanings to be applicable to both the singular and plural forms, except where otherwise expressly indicated):

1.1 "Accrued Annual Bonus" means the amount of any Annual Bonus earned but not yet paid with respect to the Year ended prior to the Date of Termination.

1.2 "Accrued Base Salary" means the amount of Executive's Base Salary which is accrued but not yet paid as of the Date of Termination.

1.3 "Affiliate" means any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, the Company. For the purposes of this definition, the term "control" when used with respect to any Person means the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

1.4 "Agreement" – see the recitals to this Agreement.

1.5 "Agreement Date" means the date that is specified in the recitals to this Agreement.

1.6 "Anniversary Date" means any annual anniversary of the Agreement Date.

1.7 "Annual Bonus" – see Section 4.2(a).

1.8 "Annualized Total Compensation" means, as of any date, the sum of Executive's Base Salary as of such date and Target Annual Bonus applicable to the Year that includes such date.

1.9 "Base Salary" – see Section 4.1.

1.10 "Beneficiary" – see Section 9.3.

1.11 "Board" means the Board of Directors of the Company.

1.12 "Cause" means any of the following:

(a) Executive's conviction of a felony or of a misdemeanor involving fraud, dishonesty or moral turpitude, or

(b) Executive's willful or intentional material breach of this Agreement, or grossly neglects his duties under this Agreement, that results, or in all probability is likely to result, in financial detriment that is material to the Company.

(c) a repeated failure by Executive to follow the written directives of the Board or any written Company policy or guidelines expressly approved by the Board which results, or in all probability is likely to result, in financial detriment that is material to the Company; provided, however, that (a) if Executive initially refused to obey the written directives of the Board, Executive is furnished a written statement by the Board that it believes in good faith that the acts or non-acts being directed are in the best interests of the Company, and (b) Executive is provided the opportunity to discuss with the Board its reasons for not complying with the Board's directives, and provided further that following the written directive of the Board would not cause Executive to commit any illegal act or engage in any illegal course of conduct.

For purposes of clause (b) of the preceding sentence, Cause shall not include any one or more of the following:

(i) bad judgment,

(ii) ordinary negligence,

(iii) any act or omission that Executive believed in good faith to have been in or not opposed to the interest of the Company (without intent of Executive to gain therefrom, directly or indirectly, a profit to which he was not legally entitled), or

(iv) any act or omission of which any member of the Board who is not a party to such act or omission has had actual knowledge for at least 12 months.

1.13 "Change of Control" means any of the following events:

(a) individuals who, as of the Agreement Date, constitute the Board (the "Incumbent Directors") cease for any reason to constitute a majority of the members of the Board; provided that any individual who becomes a director after the Agreement Date whose election or nomination for election by the Company's shareholders was approved by a majority of the members of the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with any action or threatened "election contest" relating to the election of the directors of the Company (as such terms are used in Rule 14a-11 under the Exchange Act), "tender offer" (as such term is used in Section 14(d) of the Exchange Act) or a proposed Merger (as defined below)) shall be deemed Incumbent Directors and to be members of the Incumbent Board; or

(b) approval by the stockholders of the Company of either of the following:

(i) a merger, reorganization, consolidation or similar transaction (any of the foregoing, a "Merger"), as a result of which the Persons who were the respective beneficial owners of the outstanding Common Stock and Voting Securities of the Company immediately before such Merger are not expected to beneficially own, immediately after such Merger, directly or indirectly, more than 60% of, respectively, the common stock and the combined voting power of the Voting Securities of the corporation resulting from such Merger in substantially the same proportions as immediately before such Merger,

(ii) a plan of liquidation of the Company or a plan or agreement for the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, there shall not be a Change in Control if, in advance of such event, Executive agrees in writing that such event shall not constitute a Change in Control.

1.14 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.15 "Committee" means the Compensation Committee of the Board.

1.16 "Common Stock" means the common stock, $.0001 par value, of the Company.

1.17 "Company" – see the recitals to this Agreement.

1.18 "Date of Termination" means the effective date of a Termination of Employment for any reason, including death or Disability, whether by either of the Company or by Executive.

1.19 "Disability" means a mental or physical condition which, in the opinion of the Board, renders Executive unable or incompetent to carry out the material job responsibilities which such Executive held or the material duties to which Executive was assigned at the time the disability was incurred, which has existed for at least three (3) months and which in the opinion of a physician mutually agreed upon by the Company and Executive (provided that neither party shall unreasonably withhold his agreement) is expected to be permanent or to last for an indefinite duration or a duration in excess of a total of six (6) months.

1.20 "Employment Period" – see Section 3.1.

1.21 "Exchange Act" means the Securities Exchange Act of 1934.

1.22 "Executive" – see the recitals to this Agreement.

1.23 "Fair Market Value" means, as of any date, (a) the average of the high and low prices of the Common Stock on such date reported on the national securities exchange on which the Company is listed (or, if no sale of the Common Stock was reported for such date, on the next preceding date on which such a sale of security was reported), (b) if the Common Stock is not listed on any national securities exchange, the average of the high bid and low asked quotations for the Common Stock on such date un the over-the-counter market (or, if no quotation of the Common Stock was reported for such date, on the next preceding date on which such a quotation of such security was reported), or (c) if there is no public market for the Common Stock, the fair market value for the Common Stock determined by the Committee in the good faith exercise of its discretion.

1.24 "Good Reason" means the occurrence of any one or more of the following events unless Executive specifically agrees in writing that such event shall not be Good Reason:

(a) any material breach of this Agreement by the Company, including:

(i) the failure of the Company to comply with the provisions of Articles II, III, IV, V, or VI of this Agreement;

(ii) any material adverse change in the status, responsibilities or prerequisites of Executive;

(iii) causing or requiring Executive to report to anyone other than the Chief Executive Officer of the Company or the Board; or

(iv) assignment of duties materially inconsistent with his position and duties described in this Agreement,

(b) the failure of the Company to assign this Agreement to a successor to the Company or failure of a successor to the Company to explicitly assume and agree to be bound by this Agreement, or an Agreement with materially identical terms, but, for example, with stock options in a successor rather than the Company,

(c) requiring Executive to be principally based at any office or location more than ten miles from Executive's current offices in the Washington, DC metropolitan area

(d) the delivery of Executive of a Notice of Consideration pursuant to Section 7.1(d) if, within a period of 90 days thereafter, the Board fails for any reason to terminate Executive for Cause in compliance with all of the substantive and procedural requirements of Section 7.1, or

(e) a Termination of Employment by Executive for any reason or no reason during the 30-day period commencing 12 months after a Change of Control.

1.25 "Including" means including without limitation.

1.26 "Initial Option" – see Section 5.1.

1.27 "Notice of Consideration" – see Section 7.1(b).

1.28 "Option" means an option to purchase shares of Common Stock.

1.29 "Option Term" – see Section 5.2(d).

1.30 "Permitted Transferee" means the spouse of Executive, a lineal descendent of Executive or a spouse of a lineal descendant of Executive or a trust, limited partnership or other entity principally benefiting all or a portion of such individuals.

1.31 "Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

1.32 "Prorata Annual Bonus" means (a) the product of the amount of the Bonus to which the Board determines Executive would have been entitled if he had been employed by the Company on the last day of the Year that includes the Termination Date, and if Executive had achieved his Target Annual Goals for such Year, multiplied by (b) a fraction of which the numerator is the number of days which would have elapsed in such Year through the Date of Termination and the denominator is 365.

1.33 "Severance Payment" means the payment of a multiple of Executive's Annualized Total Compensation pursuant to Section 7.3 or Section 7.4, as applicable.

1.34 "Subsequent Options" – see Section 5.1(a).

1.35 "Subsidiary" means, with respect to any Person, (a) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by such Person, and (b) any partnership in which such Person has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) or more than 50%.

1.36 "Taxes" means the incremental United States federal, state and local income, excise and other taxes payable by Executive with respect to any applicable item of income.

1.37 "Termination for Good Reason" means a Termination of Employment by Executive for a Good Reason, whether during or after the Employment Period.

1.38 "Termination of Employment" means a termination by the Company or by Executive of Executive's employment by the Company.

1.39 "Termination without Cause" means a Termination of Employment by the Company for any reason other than Cause or Executive's death or Disability, whether during or after the Employment Period, including Termination of Employment at the end of the Employment Period after the Company's giving a Notice of Non-Renewal.

1.40 "Witholding Taxes" means any United States federal, state, local or foreign withholding taxes and other deductions required to be paid in accordance with applicable law by reason of compensation received pursuant to this Agreement.

1.41 "Year" means a calendar year period ending December 31.

Article II.

DUTIES

2.1 Duties. The Company shall employ Executive during the Employment Period as its Chief Legal Officer. During the Employment Period, Executive shall perform the duties properly assigned to him hereunder and shall use his reasonable best efforts to promote the interests of the Company.

2.2 Other Activities. Executive may serve on non-competitive corporate, civic or charitable boards or committees, teach at educational institutions or engage in other non-competitive business interests and manage personal investments; provided that such activities do not individually or in the aggregate significantly interfere with the performance of his duties under this Agreement.

Article III.

EMPLOYMENT PERIOD

3.1 Employment Period. Subject to the termination provisions hereinafter provided, the term of Executive's employment under this Agreement shall begin on the Agreement Date and shall remain in effect until terminated by either Executive or the Company as described herein (the "Employment Period"). The employment of Executive by the Company shall not be terminated other than in accordance with Article VII.

Article IV.

COMPENSATION

4.1 Salary. The Company shall pay Executive in accordance with its normal payroll practices (but not less frequently than monthly) an annual salary at a rate of $140,000 per year ("Base Salary"). During the Employment Period, the Base Salary shall be reviewed at least annually by the Committee after consultation with Executive and may from time to time be increased as determined by the Committee. Effective as of the date of any such increase, the Base Salary as so increased shall be considered the new Base Salary for all purposes of this Agreement and may not thereafter be reduced. Any increase in Base Salary shall not limit or reduce any other obligation of the Company to Executive under this Agreement, unless otherwise expressly agreed by the parties.

4.2. Annual Bonus.

(a) At the discretion of the Board, Executive shall be eligible for an annual cash bonus ranging from zero to 33% of his Base Salary ("Annual Bonus") in accordance with the terms hereof for each Year which begins during the Employment Period.

(b) In determining whether Executive is to receive an Annual Bonus, the Board shall consider whether Company has a positive operating cash flow in the applicable Year and whether Executive has achieved his target performance goals (the "Target Annual Goals") initially drafted by Executive and edited and approved by the Committee after consulting with Executive on an annual basis. Such performance goals shall be provided by Executive within a reasonable time to allow of finalization by the Committee within 90 days after the first day of the applicable Year.

(c) The Company shall pay the entire Annual Bonus that is payable with respect to a Year in a lump-sum cash payment as soon as practicable after the Committee can determine whether and the degree to which Maximum Annual Goals or Target Annual Goals have been achieved following the close of such Year. Any such Annual Bonus shall in any event be paid within 30 days after the end of the Year.

Article V.

STOCK GRANTS

5.1 Option Grants. As an inducement to Executive to enter into this Agreement, the Company shall grant to Executive an Option to purchase (i) 250,000 shares of Common Stock (with a Date of Grant of July 8, 2009) and (ii) 100,000 shares of Common Stock (with a Date of Grant of December 7, 2009) (collectively, such Option grants referred to herein as the "Initial Option"). Although the Company and Executive intend the Initial Option to be in lieu of normal annual or other option grants through the end of the Year 2010, the Committee may at any time in its discretion consider Executive for possible future annual or other grants of Options (such Options collectively, the "Subsequent Options") and, commencing in the Year 2011, shall at least once during each Year consider Executive for a grant of a Subsequent Option.

5.2 Terms & Conditions of Options.

(a) The Initial Option and each Subsequent Option shall be subject to the terms and conditions specified in paragraphs (b) or (c) of this Section, respectively, and shall also be subject to the terms and conditions specified in paragraph (d) of this Section.

(b) The Initial Option:

(i) shall have an exercise price equal to 100% of the Fair Market Value of the Common Stock on the date on which the Stock Option grant is approved by the Board or the Committee.

(ii) shall become vested/exercisable at a rate of 1/36th per month for a vesting period of thirty six (36) months for as long as Executive remains employed by the Company; provided, however, that the Initial Option shall immediately become 100% vested/exercisable upon a Termination of Employment by reason of the death or Disability, a Termination Without Cause, a Termination for Good Reason, or a Change of Control.

(c) Each Subsequent Option shall in all other respects be on terms and conditions that are no less favorable to Executive than the terms and conditions applicable to Options granted at or about the same time to other senior executives of the Company.

(d) The Initial Option and each Subsequent Option:

(i) shall have a term (the "Option Term") of at least ten (10) years;

(ii) may be exercised after the Date of Termination to the extent such Option was exercisable on such date (after giving effect to any acceleration of exercisability by reason of Termination of Employment):

(A) in the event of Termination of Employment by reason of death or Disability, a Termination for Good Reason, or a Termination without Cause, at any time or from time before the expiration of the applicable Option Term, or

(B) in the event of any other Termination of Employment, at any time or from time to time during the five-year period commencing on the Date of Termination, but not after the expiration of the applicable Option Term;

(iii) shall not be transferable by Executive during his lifetime except to a Permitted Transferee; and

(iv) shall be cancelled in the event of a merger or consolidation pursuant to the terms of which cash is to be paid for each share of Common Stock then outstanding, such cancellation to be effective immediately before the consummation of such merger or consolidation, subject to the immediate payment by the Company of a cash amount to Executive equal to the Option Spread (as defined below). The "Option Spread" applicable to an Option shall equal the product of the number of shares of Common Stock subject to such Option multiplied by the positive difference, if any, between the cash amount to be paid for each share of Common Stock in such merger or consolidation and the exercise price of such Option.

(e) In the event of a Merger (as defined in 1.13(b)(i), pursuant to which Company shares are exchanged for or converted into other securities or property, the Board shall appropriately adjust each outstanding vested Option (including exercise price, as appropriate) such that, upon exercise thereof, each Option will entitle the holder to receive the securities and/or property that such holder would have received had the Option been exercised immediately prior to upon payment of the applicable exercise price of such option.

5.3 Manner of Exercise of Options. Any Option or any part thereof shall be exercised by Executive, his Permitted Transferee or, if after his death, a Beneficiary by a written notice to the Company stating the number of shares of Common Stock with respect to which the Option is being exercised and the form of payment of the exercise price of the Option and any related Withholding Taxes. Such payment may be made in any one or more of the following forms:

(a) cash, or

(b) previously-owned shares of Common Stock (which, if acquired from the Company or an Affiliate, shall have been held by Executive for at least six (6) months) valued at their Fair Market Value on the date of exercise.

The Company shall deliver the purchased shares of Common Stock promptly after its receipt of notice of exercise and payment.

5.4 Adjustment of Options. If any dividend is declared on the Common Stock which is payable in Common Stock, the number of shares of Common Stock to which any Option is subject shall be multiplied by (and the exercise price of such Option shall be divided by) the sum of the number 1.0 plus the number of shares of Common Stock (including any fraction thereof) payable as a dividend on each share of Common Stock. In the event of any change in the number or kind of outstanding shares of Common Stock by reason of any recapitalization, reorganization, merger, consolidation, stock split or any similar change affecting the Common Stock (other than a dividend payable in Common Stock), the Company shall make an appropriate adjustment in the number of shares of Common Stock and exercise price applicable to each Option so that, after such adjustment, the Option shall represent a right to receive, upon payment of the same aggregate exercise price as in effect immediately before such adjustment, the same consideration (or of such consideration is not available, other consideration of the same value) that Executive would have been entitled to receive before such recapitalization, reorganization, merger, consolidation, stock split or other change affecting the Common Stock.

Article VI.

OTHER BENEFITS

6.1 Incentive, Savings & Retirement Plans. In addition to Base Salary and an Annual Bonus, Executive shall be entitled to participate during the Employment Period in all incentive, savings, and retirement plans, practices, policies and programs that are from time to time applicable to other senior executives of the Company.

6.2 Welfare Benefits. During the Employment Period, Executive and/or his family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare plans, practices, policies and programs provided by the Company (including medical, prescription, dental, disability, salary continuance, employee life, group life, dependent life, accidental death and travel accident insurance plans and programs) applicable to other senior executives of the Company.

6.3 Fringe Benefits. During the Employment Period, Executive shall be entitled to all fringe benefits that are from time to time available to other senior executives of the Company.

6.4 Vacation. During the Employment Period, Executive shall be entitled to paid vacation in accordance with the plans, practices, policies, and programs applicable to other senior executives of the Company, but in no event shall such vacation time be less than three (3) weeks per calendar year.

6.5 Expenses. During the Employment Period, Executive shall be entitled to receive prompt reimbursement for all reasonable employment-related expenses incurred by Executive upon the receipt by the Company of accounting in accordance with practices, policies and procedures applicable to other senior executives of the Company.

6.6 Insurance. The Company will at all times during the Employment Period maintain D&O and Fiduciary insurance policies which policies cover the acts and omissions of Executive in furtherance of his duties hereunder.

6.7 Indemnification; Legacy Matters. In addition to any other protections afforded to Executive under the Company's By-Laws, Articles of Incorporation, corporate charters or governing documents, and applicable law, the Company agrees to fully indemnify and hold harmless Executive for all liabilities, losses or expenses incurred by Executive, including attorney's fees ("Losses"), to the extent such Losses relate to any act or omission of the Company, including any act or omission of any employee, agent or representative of the Company, regarding any action, transaction, matter or omission that occurred (or should have occurred) prior to the Agreement Date, including all legacy legal matters, or to the extent such Losses arise due to acts or omissions with respect to which Executive was not informed or involved.

Article VII.

TERMINATION BENEFITS

7.1 Termination for Cause or Other than for Good Reason, or Death or Disability

(a) If the Company terminates Executive's employment for Cause or Executive terminates his employment other than for Good Reason, death or Disability, the Company shall pay to Executive immediately after the Date of Termination an amount equal to the sum of Executive's Accrued Base Salary and Accrued Annual Bonus, and Executive shall not be entitled to receive any Severance Payment.

(b) The Company may not terminate the Executive's employment for Cause unless:

(i) no fewer than 60 days prior to the Date of Termination, the Company provides Executive with written notice (the "Notice of Consideration") of its intent to consider termination of Executive's employment for Cause, including a detailed description of the specific reasons which form the basis for such consideration;

(ii) for a period of not less than 30 days after the date Notice of Consideration is provided, Executive shall have the opportunity to appear before the Board, with or without legal representation, at Executive's election, to present arguments and evidence on his own behalf; and

(iii) following the presentation to the Board as provided in (ii) above or Executive's failure to appear before the Board at a date and time specified in the Notice of Consideration (which date shall not be less than 30 days after the date the Notice of Consideration is provided), Executive may be terminated for Cause only if (x) the Board, by the affirmative vote of all of its members (excluding Executive if he is a member of the Board, and any other member of the Board reasonably believed by the Board to be involved in the events leading the Board to terminate the Executive for Cause), determines that the actions or inactions of Executive specified in the Notice of Termination occurred, that such actions or inactions constitute Cause, and that Executive's employment accordingly should be terminated for Cause; and (y) the Board provides Executive with a written determination (a "Notice of Termination for Cause") setting forth in specific detail the basis of such Termination of Employment, which Notice of Termination for Cause shall be consistent with the reasons set forth in the Notice of Consideration.

Unless the Company establishes both (i) its full compliance with the substantive and procedural requirements of this Section 7.1 prior to a Termination of Employment for Cause, and (ii) that Executive's action or inaction specified in the Notice of Termination for Cause did occur and constituted Cause, any Termination of Employment shall be deemed a Termination Without Cause for all purposes of this Agreement.

(c) After providing a Notice of Consideration pursuant to the provisions of Section 7.1(b), the Board may, by the affirmative vote of all of its members (excluding for this purpose Executive if he is a member of the Board, and any other member of the Board reasonably believed by the Board to be involved in the events issuing the Notice of Consideration), suspend Executive with pay until a final determination pursuant to such Section 7.1(b) has been made.

7.2 Termination for Death or Disability. If Executive's employment terminates during the Employment Period due to his death or Disability, the Company shall pay to Executive or his Beneficiaries, as the case may be, immediately after the Date of Termination an amount which is equal to the sum of Executive's Accrued Base Salary, Accrued Annual Bonus and Prorata Bonus.

7.3 Termination Without Cause or for Good Reason. In the event of a Termination Without Cause or a Termination for Good Reason (whether during or after the Employment Period), Executive shall receive the following:

(a) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to the sum of Executive's Accrued Base Salary, Accrued Annual Bonus and Prorata Annual Bonus;

(b) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to (x) the product of one and one half (1.5) multiplied by (y) Executive's Annualized Total Compensation;

(c) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to the total amount for up to twelve (12) months (if any) of Executive's unvested benefits under any plan or program sponsored by the Company which is forfeited on account of Executive's employment being terminated, except unvested Subsequent Options.

7.4 Termination After a Change of Control. If a Termination Without Cause or a Termination for Good Reason occurs within two years after a Change of Control, then Executive shall receive the payments required by Section 7.3.

7.5 Other Termination Benefits. In addition to any amounts or benefits payable upon a Termination of Employment hereunder, Executive shall, except as otherwise specifically provided herein, be entitled to any payments or benefits provided hereunder or under the terms of any plan, policy or program of the Company or as otherwise required by applicable law.

Article VIII.

RESTRICTIVE COVENANTS

8.1 Non-solicitation of Employees; Confidentiality; Non-Competition.

(a) Executive covenants and agrees that, at no time during the Employment Period nor during the one-year period immediately following a Termination of Employment by the Company for Cause or by Executive for other than Good Reason, will Executive:

(i) directly or indirectly employ or seek to employ any person employed at that time by the Company or any of its Subsidiaries or otherwise encourage or entice any such person to leave such employment;

(ii) become employed by, enter into a consulting arrangement with, or otherwise agree to perform personal services for a Competitor (as defined in Section 8.1(b));

(iii) acquire an ownership interest in a Competitor; or

(iv) solicit vendors of the Company on behalf of or for the benefit of a Competitor.

(b) Executive covenants and agrees that, at no time during the Employment Period nor during the two-year period immediately following a Termination of Employment by the Company for Cause or by Executive for other than Good Reason, will Executive, directly or indirectly, solicit the Company's Customers for the purpose of selling such customer services then offered or available through Company. For the purposes of this Agreement.

(c) For purposes of this Section, "Competitor" means any Person which sells goods or services which are directly competitive with those sold by a business that (i) is being conducted by the Company or any Subsidiary at the time in question and (ii) was being conducted at the Date of Termination and, for the Company's most recently-completed fiscal year, contributed more than 10% of the Company's consolidated revenues. Notwithstanding anything to the contrary in this Section, goods or services shall not be deemed to be competitive with those of the Company solely as a result of Executive being employed by or otherwise associated with a business of which a unit in competition with the Company or a Subsidiary but as to which unit Executive does not have direct or indirect responsibilities for the products or services involved. "Company's Customers" shall mean all persons, firms, corporations, partnerships, limited liability companies and other legal entitles and all governmental bodies or agencies (including municipalities) for which Company is providing services as of the date of termination of Executive's employment with Company.

(d) Executive covenants and agrees that at no time during the Employment Period not at any time following any Termination of Employment will Executive communicate, furnish, divulge or disclose in any manner to any Person, or use, any Confidential Information (as defined in Section 8.1(d)) without the prior express written consent of the Company. After a Termination of Employment, Executive shall not, without the prior written consent of the Company, or as may otherwise be required by law or legal process, communicate or divulge such Confidential Information to anyone other than the Company and its designees.

(e) For purposes of this Section, "Confidential Information" shall mean financial information about the Company, contract terms with vendors and suppliers, customer and supplier lists and data, research and development, purchasing, accounting, marketing and selling practices, trade secrets and such other competitively-sensitive information to which Executive has access as a result of his positions with the Company, except that Confidential Information shall not include any information which was or becomes generally available to the public other than as a result of a wrongful disclosure by Executive, as a result of disclosure by Executive during the Employment Period which he reasonably and in good faith believes is required by the performance of his duties under this Agreement.

(f) This Article does not prohibit Executive from disclosing information compelled to be disclosed by applicable law or administrative regulation; provided that Executive, to the extent not prohibited from doing so by applicable law or administrative regulation, shall give the Company written notice of the information to be so disclosed pursuant to this subsection as far in advance of its disclosure as practicable.

8.2 Injunction. Executive acknowledges that monetary damages will not be an adequate remedy for the Company in the event of a breach of this Article VIII, and that is would be impossible for the Company to measure damages in the event of such a breach. Therefore, Executive agrees that, in addition to other rights that the Company may have, the Company is entitled to an injunction preventing Executive from any breach of this Article VIII.

Article IX.

MISCELLANEOUS

9.1. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action to mitigate the amounts payable to Executive under any of the provisions of this Agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned as a result of Executive's employment by another employer.

9.2. Legal Fees; Late Payments.

(a) If any contest or dispute shall arise between the Company and the Executive regarding any provision of this Agreement, the losing party shall reimburse the prevailing party for all legal fees and expenses reasonably incurred in connection with such contest or dispute, but only if the prevailing party prevails to a substantial extent with respect to its claims brought and pursued in connection with such contest or dispute. Such reimbursement shall be made as soon as practicable following the resolution of such contest or dispute (whether or not appealed) to the extent the losing party receives reasonable written evidence of such fees and expenses.

(b) If the Company fails to pay any cash amount owed under this Agreement when due, the Company shall pay interest on such amount at a rate equal to one percent (1%) per month (12 % per annum).

9.3. Beneficiary. If Executive dies prior to receiving all of the amounts payable to him in accordance with the terms of this Agreement, such amounts shall be paid to one or more beneficiaries (each, a "Beneficiary") designated by Executive in writing to the Company during his lifetime, or if no such Beneficiary is designated, to Executive's estate. Such payments shall be made in a lump sum to the extent so payable and, to the extent not payable in a lump sum, in accordance with the terms of this Agreement. Executive, without the consent of any prior Beneficiary, may change his designation of a Beneficiary or Beneficiaries at any time or from time to time by submitting to the Company a new designation in writing.

9.4. Assignment; Successors. The Company may not assign its rights and obligations under this Agreement without the prior written consent of Executive except to a successor of the Company's business which expressly assumes the Company's obligations hereunder in writing. This Agreement shall be binding upon and inure to the benefit of Executive, his estate and Beneficiaries, the Company and the successors and permitted assigns of the Company.

9.5. Nonalienation. Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, prior to actually being received by Executive or a Beneficiary, as applicable, and any such attempt to dispose of any right to benefits payable hereunder shall be void.

9.6. Severability. If one or more parts of this Agreement are declared by any court or government authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any part of this Agreement not declared to be unlawful or invalid. Any part so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such part to the fullest extent possible while remaining lawful and valid.

9.7. Captions. The names of the Articles and Sections of this Agreement are for convenience of reference only and do not constitute a part hereof.

9.8. Amendment; Waiver. This Agreement shall not be amended or modified except by written instrument executed by the Company and Executive. A waiver of any term, covenant, or condition contained in this Agreement shall not be deemed a waiver of any other term, covenant or condition, and any waiver of any default in any such term, covenant or condition shall not be deemed a waiver of any later default thereof.

9.9. Notices. All notices hereunder shall be in writing and delivered by hand, by nationally-recognized delivery service that guarantees overnight delivery, or by first-class, registered or certified mail, return receipt requested, postage pre-paid, addressed as follows:

If to the Company, to:

Modavox, Inc.
Attention: Chief Executive Officer
43 West 24th Street
11th Floor
New York, NY 10011

If to Executive, to:

James Lawson
7403 Ridgewood Avenue
Chevy Chase, MD 20815

9.10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

9.11. Entire Agreement. This Agreement forms the entire agreement between the parties hereto with respect to the subject matter contained in this Agreement and, except as otherwise provided herein, shall supercede all prior agreements, promises and representations regarding employment, compensation, severance or other payments contingent upon termination of employment, whether in writing or otherwise.

9.12. Applicable Law. The Agreement shall be interpreted and construed in accordance with the laws of the State of New York, without regard to its choice of law principles.

9.13. Survival of Executive's Rights. All of Executive's rights hereunder, including his rights to compensation and benefits, and his obligations under Section 9.1 hereof, and all of Company's rights under Article VIII, shall survive the termination of Executive's employment and/or the termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in the date first above written.

EXECUTIVE:

_____
James Lawson

MODAVOX, INC.:

BY: _____

Its: _____

Exhibit 10.12

EMPLOYMENT AGREEMENT

This Employment Agreement, by and between MODAVOX, INC., a Delaware corporation (“Modavox") and David Ide ("Ide"), is made and entered into as of (the “Effective Date”). Modavox and Ide are sometimes referred to individually as the “Party” and collectively as the “Parties.”

In consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, conditions and promises hereinafter contained, the Parties hereby agree as follows:

1. ENGAGEMENT.

1.1 *Employment Term*. Modavox will employ Ide and Ide will accept such employment, for a period commencing on the Effective Date and ending on October 15, 2011 (the "Term"), unless sooner terminated under the circumstances set forth in Sections 6 and 8 below.

1.2 *Duties and Responsibilities*. During the Term Ide will work exclusively and on a full-time basis for Modavox and will devote his best efforts to accomplishing the goals and objectives established by Modavox’s CEO and the Modavox Board of Directors (the “Board”). Ide’s title will be Chief Strategy Officer, in which capacity Ide will perform the duties and responsibilities as determined by the Board. Ide will, as a

Modavox employee, work within the Modavox company guidelines, policies, and procedures as determined for the Company by the CEO. Ide will present reports on third party contacts, strategy and work project status relevant to Ide’s duties to Modavox’s Board of Directors at the Board’s discretion, under the Board’s duty of oversight,. and also to the CEO, at the CEO’s discretion, so as to maintain a coherent and efficient flow of information pertaining to Company activites, objectives and operations. From time to time Ide may also be assigned special projects by the Board (including outstanding legal legacy isues and the Annual Report for the period ending February 28, 2009), in which case (i) Ide will report to the Board with respect to such special projects; and (ii) Ide will have a duty to inform Modavox’s CEO regarding the nature, scope and on-going status of such special projects.

1.3 *Location*. Ide's services for Modavox will be based at Modavox's headquarters in Phoenix, Arizona unless otherwise approved by the Board of Directors.

2. COMPENSATION.

2.1 *Salary*. Subject to the full and complete performance by Ide of all of Ide's material obligations hereunder, during the term of this Agreement, Modavox will pay to Ide a base salary of one hundred fifty thousand dollars ($150,000) per annum; provided, however, that upon the receipt by Modavox of aggregate proceeds, whether in the form of equity investment or long-term debt, exceeding one million five hundred thousand dollars ($1,500,000), Modavox will increase Ide’s base salary to one hundred eighty thousand dollars ($180,000) per annum. Ide's salary will be payable in accordance with Modavox's customary payroll practices, which in no event will be less frequently than on a monthly basis. All salary payments made to Ide will be subject to such deductions, withholdings and limitations as will from time to time be required by law, governmental regulations or orders. Salary and benefits will be reviewed at least annually by the Board of Directors for possible increases and/or bonuses, at the sole discretion of the Board.

2.2 *Fringe Benefits*. During the term of this Agreement:

(a) Ide will be eligible to participate, in accordance with their terms, in all medical and health plans, life insurance and pension plans and such other employment benefits or programs that Modavox maintains for its executive employees from time to time (the "Plans").

(b) Until Modavox establishes a medical reimbursement plan, Modavox will pay the premiums associated with any medical and health insurance policy comparable to the policy currently in effect covering Ide and his dependents if Ide and his dependents are not able to participate in Modavox's medical and health plans.

(c) Modavox agrees to register under form S8 all stock options granted Ide as per the board resolution dated February 27, 2009.

2.3 *Participation in Deferred Compensation and Stock Option Plans.* Ide shall be entitled to participate in all executive bonus plans and all employee qualified and non-qualified deferred compensation plans or supplemental income plans or programs maintained by Modavox, including any Section 401(k) plan adopted by Modavox, according to the terms and conditions thereof. Ide shall also be entitled to participate in all stock option and other incentive plans, according to the terms and conditions thereof. Ide will be eligible to participate in any a bonus/commission plan made available by Modavox, from time to time, to employees with commensurate qualifications and responsibilities to Ide.

2.4 *Paid Vacations*. Ide will be entitled to paid vacation in accordance with Modavox's vacation policy (including, without limitation, any restrictions on the amount of accrued time to be paid at the expiration of the Term), but in no event less than four (4) weeks per annum.

2.5 *Expenses*. In connection with Ide's performance of Ide's duties and obligations hereunder, Ide will incur certain ordinary and necessary expenses of a business character including, without limitation, travel, meals and lodging. Modavox will reimburse Ide for all such reasonable business expenses upon presentation of itemized statements therefor in accordance with Modavox's standard policies. With respect to business travel, Ide will be treated no less favorably with respect to expenses than other Modavox executives.

3. RIGHT TO INSURE.

Modavox will have the right to secure in its own name, or otherwise, and at its own expense, life, health, accident or other insurance covering Ide and Ide will have no right, title or interest in and to such insurance. Ide will assist Modavox in procuring such insurance by submitting to examinations and by signing such applications and other instruments as may be required by the insurance carriers to which application is made for any such insurance.

4. FIDUCIARY OBLIGATIONS. Ide acknowledges that, as an officer of Modavox, he will be bound to exercise his corporate powers as a fiduciary for the common benefit of all of Modavox's stockholders, to wit:

4.1 *Duty of Care*. Idewill at all times perform his services hereunderhonestlyand in good faith, with sound business judgment using the level of care that a reasonably prudent person would use under the given circumstances to make informed decisions on Modavox's behalf.

4.2 *Duty of Loyalty*. *Ide* will at all times perform his services hereunder without divided loyalties or obligations to any other person including, without limitation, to any person who may become an employer of Ide following the end of the Term. Accordingly, and without limiting the generality of the principle set forth in the preceding sentence, Ide will breach this Agreement if he does the following:

(a) Without prior written notice and written consent of the Board of Directors, Ide accepts employment with any business, individual, partnership, corporation, trust, joint venture, unincorporated association or other entity or person other than Modavox at any time during the Term.

(b) During the Term, Ide will not become financially interested in (other than as a stockholder owning less than two percent (2%) of the outstanding capital stock of any publicly traded corporation) or directly associated with any other business or person engaged in a business that is involved in any business that is competitive with Modavox's business or activities without the prior written consent of Modavox.

(c) During the Term, Ide will not, for any reason whatsoever, either alone or jointly with or on behalf of others, either directly or indirectly:

(i) Divert or take away, or attempt to divert or take away, any of Modavox's customers or clients;

(ii) Solicit the employment or engagement of, or otherwise entice away from the employment of Modavox or any affiliated entity, any person who is then employed by Modavox or any such affiliated entity, whether or not such person would commit any breach of said person's contract by reason of leaving the service of Modavox or any affiliated entity; or

(iii) Solicit the employment or engagement of any person who ceased being employed by Modavox or any affiliated entity, within six (6) months of Ide's solicitation.

5. EMPLOYEE PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT & POST-EMPLOYMENT NON-COMPETITION.

5.1. Non-disclosure Agreement. Ide acknowledges and confirms his obligations with Modavox under the Employee Proprietary Information and Inventions Agreement executed by Modavox and Ide as of the date hereof, a copy of which is attached hereto as Exhibit A (the "Nondisclosure Agreement").

5.2 Post-Employment Non-Competition. Ide acknowledges and confirms his obligations with Modavox under the Non-Compete/Non-Solicitation Agreement executed by Modavox and Ide as of the date hereof, a copy of which is attached hereto as Exhibit B (the Non-Compete/Non Solicitation Agreement). It is understood Ide has worked within the Internet Based Communications field since 2003.

6. SUSPENSION/TERMINATION.

6.1 *Termination Without Cause.* Modavox will have the unilateral right, at any time in the Modavox CEO's or the Board's sole and absolute discretion, to terminate Ide's employment by Modavox, without cause, and for any reason or for no reason (Modavox's "Termination Rights") upon written notice to Ide. Modavox's Termination Rights are notlimited or restricted by, and will supersede, any policy of Modavox requiring or favoring continued employment of its employees during satisfactory performance, any seniority system or any procedure governing the manner in which Modavox's discretion is to be exercised. No exercise by Modavox of its Termination Rights will, under any circumstances, be deemed to constitute (i) a breach by Modavox of any term of this Agreement, express or implied (including without limitation a breach of any implied covenant of good faith and fair dealing), (ii) a wrongful discharge of Ide or a wrongful termination of Ide's employment by Modavox, (iii) a wrongful deprivation by Modavox of Ide's office (or authority, opportunities or other benefits relating thereto), or injury to reputation, or (iv) the breach by Modavox of any other duty or obligation, express or implied, which Modavox may owe to Ide pursuant to any principle or provision of law (whether contract or tort), unless Modavox's determination to terminate Ide pursuant to this Section 6.1 will constitute a violation of any applicable federal, state or municipal statute, ordinance, rule or regulation, respecting which the parties may not contract otherwise. If Modavox elects to terminate Ide's employment pursuant to this Section 6.1, Modavox will have no obligation or liability to Ide pursuant to this Agreement except to pay, provided Ide executes and delivers to Modavox the Release and Waiver attached hereto as Exhibit B, to Ide the balance of the Salary due to Ide under Section 2.1 through the remainder of the Term, payable in accordance with Modavox's normal payroll practices, and a severance payment payable in one lump sum within thirty (30) days of Ide's termination, in an amount equal to two times Ide's most current annual base salary. In addition, all of Ide's options, not fully vested, will immediately vest being considered "fully vested" in the event of being terminate for or without cause. Upon exercise of such Termination Right, Ide will have no further obligation to provide services to Modavox hereunder and Ide will be free to accept third-party employment, in all events subject to the post- employment non-competition provisions described in Section 5 above.

6.2 *Termination by Ide.* Ide will have the right at any time to terminate his employment by Modavox, subject to delivery of a letter of resignation providing a minimum of thirty (30) days notice. If Ide terminates this Agreement as provided in this Section, Modavox will be obligated to pay Ide only the specified salary, bonuses, fringe benefits, expenses and vacation accrued through the date of termination.

6.3 *Death.* If Ide dies during the Term, Modavox will be obligated to pay to Ide's estate twelve (12) months salary in severance benefits, payable in twelve (12) monthly installments, unless Modavox has obtained, on Ide's behalf, a life insurance policy naming a beneficiary designated by Ide, providing for at least the same aggregate benefit.

6.4 *Disability.*

(a) If Ide is unable to perform fully his material obligations hereunder due to a long-term disability (as defined in Modavox's disability insurance policy), Modavox may terminate this Agreement on or after the date that Ide receives his first, periodic long-term disability payment from Modavox's insurance carrier.

(b) If Modavox does not have a long-term disability policy covering Ide, and Ide is prevented from performing fully his material obligations hereunder by reason of the occurrence of a long-term disability for a period of twelve (12) consecutive weeks or sixteen (16) weeks in the aggregate within any given six (6) calendar month period, Modavox may terminate this Agreement by giving thirty (30) days prior written notice to Ide and by providing a total of twelve (12) months salary in severance benefits following the date of the termination notice, payable in twelve (12) monthly installments. An independent physician reasonably selected by Modavox will determine the existence of Ide's long-term disability.

6.5 *Termination for Cause.* Modavox may terminate this Agreement immediately upon written notice to Ide for "Cause." For purposes of this Agreement, "Cause" means: (i) Ide's commission of a willful act of fraud and dishonesty, the purpose or effect of which materially and adversely affects Modavox; (ii) Ide's conviction of a felony (other than the first offense of driving under the influence following the date hereof) or any admission thereof (whether by plea of *nolo contendere* or otherwise) or Ide's being determined by a governmental authority to have violated, or enjoined from violating, any federal or state securities law or; (iii) Ide's engaging in willful or reckless misconduct or gross negligence in connection with any property or activity of Modavox; or (iv) Ide's breach of any material covenant to Modavox relating to noncompetition, nonsolicitation, nondisclosure of proprietary information or surrender of records, inventions or patents.

In the event of Ide's termination for Cause, Modavox is obligated to pay Ide only the specified salary, bonuses, fringe benefits, expenses and vacation accrued through the date of termination.

7. EQUITABLE RELIEF FOR BREACH.

Ide acknowledges that a violation of any of the provisions of Sections 4 and 5 will cause Modavox irreparable injury and damage, the exact amount of which may be impossible to ascertain and that, for such reason, among others, Modavox will be entitled, in addition to the remedy set forth at Section 9, to seek injunctive relief, both *pendent lite* and permanently, against Ide to restrain any further violation of such provisions. Ide hereby (i) consents to any initiation by Modavox in a court of competent jurisdiction of any action to enjoin immediately the breach of Sections 4 and 5, and (ii) hereby releases Modavox from the requirement of posting any bond in connection with temporary or interlocutory injunctive relief, to the extent permitted by law. This provision will not, however, be construed as a waiver of any other rights and remedies Modavox may have against Ide, including, but not limited to, the recovery for damages.

8. BREACH BY MODAVOX.

If Modavox breaches this Agreement, Ide will give Modavox written notice thereof. If Modavox does not cure such breach within thirty (30) days of receiving written notice thereof, Ide's remedy will be limited to compulsory arbitration as set forth at Section 9; provided, however, the foregoing will not be deemed a waiver of Ide's statutory or common law right to discontinue rendering services hereunder in the event of a material breach by Modavox of this Agreement.

9. COMPULSORY ARBITRATION.

Except as provided in Section 7, any controversy, claim and/or dispute arising out of or relating to this Agreement or the breach hereof or subject matter hereof (including any action in tort) will be finally and fully settled by arbitration in Maricopa County, Arizona in accordance with the then-existing Commercial Arbitration Rules of the American Arbitration Association (the "AAA"), and judgment upon the award rendered by the arbitrators may be entered in any court having applicable jurisdiction. Written notice of demand for arbitration will be given to the other parties and to the AAA within six (6) months after the controversy, claim or dispute has arisen or be barred, and in no event after the date when the institution of court proceedings based on such dispute would be barred by the applicable statute of limitations. Controversies, claims and/or disputes will be resolved by one arbitrator selected by the mutual agreement of the parties or, failing that agreement within forty-five (45) days after written notice demanding arbitration, by the AAA. There will be limited discovery prior to the arbitration hearing as follows: (i) exchange of witness lists and copies of documentary evidence and documents related to or arising out of the issues to be arbitrated, and (ii) depositions of all Party witnesses. Depositions will be conducted in accordance with the rules or code of Civil Procedure of the jurisdiction in which the arbitration is conducted, and a court reporter will record all hearings, with such record constituting the official transcript of such proceedings. All decisions of the arbitrator will be in writing, and the arbitrator will provide reasons for the decision. Each party shall bear its own respective attorney's fees and costs in accordance with any dispute or arbitration.

10. MISCELLANEOUS.

10.1 *Obligations to Other Companies*. Ide certifies that his employment with Modavox will not breach any existing agreement or covenant that Ide has signed with any other person or entity, or violate any legal duty that Ide owes to such other person or entity. Ide will not disclose to Modavox, or use on Modavox's behalf, any trade secrets or proprietary information belonging to any of Ide's prior employers or any other person or entity.

10.2 *Assignment*. This Agreement will not be assignable, in whole or in part, by either party without the written consent of the other party, except that Modavox may, without the consent of Ide, assign this Agreement upon the consummation of (i) a merger or consolidation of Modavox with any other corporation or entity or any other form of business combination pursuant to which the outstanding stock of Modavox is exchanged for cash, securities or other property paid, issued or caused to be issued by the surviving or acquiring corporation or entity; or (ii) a sale, transfer or lease by Modavox of all, or substantially all, of Modavox's assets.

10.3 *Notices*. All notices and other communications required or permitted under this Agreement will be delivered to the parties at the address set forth below their respective signature blocks, or at such other address that they hereafter designate by notice to all other parties in accordance with this Section. All notices and communications will be deemed to be received in accordance with the following: (i) in the case of personal delivery, on the date of such delivery; (ii) in the case of facsimile transmission, on the date on which the sender receives confirmation by facsimile transmission that such notice was received by the addressee, provided that a copy of such transmission is additionally sent by mail as set forth in (iv) below; (iii) in the case of overnight air courier, on the second business day following the day sent, with receipt confirmed by the courier; and (iv) in the case of mailing by first class certified mail, postage prepaid, return receipt requested, on the fifth business day following such mailing.

10.4 *Governing Law*. Except with respect to the scope and application of Section 10.9 below, this Agreement will be deemed to have been executed in the State of Arizona and will be governed and construed as to both substantive and procedural matters in accordance with the laws of the State of Arizona, but excepting (i) any State of Arizona rule which would result in judicial failure to enforce the arbitration provisions of Section 9 hereof or any portion thereof and (ii) any State of Arizona rule which would result in the application of the law of a jurisdiction other than the State of Arizona. Any dispute arising from this Agreement must be filed in Maricopa County, Arizona.

10.5 *Complete Agreement*. This Agreement, along with the Nondisclosure Agreement attached hereto as Exhibit A, contains the entire agreement of the parties relating to the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral, with respect to such subject matter (including Ide's prior employment contract dated), and the Parties have made no agreements, representations or warranties relating to the subject matter of this Agreement which are not set forth herein. If a conflict is determined to exist among any of the aforementioned agreements, the terms of this Agreement will control.

10.6 *Amendment*. This Agreement may not be amended, modified, superseded, canceled or terminated, and any of the matters, covenants, representations, warranties or conditions hereof may not be waived, except by written instrument executed by the Parties or, in the case of a waiver, by the Party to be charged with such waiver.

10.7 *Counterparts*. This Agreement may be executed by any one or more of the Parties in any number of counterparts, each of which will be deemed to be an original, but all such counterparts will together constitute one and the same instrument.

10.8 *Waiver*. The failure of a Party to insist upon strict adherence to any term, condition or other provision of this Agreement will not be considered a waiver or deprive that Party of the right thereafter to insist upon strict adherence to that term or any other term, condition or other provision of this Agreement.

10.9 *Headings*. The headings of this Agreement are solely for convenience of reference and will not affect its interpretation.

10.10 *Indemnity*. Modavox will indemnify and hold harmless Ide from and against any and all liability, costs, damages and expenses (including reasonable attorneys' fees and court costs) which Ide may sustain or suffer by reason of any third Party claim which is not caused by a breach by Ide hereunder, or any act by Ide that would constitute Cause as defined in Section 6.5 of this Agreement.. No provision herein shall be interpreted or construed to limit or restrict any rights of indemnification and advancement that inured to Ide during his tenure as CEO, Chief Financial Officer and/ or Chairman of the Board of Directors, whether provided for under Delaware Law, the Article of Incorporation of Modavox or the By- Laws of Modavox. Such pre-existing rights of indemnification and advancement may and shall include potential SEC and IRS liabilities, if any.

10.11 *Severability*. If any one clause or part of this Agreement is deemed invalid, unenforceable or illegal by the arbitrators or court of competent jurisdiction, then it is severed from this Agreement and the rest of this Agreement remains in full force and effect. Ide acknowledges the uncertainty of the law in this respect and expressly stipulates that this Agreement be given the construction which renders its provisions valid and enforceable to the maximum extent possible under applicable law.

10.12 *Further Assurances*. The Parties will sign such other instruments, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement.

10.13 IDE ACKNOWLEDGES THAT HE HAS HAD THE OPPORTUNITY TO CONSULT WITH THE ADVISOR OF HIS CHOICE AND THAT HE HAS FREELY AND VOLUNTARILY ENTERED INTO THIS AGREEMENT. MODAVOX ACKNOWLEDGES THAT IDE IS NOT A LICENSED ATTORNEY, THAT IDE DRAFTED THIS AGREEMENT WITH MODAVOX'S FULL KNOWLEDGE AND CONSENT AND THAT MODAVOX HAS HAD THE OPPORTUNITY TO CONSULT WITH THE ADVISOR OF ITS CHOICE AND THAT IT HAS FREELY AND VOLUNTARILY ENTERED INTO THIS AGREEMENT.

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

Modavox: MODAVOX, INC.

/s/ David Ide
David J. Ide

Exhibit A

Employee Proprietary Information and Inventions Agreement

Nondisclosure Agreement

April 22, 2009

Modavox, Inc.
2801 South Fair Lane
Suite 101
Tempe, AZ 85282

RE: Employee Proprietary Information And Inventions Agreement

To Whom It May Concern:

The following confirms my Agreement and understanding with Modavox, Inc., a Delaware corporation, which is a material part of the consideration for my employment by Modavox. Capitalized terms not otherwise defined herein have the meaning set forth at the end of this Agreement.

1. Modavox possesses and will possess Proprietary Information (as hereinafter defined) and Documentation (as hereinafter defined) which is important to its Business (as hereinafter defined).

2. My employment creates a relationship of confidence and trust between Modavox and me with respect to Proprietary Information (i) applicable to the Business; or (ii) applicable to the business of any customer of Modavox; or (iii) which Modavox is under a contractual obligation to keep confidential which may be made known to me by Modavox or by any customer of Modavox, or learned by me during the period of my employment.

3. The Proprietary Information, whether now or hereafter furnished to me in whole or in part, is confidential. Modavox's business and prospects could be damaged if the Proprietary Information is disclosed to third parties without Modavox's consent.

4. As a condition to sharing with me, whether in writing or orally, Proprietary Information, in consideration of my employment by Modavox and the compensation received by me from Modavox from time to time, I hereby acknowledge and agree as follows:

(a) All Proprietary Information and all intellectual property rights associated therewith ("Rights") are the sole property of Modavox. I assign to Modavox any Rights I may have or acquire in such Proprietary Information. At all times, both during my employment by Modavox and after its termination, I will keep in confidence and trust and will not use or disclose (or permit the use or disclosure of) any Proprietary Information or anything relating to it for a purpose detrimental to the Business and without the prior written consent of Modavox except as may be necessary and appropriate in the ordinary course of performing my duties to Modavox.

(b) All Documentation constitutes the sole property of Modavox. During my employment by Modavox, I will not remove any Documentation from the business premises of Modavox or deliver any Documentation to any person or entity outside Modavox for a purpose detrimental to the Business and except as I am required to do in connection with performing the duties of my employment. Immediately upon the termination of my employment by me or by Modavox for any reason, or during my employment if so requested by Modavox, I will return all Documentation, equipment and other physical property, or any reproduction of such property, excepting only (i) my personal copies of records relating to my compensation; (ii) my personal copies of any materials previously distributed generally to stockholders of Modavox; and (iii) my copy of this Agreement.

(c) I will promptly disclose in writing to my immediate supervisor or to any persons designated by Modavox, all Inventions (as hereinafter defined) related to the Business made or conceived or reduced to practice or developed by me, either alone or jointly with others, during the term of my employment. I will not disclose Inventions covered by this Agreement to any person outside Modavox unless I am requested to do so by its duly authorized officers. All

Inventions related to Modavox's Business which I make, conceive, reduce to practice or develop (in whole or in part, either alone or jointly with others) during my employment belong solely to Modavox to the maximum extent permitted by applicable law, and I assign such Inventions and all Rights therein to Modavox and Modavox is the sole owner of all Rights in connection therewith. This Section 3(c) does not apply to inventions which qualify for protection under section 2870 of the Arizona Labor Code, but I bear the full burden of proving to Modavox that any such invention qualifies fully under Section 2870.

(d) I will perform, during and after my employment, all reasonable acts deemed necessary or desirable by Modavox to permit and assist it, at Modavox's expense, in evidencing, perfecting, obtaining, maintaining, defending and enforcing Rights and/or my assignment with respect to such Inventions in any and all countries. Such acts may include, but are not limited to, execution of documents and assistance or cooperation in legal proceedings. I hereby irrevocably designate and appoint Modavox and its duly authorized officers and agents, as my agents and attorneys-in-fact to act for and in my behalf and instead of me, to sign and file any documents and to do all other lawfully permitted acts to further the above purposes with the same legal force and effect as if signed by me.

(e) My performance of all the terms of this Agreement will not breach any Agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by Modavox. I have not entered into, nor will I enter into, any Agreement either written or oral in conflict herewith or in conflict with my employment with Modavox.

(f) My obligation of secrecy and confidentiality with respect to Proprietary Information which constitutes trade secrets under the Uniform Trade Secrets Act (or other similar applicable law) will run for as long as such information remains a trade secret. My obligation of confidentiality with respect to Proprietary Information that is not covered under the Uniform Trade Secrets Act (or other similar applicable law), will run for three (3) years from the date my employment by Modavox ceases.

(g) This Agreement is not an employment contract and, as an employee of Modavox, I have obligations to Modavox which are not set forth in this Agreement.

(h) Any dispute in the meaning, effect or validity of this Agreement will be resolved in accordance with the laws of the State of Arizona without regard to the conflict of laws provisions thereof.

(i) If one or more provisions of this Agreement are held to be illegal or unenforceable under applicable Arizona law, such illegal or unenforceable portion(s) will be limited or excluded from this Agreement to the minimum extent required so that this Agreement will otherwise remain in full force and effect and enforceable in accordance with its terms.

(j) Wrongful disclosure or use of Proprietary Information in contravention of the provisions of this Agreement will give rise to irreparable injuries not adequately compensable in damages. If preliminary injunctive relief to maintain the status quo is required, Modavox may seek such relief from any court of competent jurisdiction. I am bound by any and all orders rendered by such court.

(k) No failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege.

(l) No modification of this Agreement is valid unless made in writing and signed by me and a duly authorized officer of Modavox.

(m) This Agreement will survive termination of my employment, regardless of the circumstances of such termination.

(n) This Agreement is effective as of the first day of my employment by Modavox.

(o) This Agreement is binding upon my heirs, executors, administrators or other legal representatives.

(p) Notwithstanding the foregoing, nothing contained herein will prohibit me from disclosing to anyone the amount of my wages.

(q) This Agreement constitutes the full, complete and exclusive Agreement between Modavox and me with regard to this Agreement's subject matter. These Agreements supersede any previous Agreements or representations, whether oral or written, express or implied between Modavox and me with respect to their subject matter.

(r) The following terms have the following meanings:

(i) "Business" means the actual business of Modavox on today's date, as well as any other business that Modavox acquires, develops or initiates during the term of this Agreement, including each of its current and future subsidiaries, affiliates, business units and divisions.

(ii) "Documentation" means tangible paper or electronic media that contain or embody Proprietary Information or any other information concerning the business, operations or plans of Modavox, whether I or others have prepared such documents. By way of illustration but not limitation, Documentation includes blueprints, drawings, photographs, charts, graphs, notebooks, customer lists, computer disks, tapes or printouts, sound recordings and other printed, typewritten or handwritten documents, as well as samples, prototypes, models, products and the like.

(iii) "Inventions" means all data, discoveries, designs, developments, formulae, ideas, improvements, inventions, know-how, processes, programs, and techniques, whether or not patentable or registerable under copyright, trademark or similar statutes, and all designs, trademarks and copyrightable works that I made or conceived or reduced to practice or learned, either alone or jointly with others, during the period of my employment which (A) are related or useful in Modavox's business, research, design, development, experimental production, financing, manufacturing, licensing, distribution or marketing activity, or (B) result from tasks Modavox assigned me, or (C) result from use of premises or equipment owned, leased or contracted for by Modavox.

(iv) "Proprietary Information" means information from which Modavox might derive economic value, actual or potential, from such information not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and which is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. By way of illustration but not limitation, Proprietary Information includes: (A) inventions, confidential knowledge, trade secrets, ideas, data, programs, works of authorship, know-how, improvements, discoveries, designs, techniques and sensitive information Modavox receives from its customers or receives from a third party under obligation to keep confidential; (B) technical information relating to Modavox's existing and future products and services, including, where appropriate and without limitation, software, firmware, information, patent disclosures, patent applications, development or experimental work, formulae, engineering or test data, models, techniques, processes and apparatus relating to the same disclosed by Modavox to me or obtained by me through observation or examination of information or developments; (C) confidential marketing information (including without limitation marketing strategies, customer names and requirements and product and services, prices, margins and costs); (D) confidential future product plans; (E) confidential financial information provided to me by Modavox; (F) personnel information (including without limitation employee compensation); (G) merger and acquisition strategies (including without limitation target lists); and (H) other confidential business information.

5. I HAVE READ THIS AGREEMENT CAREFULLY AND I UNDERSTAND AND ACCEPT THE OBLIGATIONS WHICH IT IMPOSES UPON ME WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO ME TO INDUCE ME TO SIGN THIS AGREEMENT. I SIGN THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT ONE COUNTERPART WILL BE RETAINED BY MODAVOX AND THE OTHER COUNTERPART WILL BE RETAINED BY ME.

Dated: April 22, 2009

/s/ David J. Ide

Accepted and Agreed to:
MODAVOX, INC.
By: Shelly J. Meyers
Its: Chairwoman

Exhibit B

Non-Compete/Non Solicitation Agreement

Non-solicitation of Customers or Executives of Employer.

(a) For a period of one year after termination of this Agreement, Executive agrees not to solicit or call on any Customer of Employer whom Executive solicited, called on, learned of, or became acquainted with during the term of this Agreement, unless the products or service represented do not compete with any of the products or services manufactured, assembled, distributed, offered or sold by Employer.

(b) While this Agreement is in effect, and for a period of one year after termination of this Agreement, Executive will not solicit any of Employer's employees for a competing business or otherwise induce or attempt to induce such employees to terminate their employment with Employer.

Non-Compete.

The parties acknowledge that Executive has acquired or will acquire much knowledge and information concerning Employer's business and Customers as the result of Executive's engagement. The parties further acknowledge that the scope of business in which Employer is engaged is nationwide and very competitive, that such business is one in which few companies can compete successfully, and that competition by Executive in that business would injure Employer severely. Accordingly, Executive agrees that during the period of this Agreement and for a period of one year following termination of this Agreement, Executive will not take any of the following actions within the United States, and additionally, if Executive had directly or through his subordinate employees an assigned territory outside the United States, in the territory or territories Executive or such employees worked in on behalf of Employer:

(a) Persuade or attempt to persuade any potential customer or client to which Employer has made a proposal or sale, or with which Employer has been having discussions, not to transact business with Employer, or instead to transact business with another person or organization;

(c) Solicit the business of any company that is a customer or client of Employer, provided, however, if Executive becomes employed by or represents a business that exclusively sells products or services that do not compete with products or services then marketed or intended to be marketed by Employer, such contact shall be permissible.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective

Date.

Executive:
Name: David J. Ide

Name:	David J. Ide
Modavox:	
By:	Shelly J. Meyers
Title:	Chairwoman
Date:	April 22, 2009

EXHIBIT 10.13

Executive Employment Agreement

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of August 1, 2007 (the "Effective Date") by and between Modavox, Inc., a Delaware corporation ("Employer"), and Nathaniel T. Bradley, an individual ("Executive").

Executive has worked for Employer for some time in various capacities, and both parties wish to modify the previous relationship and provide new mutual promises and assurances that will define the nature and terms and conditions of their continuing relationship. Therefore, in consideration of Executive's recent resignation from the offices of Chairman of the Board and Executive Vice President of Employer, the recitals stated in this paragraph and the mutual promises, acknowledgments and representations contained herein, the parties agree as follows:

1. Employment and Duties. Executive will work exclusively and on a full-time basis for Employer and shall devote his best efforts to accomplishing the goals and objectives established by Employer's CEO and the Board of Directors of Employer (the "Board"). Unless excused by the CEO, failure to accomplish the goals and objectives established by Employer's CEO or the Board shall be deemed a breach of this Agreement by Executive. Executive's title shall be Chief Technology Officer, in which capacity Executive shall have general responsibility for Employer's intellectual property, computer systems and information and other technologies that support Employer's goals, subject to the direction and control of the CEO. Executive shall also provide direction and assistance to other employees of Employer with respect to technology related issues and perform such other duties related to Employer's intellectual property, computer systems and information and other technologies as may be assigned to him from time to time by the CEO. Executive will not be a corporate officer of Employer. Executive shall report to the CEO and shall present all issues of policy or strategy to the CEO for decision. Executive's title and duties may be changed from time to time in the CEO's discretion.

2. Term. Employment under this Agreement shall commence on the effective date and shall continue for a period of one year, unless earlier terminated as set forth in Section 5 below. Thereafter, this Agreement shall automatically renew for additional one-year terms unless either party gives the other written notice of non-renewal at least 30 days prior to the expiration of the initial term or any renewal term.

3. Compensation.

(a) Base Salary. Employer agrees to pay Executive a base salary, before deducting all applicable withholdings, at the rate of $150,000 per year, which shall be payable in accordance with Employer's standard payroll policies as they may be revised from time to time. Employer shall consider increases in the annual rate of pay to be effective on August 1st of each year, commencing August 1, 2008, but whether any increase occurs shall be up to the CEO or Board acting in its sole discretion. Employer reserves the right to adjust Executives compensation based on goals set forth by CEO or Board of Directors.

(b) Incentive Bonus. Executive shall be entitled to participate in a bonus plan for Employer's executives. By meeting specific objectives established by the CEO, Executive may be able to earn, in addition to his base salary, an incentive bonus of up to 20% of Executive's base salary per year based one-half on Executive's individual performance, (as evaluated by the CEO) and one-half on achieving budgeted pre-tax income goals for the company or a specified division in which executive is involved. This incentive bonus will be paid on an annual basis not later than August 15th of each following year. Employer reserves the right to adjust Executives compensation based on goals set forth by CEO or Board of Directors.

(c) Stock Options. In the discretion of the Board or Compensation Committee of the Board, Executive may also be entitled to receive options to acquire shares of the common stock of Employer at the fair market value of such common stock at the time of grant. The options will be granted from an option plan maintained by Employer and will be subject to Employer's standard terms of grant.

4. Benefits. In addition to the compensation described above, while Executive is employed, Employer shall provide Executive the benefits described in this Section. All benefits shall terminate upon expiration or termination of this Agreement and, except as specifically stated herein, unused benefits shall have no cash value and shall not be compensated to Executive upon termination or expiration of this Agreement.

(a) Health and Medical Insurance. Employer shall pay for and provide Executive with the same types of health, medical, dental and vision insurance, if any, as are provided from time to time to all Employer's executive-level employees.

(b) Life Insurance. Employer may purchase a term life insurance policy on Executive's life, with benefits payable to Employer and Employee designate. Executive agrees to cooperate with Employer's efforts to obtain any such policy.

(c) Vacation. Executive shall be entitled to two weeks (10 business days) vacation time annually. Executive may accumulate his unused vacation time up to a maximum of four weeks, and any such accrued, but unused vacation time, shall be the basis for cash compensation upon the termination of Executive's employment.

(d) Expense Reimbursement. Employer shall, upon receipt of appropriate documentation, reimburse Executive for his reasonable travel, lodging and other ordinary and necessary business expenses consistent with Employer's policies as in effect from time to time. Reimbursement for air travel shall be limited to economy fares. Reimbursement for hotel stays shall be at the lower of standard, or actual, room

rates. All travel bonus miles and points shall accrue to the benefit of Executive. Reimbursement for travel by private automobile shall be at U.S. Government (GSA) rates, as adjusted from time to time, but no reimbursement shall be made for commuting between any residence of Executive and Executive's principal office at Employer's facilities. Employee with adhere to company policy related to expense reimbursement as outlined in Employers Company Handbook.

(e) 401(k) Program. Executive will be eligible to participate in Employer's 401(k) retirement program under the same terms as those applicable to Employer's other employees.

5. Termination. The Board may terminate Executive's employment at any time in the manner provided herein. Executive may terminate Executive's employment at any time upon delivery of 30 days written notice. If Executive is serving as a member of Employer's Board, Executive agrees to resign from the Board immediately upon termination of his employment under this Agreement. This Agreement shall survive the termination of Executive's employment to the extent reasonably contemplated by the terms hereof.

(a) Notice of Non-Renewal. Notice of non-renewal shall be given in writing at least 30 days prior to expiration of the then current term, in which case, this Agreement shall not be automatically renewed and shall terminate upon expiration of the then current term.

(b) For Cause. Employer may terminate this Agreement for Cause immediately by giving written notice to Executive stating the facts constituting such Cause. If Executive is terminated for Cause, Employer shall be obligated to pay Executive base salary at the current rate due him through the date of termination. For purposes of this section, "Cause" shall include: (1) material neglect of duties; (2) material failure to abide by the instructions or policies established by Employer or the Board; (3) Executive's material breach of this Agreement; (4) breach by Executive of any other material obligation to Employer; (5) the appropriation (or attempted appropriation) of a material business opportunity of Employer, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of Employer; (6) the misappropriation (or attempted misappropriation) of any of Employer's funds or property; (7) the conviction of (or its procedural equivalent) or the entering of a guilty plea or plea of no contest with respect to, a felony, or any other crime; (8) any willful or grossly negligent act that results in a misstatement in Employer's books of account; (9) any act or affiliation that causes or could cause Employer to lose public trust and confidence, market share, or respect; or (10) refusal to take or failure to pass a drug or alcohol test as required by Employer's policies.

(c) Without Cause. Employer may terminate this Agreement at any time immediately, without cause, by giving written notice to Executive. Within 72 hours after execution by Executive of a severance agreement and release having commercially reasonable terms, Employer shall pay to Executive the base salary due him through the date of termination plus an amount equal to base salary for the remaining months of the agreement, not to exceed twelve total months, less applicable withholdings. At it's sole discretion, the Board may provide additional compensation or benefits upon termination without cause.

(d) Incapacity. If during the term of this Agreement, Executive is unable to perform the essential duties described herein with or without a reasonable accommodation due to illness or other incapacity Employer shall have the right to terminate this Agreement without further obligation hereunder except for any amounts payable pursuant to disability plans, if any, generally applicable to Employer's employees.

(e) Death. If Executive dies during the term of this Agreement, this Agreement shall terminate immediately, and Executive's legal representatives shall be entitled to receive the base salary due Executive through the end of the month in which death occurs, and any other death benefits generally applicable to executive employees.

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6. Nondisclosure of Proprietary Information. Employer invents, develops, manufactures and markets processes and products that involve experimental or inventive work. Employer's success depends upon the protection of these processes and products by patent or by secrecy. Executive has had, or may have, access to Employer's "Proprietary Information." Access to this Proprietary Information is given to Executive only because Executive agrees to keep that information secret as follows:

(a) "Proprietary Information" shall mean: (a) any and all methods, inventions, improvements, information, data or discoveries, whether or not patentable, that are secret, proprietary, confidential or generally undisclosed, (including information originated or provided by Executive) in any area of knowledge, including information concerning trade secrets, processes, software, products, patents, inventions, formulae, apparatus, techniques, technical data, improvements, specifications, servicing, attributes and relative attributes relating to any of Employer's equipment, devices, processes or products; and (b) the identities of Employer's customers and potential customers ("Customers") including Customers Executive successfully cultivates or maintains during his employment under this Agreement using Employer's products, name or infrastructure; the identities of contact persons at Customers; the preferences, likes, dislikes and technical and other requirements of Customers and contact persons with respect to product types, pricing, sales calls, timing, sales terms, rental terms, lease terms, service plans, and other marketing terms and techniques; Employer's business methods, practices, strategies, forecasts, know-how, pricing, and marketing plans and techniques; the identity of key accounts; the identity of potential key accounts; and the identities of Employer's key Customer representatives and employees. Proprietary Information shall not be deemed to include (a) information that was known to Executive on a nonconfidential basis prior to his employment under this Agreement or (b) information that is or hereafter becomes known to the general public without a breach or fault on the part of Executive.

(b) Executive acknowledges that Employer has exclusive property rights to all Proprietary Information and Executive hereby assigns all rights he might otherwise possess in any Proprietary Information to Employer. Except as required in the performance of the duties of his employment with Employer, Executive will not at any time during or after the term of this Agreement, without the prior written consent of Employer, directly or indirectly use, communicate, disclose, disseminate, lecture upon, publish articles or otherwise put in the public domain, any Proprietary Information or any other information of a secret, proprietary, confidential or general undisclosed nature relating to Employer, its products, Customers, processes or services, including information relating to testing, research, development, manufacturing, marketing or selling.

(c) All documents, records, notebooks, notes, memoranda, databases, electronic storage devices and similar repositories containing Proprietary Information made or compiled by Executive at any time, including any and all copies thereof, are and shall be the property of Employer, shall be held by Executive in trust solely for the benefit of Employer, and shall be delivered to Employer by him upon termination of this Agreement or at any other time upon the request of Employer.

(d) Executive agrees to certify in writing upon termination of this Agreement that Executive no longer has in Executive's possession, custody or control any copies of any business documents generated at or relating to Employer nor any Proprietary Information, whether in hard copy, on a computer's hard drive, on disks or electronic storage devices or in any other form or media.

(e) Executive agrees to provide notification, at the start of any new engagement or employment, to all subsequent employers or contracting parties who are involved in any way in the same industries as Employer or are otherwise Employer's competitors or potential competitors, of the terms and conditions of this Agreement, along with a copy of this Agreement.

7. Inventions.

(a) For purposes of this, the term "Inventions" shall mean discoveries, concepts, and ideas, whether patentable or not, including improvements, know-how, data, processes, methods, formulae, and techniques, concerning any past, present or prospective Employer activities that Executive makes, discovers or conceives (whether or not during his normal employment hours or with the use of Employer's facilities, materials or personnel), either solely or jointly with others during his employment by Employer and, if based on or related to Proprietary Information, at any time after termination of such employment. All Inventions shall be solely the property of Employer and Executive agrees to perform the requirements of this Section with respect thereto without the payment by Employer of any royalty or any consideration other than as provided in this Agreement.

(b) Executive shall maintain written notebooks in which he or she shall set forth on a current basis information as to all Inventions describing in detail the procedures employed and the results achieved as well as information as to any studies or research projects undertaken on Employer's behalf, whether or not in Executive's opinion a given project has resulted in an Invention. The written notebooks shall at all times be the property of Employer and shall be surrendered to Employer upon termination of employment upon request of Employer.

(c) Executive shall apply, at Employer's request and expense, for United States and foreign patents either in Executive's name or otherwise as Employer shall desire.

(d) Executive hereby assigns to Employer all rights to Inventions, and to applications for United States and/or foreign patents and to United States and/or foreign patents granted upon Inventions.

(e) Executive shall acknowledge and deliver promptly to Employer without charge to Employer but at its expense such written instruments (including applications and assignments) and do such other acts, such as giving testimony in support of Executive's inventorship, as may be necessary in the opinion of Employer to obtain, maintain, extend, reissue and enforce United States and/or foreign patents relating to the Inventions and to vest the entire right and title thereto in Employer or its nominee.

(f) Executive's obligation to assist Employer in obtaining and enforcing patents for Inventions in any and all countries shall continue beyond employment, but after the termination of Executive's employment, Employer shall compensate Executive at a reasonable rate for time actually spent at Employer's request on such assistance. If Employer is unable for any reason whatsoever to secure Executive's signature to any lawful and necessary document required to apply for or execute any patent application with respect to any Inventions, including renewals, extensions, continuations, division or continuations in part thereof, Executive hereby irrevocably designates and appoints Employer and its duly authorized officers and agents, as his agents and attorneys-in-fact to act for and in his behalf and instead of Executive, to execute and file any application and to do all other lawful permitted acts to further the prosecution and issuance of patents with the same legal force and effect as if executed by Executive.

(g) As a matter of record, Executive has identified on Exhibit A attached hereto all inventions or improvements relevant to the activity of Employer which have been made or conceived or first reduced to practice by Executive alone or jointly with others prior to his employment by Employer, that he desires to remove from the operation of this section and Executive covenants that such list is complete. If there is no such list or if no Exhibit A is attached, Executive represents that he has made no such inventions and improvements at the time of signing this Agreement.

(h) Executive will not assert any rights under any inventions, discoveries, concepts or ideas, or improvements thereof, or know-how related thereto, as having been made or acquired by him prior to his employment by Employer or during the term of his employment pursuant to this Agreement if based on or otherwise related to Proprietary Information.

8. Shop Rights. Employer shall also have the royalty-free right to use in its business, and to make, use and sell products, processes and/or services derived from any inventions, discoveries, concepts and ideas, whether or not patentable, including processes, methods, formulas and techniques, as well as improvements thereof or know-how related thereto, which are not within the scope of Inventions as defined in Section 7 but which are conceived or made by Executive during the period he is engaged by Employer or with the use or assistance of Employer's facilities, materials or personnel.

9. Non-solicitation of Customers or Executives of Employer.

(a) For a period of one year after termination of this Agreement, Executive agrees not to solicit or call on any Customer of Employer whom Executive solicited, called on, learned of, or became acquainted with during the term of this Agreement, unless the products or service represented do not compete with any of the products or services manufactured, assembled, distributed, offered or sold by Employer.

(b) While this Agreement is in effect, and for a period of one year after termination of this Agreement, Executive will not solicit any of Employer's employees for a competing business or otherwise induce or attempt to induce such employees to terminate their employment with Employer.

10. Exclusive Engagement. While this Agreement is in effect, Executive shall not, without Employer's express written consent, engage in any employment, consulting activity or business other than for Employer. Activity as a passive investor in or outside director for another business enterprise shall not be considered a violation of this section for so long as such business enterprise is not competing or conducting business with Employer and so long as such activities do not adversely impact the performance of the duties of his employment with Employer.

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11. Non-Compete. The parties acknowledge that Executive has acquired or will acquire much knowledge and information concerning Employer's business and Customers as the result of Executive's engagement. The parties further acknowledge that the scope of business in which Employer is engaged is nationwide and very competitive, that such business is one in which few companies can compete successfully, and that competition by Executive in that business would injure Employer severely. Accordingly, Executive agrees that during the period of this Agreement and for a period of one year following termination of this Agreement, Executive will not take any of the following actions within the United States, and additionally, if Executive had directly or through his subordinate employees an assigned territory outside the United States, in the territory or territories Executive or such employees worked in on behalf of Employer:

(a) Directly or indirectly, sell or attempt to sell products or services for or on behalf of any business that manufactures, assembles, distributes, offers or sells any products or services that compete with any services or products then manufactured, assembled, distributed, offered or sold by Employer;

(b) Persuade or attempt to persuade any potential customer or client to which Employer has made a proposal or sale, or with which Employer has been having discussions, not to transact business with Employer, or instead to transact business with another person or organization;

(c) Solicit the business of any company that has been a customer or client of Employer at any time during Executive's employment by Employer, provided, however, if Executive becomes employed by or represents a business that exclusively sells products or services that do not compete with products or services then marketed or intended to be marketed by Employer, such contact shall be permissible.

12. Compliance with Law and Amendment by Court: If there is any conflict between any provision of this Agreement and any statue, law, regulation or judicial precedent, the latter shall prevail, but the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any part of this Agreement shall be held by a court of proper jurisdiction to be indefinite, invalid or otherwise unenforceable, the entire Agreement shall not fail on account thereof, but: (i) the balance of the Agreement shall continue in full force and effect unless such construction would clearly be contrary to the intention of the parties or would result in an unconscionable injustice; and (ii) the court shall amend the Agreement to the extent necessary to make the Agreement valid and enforceable.

13. Freedom From Engagement Restrictions. Executive represents and warrants that Executive has not entered into any agreement, whether express, implied, oral, or written, that poses an impediment to Executive's employment by Employer including Executive's compliance with the terms of this Agreement. In particular, Executive is not subject to a preexisting non-competition agreement, and no restrictions or limitations exist respecting Executive's ability to perform fully Executive's obligations with Employer including Executive's compliance with the terms of this Agreement.

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14. Third Party Trade Secrets. During the term of this Agreement, Executive agrees not to copy, refer to, or in any way use information that is proprietary to any third party (including any previous employer). Executive represents and warrants that Executive has not improperly taken any documents, listings, hardware, software, discs, electronic storage devices, or any other tangible medium that embodies Proprietary Information from any third party, and that Executive does not intend to copy, refer to, or in any way use information that is proprietary to any third party in performing duties for Employer.

15. Injunctive Relief; Legal Fees. Executive acknowledges that any breach of this Agreement is likely to result in irreparable and unreasonable harm to Employer, that damages caused by a breach would be extremely difficult to calculate, and that injunctive relief, as well as damages, would be appropriate. If Executive breaches this Agreement, Executive shall promptly reimburse Employer for all legal fees (and disbursements) incurred by Employer to enforce this Agreement or to pursue remedies arising as a result of such breach.

16. Successors and Assigns. This Agreement shall be binding upon Executive, his heirs, executors, assigns, and administrators and shall inure to the benefit of Employer, its successors, and assigns.

17. Prior Agreements; Waiver. If Executive currently has a written confidentiality or non-compete agreement with Employer, this Agreement will supersede all provisions of that agreement that cover the same subject matter as this Agreement. This Agreement constitutes the entire Agreement between the parties pertaining to the subject matter contained in it and supersedes those provisions of all prior and contemporaneous agreements, representations and understandings of the parties pertaining to the same subject matter including the employment agreement between the parties executed during 2006. No waiver of any of the provisions of this Agreement shall be deemed to, or shall constitute a waiver of, any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

18. Governing Law and Venue. Arizona law shall govern the construction and enforcement of this Agreement and the parties agree that any litigation pertaining to this Agreement shall be in courts located in Maricopa County, Arizona, and each of the parties consents to the exclusive jurisdiction of such courts and waives any objection to the jurisdiction or venue of such courts.

19. Construction. The language in all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for nor against any party. The Section headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. All terms used in one number or gender shall be construed to include any other number or gender as the context may require. The parties agree that each party has reviewed this Agreement and has had the opportunity to have counsel review the same and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation. ”

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20. Nondelegability of Executive’s Rights and Employer Assignment Rights. The obligations, rights and benefits of Executive hereunder are personal and may not be delegated, assigned or transferred in any manner whatsoever, nor are such obligations, rights or benefits subject to involuntary alienation, assignment or transfer. Upon reasonable notice to Executive, Employer may transfer Executive to an affiliate of Employer, which affiliate shall assume the obligations of Employer under this Agreement. This Agreement shall be assigned automatically to any entity merging with or acquiring Employer or its business.

21. Severability. If any term or provision of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable for any reason, this Agreement shall remain in full force and effect, and either (a) the invalid or unenforceable provision shall be modified to the minimum extent necessary to make it valid and enforceable or (b) if such a modification is not possible, this Agreement shall be interpreted as if such invalid or unenforceable provision were not a part hereof.

22. Attorneys’ Fees. Except as otherwise provided herein, if any party hereto institutes an action or other proceeding to enforce any rights arising out of this Agreement, the party prevailing in such action or other proceeding shall be paid all reasonable costs and attorneys’ fees by the non-prevailing party, such fees to be set by the court and not by a jury and to be included in any judgment entered in such proceeding.

23. Indemnification. Company agrees to indemnify and defend Executive from and against, any and all liability, loss, damage, cost or expense arising from Executive’s performance of his duties under this Agreement except for claims or damages caused by the gross negligence or willful misconduct of Executive.

24. Notices. All notices required or permitted hereunder shall be in writing and shall be deemed duly given upon receipt if personally delivered, sent by U.S. certified mail, return receipt requested, or sent by a nationally-recognized overnight courier service, addressed to the parties as follows:

If to Employer: Modavox, Inc.
Attn: CEO
4636 E. University Drive
Suite 275
Phoenix, AZ 85034

With a copy to:
P. Robert Moya, Esq.
Quarles & Brady LLP
Renaissance One
Two North Central Avenue
Phoenix, AZ 85004-2391

If to Executive: At the address set forth following Executive's signature on the last page of this Agreement

or to such other address as any party may provide in writing to the other.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

EMPLOYER:

By: _____
Name: David J. Ide
Title: Chief Executive Officer
Date: August 6, 2007

EXECUTIVE:

_____
Nathaniel T. Bradley
Date: _____
Address: _____
_____
_____

Exhibit 10.14

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT dated as of July 15, 2009 (the "Agreement") between Modavox, Inc., a Delaware corporation, or any successor thereto ("Company"), and Anthony Iacovone ("Executive").

WHEREAS, the Company desires to employ Executive as its Chief Business Development Officer upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the Company and Executive hereby agree as follows:

Article I.

DEFINITIONS

The terms set forth below have the following meanings (such meanings to be applicable to both the singular and plural forms, except where otherwise expressly indicated):

1.1 "Accrued Annual Bonus" means the amount of any Annual Bonus earned but not yet paid with respect to the Year ended prior to the Date of Termination.

1.2 "Accrued Base Salary" means the amount of Executive's Base Salary which is accrued but not yet paid as of the Date of Termination.

1.3 "Affiliate" means any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, the Company. For the purposes of this definition, the term "control" when used with respect to any Person means the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

1.4 "Agreement" – see the recitals to this Agreement.

1.5 "Agreement Date" means the date that is specified in the recitals to this Agreement.

1.6 "Anniversary Date" means any annual anniversary of the Agreement Date.

1.7 "Annual Bonus" – see Section 4.2(a).

1.8 "Annualized Total Compensation" means, as of any date, the sum of Executive's Base Salary as of such date and Target Annual Bonus applicable to the Year that includes such date.

1.9 "Base Salary" – see Section 4.1.

1.10 "Beneficiary" – see Section 9.3.

1.11 "Board" means the Board of Directors of the Company.

1.12 "Cause" means any of the following:

(a) Executive's conviction of a felony or of a misdemeanor involving fraud, dishonesty or moral turpitude, or

(b) Executive's willful or intentional material breach of this Agreement, or grossly neglects his duties under this Agreement, that results, or in all probability is likely to result, in financial detriment that is material to the Company.

(c) a repeated failure by Executive to follow the written directives of the Board or any written Company policy or guidelines expressly approved by the Board which results, or in all probability is likely to result, in financial detriment that is material to the Company; provided, however, that (a) if Executive initially refused to obey the written directives of the Board, Executive is furnished a written statement by the Board that it believes in good faith that the acts or non-acts being directed are in the best interests of the Company, and (b) Executive is provided the opportunity to discuss with the Board its reasons for not complying with the Board's directives, and provided further that following the written directive of the Board would not cause Executive to commit any illegal act or engage in any illegal course of conduct.

For purposes of clause (b) of the preceding sentence, Cause shall not include any one or more of the following:

(i) bad judgment,

(ii) ordinary negligence,

(iii) any act or omission that Executive believed in good faith to have been in or not opposed to the interest of the Company (without intent of Executive to gain therefrom, directly or indirectly, a profit to which he was not legally entitled), or

(iv) any act or omission of which any member of the Board who is not a party to such act or omission has had actual knowledge for at least 12 months.

1.13 "Change of Control" means any of the following events:

(a) individuals who, as of the Agreement Date, constitute the Board (the "Incumbent Directors") cease for any reason to constitute a majority of the members of the Board; provided that any individual who becomes a director after the Agreement Date whose election or nomination for election by the Company's shareholders was approved by a majority of the members of the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with any action or threatened "election contest" relating to the election of the directors of the Company (as such terms are used in Rule 14a-11 under the Exchange Act), "tender offer" (as such term is used in Section 14(d) of the Exchange Act) or a proposed Merger (as defined below)) shall be deemed Incumbent Directors and to be members of the Incumbent Board; or

(b) approval by the stockholders of the Company of either of the following:

(i) a merger, reorganization, consolidation or similar transaction (any of the foregoing, a "Merger"), as a result of which the Persons who were the respective beneficial owners of the outstanding Common Stock and Voting Securities of the Company immediately before such Merger are not expected to beneficially own, immediately after such Merger, directly or indirectly, more than 60% of, respectively, the common stock and the combined voting power of the Voting Securities of the corporation resulting from such Merger in substantially the same proportions as immediately before such Merger,

(ii) a plan of liquidation of the Company or a plan or agreement for the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, there shall not be a Change in Control if, in advance of such event, Executive agrees in writing that such event shall not constitute a Change in Control.

1.14 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.15 "Committee" means the Compensation Committee of the Board.

1.16 "Common Stock" means the common stock, $.0001 par value, of the Company.

1.17 "Company" – see the recitals to this Agreement.

1.18 "Date of Termination" means the effective date of a Termination of Employment for any reason, including death or Disability, whether by either of the Company or by Executive.

1.19 "Disability" means a mental or physical condition which, in the opinion of the Board, renders Executive unable or incompetent to carry out the material job responsibilities which such Executive held or the material duties to which Executive was assigned at the time the disability was incurred, which has existed for at least three (3) months and which in the opinion of a physician mutually agreed upon by the Company and Executive (provided that neither party shall unreasonably withhold his agreement) is expected to be permanent or to last for an indefinite duration or a duration in excess of a total of six (6) months.

1.20 "Employment Period" – see Section 3.1.

1.21 "Exchange Act" means the Securities Exchange Act of 1934.

1.22 "Executive" – see the recitals to this Agreement.

1.23 "Fair Market Value" means, as of any date, (a) the average of the high and low prices of the Common Stock on such date reported on the national securities exchange on which the Company is listed (or, if no sale of the Common Stock was reported for such date, on the next preceding date on which such a sale of security was reported), (b) if the Common Stock is not listed on any national securities exchange, the average of the high bid and low asked quotations for the Common Stock on such date un the over-the-counter market (or, if no quotation of the Common Stock was reported for such date, on the next preceding date on which such a quotation of such security was reported), or (c) if there is no public market for the Common Stock, the fair market value for the Common Stock determined by the Committee in the good faith exercise of its discretion.

1.24 "Good Reason" means the occurrence of any one or more of the following events unless Executive specifically agrees in writing that such event shall not be Good Reason:

(a) any material breach of this Agreement by the Company, including:

(i) the failure of the Company to comply with the provisions of Articles II, III, IV, V, or VI of this Agreement;

(ii) any material adverse change in the status, responsibilities or prerequisites of Executive;

(iii) causing or requiring Executive to report to anyone other than the Chief Executive Officer of the Company or the Board; or

(iv) assignment of duties materially inconsistent with his position and duties described in this Agreement,

(b) the failure of the Company to assign this Agreement to a successor to the Company or failure of a successor to the Company to explicitly assume and agree to be bound by this Agreement, or an Agreement with materially identical terms, but, for example, with stock options in a successor rather than the Company,

(c) requiring Executive to be principally based at any office or location more than ten miles from Executive's current offices in the New York, NY metropolitan area.

(d) the delivery of Executive of a Notice of Consideration pursuant to Section 7.1(d) if, within a period of 90 days thereafter, the Board fails for any reason to terminate Executive for Cause in compliance with all of the substantive and procedural requirements of Section 7.1, or

(e) a Termination of Employment by Executive for any reason or no reason during the 30-day period commencing 12 months after a Change of Control.

1.25 "Including" means including without limitation.

1.26 "Initial Option" – see Section 5.1.

1.27 "Notice of Consideration" – see Section 7.1(b).

1.28 "Option" means an option to purchase shares of Common Stock.

1.29 "Option Term" – see Section 5.2(d).

1.30 "Permitted Transferee" means the spouse of Executive, a lineal descendent of Executive or a spouse of a lineal descendant of Executive or a trust, limited partnership or other entity principally benefiting all or a portion of such individuals.

1.31 "Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

1.32 "Prorata Annual Bonus" means (a) the product of the amount of the Bonus to which the Board determines Executive would have been entitled if he had been employed by the Company on the last day of the Year that includes the Termination Date, and if Executive had achieved his Target Annual Goals for such Year, multiplied by (b) a fraction of which the numerator is the number of days which would have elapsed in such Year through the Date of Termination and the denominator is 365.

1.33 "Severance Payment" means the payment of a multiple of Executive's Annualized Total Compensation pursuant to Section 7.3 or Section 7.4, as applicable.

1.34 "Subsequent Options" – see Section 5.1(a).

1.35 "Subsidiary" means, with respect to any Person, (a) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by such Person, and (b) any partnership in which such Person has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) or more than 50%.

1.36 "Taxes" means the incremental United States federal, state and local income, excise and other taxes payable by Executive with respect to any applicable item of income.

1.37 "Termination for Good Reason" means a Termination of Employment by Executive for a Good Reason, whether during or after the Employment Period.

1.38 "Termination of Employment" means a termination by the Company or by Executive of Executive's employment by the Company.

1.39 "Termination without Cause" means a Termination of Employment by the Company for any reason other than Cause or Executive's death or Disability, whether during or after the Employment Period, including Termination of Employment at the end of the Employment Period after the Company's giving a Notice of Non-Renewal.

1.40 "Witholding Taxes" means any United States federal, state, local or foreign withholding taxes and other deductions required to be paid in accordance with applicable law by reason of compensation received pursuant to this Agreement.

1.41 "Year" means a calendar year period ending December 31.

Article II.

DUTIES

2.1 Duties. The Company shall employ Executive during the Employment Period as its Chief Legal Officer. During the Employment Period, Executive shall perform the duties properly assigned to him hereunder and shall use his reasonable best efforts to promote the interests of the Company.

2.2 Other Activities. Executive may serve on non-competitive corporate, civic or charitable boards or committees, teach at educational institutions or engage in other non-competitive business interests and manage personal investments; provided that such activities do not individually or in the aggregate significantly interfere with the performance of his duties under this Agreement.

Article III.

EMPLOYMENT PERIOD

3.1 Employment Period. Subject to the termination provisions hereinafter provided, the term of Executive's employment under this Agreement shall begin on the Agreement Date and shall remain in effect until terminated by either Executive or the Company as described herein (the "Employment Period"). The employment of Executive by the Company shall not be terminated other than in accordance with Article VII.

Article IV.

COMPENSATION

4.1 Salary. The Company shall pay Executive in accordance with its normal payroll practices (but not less frequently than monthly) an annual salary at a rate of $140,000 per year ("Base Salary"). During the Employment Period, the Base Salary shall be reviewed at least annually by the Committee after consultation with Executive and may from time to time be increased as determined by the Committee. Effective as of the date of any such increase, the Base Salary as so increased shall be considered the new Base Salary for all purposes of this Agreement and may not thereafter be reduced. Any increase in Base Salary shall not limit or reduce any other obligation of the Company to Executive under this Agreement, unless otherwise expressly agreed by the parties.

4.2. Annual Bonus.

(a) At the discretion of the Board, Executive shall be eligible for an annual cash bonus ranging from zero to 33% of his Base Salary ("Annual Bonus") in accordance with the terms hereof for each Year which begins during the Employment Period.

(b) In determining whether Executive is to receive an Annual Bonus, the Board shall consider whether Company has a positive operating cash flow in the applicable Year and whether Executive has achieved his target performance goals (the "Target Annual Goals") initially drafted by Executive and edited and approved by the Committee after consulting with Executive on an annual basis. Such performance goals shall be provided by Executive within a reasonable time to allow of finalization by the Committee within 90 days after the first day of the applicable Year.

(c) The Company shall pay the entire Annual Bonus that is payable with respect to a Year in a lump-sum cash payment as soon as practicable after the Committee can determine whether and the degree to which Maximum Annual Goals or Target Annual Goals have been achieved following the close of such Year. Any such Annual Bonus shall in any event be paid within 30 days after the end of the Year.

Article V.

STOCK GRANTS

5.1 Option Grants. As an inducement to Executive to enter into this Agreement, the Company shall grant to Executive an Option to purchase (i) 250,000 shares of Common Stock (with a Date of Grant of July 8, 2009) and (ii) 100,000 shares of Common Stock (with a Date of Grant of December 7, 2009) (collectively, such Option grants referred to herein as the "Initial Option"). Although the Company and Executive intend the Initial Option to be in lieu of normal annual or other option grants through the end of the Year 2010, the Committee may at any time in its discretion consider Executive for possible future annual or other grants of Options (such Options collectively, the "Subsequent Options") and, commencing in the Year 2011, shall at least once during each Year consider Executive for a grant of a Subsequent Option.

5.2 Terms & Conditions of Options.

(a) The Initial Option and each Subsequent Option shall be subject to the terms and conditions specified in paragraphs (b) or (c) of this Section, respectively, and shall also be subject to the terms and conditions specified in paragraph (d) of this Section.

(b) The Initial Option:

(i) shall have an exercise price equal to 100% of the Fair Market Value of the Common Stock on the date on which the Stock Option grant is approved by the Board or the Committee.

(ii) shall become vested/exercisable at a rate of 1/36th per month for a vesting period of thirty six (36) months for as long as Executive remains employed by the Company; provided, however, that the Initial Option shall immediately become 100% vested/exercisable upon a Termination of Employment by reason of the death or Disability, a Termination Without Cause, a Termination for Good Reason, or a Change of Control.

(c) Each Subsequent Option shall in all other respects be on terms and conditions that are no less favorable to Executive than the terms and conditions applicable to Options granted at or about the same time to other senior executives of the Company.

(d) The Initial Option and each Subsequent Option:

(i) shall have a term (the "Option Term") of at least ten (10) years;

(ii) may be exercised after the Date of Termination to the extent such Option was exercisable on such date (after giving effect to any acceleration of exercisability by reason of Termination of Employment):

(A) in the event of Termination of Employment by reason of death or Disability, a Termination for Good Reason, or a Termination without Cause, at any time or from time before the expiration of the applicable Option Term, or

(B) in the event of any other Termination of Employment, at any time or from time to time during the five-year period commencing on the Date of Termination, but not after the expiration of the applicable Option Term;

(iii) shall not be transferable by Executive during his lifetime except to a Permitted Transferee; and

(iv) shall be cancelled in the event of a merger or consolidation pursuant to the terms of which cash is to be paid for each share of Common Stock then outstanding, such cancellation to be effective immediately before the consummation of such merger or consolidation, subject to the immediate payment by the Company of a cash amount to Executive equal to the Option Spread (as defined below). The "Option Spread" applicable to an Option shall equal the product of the number of shares of Common Stock subject to such Option multiplied by the positive difference, if any, between the cash amount to be paid for each share of Common Stock in such merger or consolidation and the exercise price of such Option.

(e) In the event of a Merger (as defined in 1.13(b)(i), pursuant to which Company shares are exchanged for or converted into other securities or property, the Board shall appropriately adjust each outstanding vested Option (including exercise price, as appropriate) such that, upon exercise thereof, each Option will entitle the holder to receive the securities and/or property that such holder would have received had the Option been exercised immediately prior to upon payment of the applicable exercise price of such option.

5.3 Manner of Exercise of Options. Any Option or any part thereof shall be exercised by Executive, his Permitted Transferee or, if after his death, a Beneficiary by a written notice to the Company stating the number of shares of Common Stock with respect to which the Option is being exercised and the form of payment of the exercise price of the Option and any related Withholding Taxes. Such payment may be made in any one or more of the following forms:

(a) cash, or

(b) previously-owned shares of Common Stock (which, if acquired from the Company or an Affiliate, shall have been held by Executive for at least six (6) months) valued at their Fair Market Value on the date of exercise.

The Company shall deliver the purchased shares of Common Stock promptly after its receipt of notice of exercise and payment.

5.4 Adjustment of Options. If any dividend is declared on the Common Stock which is payable in Common Stock, the number of shares of Common Stock to which any Option is subject shall be multiplied by (and the exercise price of such Option shall be divided by) the sum of the number 1.0 plus the number of shares of Common Stock (including any fraction thereof) payable as a dividend on each share of Common Stock. In the event of any change in the number or kind of outstanding shares of Common Stock by reason of any recapitalization, reorganization, merger, consolidation, stock split or any similar change affecting the Common Stock (other than a dividend payable in Common Stock), the Company shall make an appropriate adjustment in the number of shares of Common Stock and exercise price applicable to each Option so that, after such adjustment, the Option shall represent a right to receive, upon payment of the same aggregate exercise price as in effect immediately before such adjustment, the same consideration (or of such consideration is not available, other consideration of the same value) that Executive would have been entitled to receive before such recapitalization, reorganization, merger, consolidation, stock split or other change affecting the Common Stock.

Article VI.

OTHER BENEFITS

6.1 Incentive, Savings & Retirement Plans. In addition to Base Salary and an Annual Bonus, Executive shall be entitled to participate during the Employment Period in all incentive, savings, and retirement plans, practices, policies and programs that are from time to time applicable to other senior executives of the Company.

6.2 Welfare Benefits. During the Employment Period, Executive and/or his family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare plans, practices, policies and programs provided by the Company (including medical, prescription, dental, disability, salary continuance, employee life, group life, dependent life, accidental death and travel accident insurance plans and programs) applicable to other senior executives of the Company.

6.3 Fringe Benefits. During the Employment Period, Executive shall be entitled to all fringe benefits that are from time to time available to other senior executives of the Company.

6.4 Vacation. During the Employment Period, Executive shall be entitled to paid vacation in accordance with the plans, practices, policies, and programs applicable to other senior executives of the Company, but in no event shall such vacation time be less than three (3) weeks per calendar year.

6.5 Expenses. During the Employment Period, Executive shall be entitled to receive prompt reimbursement for all reasonable employment-related expenses incurred by Executive upon the receipt by the Company of accounting in accordance with practices, policies and procedures applicable to other senior executives of the Company.

6.6 Insurance. The Company will at all times during the Employment Period maintain D&O and Fiduciary insurance policies which policies cover the acts and omissions of Executive in furtherance of his duties hereunder.

6.7 Indemnification; Legacy Matters. In addition to any other protections afforded to Executive under the Company's By-Laws, Articles of Incorporation, corporate charters or governing documents, and applicable law, the Company agrees to fully indemnify and hold harmless Executive for all liabilities, losses or expenses incurred by Executive, including attorney's fees ("Losses"), to the extent such Losses relate to any act or omission of the Company, including any act or omission of any employee, agent or representative of the Company, regarding any action, transaction, matter or omission that occurred (or should have occurred) prior to the Agreement Date, including all legacy legal matters, or to the extent such Losses arise due to acts or omissions with respect to which Executive was not informed or involved.

Article VII.

TERMINATION BENEFITS

7.1 Termination for Cause or Other than for Good Reason, or Death or Disability

(a) If the Company terminates Executive's employment for Cause or Executive terminates his employment other than for Good Reason, death or Disability, the Company shall pay to Executive immediately after the Date of Termination an amount equal to the sum of Executive's Accrued Base Salary and Accrued Annual Bonus, and Executive shall not be entitled to receive any Severance Payment.

(b) The Company may not terminate the Executive's employment for Cause unless:

(i) no fewer than 60 days prior to the Date of Termination, the Company provides Executive with written notice (the "Notice of Consideration") of its intent to consider termination of Executive's employment for Cause, including a detailed description of the specific reasons which form the basis for such consideration;

(ii) for a period of not less than 30 days after the date Notice of Consideration is provided, Executive shall have the opportunity to appear before the Board, with or without legal representation, at Executive's election, to present arguments and evidence on his own behalf; and

(iii) following the presentation to the Board as provided in (ii) above or Executive's failure to appear before the Board at a date and time specified in the Notice of Consideration (which date shall not be less than 30 days after the date the Notice of Consideration is provided), Executive may be terminated for Cause only if (x) the Board, by the affirmative vote of all of its members (excluding Executive if he is a member of the Board, and any other member of the Board reasonably believed by the Board to be involved in the events leading the Board to terminate the Executive for Cause), determines that the actions or inactions of Executive specified in the Notice of Termination occurred, that such actions or inactions constitute Cause, and that Executive's employment accordingly should be terminated for Cause; and (y) the Board provides Executive with a written determination (a "Notice of Termination for Cause") setting forth in specific detail the basis of such Termination of Employment, which Notice of Termination for Cause shall be consistent with the reasons set forth in the Notice of Consideration.

Unless the Company establishes both (i) its full compliance with the substantive and procedural requirements of this Section 7.1 prior to a Termination of Employment for Cause, and (ii) that Executive's action or inaction specified in the Notice of Termination for Cause did occur and constituted Cause, any Termination of Employment shall be deemed a Termination Without Cause for all purposes of this Agreement.

(c) After providing a Notice of Consideration pursuant to the provisions of Section 7.1(b), the Board may, by the affirmative vote of all of its members (excluding for this purpose Executive if he is a member of the Board, and any other member of the Board reasonably believed by the Board to be involved in the events issuing the Notice of Consideration), suspend Executive with pay until a final determination pursuant to such Section 7.1(b) has been made.

7.2 Termination for Death or Disability. If Executive's employment terminates during the Employment Period due to his death or Disability, the Company shall pay to Executive or his Beneficiaries, as the case may be, immediately after the Date of Termination an amount which is equal to the sum of Executive's Accrued Base Salary, Accrued Annual Bonus and Prorata Bonus.

7.3 Termination Without Cause or for Good Reason. In the event of a Termination Without Cause or a Termination for Good Reason (whether during or after the Employment Period), Executive shall receive the following:

(a) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to the sum of Executive's Accrued Base Salary, Accrued Annual Bonus and Prorata Annual Bonus;

(b) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to (x) the product of one and one half (1.5) multiplied by (y) Executive's Annualized Total Compensation;

(c) immediately after the Date of Termination, a lump-sum amount in immediately available funds equal to the total amount for up to twelve (12) months (if any) of Executive's unvested benefits under any plan or program sponsored by the Company which is forfeited on account of Executive's employment being terminated, except unvested Subsequent Options.

7.4 Termination After a Change of Control. If a Termination Without Cause or a Termination for Good Reason occurs within two years after a Change of Control, then Executive shall receive the payments required by Section 7.3.

7.5 Other Termination Benefits. In addition to any amounts or benefits payable upon a Termination of Employment hereunder, Executive shall, except as otherwise specifically provided herein, be entitled to any payments or benefits provided hereunder or under the terms of any plan, policy or program of the Company or as otherwise required by applicable law.

Article VIII.

RESTRICTIVE COVENANTS

8.1 Non-solicitation of Employees; Confidentiality; Non-Competition.

(a) Executive covenants and agrees that, at no time during the Employment Period nor during the one-year period immediately following a Termination of Employment by the Company for Cause or by Executive for other than Good Reason, will Executive:

(i) directly or indirectly employ or seek to employ any person employed at that time by the Company or any of its Subsidiaries or otherwise encourage or entice any such person to leave such employment;

(ii) become employed by, enter into a consulting arrangement with, or otherwise agree to perform personal services for a Competitor (as defined in Section 8.1(b));

(iii) acquire an ownership interest in a Competitor; or

(iv) solicit vendors of the Company on behalf of or for the benefit of a Competitor.

(b) Executive covenants and agrees that, at no time during the Employment Period nor during the two-year period immediately following a Termination of Employment by the Company for Cause or by Executive for other than Good Reason, will Executive, directly or indirectly, solicit the Company's Customers for the purpose of selling such customer services then offered or available through Company. For the purposes of this Agreement.

(c) For purposes of this Section, "Competitor" means any Person which sells goods or services which are directly competitive with those sold by a business that (i) is being conducted by the Company or any Subsidiary at the time in question and (ii) was being conducted at the Date of Termination and, for the Company's most recently-completed fiscal year, contributed more than 10% of the Company's consolidated revenues. Notwithstanding anything to the contrary in this Section, goods or services shall not be deemed to be competitive with those of the Company solely as a result of Executive being employed by or otherwise associated with a business of which a unit in competition with the Company or a Subsidiary but as to which unit Executive does not have direct or indirect responsibilities for the products or services involved. "Company's Customers" shall mean all persons, firms, corporations, partnerships, limited liability companies and other legal entitles and all governmental bodies or agencies (including municipalities) for which Company is providing services as of the date of termination of Executive's employment with Company.

(d) Executive covenants and agrees that at no time during the Employment Period not at any time following any Termination of Employment will Executive communicate, furnish, divulge or disclose in any manner to any Person, or use, any Confidential Information (as defined in Section 8.1(d)) without the prior express written consent of the Company. After a Termination of Employment, Executive shall not, without the prior written consent of the Company, or as may otherwise be required by law or legal process, communicate or divulge such Confidential Information to anyone other than the Company and its designees.

(e) For purposes of this Section, "Confidential Information" shall mean financial information about the Company, contract terms with vendors and suppliers, customer and supplier lists and data, research and development, purchasing, accounting, marketing and selling practices, trade secrets and such other competitively-sensitive information to which Executive has access as a result of his positions with the Company, except that Confidential Information shall not include any information which was or becomes generally available to the public other than as a result of a wrongful disclosure by Executive, as a result of disclosure by Executive during the Employment Period which he reasonably and in good faith believes is required by the performance of his duties under this Agreement.

(f) This Article does not prohibit Executive from disclosing information compelled to be disclosed by applicable law or administrative regulation; provided that Executive, to the extent not prohibited from doing so by applicable law or administrative regulation, shall give the Company written notice of the information to be so disclosed pursuant to this subsection as far in advance of its disclosure as practicable.

8.2 Injunction. Executive acknowledges that monetary damages will not be an adequate remedy for the Company in the event of a breach of this Article VIII, and that is would be impossible for the Company to measure damages in the event of such a breach. Therefore, Executive agrees that, in addition to other rights that the Company may have, the Company is entitled to an injunction preventing Executive from any breach of this Article VIII.

Article IX.

MISCELLANEOUS

9.1. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action to mitigate the amounts payable to Executive under any of the provisions of this Agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned as a result of Executive's employment by another employer.

9.2. Legal Fees; Late Payments.

(a) If any contest or dispute shall arise between the Company and the Executive regarding any provision of this Agreement, the losing party shall reimburse the prevailing party for all legal fees and expenses reasonably incurred in connection with such contest or dispute, but only if the prevailing party prevails to a substantial extent with respect to its claims brought and pursued in connection with such contest or dispute. Such reimbursement shall be made as soon as practicable following the resolution of such contest or dispute (whether or not appealed) to the extent the losing party receives reasonable written evidence of such fees and expenses.

(b) If the Company fails to pay any cash amount owed under this Agreement when due, the Company shall pay interest on such amount at a rate equal to one percent (1%) per month (12 % per annum).

9.3. Beneficiary. If Executive dies prior to receiving all of the amounts payable to him in accordance with the terms of this Agreement, such amounts shall be paid to one or more beneficiaries (each, a "Beneficiary") designated by Executive in writing to the Company during his lifetime, or if no such Beneficiary is designated, to Executive's estate. Such payments shall be made in a lump sum to the extent so payable and, to the extent not payable in a lump sum, in accordance with the terms of this Agreement. Executive, without the consent of any prior Beneficiary, may change his designation of a Beneficiary or Beneficiaries at any time or from time to time by submitting to the Company a new designation in writing.

9.4. Assignment; Successors. The Company may not assign its rights and obligations under this Agreement without the prior written consent of Executive except to a successor of the Company's business which expressly assumes the Company's obligations hereunder in writing. This Agreement shall be binding upon and inure to the benefit of Executive, his estate and Beneficiaries, the Company and the successors and permitted assigns of the Company.

9.5. Nonalienation. Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, prior to actually being received by Executive or a Beneficiary, as applicable, and any such attempt to dispose of any right to benefits payable hereunder shall be void.

9.6. Severability. If one or more parts of this Agreement are declared by any court or government authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any part of this Agreement not declared to be unlawful or invalid. Any part so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such part to the fullest extent possible while remaining lawful and valid.

9.7. Captions. The names of the Articles and Sections of this Agreement are for convenience of reference only and do not constitute a part hereof.

9.8. Amendment; Waiver. This Agreement shall not be amended or modified except by written instrument executed by the Company and Executive. A waiver of any term, covenant, or condition contained in this Agreement shall not be deemed a waiver of any other term, covenant or condition, and any waiver of any default in any such term, covenant or condition shall not be deemed a waiver of any later default thereof.

9.9. Notices. All notices hereunder shall be in writing and delivered by hand, by nationally-recognized delivery service that guarantees overnight delivery, or by first-class, registered or certified mail, return receipt requested, postage pre-paid, addressed as follows:

If to the Company, to:

Modavox, Inc.
Attention: Chief Executive Officer
43 West 24th Street
11th Floor
New York, NY 10011

If to Executive, to:

Anthony Iacovone
34 Amityville Road
Melville, NY 11747

9.10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

9.11. Entire Agreement. This Agreement forms the entire agreement between the parties hereto with respect to the subject matter contained in this Agreement and, except as otherwise provided herein, shall supercede all prior agreements, promises and representations regarding employment, compensation, severance or other payments contingent upon termination of employment, whether in writing or otherwise.

9.12. Applicable Law. The Agreement shall be interpreted and construed in accordance with the laws of the State of New York, without regard to its choice of law principles.

9.13. Survival of Executive's Rights. All of Executive's rights hereunder, including his rights to compensation and benefits, and his obligations under Section 9.1 hereof, and all of Company's rights under Article VIII, shall survive the termination of Executive's employment and/or the termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in the date first above written.

EXECUTIVE:

_____
Anthony Iacovone

MODAVOX, INC.:

BY: _____

Its: _____

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Severini, the Chief Executive Officer and Principal Financial Officer of Augme Technologies, Inc. (fka Modavox Inc.), certify that:

1. I have reviewed this Annual Report on Form 10-K of Augme Technologies, Inc.;

2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Annual Report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the issuer’s disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the issuer’s internal control over financial reporting that occurred during the issuer’s most recent fiscal quarter (the issuer’s fourth fiscal year in the case of this annual report) that has materially affected, or is reasonably likely to materially affect, the issuer’s internal control over financial reporting; and

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5. I have disclosed, based on my most recent evaluation, to the issuer's auditors and the audit committee of issuer's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the issuer's ability to record, process, summarize and report financial data and have identified for the issuer's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal controls; and

6. I have indicated in this Annual Report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 1, 2010

/s/ Mark Severini
Mark Severini
Augme Technologies, Inc.
Chief Executive Officer and Principal Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Augme Technologies, Inc. (fka Modavox Inc. (the "Company")) on Form 10-K for the year ended February 28, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Severini, the Chief Executive Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) as applicable, of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents in all material respects, the financial condition and results of operation of the Company.

Date: June 1, 2010

/s/ Mark Severini
Mark Severini
Augme Technologies, Inc.
Chief Executive Officer and Principal Financial Officer