TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM309364

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MERGER
EFFECTIVE DATE:	10/10/2011

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Riverglass, Inc.		10/10/2011	CORPORATION:
Country Mutual Insurance Company		10/10/2011	COMPANY:

RECEIVING PARTY DATA

Name:	Allen Systems Group, Inc.
Street Address:	1333 Third Avenue South
City:	Naples
State/Country:	FLORIDA
Postal Code:	34102
Entity Type:	CORPORATION: DELAWARE
Name:	ASG RG M&A, INC.
Street Address:	1333 Third Avenue South
City:	Naples
State/Country:	FLORIDA
Postal Code:	34102
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 3

Property Type	Number	Word Mark
Serial Number:	76627715	RIVERGLASS
Serial Number:	78748140	RIVERGLASS DETECT
Serial Number:	78746692	RIVERGLASS RECON

CH $90.00 76627715

CORRESPONDENCE DATA

Fax Number: 2392133461

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 2394353661
Email: michael.kraus@asg.com
Correspondent Name: Allen Systems Group, Inc.
Address Line 1: 1333 Third Avenue South
Address Line 4: Naples, FLORIDA 34102

NAME OF SUBMITTER:	Michael Kraus
SIGNATURE:	/Michael Kraus/
DATE SIGNED:	07/01/2014

Total Attachments: 104
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AGREEMENT AND PLAN OF MERGER

Among

ALLEN SYSTEMS GROUP, INC.,

ASG RG M&A, INC.,

RIVERGLASS, INC.

and

COUNTRY MUTUAL INSURANCE COMPANY, as AGENT

October 10, 2011

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "**Agreement**") dated as of the 10th day of October, 2011, is by and among **ALLEN SYSTEMS GROUP, INC.**, a Delaware corporation ("**Parent**"), **ASG RG M&A, INC.**, a Delaware corporation and a wholly owned subsidiary of Parent ("**Merger Subsidiary**"), **RIVERGLASS, INC.**, a Delaware corporation (the "**Company**"), and **COUNTRY MUTUAL INSURANCE COMPANY**, as the initial Agent (the "**Agent**", which has designated **ANTE J. PERVAN**, as its initial sub-agent).

W I T N E S S E T H:

WHEREAS, the Boards of Directors of Parent, Merger Subsidiary and the Company deem it advisable and in the best interests of their respective members and stockholders to effect the merger hereafter provided for, in which Merger Subsidiary would merge with and into the Company and the Company would become a wholly owned Subsidiary of Parent (the "**Merger**");

WHEREAS, the Board of Directors of the Company has (i) unanimously approved the Merger, (ii) adopted this Agreement in accordance with the provisions of General Corporation Law of the State of Delaware (the "**DGCL**"), and (iii) directed that this Agreement and the Merger be submitted to the stockholders of the Company for their adoption and approval; and

WHEREAS, contemporaneously with the execution and delivery of this Agreement, the requisite stockholders of the Company have adopted and approved the Merger;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants herein contained and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged and confessed, Parent, Merger Subsidiary and the Company, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Definitions. The terms defined in this Section 1.1 shall, for all purposes of this Agreement, have the meanings herein specified:

"Accounting Principles" means generally accepted accounting principles in effect in the United States from time to time ("GAAP"), consistently applied.

"Affiliate" means, as applied to any Person, (i) any other Person directly or indirectly controlling, controlled by or under common control with, that Person, (ii) any other Person that owns or controls five percent (5%) or more of any class of equity securities (including any equity securities issuable upon the exercise of any option or convertible security) of that Person or any of its Affiliates, or (iii) as to a corporation, each director and officer thereof, and as to a partnership, each general partner thereof, and as to a limited liability company, each managing member or similarly authorized person thereof (including officers), and as to any other entity,

each Person exercising similar authority to those of a director or officer of a corporation. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling," "controlled by," and "under common control with") as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through ownership of voting securities or by contract or otherwise.

"Articles of Incorporation" shall mean the Amended and Restated Certificate of Incorporation of the Company, in the form attached hereto as Exhibit A.

"Assets" shall mean the sum of the asset accounts of the Company as of the Effective Time, calculated in accordance with the Accounting Principles as well as the sample statement attached hereto as the Asset and Liability Schedule.

"Business Day" shall mean any day of the year other than (i) any Saturday or Sunday or (ii) any other day when banks located in New York, New York, generally are closed for business.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Common Shareholder" shall mean a holder of Company Common Stock immediately prior to the Effective Time.

"Company Options" shall mean each outstanding option to purchase shares of Company Common Stock.

"Company Preferred Stock" shall mean, collectively, the Series A Preferred Stock and Series B Preferred Stock.

"Company Shares" shall mean the Company Preferred Stock together with the Company Common Stock.

"Company Software" shall mean: (i) all software programs of the Company, including each of Intelligent Enterprise Search, Intelligent Web Monitor and Intelligent Connections (in each case including all prior, current and future versions and editions of the same); (ii) all source code and object code of the programs covered by clause (i) above; (iii) any and all revisions, modifications, improvements, enhancements, upgrades, updates, bug fixes, translations, abridgements, condensations, expansions and other amendments after the Effective Time of any portion of a program or code covered by clauses (i) or (ii) above, or any other form in which any portion of such a program or code may be recast, transformed, adapted, bundled, combined or incorporated after the Effective Time, in whole or in part, and includes any later compilation that incorporates any portion of any such programs or code, (iv) any component of any of the foregoing, and (v) any component, program or code that is, in whole or in part, derived from any of the foregoing.

"Company Stock Option Plan" shall mean the Company's existing Stock Incentive Plan.

"Company Warrants" shall mean each outstanding warrant to purchase Company Shares.

"Disputes Auditor" shall mean McGladrey & Pullen, or another nationally recognized, independent public accounting firm mutually agreed upon by Parent and the Agent.

"Earn-out Period" shall mean the three-year period beginning on the date of the Effective Time and ending on the third anniversary of such date.

"Employee Offset" means the $206,328.35 payable to certain employees of the Company, as set forth on the Employee Offset Schedule.

"Encumbrance" shall mean any assessment, lien, claim, imperfection of title, pledge, mortgage, security interest, charge, option, restriction, easement, lease, license, reversionary interest, right of refusal, voting trust arrangement, buy-sell agreement or other contract rights, preemptive right or any other adverse claim, encumbrance or right.

"Indebtedness" of any Person shall mean (i) all obligations of such Person for borrowed money, whether current or funded, secured or unsecured, evidenced by notes, bonds, debentures or similar instruments, (ii) any other indebtedness owed under any credit agreement or facility, or evidenced by any note, bond, debenture or other debt security or instrument, (iii) all letters of credit, performance bonds or bankers acceptances, (iv) all indebtedness for the deferred purchase price of property or services for which such Person is liable, contingently or otherwise, as obligor or otherwise (but shall not include any purchase order commitments for which such Person is liable, contingently or otherwise), (v) all indebtedness secured by a security interest, pledge or mortgage on such Person's assets, rights or properties (including Intellectual Property), (vi) all capitalized lease obligations, synthetic lease obligations and sale leaseback obligations, whether secured or unsecured, (vii) all obligations under interest rate cap, swap, collar or similar transactions or currency hedging transactions, (viii) all direct or indirect guarantees of any of the foregoing for the benefit of any Person, (ix) any unfunded amounts under any deferred compensation plans of such Person and (x) all interest, premium and prepayment penalties payable in respect of any of the foregoing; provided, that in no event shall any accounts payable of the Company be considered Indebtedness.

"Intellectual Property" shall mean any or all worldwide intellectual property, industrial property and proprietary rights, including without limitation: (1) works of authorship including advertising and/or programming content, computer programs, source code, and executable code, whether embodied in software, firmware or otherwise, documentation, designs, files, records, data and mask works, (2) inventions (whether or not patentable), improvements, and technology, (3) proprietary and confidential information, trade secrets and know how, (4) databases, data compilations and collections and technical data, (5) logos, trade names, trade dress, trademarks and service marks, brand names, (6) domain names, web addresses, universal resource locators, sites and email addresses, (7) tools, methods and processes, (8) copyrights and copyrighted works (including related documentation), and (9) any and all instantiations of the foregoing in any form and embodied in any media.

"knowledge," "known to," or any similar phrase as it relates to the Company shall mean the actual knowledge, after reasonable inquiry, of the officers or directors of the Company.

"Legal Requirement" shall mean any domestic or foreign law, constitution, common law principle, ordinance, code, statute, judgment, injunction, decree, order, rule or governmental regulation.

"Liabilities" shall mean the sum of the liability accounts of the Company as of the Effective Time, calculated in accordance with the Accounting Principles as well as the sample statement attached hereto as the Asset and Liability Schedule.

"Material Adverse Effect" or "Material Adverse Change," with respect to any Person, shall mean any event, change, circumstance, condition or effect which, when considered with all other events, changes, circumstances, conditions and effects, has, or any development that could be reasonably expected to have, a material adverse effect on the business, prospects, condition (financial or otherwise), assets, liabilities, properties or results of operations of such Person and its Subsidiaries, taken as a whole.

"Merger Consideration Spreadsheet" shall mean the spreadsheet as described in Section 2.6(e) to be delivered by the Company to Parent which is attached hereto as Exhibit B and incorporated herein by this reference.

"Notes" shall mean the Amended and Restated Convertible Promissory Notes of the Company issued pursuant to that certain Amended and Restated Note and Warrant Purchase Agreement dated as of July 27, 2011.

"Permitted Encumbrances" shall mean (i) liens for Taxes and assessments not yet due and payable, (ii) workers,' mechanics,' material men's, repairmen's, suppliers,' carriers' or similar liens arising in the ordinary course of business with respect to accounts payable that are not yet due and payable, and (iii) any other Encumbrances existing as of the Closing Date, each of which (A) in the case of liens under (ii) and (iii) above, that are set forth on the Permitted Encumbrances Schedule, and (B) that do not, individually or in the aggregate, materially impair the use, value or operation of the property or assets subject thereto.

"Person" shall mean an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

"Preferred Stockholder" shall mean a holder of Company Preferred Stock immediately prior to the Effective Time.

"Proceeds" shall mean any and all cash (and the fair market value of any other assets) received by Parent or any of its Affiliates with respect to the direct or indirect license, sublicense, lease, sale, transfer, use or other commercialization of any Company Software or portion thereof anywhere in the world in any field or industry; provided, however, that Proceeds (i) shall not include any cash received for professional services or for sales taxes, and (ii) shall include cash received for hosting any data utilized by any Company Software. If any Company Software or portion thereof is directly or indirectly licensed, sublicensed, leased, sold, transferred, used or otherwise commercialized together with other products and/or services (whether as part of a bundle, as part of an integrated or combined program or application, or otherwise), then in any

such case the amount of the cash or other assets received for such package, bundle, program or application shall allocated among the various items and the Company Software in good faith in proportion to the standard amounts charged for such items and Company Software when sold separately. Finally, in the event of any direct or indirect sale of the Surviving Corporation or its assets to a third party, all proceeds of such sale shall be considered Proceeds; provided, that the sale of the Parent or substantially all of its consolidated assets to a third party shall not be deemed such a sale of the Surviving Corporation or its assets as long as the third-party purchaser assumes and continues to be responsible for the Earn-out Payments under Section 2.8.

"Proprietary Rights" shall mean common law and statutory rights in and to (1) patents and patent applications, (2) copyrights, copyright registrations and copyright applications, "moral" rights and mask work rights, (3) trade and industrial secrets and confidential information, (4) other proprietary rights relating to intangible intellectual property, (5) trademarks, trade names and service marks, and (6) divisions, continuations, renewals, reissuances and extensions of the foregoing.

"Security holder" shall mean a Common Shareholder or a Preferred Stockholder.

"Series A Preferred Stock" shall mean the Series A Convertible Preferred Stock of the Company, par value $0.001 per share.

"Series B Preferred Stock" shall mean the Series B Convertible Preferred Stock of the Company, par value $0.001 per share.

"Subsidiary," when used with respect to any Person, shall mean any other Person, whether incorporated or unincorporated, in which such Person or any one or more of its Subsidiaries directly owns or controls (i) fifty percent (50%) or more of the securities or other ownership interests, including profits, equity or beneficial interests, or (ii) securities or other interests having by their terms ordinary voting power to elect more than fifty percent (50%) of the board of directors or others performing similar function with respect to such other Person.

"Transaction Expenses" shall mean all fees of the Company incurred in connection with the negotiation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby, including legal, accounting, financial and advisory fees.

Certain other terms are defined throughout the Agreement.

1.2 Interpretation. The headings preceding the text of Articles and Sections included in this Agreement and the headings to Schedules attached to this Agreement are for convenience only and shall not be deemed part of this Agreement or be given any effect in interpreting this Agreement. The use of the masculine, feminine or neuter gender or the singular or plural form of words herein shall not limit any provision of this Agreement. The use of the terms "including" or "include" shall in all cases herein mean "including, without limitation" or "include, without limitation," respectively. Reference to any Person includes such Person's successors and assigns to the extent such successors and assigns are permitted by the terms of any applicable agreement. Reference to a Person in a particular capacity excludes such Person in

any other capacity or individually. Reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof. Underscored references to Articles, Sections, paragraphs, clauses, Exhibits or Schedules shall refer to those portions of this Agreement. The use of the terms "hereunder," "hereof," "hereto" and words of similar import shall refer to this Agreement as a whole and not to any particular Article, Section, paragraph or clause of, or Exhibit or Schedule to, this Agreement.

ARTICLE II

THE MERGER AND RELATED TRANSACTIONS

2.1 The Merger. At the Effective Time, upon the terms and subject to the conditions of this Agreement, Merger Subsidiary shall be merged with and into the Company in accordance with the DGCL, whereupon the separate existence of Merger Subsidiary shall cease, and the Company shall be the surviving corporation (the "**Surviving Corporation**") and the Company shall become a wholly owned subsidiary of Parent.

2.2 Closing. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place on October 10, 2011, or at such other time, place and date as is mutually agreed to by the parties hereto. The date of the Closing is referred to in this Agreement as the "**Closing Date**."

2.3 Effective Time. As soon as practicable on the Closing Date, the Company and Merger Subsidiary shall file a certificate of merger (the "**Certificate of Merger**") with the Secretary of State of the State of Delaware and make all other filings or recordings required by the DGCL in connection with the Merger. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware or at such later time as is specified in the Certificate of Merger (the "**Effective Time**").

2.4 Corporate Organization. At and after the Effective Time, the Surviving Corporation shall possess all the rights, privileges, powers and franchises and be subject to all of the restrictions, liabilities and duties of the Company and Merger Subsidiary, all as provided under the DGCL.

2.5 Conversion of Merger Subsidiary Shares. At the Effective Time, by virtue of the Merger and without any action on the part of the holders of any securities of Parent, the Company or Merger Subsidiary, each share of common stock, $0.001 par value per share, of Merger Subsidiary outstanding immediately prior to the Effective Time shall be converted into and become one fully paid and nonassessable share of common stock, $0.001 par value per share, of the Surviving Corporation with the same rights, powers and privileges as the shares so converted, and such shares shall constitute the only outstanding shares of capital stock of the Surviving Corporation. Each stock certificate of Merger Subsidiary evidencing ownership of shares of common stock of Merger Subsidiary shall continue to evidence ownership of the shares of capital stock of the Surviving Corporation.

2.6 Conversion of Notes and Company Shares. At the Effective Time, by virtue of or simultaneously with the Merger and without any action on the part of the holders of any securities of Parent, the Company or Merger Subsidiary:

(a) Termination and Payment of Notes. Each Note outstanding immediately prior to the Effective Time shall be cancelled and of no further force or effect at the Effective Time, and shall thereafter only entitle its former holder to receive, upon surrender of the Note in accordance with the terms of Section 2.9 hereof, and subject to the terms and conditions set forth in this Agreement, the portion of the Merger Consideration to be paid to such holder as specified in the Merger Consideration Spreadsheet. For the avoidance of doubt, all amounts payable to former Note holders hereunder shall be paid to them in the order, priority and percentage set forth in the Merger Consideration Spreadsheet.

(b) Conversion of Company Common Stock. Each share of common stock of the Company, par value $0.001 per share ("**Company Common Stock**") issued and outstanding immediately prior to the Effective Time (other than any Company Shares to be canceled pursuant to Section 2.6(d) ("**Excluded Shares**") and any Dissenting Shares (as such term is defined in and to the extent provided in Section 2.10)), shall be cancelled and of no further force or effect, it being agreed that the holders of Company Common Stock shall not be receiving any portion of the Merger Consideration, nor any other amount in respect of such shares.

(c) Conversion of Company Preferred Stock. Each share of:

(i) Series A Preferred Stock issued and outstanding immediately prior to the Effective Time (other than any Excluded Shares, any shares of Company Preferred Stock that are converted into shares of Company Common Stock prior to the Effective Time and any Dissenting Shares), shall be cancelled and of no further force or effect, it being agreed that the holders of Series A Preferred Stock shall not be receiving any portion of the Merger Consideration, nor any other amount in respect of such shares; and

(ii) Series B Preferred Stock issued and outstanding immediately prior to the Effective Time (other than any Excluded Shares, any shares of Company Preferred Stock that are converted into shares of Company Common Stock prior to the Effective Time and any Dissenting Shares), shall be cancelled and of no further force or effect, it

being agreed that the holders of Series B Preferred Stock shall not be receiving any portion of the Merger Consideration, nor any other amount in respect of such shares.

(d) Each Company Share held by the Company as treasury stock shall automatically be canceled and no payment shall be made with respect thereto.

(e) Definitions.

(i) "**Earn-out Payments**" shall mean the amounts payable pursuant to Section 2.8 below, subject to adjustment as provided in Section 2.6(g).

(ii) "**Merger Consideration**" shall mean an amount in cash equal to the total of all Earn-out Payments, in each case as and when payable in accordance with the provisions of this Agreement.

(iii) "**Merger Consideration Spreadsheet**" shall mean the spreadsheet as described in Section 2.6(f) that has been delivered by the Company to Parent.

(iv) "**Note holder**" shall mean a holder of a Note.

(v) "**Security holder**" shall mean a Common Shareholder or a Preferred Stockholder.

(f) Merger Consideration Spreadsheet. The Merger Consideration Spreadsheet sets forth (a) the name of each Note holder, and (b) the percentage of the Merger Consideration each Note holder is entitled to receive pursuant to this Section 2.6 with respect to the Notes held by them as of the Effective Time, and subject to the terms of this Agreement. The consideration to be received by each such holder shall be specified as contingent amounts.

(g) Payment of Certain Amounts. Parent shall, or shall cause the Surviving Corporation to, pay in full (i) on the Closing Date all unpaid Transaction Expenses specified on Schedule 2.6(g)(i) to the parties indicated on such schedule, provided that in each case they shall reduce the amount of the Earn-out Payments, by way of a dollar for dollar reduction in the form of a credit, with the understanding that Parent may elect to apply such credit (or portions of such credit) toward any Earn-out Payment in its discretion, (ii) on the Closing Date all amounts specified on Schedule 2.6(g)(ii) to the parties indicated on such schedule, (iii) no later than October 15, 2011 the Employee Offset amounts specified on Schedule 2.6(g)(iii) to the parties indicated on such schedule, subject to standard employee withholding requirements, provided that in each case they shall reduce the amount of the Earn-out Payments, by way of a dollar for dollar reduction in the form of a credit, with the understanding that Parent may elect to apply such credit (or portions of such credit) toward any Earn-out Payment in its discretion, (iv) no later than October 15, 2011 all amounts specified on Schedule 2.6(g)(iv) to the parties indicated on such schedule, subject to standard employee withholding requirements, and (v) promptly all other accounts payable of Company. For the avoidance of doubt, the parties agree that the payments under clauses (ii), (iv) and (v) above shall not result in any offset or reduction with respect to Earn-out Payments.

2.7 Company Options and Company Warrants. All Company Options and Company Warrants have been or shall be exercised or terminated prior to Closing, and no former holder thereof shall receive any amounts with respect to such former Company Options or Company Warrants under this Article II.

2.8 Earn-out Payments.

(a) Within forty five (45) days after the end of each calendar quarter that includes at least one day falling within the Earn-out Period (each an "**Earn-out Quarter**"), Parent shall, or shall cause the Surviving Corporation to, deliver to an account designated by the Agent (for further payment to the holders of Notes outstanding immediately prior to the Effective Time in accordance with Article II), via wire transfer of immediately available funds, an amount equal to twenty percent (20%) of the Proceeds from the Company Software during such Earn-out Quarter (or, in the case of the final Earn-out Quarter, during the days in such quarter that fall within the Earn-out Period). Notwithstanding the foregoing, in no event shall the maximum cumulative amount actually paid to such account as Earn-out Payments under this Section 2.8 exceed Two Million Five Hundred Thousand Dollars ($2,500,000).

(b) Neither Parent nor its Affiliates shall act in bad faith to take any willful action which has as its purpose to decrease Proceeds from Company Software, or to defer receipt thereof until after the Earn-out Period, or to otherwise minimize or prevent payment of the Earn-out Payment amounts. At all times during the Earn-out Period, the Parent will, and will cause its Affiliates to, use their respective commercially reasonable efforts to: (i) continue to develop,

improve, market and sell Company Software to existing customers and new prospects; (ii) maintain an adequate sales force that is trained and given incentives to market and sell Company Software in a similar manner as to how Parent generally trains and incentivizes its sales force to market and sell its other products; (iii) provide commercially reasonable support for customers of Company Software in a similar manner as to how Parent generally provides support for customers of its other products; (iv) price the Company Software in good faith and not use Company Software as a loss leader nor allocate prices among various programs and/or services other than in proportion to the amounts normally charged for them separately; and (v) maintain adequate records to account for the Proceeds from Company Software.

(c) Within forty five (45) days after the end of each Earn-out Quarter Parent will also provide to the Agent a report setting forth in reasonable detail a calculation of the Proceeds from Company Software for such quarter (each, a "**Proceeds Report**"), certified by Parent to be true and accurate in all material respects. From time to time during the Earn-out Period, but no more than once per calendar year, and at any time within ninety (90) days after the final Earn-out Quarter, the Agent and its representatives may inspect the books and records of Parent and its Affiliates to audit compliance with this Section 2.8, and the Parent and its Affiliates shall promptly provide such books and records and shall otherwise reasonably cooperate with such audits. If the Agent ever delivers notice to Parent objecting to any Proceeds Report or the amounts paid under this Section 2.8, Parent and Agent shall use their reasonable efforts to resolve by written agreement any differences. If Parent and the Agent are not able to resolve all of their differences within 30 days, then either of them may refer the disputed matters to the Disputes Auditor for decision, and the decision of the Disputes Auditor shall be final and binding with respect to the determination of such disputes. The parties agree that they will require the Disputes Auditor to render its decision within thirty (30) days after referral of the dispute to the Disputes Auditor for decision pursuant hereto, and that each will promptly provide all books, records and information requested by the Dispute Auditor and will otherwise reasonably cooperate with its review of the dispute. Further, the Agent and Parent shall each submit to the Disputes Auditor a binder setting forth their respective computations of the Proceeds, and specific information, evidence and support for their respective positions as to all items in dispute. Neither the Agent nor the Parent shall have or conduct any communication, either written or oral, with the Disputes Auditor without the other party either being present or receiving a concurrent copy of any written communication. The Disputes Auditor shall conduct its review, resolve all disputes and, to the extent necessary, compute the Proceeds based solely on the binders submitted by the parties (not by independent review). In resolving any disputed item, the Disputes Auditor (A) may not assign a value to any particular item greater than the greatest value for such item claimed by either the Agent or the Parent, or less than the lowest value for such item claimed by either the Agent or the Parent, in each case as presented to the Disputes Auditor, (B) shall make all determinations in accordance with the definitions of "Company Software" and "Proceeds" and the terms and conditions of Section 2.8, and (C) shall limit its review to matters specifically in dispute. The fees and disbursements of the Disputes Auditor shall be paid by Parent, but if the Disputes Auditor's resolution does not increase the amount payable under this Section 2.8 by more than $15,000 for the period in question then Parent may deduct such fees and disbursements it pays from any future payment under this Section 2.8 (however, if a dispute is brought after the Earn-out Period and results in less than such a $15,000 increase, the Agent shall reimburse the Parent for such fees and disbursements).

2.9 Surrender and Payment.

(a) Note holders whose rights have been converted into the right to receive the consideration payable under the terms of this Agreement, upon surrender to Parent of a Note prior to the Effective Time, will be entitled to receive such consideration payable in respect of such Note. At and after the Effective Time, each holder of a Note shall cease to have rights as a noteholder of the Company and, until so surrendered, each Note that has been converted into the right to receive the consideration pursuant to Section 2.6 shall, after the Effective Time, represent for all purposes only the right to receive such consideration. No interest shall be paid or accrued on any amount payable upon due surrender of the Notes.

(b) After the Effective Time, there shall be no further registration of transfers of Notes or Company Shares.

2.10 Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, each Security holder that has executed a written consent approving the Merger and adopting this Agreement has waived any and all rights that such Security holder might otherwise have to dissent from this Agreement and to demand appraisal for such Security holder's shares of Company capital stock in accordance with the DGCL. Notwithstanding anything in this Agreement to the contrary, each outstanding Company Share as of the Effective Time and that is owned by a Security holder who has properly perfected such stockholders' rights of appraisal or dissent within the meaning of Section 262 of the DGCL, shall not be converted into or represent a right to receive the consideration with respect to such share specified in Article II, if any, unless and until the holder of such share shall have failed to perfect or shall have effectively withdrawn or lost such holder's appraisal rights for such holder's Company Shares under the DGCL, at which time such holder's Company Shares shall be cancelled or converted into the right to receive the consideration with respect to such share specified in Article II, if any. All such Company Shares as to which such a demand for appraisal is so delivered and not withdrawn, except any such Company Shares the holder of which shall have effectively withdrawn or lost such holder's appraisal rights under such Section 262 of the DGCL, are herein called "**Dissenting Shares**." The Company shall give Parent prompt notice upon receipt by the Company of any such written demand for appraisal (any holder duly making such demand being hereinafter called a "**Dissenting Stockholder**") and the opportunity to participate in all negotiations and proceedings with respect to demands under the DGCL consistent with the obligations of the Company thereunder. The Company shall not, except with the prior written consent of Parent, (x) make any payment with respect to any such demand, (y) offer to settle or settle any such demand or (z) waive any failure to timely deliver a written demand for appraisal or timely take any other action to perfect appraisal rights or dissenters' rights in accordance with the DGCL. Each Dissenting Stockholder who becomes entitled, pursuant to the provisions of Section 262 of the DGCL, to payment for his, her or its Company Shares shall receive payment therefor from the Surviving Corporation (but only after the amount thereof shall have been agreed upon or finally determined pursuant to the terms of this Agreement and the DGCL) and, upon receipt of such payment, such Company Shares shall be cancelled. If any Dissenting Stockholder shall fail to perfect or shall effectively withdraw or lose appraisal rights with respect to such Dissenting Stockholder's Dissenting Shares under Section 262 of the DGCL, the

Dissenting Shares of such Dissenting Stockholder shall be converted into only the right to receive the consideration with respect to such shares specified in Article II, if any.

ARTICLE III

THE SURVIVING CORPORATION

3.1 Articles of Incorporation. The Articles of Incorporation of the Company shall at the Effective Time be amended and restated to read in its entirety in the same manner as the certificate of incorporation of Merger Subsidiary until amended in accordance with applicable law, except that the name of the Surviving Corporation shall be changed to the current name of the Company (as well as necessary ministerial changes, such as the name of the incorporator).

3.2 Bylaws. The Bylaws of Merger Subsidiary in effect at the Effective Time shall be the Bylaws of the Surviving Corporation until amended in accordance with applicable law.

3.3 Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed and qualified in accordance with applicable law and the Articles of Incorporation and Bylaws of the Surviving Corporation (or until their earlier resignation or removal), the directors of Merger Subsidiary at the Effective Time shall be the directors of the Surviving Corporation and the officers of Merger Subsidiary at the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as otherwise set forth on the disclosure schedule delivered by the Company to Parent prior to the execution of this Agreement (the "**Disclosure Schedule**"), which Disclosure Schedule shall identify exceptions to the representations and warranties contained in this Article IV (with reference to the particular Section to which such information relates, except that an exception disclosed under a particular Section other than Section 4.15 of the Disclosure Schedule shall also qualify any other Section where its applicability is readily apparent from the nature of the disclosure), the Company represents and warrants to Parent as follows:

4.1 Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. The Company is qualified to do business as a foreign corporation under the laws of each state or other jurisdiction in which the nature of its business requires such qualification except where the failure to be so qualified would not have a Material Adverse Effect. The Company has delivered to Parent true, complete and correct copies of its Articles of Incorporation and it Bylaws (the "**Bylaws**"), each as amended to the date hereof. Such Articles of Incorporation and Bylaws are in full force and effect. Section 4.1 of the Disclosure Schedule lists the directors and officers of the Company as of the date hereof.

4.2 Capital Structure. The authorized capital stock of the Company consists of 60,300,000 shares of Company Common Stock, and 44,700,000 shares of Company Preferred Stock, 6,700,000 of which have been designated as Series A Preferred Stock and 38,000,000 of which have been designated as Series B Preferred Stock. As of the date of this Agreement, there were issued and outstanding 1,428,936 shares of Company Common Stock, 6,175,554 shares of Series A Preferred Stock and 13,787,968 shares of Series B Preferred Stock. As of the Effective Time, all Company Options and Company Warrants have been terminated. All outstanding shares of Company Common Stock, Series A Preferred Stock and Series B Preferred Stock are free and clear of all Encumbrances, preemptive rights, and of any other material limitation or restriction, are validly issued, fully paid and nonassessable. Except for the above shares and the Notes, there are no other outstanding shares of capital stock or other equity securities of the Company and no other options, warrants, "phantom" stock rights, conversion or exchange rights or agreements or other commitments (other than this Agreement) to which the Company is a party (a) pursuant to which the Company is or could be obligated to issue, purchase, return, redeem, deliver or sell, or cause to be issued, purchased, returned, redeemed, delivered or sold, additional shares of the Company's capital stock and there are no equity securities of the Company reserved for issuance for any purpose or (b) that give any person the right to receive any benefits or rights similar to any rights enjoyed by or accruing to the holders of shares of capital stock of the Company. There are no plans or programs the Company maintains under which stock options, restricted shares, restricted share units, stock appreciation rights, performance shares or other compensatory equity-based awards have been granted and remain outstanding. Except as set forth in Section 4.2 of the Disclosure Schedule, the Company is not a party or subject to any agreement or understanding, and there is no voting trust, proxy, or other agreement or understanding between or among any Persons that affects or relates to the voting or giving of written consent with respect to any outstanding security or equity interests of the Company, including as to the election of directors to the Company's Board of Directors (the "**Company Board**").

4.3 Subsidiaries; Equity Investments. The Company has no Subsidiaries and does not own any equity interest in, or control, directly or indirectly, any other corporation, partnership, joint venture, trust, firm or other entity.

4.4 Authority. The Company has all requisite corporate power and authority to enter into this Agreement and, subject only to the requisite approval of this Agreement by the Company's stockholders, to perform its obligations hereunder and thereunder and consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement, the performance by the Company of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly executed and delivered on behalf of the Company. This Agreement, assuming the due authorization, execution and delivery hereof and thereof by the parties hereto, is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

4.5 No Conflict with Other Instruments. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby will not result in (a) any violation of, conflict with, constitute a breach, violation or default under, or require a consent under, any provision of the Articles of Incorporation or Bylaws (other than the Stockholder Consent, as defined below), (b) a violation of any Legal Requirement, (c) a breach of, or default (with or without notice or lapse of time, or both) under or give rise to a right of termination, modification, cancellation or acceleration of any obligation or to loss of a material benefit under, or to increased, additional, accelerated or guaranteed rights or entitles of any person under any provision of any written agreement, contract or other instrument (each, a "**Contract**") to which the Company is a party, or (d) the creation of any Encumbrance upon any of the material assets, rights or properties of the Company, except, in the case of clauses (a) and (c) for any of the foregoing that, individually or in the aggregate, are not material.

4.6 Consents. No consent, approval, waiver, order or authorization of, or registration, declaration of, or qualification or filing (each, a "**Consent**") with, any court, administrative agency, commission, regulatory authority or other governmental or administrative body or instrumentality, whether domestic or foreign ("**Governmental Authority**"), or with any party to a Material Contract in which the Company is also a party, is required by or with respect to the Company in connection with the execution, delivery and performance of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby, except for the filing of the Certificate of Merger with the Delaware Secretary of State.

4.7 Financial Statements; Assets and Liabilities; Indebtedness.

(a) Attached to Section 4.7(a) of the Disclosure Schedule are the following financial statements (collectively, the "**Financial Statements**") of the Company: (i) unaudited balance sheets of the Company as of June 30, 2011 (the "**Most Recent Balance Sheet**") and December 31, 2010, and (ii) unaudited statements of income and retained earnings and statements of cash flows of the Company for the six months ending June 30, 2011 and the fiscal year ending December 31, 2010. Except as set forth in Section 4.7(a) of the Disclosure Schedule, (A) the Financial Statements have been prepared in accordance with the books and records of the Company and materially in accordance with GAAP consistently applied during the periods involved, (B) all Financial Statements fairly present in all material respects the financial position of the Company, and the results of operations and cash flows of the Company, in each case as of the indicated dates and for the indicated periods, and (C) the Company has not participated in any material off-balance sheet transactions or arrangements.

(b) The Assets of the Company as of the Effective Time are greater than the Liabilities of the Company as of the Effective Time, in each case as determined in accordance with the Accounting Principles; provided, that for purposes of such calculation (i) "Assets" shall not be deemed to include any goodwill or intangible assets, and (ii) "Liabilities" shall not be deemed to include any deferred revenue or the Notes or the payment obligation for the Employee Offset amount. The Company has no Indebtedness that exceeds $25,000 in the aggregate, other than the Notes (which Notes are being terminated as provided in Article II) and the capital leases set forth on Schedule 4.7(a) of the Disclosure Schedules.

(c) All accounts receivable of the Company reflected in the Most Recent Balance Sheet have arisen from bona fide services to third parties which are not Affiliates of the Company or any of their officers, directors or employees.

4.8 Properties.

(a) The Company does not own any real property, nor has it ever owned any real property. Except as set forth in Section 4.8(a) of the Disclosure Schedule, the Company has good and valid title to, or valid leasehold interests in, all material tangible properties and assets, real, personal and mixed, used in the Company's business, free and clear of Encumbrances other than Permitted Encumbrances. Such properties and assets are sufficient for the operations of the Company as currently conducted.

(b) Section 4.8(b) of the Disclosure Schedule contains a list of all real property currently leased by the Company (each, a "**Property**"). The Company has previously provided Parent copies of the lease for each Property. The Company has not received any notice of breach or default under any of the Property leases (except for any notices regarding monetary default or breach where such default or breach has been cured) or any notice of non-compliance with law with respect to the Property from any governmental or quasi-governmental entity.

4.9 Environmental Matters. The Company is and has been in material compliance with applicable state and federal statutes, rules, regulations and codes and all judicial or administrative interpretations thereof (collectively, "**Environmental Laws**") relating to pollution, maintenance or protection of the indoor or outdoor environment, including, without limitation, laws relating to exposures, emissions, discharges, releases or threatened releases of Hazardous Substances (as defined below) into or on land, ambient air, surface water, groundwater, personal property or structures (including the protection, cleanup, removal, remediation or damage thereof), or otherwise related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, discharge or handling of Hazardous Substances. The Company has not received any notice of any investigation, claim or proceeding against the Company by any Governmental Authority relating to Hazardous Substances or any action pursuant to or violation or alleged violation under any Environmental Law. As used in this Agreement, "**Hazardous Substances**" means any pollutant, contaminant, material, substance, waste, chemical, organism or compound regulated, restricted or prohibited by any law, regulation or ordinance or designated by any Governmental Authority to be hazardous, toxic, radioactive, biohazardous or otherwise a danger to health or the environment. The Company has not disposed of or released any Hazardous Substances on or about any of the Properties, including the Properties, other than in compliance with Environmental Laws or other than for which the Company would not have any material liability. There is no present release or threatened release of any Hazardous Substances in, on, under or around the Properties, other than in compliance with Environmental Laws or other than for which the Company would not have any material liability. The Company has all material permits, licenses and approvals required by Environmental Laws for the use and occupancy of, and for all operations and activities conducted on, the Properties, and the Company is in material compliance with all such permits, licenses and approvals.

4.10 Taxes.

(a) For purposes of this Agreement, the following terms have the following meanings: "**Tax**" (and, with correlative meaning, "**Taxes**" and "**Taxable**") means any and all taxes, including without limitation any income, profits, alternative or add-on minimum tax, gross receipts, sales, use, value-added, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, stamp, occupation, property or windfall profit tax, custom, duty or other tax, together with any interest or any penalty imposed by any governmental entity responsible for the imposition of any such tax (a "**Taxing Authority**"); and "**Tax Return**" shall mean any return (including any information return), statement, declaration, estimate, schedule, notice, notification or other document, including any related or supporting information with respect to any of the foregoing, filed with or submitted to, or required to be filed with or submitted to, any Taxing Authority in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any legal requirement relating to any Tax.

(b) The Company and any consolidated, combined, affiliated or unitary group for tax purposes of which the Company is or has been a member ("**Company Group**"), have timely filed (after giving effect to any extensions obtained) all income Tax Returns and all other material Tax Returns required to be filed by or with respect to them ("**Company Returns**"). All such Tax Returns are true, correct and complete in all material respects, and all income Taxes

and all other material Taxes owed by or with respect to the Company and any Company Group with respect to the periods covered by such Tax Returns have been paid to the extent due. Except as set forth in Section 4.10(b) of the Disclosure Schedule, no claim is pending by an authority in a jurisdiction where the Company does not file Tax Returns that it is or may be subject to taxation in that jurisdiction. No outstanding agreement, extension or waiver of the limitation period applicable to any of the Company Returns has been granted by the Company, and no such extension or waiver has been requested by the Company.

(c) All Taxes that the Company is or was required to withhold or collect in connection with any amounts paid or owing to any employee have been duly withheld or collected and have been paid, to the extent required, to the proper Governmental Authority or other Person. The Company has paid all employer contributions and premiums, and filed all material Tax Returns with respect to any employee income Tax withholding, and social security and unemployment Taxes and premiums, all in material compliance with the withholding provisions of the Code and other applicable laws.

(d) Section 4.10(d) of the Disclosure Schedule lists all federal and state income Tax Returns of the Company for the past three years with respect to which the Company has received any: (i) notice indicating an intent to open an audit or other review; or (ii) formal request for information related to Tax matters. No examination or audit is pending or, to the Company's knowledge, threatened against or with respect to the Company in respect of any Tax. No assessment of Tax has been proposed in writing against the Company or any of its assets, rights or properties.

(e) There are no Tax liens upon any of the assets, rights or properties of the Company, other than Permitted Encumbrances.

(f) The Company has collected all material sales, use and value added Taxes required to be collected, and have remitted, or will remit on a timely basis, such amounts to the appropriate Taxing Authority, or has been furnished properly completed exemption certificates and have maintained all such records and supporting documents materially in the manner required by all applicable sales, use and value added Tax statutes and regulations.

(g) The Company is not party to, or bound by, or does not have any obligation under, any Tax allocation or sharing agreement or similar contract or arrangement or any agreement that obligates it to make any payment computed by reference to the Taxes, taxable income or taxable losses of any other Person.

(h) The Company has not participated in and does not have any liability or obligation with respect to any "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4 (or any similar provision of any state, local, or foreign law).

4.11 Employees and Employee Benefit Plans.

(a) Section 4.11(a) of the Disclosure Schedule sets forth (i) all employees of the Company as of the date hereof (the "**Company Employees**") together with their titles or positions, the base salary (for exempt employees) or hourly rate (for non-exempt employees),

and accrued and unused vacation, sick and other paid time off; and (ii) all consultants and other independent contractors to the Company who have rendered services to the Company within the last six (6) months together with the aggregate cash compensation paid for the most recently completed fiscal year. The Company is not subject to any obligation (absolute or contingent) to make any severance, change in control or similar payment to any current or former directors, officers, employees or consultants of the Company, in each case that is payable as a result of the consummation of the transactions contemplated by this Agreement (whether or not in conjunction with any other event). Except as set forth Section 4.11(a) of the Disclosure Schedule, all material terms and conditions of employment for each employee of the Company are in the written employment policies, written employee handbook(s) or written employment agreement, including any amendments thereto.

(b) Except as set forth in Section 4.11(b) of the Disclosure Schedule, neither the Company nor any other person or entity under common control with the Company within the meaning of Section 414(b), (c), (m) or (o) of the Code ("**ERISA Affiliate**") sponsors, maintains, participates in or contributes to any performance awards, pension, profit sharing, bonus, health, life, hospitalization, workers' compensation plan, or any plan, arrangement or program providing supplemental unemployment benefits, vacation, sick or paid time off benefits, disability benefits or any other employee benefit plan (as defined in the Employee Retirement Income Security Act of 1974 ("**ERISA**") or obligation covering any of its current or former officers, directors, consultants or employees ("**Employee Plans**"). Each Employee Plan complies in all material respects with applicable Legal Requirements, including, without limitation, ERISA and the Code, and each of the Employee Plans that is intended to be qualified under Section 401(a) of the Code is so qualified and has received a favorable determination letter IRS to the effect that the Employee Plan satisfies the requirements of Section 401(a) of the Code and that its related trust is exempt from taxation under Section 501(a) of the Code, and, to the Company's knowledge, nothing has occurred, whether by action or failure to act, that could reasonably be expected to cause the loss of such qualification or the imposition of any material liability, penalty or tax under ERISA, the Code or any other applicable laws. No audits, proceedings or administrative actions have been initiated or to the Company's knowledge, threatened, by a Governmental Agency within the past three years with respect to any Employee Plan. No Employee Plan is a "multiemployer plan" as defined in Section 3(37) of the ERISA and 414(f) of the Code, nor a "multiple employer plan" as described in Section 4063(a) of ERISA and 413 of the Code, and neither the Company nor any Person which, together with the Company, would be treated as a single employer under Section 4001 of ERISA or Section 414 of the Code has ever contributed or had an obligation to contribute to any such plan. No Employee Plan provides post-retirement health for terminated directors, officers, consultants or other employees of the Company (other than benefit coverage mandated by applicable statute, including benefits provided pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as codified in Code Section 4980B and ERISA Sections 601 et seq., as amended from time to time, or other similar provisions of state law ("**COBRA**")) and the Company does not have any current obligation to make severance payments, termination-related payment, or post-termination payments, and is not making any severance payments, termination-related payment, or post-termination payments to any former employee. With respect to each Employee Plan that is an employee welfare benefit plan (as defined under ERISA), no such welfare plan is a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA. The Company has no obligation to provide or make available post-employment benefit under any Employee Plan that is a "welfare

plan" (as defined in Section 3(1) of ERISA) for any current or former employee, manager, director or individual consultant, except as may be required under COBRA. The Company has no direct or indirect material liability, whether absolute or contingent, with respect to any misclassification of any person as an independent contractor rather than as an employee, with respect to any misclassification of any person under the Fair Labor Standards Act or any similar state or local statute, or with respect to any employee leased from another employer. The Company has complied in all material respects with Section 409A of the Code with respect to any compensation paid or payable pursuant to any Plan that is a "nonqualified deferred compensation plan" (as defined in Section 409A(d)(1) of the Code.

(c) Except as set forth on the Section 4.11(c) of the Disclosure Schedule, no Employee Plan exists that, as a result of the execution of this Agreement, shareholder approval of this Agreement, or the transactions contemplated hereunder, whether alone or in connection with any subsequent events, would (i) entitle any Company Employee to any severance pay, termination-related payment, or post-termination payments or the increase in severance pay, termination-related payment, or post-termination payments that would be payable upon any termination of employment after the date hereof, (ii) increase any benefits otherwise payable under any Employee Plan, (iii) result in the acceleration of time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under any Employee Plan, (iv) result in payments under any Employee Plan which would not be deductible under Section 280G of the Code, (v) limit or restrict the right of the Company to merge, amend or terminate any Plan; or (vi) cause the Company to record additional compensation expense on its consolidated income statement with respect to any outstanding stock option or other equity-based award.

(d) With respect to each Employee Plan, (i) all material reports, returns, notices and other documentation that are required to have been filed with or furnished to the IRS, the United States Department of Labor ("DOL") or any other Governmental Authority, or to the participants or beneficiaries of such Employee Plan have been filed or furnished on a timely basis; (ii) no event has occurred and no condition exists that would subject the Company to any tax, fine, lien, penalty or other liability imposed by ERISA, the Code or other applicable laws, rules and regulations; (iii) for each Employee Plan with respect to which a Form 5500 has been filed, no material change has occurred with respect to the matters covered by the most recent Form 5500 since the date thereof; (iv) no "reportable event" (as such term is defined in Section 4043 of ERISA) that could reasonably be expected to result in material liability, nor any nonexempt "prohibited transaction" (as such term is defined in Section 406 of ERISA and Section 4975 of the Code) has occurred with respect to any Employee Plan; and (v) there is no present intention that any Employee Plan be materially amended, suspended or terminated, or otherwise modified to adversely change benefits (or the levels thereof) under any Employee Plan at any time within the twelve months immediately following the date hereof. With respect to any Employee Plan, (i) no actions, suits or claims (other than routine claims for benefits) are pending or, to the Company's knowledge, threatened, and, to the Company's knowledge, no facts or circumstances exist that could reasonably be expected to give rise to any such actions, suits or claims, and (ii) no administrative investigation, audit or other administrative investigation, audit or other proceeding by the DOL, the IRS or any other governmental agency is pending, to the Company's knowledge threatened or in progress.

4.12 Labor Matters. None of the Company Employees belongs to any union or collective bargaining unit with respect to the Company. There are no pending or, to the Company's knowledge, threatened Unfair Labor Practice charges. The Company has not, and has not received a claim from any Governmental Authority to the effect that it has, improperly classified the exempt/non-exempt status of any Company Employee. The Company has complied in all material respects with all applicable state and federal equal employment opportunity, wage and hour laws, occupational health and safety, and other Legal Requirements related to employment or working conditions, including the Worker Adjustment and Retraining Notification Act of 1988, as amended ("**WARN Act**"), and the verification requirements and the recordkeeping requirements of the Immigration Reform and Control Act of 1986 or its successor ("**IRCA**"). The Company has not implemented any employee layoffs that, when considered alone (and without any changes applicable to the Company after the Effective Time, including but not limited to any post-closing layoffs, if any), implicate the WARN Act and similar foreign, state or local laws. With respect to each employee of the Company whose employment has been terminated for any reason (each a "**Terminated Employee**"), the Company has complied with all applicable labor, wage and employment laws (including the WARN Act and similar state laws, the federal COBRA law and similar state laws, and the Health Insurance Portability and Accountability Act), in terminating the employment of such employees. The Company has paid all Terminated Employees all compensation and benefits due such Terminated Employees.

4.13 Compliance with Laws. Section 4.13 of the Disclosure Schedule sets forth all material licenses, franchises, permits, certificates and other evidences of authority of the Company which are necessary to the conduct of the Company's business ("**Permits**"). For the last three years, the business of the Company has been conducted in accordance with all applicable Legal Requirements in all material respects, and the Company has not received written notice of a violation or alleged violation of any such Legal Requirements.

4.14 Litigation. Except as set forth in Section 4.14 of the Disclosure Schedule, the Company has not received notice of any claim, action, proceeding, order, suit or investigation, at law or in equity, pending against the Company (each a "**Proceeding**") or, to the knowledge of the Company, threatened against the Company, before any court, agency, authority, arbitration panel or other tribunal. The Company is not subject to any material order, writ, injunction or decree of any court, agency, authority, arbitration panel or other tribunal, nor is the Company in default with respect to any material notice, order, writ, injunction or decree.

4.15 Contracts. Section 4.15 of the Disclosure Schedule contains a list of each Contract in the following categories to which the Company is a party ("**Material Contracts**"): (i) material agreements for the sale, license, lease or other disposition of the Company's products, or for the performance of services by the Company; (ii) management or employment Contracts, consulting Contracts and collective bargaining Contracts; (iii) notes, mortgages, deeds of trust, loan agreements, security agreements, guarantees and other evidences of Indebtedness; (iv) any agreements in connection with the settlement or other disposition of any Proceeding or threatened Proceeding; (v) patent licenses, patent sublicenses, royalty agreements, development agreements and other Contracts to which the Company is a party under which Company licenses to or from a third party, any Intellectual Property material to the Company's business, except shrink-wrap or click-wrap type software licenses with annual fees of less than $5,000; (vi) each

Contract that provides for a minimum payment guarantee with a term or any payment obligations that extend beyond one year; (vii) any open source, copyleft, shareware or similar licenses, (viii) any Contract concerning a partnership or joint venture with any Person, or sharing profits or losses, costs or liabilities; (ix) any leases from or to any Person of any real or personal property; (x) any Contract to acquire equipment or commitment to make capital expenditures in excess of $10,000 in any year; (xi) any Contract relating to interest rate swaps or hedging agreements, sale and leaseback transactions or other similar financing transactions; (xii) any Contract under which the Company has an obligation to make an investment in or loan to any Person; (xiii) any Contract limiting the freedom of the Company or any of its Affiliates (including Parent or any of its Affiliates from and after the Closing) to engage in any line of business or to compete with any other Person in any geographic area, during any period of time or within any specific customer market and/or any contract that provides for "most favored nation" provisions for the benefit of any other Person or otherwise materially restricts the Company or any of its Affiliates from carrying on such Person's business as now conducted; (xiv) any Contract that provides for payment obligations of the Company (whether contingent or otherwise) in respect of earn-outs, deferred purchase price arrangements or similar arrangements that have arisen in connection with investments in or acquisitions of any Person or the assets, rights or properties of any Person; (xv) any Contract that qualifies as a Material Contract under any other clause of this Section and contains any "change in control" or similar provision applicable to the Company; (xvi) any Contract governing how any shares of capital stock of the Company shall be voted; (xvii) any Contract with respect to which the Company has accrued a loss prior to the Closing; (xviii) any Contract relating to advertising or marketing and agreements (excluding purchase orders) with any sales agents or dealers, distributors and/or manufacturer's representatives; (xix) any Contract or group of related Contracts with the same party for the furnishing or receipt of services, or systems or software which involve a sum in excess of $10,000 on an annual basis; (xx) any Contract pursuant to which the Company has disclosed or is obligated to disclose the source code of any Company Software to any third party; (xxi) any Contract settlement agreements of any nature; (xxii) any Contract which is a stock purchase agreement, asset purchase agreement or other acquisition or divestiture agreement entered into by the Company currently in effect on the date hereof; (xxiii) any Contract between the Company and any Governmental Authority, including any amendments and binding correspondence incorporated therein; and (xxiv) any other Contract that individually has a payment obligation in excess of Ten Thousand Dollars ($10,000) per year. True and complete copies of all Material Contracts have been made available to Parent prior to the date hereof. Each Material Contract is in full force and effect and constitutes the valid, legal and binding obligation of the Company, and will continue to bind or inure to the benefit of the Company immediately after the Effective Time. The Company is not in material breach of or default under any material term of any Material Contract, and, to the knowledge of the Company, no other party with whom the Company has a Material Contract is in material default thereunder or has breached any material term or provision thereof, in each case which is material to the conduct of the business of the Company, taken as a whole. No customer party to a Material Contract has notified the Company in writing of any claim, dispute or controversy with respect to, or any threatened termination of, any of the Material Contracts.

4.16 Proprietary Rights.

(a) Section 4.16(a) of the Disclosure Schedule sets forth a list of all issued patents,

registered trademarks, registered trade names, registered service marks, registered copyrights, and registered domain names and applications for any of the foregoing, that are registered to the Company (the "**Registered Proprietary Rights**"). All Registered Proprietary Rights on Section 4.16(a) of the Disclosure Schedule are free and clear of all Encumbrances, claims or interests of or any obligation to make payments to any Person (including current or former employees and contractors), and to the Company's knowledge all of the items in Section 4.16(a) of the Disclosure Schedule (i) are subsisting and unexpired, with no actions due within ninety (90) days of after Closing and (ii) are valid and enforceable. All Proprietary Rights owned by the Company are free and clear of all Encumbrances, claims or interests of or any obligation to make payments to any Person (including current or former employees and contractors).

(b) Except as identified in Section 4.16(b) of the Disclosure Schedule, the Company owns or has licenses or other rights to use all material Intellectual Property and material Proprietary Rights used in the business of the Company as presently conducted (in each case, subject to licenses and rights granted by the Company). With respect to such licensed material Intellectual Property and material Proprietary Rights, Section 4.16(b) of the Disclosure Schedule lists the applicable license agreements pursuant to which such items are licensed to the Company (the "**License Agreements**"). To the Company's knowledge, the Company is not in breach of any License Agreement. All Persons who have created, invented or improved any Proprietary Rights of the Company have assigned all of their rights and interests therein to the Company in writing.

(c) The conduct of the Company's business as it is now being conducted does not infringe or misappropriate any material Proprietary Rights owned by any third party ("**Third Party Proprietary Rights**"). No Person has asserted in writing to the Company or the Company's customers that such customers' use of all or any portion of the Company services infringe or misappropriate any Third Party Proprietary Rights owned by any third party. To the knowledge of the Company, there is no unauthorized use, infringement or misappropriation by any third party of any material Intellectual Property or material Proprietary Rights owned by the Company. The Company has taken reasonable measures to maintain the confidentiality of the Proprietary Rights owned by, or provided to, the Company and material to the conduct of the Company's business, the value of which to the Company is contingent upon maintenance of the confidentiality thereof. Except as set forth on Section 4.16(c) of the Disclosure Schedule, no Person has or has had access to or possession of any material source code of the Company, except for employees as required in the course of their employment duties, and subject to obligations of confidentiality. There is not currently pending any litigation or settlement relating to any Intellectual Property, Proprietary Rights or Third Party Proprietary Rights brought by or against the Company.

(d) The Company's currently used software products owned by the Company and provided to its customers are listed in Section 4.16(d) of the Disclosure Schedule ("**Software**"). To the Company's knowledge: (i) the Software does not contain any bug, defect, or error that materially and adversely affects the use or functionality of such Software; and (ii) the Software does not contain any "back door," "Trojan horse," or "worm" (as such terms are commonly understood in the software industry) designed and intended to disable, harm or otherwise impede the operation of, or provide unauthorized access to, a computer system or network on which such

Software is installed. The Software is materially consistent with the functions described in any agreed specifications provided to customers of the Company on which such customers relied when licensing or otherwise acquiring such products. The Company is the rightful owner of, and to, the source code and material Intellectual Property of all of the Software.

4.17 Absence of Certain Changes and Actions.

(a) Since January 1, 2010, the Company has not made any material change to its accounting principles, except as may be appropriate to conform to changes in statutory or regulatory accounting rules or GAAP or regulatory requirements with respect thereto.

(b) Since January 1, 2011, there has not been:

(i) any damage, destruction, or loss (whether covered by insurance) which has, or may reasonably be expected to have, a material adverse effect upon any material asset and/or the business operations of the Company;

(ii) any declaration, setting aside, or payment of any dividend or other distribution in respect to the Company Shares;

(iii) any increase in the compensation payable or to become payable by the Company to any of its officers, directors, employees, consultants, or agents;

(iv) any other distribution of any nature whatsoever for the benefit of the Security holders of the Company;

(v) any employment, bonus, or deferred compensation agreement entered into between the Company and any of its respective directors, officers, agents or other employee or consultants;

(vi) any amendment or termination by the Company of any Material Contract, franchise, permit or license, except in the ordinary course of business;

(vii) any Indebtedness incurred by the Company, any commitment to borrow money, or any guarantee by the Company of any third party obligation, or the imposition of any lien on the Company's assets, or the grant of any Encumbrance by the Company, except in the ordinary course of business (other than the Notes);

(viii) any increases to the authorized capital of the Company; or

(ix) any amendment to the Articles of Incorporation or any other organizational document of the Company.

4.18 Insurance. Section 4.18 of the Disclosure Schedule sets forth a complete list of all policies for any and all insurance coverage maintained by and on behalf of the Company including, but not limited to, insurance for fire, liability, workers' compensation, property, casualty and/or other forms of insurance and all performance bonds held by or applicable to the Company (collectively, the "**Insurance Policies**"). The Company has paid all premiums when due and payable with respect to, and has otherwise performed all of its material obligations under, each of the Insurance Policies, in each case except where such failures have not resulted in a termination of coverage. To the knowledge of the Company, the Company has given notice to the applicable insurer of all material claims and/or material actual or potential Losses that may be insured thereby under the Insurance Policies. There are no outstanding material claims under any Insurance Policy. The Company has satisfied all obligations to third parties with respect to the maintenance of insurance under Material Contracts.

4.19 Transactions with Affiliates. Except as disclosed on Section 4.19 of the Disclosure Schedule, there are no agreements, Contracts or other material transactions between the Company, on the one hand, and (a) any officer or director of the Company, (b) any Security holder, (c) to the Company's knowledge any affiliate or family member of any such officer, director or Security holder or (d) to the Company's knowledge any other affiliate of the Company, on the other hand. To the Company's knowledge, none of the Security holders nor any other respective Affiliate (other than the Company) of any Security holder (i) owns or has any interest in any property (real or personal, tangible or intangible), Intellectual Property right or Contract used in or pertaining to the business of, the Company, or (ii) has any claim or cause of action against the Company.

4.20 Foreign Corrupt Practices and International Trade Practices.

(a) Neither the Company nor any of its respective directors, officers or employees, nor to the Company's knowledge any of its agents or representatives has (i) directly or indirectly offered or paid anything of value to a foreign official for the purpose of obtaining or retaining business or securing an improper advantage, (ii) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity or for the business of the Company or (iii) made any other unlawful payment.

(b) Neither the Company nor any of its respective directors, officers or employees, nor to the Company's knowledge any of its agents or representatives, has directly or indirectly taken any action in violation of any export restrictions, anti-boycott regulations, embargo regulations or other similar U.S. or foreign laws. None of the Company's directors, officers or employees, nor to the Company's knowledge any of its agents or representatives, is a "specially designated national" or blocked Person under U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"). The Company has not engaged in any business with any person or in any country that it is prohibited for a U.S. Person to engage in any business with or in under U.S. sanctions administered by OFAC.

4.21 Vendors and Customers.

(a) Section 4.21 of the Disclosure Schedule lists the ten largest customers of the Company by dollar revenue for the fiscal year ended December 31, 2010, and year to date

through August 31, 2011 (each a "Material Customer"), and all vendors of Company (including vendors for customer reimbursable items) to which Company paid at least $10,000 in the last fiscal year or expects to pay such amount in the current fiscal year (each a "Material Vendor"). The documents and information supplied by the Company to Parent with respect to relationships and volumes of business done with its significant vendors and customers are accurate in all material respects. Except as disclosed in Section 4.21 of the Disclosure Schedule, during the last twelve (12) months, the Company has not received any written notices of termination from any of the vendors or customers listed on Section 4.21 of the Disclosure Schedule, whether as a result of the Merger or otherwise, and to the knowledge of the Company, no such vendor or customer has a current intention to terminate. The Company has not received any written demand to give any material credits to any customers for failure to perform the service level required under the Company's agreements with such customers.

(b) The Company routinely licenses its computer software to its licensee customers pursuant to written license agreements ("Customer License Agreements") in the forms provided to Purchaser.

4.22 Non-Compete. Except as set forth in Section 4.22 of the Disclosure Schedule, the Company is not subject to any agreement, covenant or understanding that restricts the Company from entering into or conducting any line of business in any location at any time.

4.23 Warranties, Guarantees and Indemnities. Except (i) as disclosed on Section 4.23 of the Disclosure Schedule, or (ii) pursuant to the Material Contracts listed on Section 4.15 of the Disclosure Schedule, the Company has not provided to its customers rights to obtain refunds or made any other warranties, guarantees or indemnities with respect to the products or services it provides to such customers, except where the Company's liability is limited to (a) amounts paid to the Company pursuant to the contract in which such right, warranty, guaranty or indemnity appears and lost profits and consequential damages are expressly excluded, and/or (b) the Company's obligation to use reasonable efforts to remedy a deficiency under such contract without further charge to the customer and the warranty, guaranty or indemnity is only effective (x) for ninety (90) days after the initial delivery of the Software by the Company to the customer, (y) upon infringement by the Software on a third party's Intellectual Property or (z) to fix defects in media, for which the Company's entire liability would be to replace such media.

4.24 Product and Service Quality. Except as set forth in Section 4.24 of the Disclosure Schedule, to the knowledge of the Company all products manufactured, sold, licensed, leased or delivered by the Company, and all services provided by the Company, to customers on or prior to the Effective Time conform in all material respects to applicable contractual commitments, warranties and product specifications. The Company has not received a written complaint from a Material Customer regarding the Company's products or services pursuant to which such Material Customer is withholding payment of any amounts payable to the Company, or which is the subject of an ongoing dispute or correspondence between the Company and such customer.

4.25 Brokers or Finders. Except as provided in Section 4.25 of the Disclosure Schedule, neither the Company nor any of its officers, directors, employees or stockholders has engaged, on the Company's behalf, any broker or finder, or incurred, on the Company's behalf,

any liability for any brokerage, finder's or similar fees or commissions in connection with this Agreement or the transactions contemplated hereby.

4.26 Bank Accounts. Section 4.26 of the Disclosure Schedule lists each bank, savings institution or other financial institution with which the Company has an account or safe deposit box and the names of all Persons authorized to draw thereon or to have access thereto.

4.27 Board Approval; Stockholder Vote Required. (a) The board of directors of the Company, by resolutions duly adopted by unanimous written consent (the "**Requisite Company Board Approval**") has (i) determined that this Agreement, the Merger and the other transactions contemplated hereby are fair to and in the best interests of the Company and the Security holders and declared the Merger to be advisable, (ii) approved this Agreement, the Merger and the other transactions contemplated hereby, and (iii) recommended that the Security holders of the Company adopt this Agreement and directed that such matter be submitted for consideration by the Security holders at the Company Security holders meeting.

(b) The requisite approval of this Agreement by the Company's Note holders, Warrant holders, holders of Series B Preferred Stock, holders of Series A Preferred Stock, and holders of Common Stock, Series A Preferred Stock and Series B Preferred Stock (the "**Stockholder Consent**") is the only vote of the holders of any class or series of the Company capital stock necessary to approve and adopt this Agreement and the transactions contemplated hereby (including the Merger).

4.28 Disclaimer. Except as expressly provided in Article IV of this Agreement, the Company does not make, and Parent and Merger Subsidiary each expressly disclaims, any representation or warranty, express, implied or otherwise, regarding the Company or its business, assets, liabilities, properties and operations. Without limiting the generality of the foregoing, except as specifically set forth in Article IV of this Agreement, the Company does not make any representation or warranty regarding the past, present or future condition, financial or otherwise, of the Company or its business, operations or prospects.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUBSIDIARY

Parent and Merger Subsidiary represent and warrant to the Company as follows:

5.1 Organization. Parent is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and Merger Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. Each of Parent and Merger Subsidiary has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. All of the issued and outstanding capital stock of Merger Subsidiary is owned by Parent.

5.2 Authority. Each of Parent and Merger Subsidiary has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder and consummate the transactions contemplated hereby. The execution and delivery of this

Agreement, the performance by each of Parent and Merger Subsidiary of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Parent and Merger Subsidiary. This Agreement has been duly executed and delivered on behalf of each of Parent and Merger Subsidiary and constitutes a legal, valid and binding obligation of each of Parent and Merger Subsidiary, enforceable against each of them in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

5.3 No Conflict with Other Instruments. The execution, delivery and performance of this Agreement and the transactions contemplated hereby will not result in any violation of, conflict with, constitute a breach, violation or default under, or require a consent under (a) any provision of Parent's or Merger Subsidiary's certificate of incorporation or bylaws, or (b) any Contract to which Parent is a party and which is material to Parent, except, in the case of clauses (a) and (b) for any of the foregoing that could not prevent or materially delay the transactions contemplated by this Agreement.

5.4 Consents. No Consent of or with any Governmental Authority is required by or with respect to Parent or Merger Subsidiary in connection with the execution, delivery and performance of this Agreement by Parent and Merger Subsidiary or the consummation by Parent and Merger Subsidiary of the transactions contemplated hereby, except for (a) the filing of the Certificate of Merger with the Delaware Secretary of State, and (b) such Consents the failure of which to obtain would not have an adverse effect on the ability of the parties to consummate the transactions contemplated hereby.

5.5 Capital Resources. At the Effective Time and all times thereafter, Parent will have sufficient liquid capital resources to pay the consideration due and payable under the terms of this Agreement and to consummate all of the transactions contemplated by this Agreement.

5.6 Brokers or Finders. Neither Parent, Merger Subsidiary nor any of their respective officers, directors, employees or stockholders has employed, on the Parent's or Merger Subsidiary's behalf, any broker or finder, or incurred, on their behalf, any liability for any brokerage, finder's or similar fees or commissions in connection with this Agreement or the transactions contemplated hereby.

ARTICLE VI

ADDITIONAL AGREEMENTS

6.1 Conduct of Business of the Company. Except as set forth on Schedule 6.1, the Company shall (i) use its commercially reasonable efforts to maintain and preserve its business organization intact and maintain its existing relations and good will with its customers, suppliers, employees, contractors, distributors and others having business relationships with the Company, (ii) sustain investment in its commercial activities in the ordinary course of business consistent with past practice (iii) preserve its assets, rights or properties (including Intellectual Property), and (iv) comply in all material respects with all applicable laws. Without limiting the generality

of the foregoing and except as otherwise required by this Agreement or as set forth on Section 6.1 of the Disclosure Schedule, from and after the date hereof and until the Effective Time, the Company shall not do any of the following without the prior written consent of Parent:

(a) (A) change its authorized or issued capital stock or issue, deliver, grant, award, encumber or sell any of its securities, any securities that are convertible into or exchangeable for shares of its capital stock or any direct or indirect rights in respect of its capital stock including stock option, appreciation, phantom stock, profit participation or similar rights (in each case except for issuance of Common Stock upon conversion of outstanding Preferred Stock, if any), (B) reclassify, combine, split, subdivide, redeem or purchase or otherwise acquire, directly or indirectly, any of its outstanding capital stock or (C) declare, set aside or pay any dividend or other distribution payable in cash, stock or property with respect to its capital stock;

(b) make or agree to make any loans, or advances or guarantees or investments in any Person (including any officers or directors of the Company), or agree to guarantee any loans or advances to, or investments in, any Person (including any officers or directors of the Company);

(c) sell, lease, license, assign, exchange, pledge, mortgage, encumber, abandon or otherwise transfer or dispose of or permit any Encumbrance to arise or be granted or created against any asset, right, property (including Intellectual Property) or interest of the Company (including by merger, consolidation, acquisition of stock or assets, rights or properties (including Intellectual Property)), except for sales, dispositions or transfers of inventory or obsolete or worn-out equipment in the ordinary course of business consistent with past practice and except for Permitted Encumbrances;

(d) adopt a plan of complete or partial liquidation or authorize or undertake a dissolution, consolidation, restructuring, recapitalization or other reorganization;

(e) amend its certificate of incorporation, bylaws or similar governing documents;

(f) pay or make a commitment to pay any severance, termination payment, change in control or retention payment to any Company Employee;

(g) make any change in its (A) method of management or operation or (B) except as required by GAAP or applicable laws, its accounting principles, methods, practices or policies;

(h) incur, create, assume or otherwise become liable for any Indebtedness for borrowed money (including the issuance of any debt security and the assumption or guarantee of obligations of any Person) (or enter into a "keep well" or similar agreement), including through borrowings under any existing credit facility, or issue or sell any debt securities or options, warrants, calls or other rights to acquire any debt securities of the Company;

(i) make any capital expenditures, execute any real property lease or sublease or a personal property lease or sublease, as applicable, or enter into commitments therefor, including replacements of equipment in the ordinary course of business;

(j) (A) increase the salary or other compensation of any director or employee of the Company, (B) grant any equity or equity based award, bonus, benefit or other direct or indirect compensation to any manager, director, officer, employee or contractor, (C) increase the coverage or benefits available under any (or create any new) Employee Plan or any severance pay, termination pay, vacation pay, company awards, salary continuation for disability, sick leave, deferred compensation, bonus or other incentive compensation, insurance, pension or other employee benefit plan or arrangement made to, for, or with any of the managers, directors, officers or employees of the Company or any of its Affiliates or otherwise modify or amend or terminate any such plan or arrangement or (D) enter into any employment, deferred compensation, severance, special pay, consulting, non-competition or similar agreement or arrangement with, or grant any severance, retention, or other special payment to, any employee, managers, directors, officers or contractors of the Company (or amend any such agreement to which the Company is a party);

(k) hire or terminate the employment of any employee who is an officer or key employee;

(l) except pursuant to agreements or arrangements in effect on the date hereof and specified in Section 6.1(l) of the Disclosure Schedule, pay, loan or advance any amount to, or sell, transfer or lease any assets, rights or properties (including Intellectual Property) to, or enter into any agreement or arrangement with, any of its officers or directors or any of their family members, or any Affiliates of any of its officers or directors other than loans, advances and guarantees made in the ordinary course of the business of the Company, and, in the case of any such agreements or arrangements relating to compensation, fringe benefits, severance or termination pay or related matters, only as otherwise permitted pursuant to this Section 6.1;

(m) subject to any duty imposed by law, enter into or modify any collective bargaining agreement or any successor collective bargaining agreement to any collective bargaining agreement other than in the ordinary course of business;

(n) (A) terminate, cancel, modify or amend or take any action with the intent to cause the termination, cancellation, modification or amendment of any Material Contract (or Contract that would be a Material Contract if in effect as of the Effective Time), (B) enter into any Material Contract (or Contract that would be a Material Contract if in effect as of the Effective Time), or (C) waive, release or assign any rights under any Material Contract (or Contract that would be a Material Contract if in effect as of the Effective Time);

(o) permit any material insurance policy naming the Company as a beneficiary or a loss payee to be cancelled or terminated without notice to Purchaser;

(p) (A) cancel or waive any claims or rights of material value held by the Company (including the cancellation, compromise, release or assignment of any indebtedness owed to, or claims held by, the Company), or write-down the value of any asset of the Company

or (B) write-off as uncollectible any accounts or notes receivable of the Company or any portion thereof (other than, in the case of clause (B), in the ordinary course of business consistent with past practice);

(q) enter into any waiver, release, assignment, compromise or settlement of any pending or threatened investigation or litigation or initiate any litigation;

(r) form any subsidiary or acquire or agree to acquire, by merger, consolidation stock, or other business combination, asset purchase, or otherwise, any business or corporation, partnership, limited liability company, association or other business organization or division thereof or assets, rights or properties (including Intellectual Property), other than purchases of inventory in the ordinary course of business consistent with past practice;

(s) amend, replace or terminate any Property identified on Section 4.8(b) of the Disclosure Schedule;

(t) communicate in a writing that is intended for broad dissemination to the Company's employees regarding compensation, benefits or other treatment they will receive in connection with or following the Merger;

(u) make or change any Tax election, change an annual accounting period, adopt or change any accounting method with respect to Taxes, file any amended Tax Return, enter into any closing agreement, settle or compromise any proceeding with respect to any Tax claim or assessment relating to the Company, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Company, or take any other similar action relating to the filing of any Tax Return or the payment of any Tax;

(v) take any action that (1) would reasonably be expected to impose any material delay in the obtaining of, or significantly increase the risk of not obtaining, any authorizations, consents, orders, declarations or approvals of any Governmental Authority necessary to consummate the Merger or the expiration or termination of any applicable waiting period, or (2) would be reasonably expected to increase the risk of any Governmental Authority entering a restraint prohibiting or impeding the consummation of the Merger;

(w) take any action that is intended or may reasonably be expected to result in (i) any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time prior to the Closing, (ii) in any of the conditions to the Merger set forth in Article VII not being satisfied or (iii) a material violation of any provision of this Agreement; or

(x) authorize, agree or commit to do any of the foregoing.

6.2 Confidentiality; Access; Publicity.

(a) Each of the parties hereto hereby agrees to and reaffirms the terms and provisions of the Non-Disclosure Agreement between the Parent and the Company, effective as of March 17, 2011 (the "**Confidentiality Agreement**").

(b) Each of the parties hereto acknowledges that any information that it has learned about the other during the course of this transaction is confidential and may contain valuable proprietary trade secrets and, accordingly its use and disclosure, must be strictly controlled. All parties, their officers, directors, employees, and other representatives will hold any information in strict confidence and will not use, disclose, or proliferate any information derived about the other during the course of this transaction (or enforcing its rights hereunder). After the Closing Date, the Security holders shall not disclose any information learned about Parent or the Company without the written approval of Parent.

(c) Except by mutual agreement, no party shall disclose any of the terms and conditions of this Agreement except as may be necessary to enforce its terms, or as ordered by a court of competent jurisdiction.

(d) It is acknowledged and understood that no investigation by Parent or other information received by Parent shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Company hereunder.

6.3 Certain Tax Matters. Parent shall pay all transfer, documentary, sales, use, registration and other similar Taxes, if any, arising from the transactions contemplated hereunder, except for the income taxes of any Security holder or Note holder, and shall prepare and file any Tax Returns and other filings relating to any such Taxes or charges as may be required.

6.4 Cooperation. Each of the parties hereto agrees to use its commercially reasonable efforts to: (a) obtain (and to cooperate with each other in obtaining) all consents, authorizations, orders, exemptions, permits, licenses, estoppel certificates and approvals of any third parties, including Governmental Authorities, required to be obtained by it in connection with any of the transactions contemplated hereby; provided that in connection therewith neither the Company nor Parent will be required to make or agree to make any payment or accept any material conditions or obligations, including amendments to existing conditions and obligations; and (b) take all other actions necessary or advisable to permit the consummation of the transactions contemplated by this Agreement expeditiously.

6.5 Requisite Company Stockholder Approvals. The Company shall seek to promptly obtain the Stockholder Consent.

6.6 Further Assurances. In case at any time after the Closing Date any further action is necessary or reasonably desirable to carry out the purposes of this Agreement, each of the parties will take such further action (including the execution and delivery of such further instruments and documents) as any other party reasonably may request.

6.7 Employees; Employee Plans.

(a) If the Company terminates the employment of any Company Employee within four (4) months after Closing, the Parent shall cause the Company to pay such Company Employee, as severance, in the amount set forth opposite such Company Employee's name on Schedule 6.7(a), in each case subject to standard employee withholding requirements and conditioned upon the Company Employee's signature on a full release of claims in written form provided by the Company. The Surviving Corporation shall also comply with its obligations under COBRA with respect to such employees. For the avoidance of doubt, the amounts paid pursuant to this Section 6.7(a) shall not, in any way, come from or otherwise decrease the amount of the Merger Consideration.

(b) Parent shall cause the Surviving Corporation to honor, in accordance with their terms, and shall, or shall cause its subsidiaries (including the Surviving Corporation) to, make required payments when due under, all Employee Plans maintained or contributed to by the Surviving Corporation or to which the Surviving Corporation is a party, that are applicable with respect to any Company Employees, the Surviving Corporation or any director of the Surviving Corporation (whether current, former or retired) or their beneficiaries (collectively, the "**Covered Persons**"). If any such Employee Plan is terminated, the Parent shall ensure that such Covered Persons are covered under a similar Employee Plan maintained for employees of the Parent or the Surviving Corporation. With respect to any Employee Plans as may be maintained for the benefit of any Company Employee from time to time by Parent or the Surviving Corporation, service by such employee performed for the Company shall be treated as service with Parent or the Surviving Corporation for purposes of determining eligibility to participate, vesting and benefit accrual (except under any defined benefit pension plan). Parent shall use reasonable efforts so that such service also shall apply for purposes of satisfying any waiting periods, evidence of insurability requirements, or the application of any preexisting condition limitations. Parent also shall honor or cause the Surviving Corporation to honor all vacation, personal and sick days accrued by the Company Employees under the Employee Plans in effect immediately prior to the Effective Time; provided, however, that nothing shall prohibit Parent from amending these Employee Plans, including accrual rates after Closing.

(c) All rights to indemnification or exculpation (including advancement of expenses) existing as of the date of this Agreement in favor of the current or former directors, officers and employees of the Company as provided in the Articles of Incorporation and Bylaws of the Company (the "**Organizational Documents**") shall continue in full force and effect for a period of six (6) years after the Closing; provided, however, that if any claims are asserted or made within such period, all rights to indemnification (and to advancement of expenses) thereunder shall continue until disposition of any such claims. Parent shall not, and shall cause the Surviving Corporation not to, take any action to diminish or impair the indemnification and exculpation provisions existing in the Organizational Documents as of immediately prior to the Effective Time. To the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, the Parent and Surviving Corporation each shall indemnify and hold harmless (and promptly advance expenses to), any person (an "**Indemnified Person**") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Company or, while a director or officer of the Company, is or was

serving at the request of the Company as a director, officer, employee or agent of another enterprise or entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including reasonably attorneys' fees) incurred by such Indemnified Person in such Proceeding. The foregoing provision is a contract right in favor of the current and former directors, officers and employees of the Company and shall not be adversely effected by any modification to the Organizational Documents of the Company on or after the date hereof (including changes resulting from the Merger). Further, Parent shall, or shall cause the Surviving Corporation to, maintain, directors' and officers' liability insurance coverage for the current and former directors and officers of the Company in a commercially reasonable form that shall provide such current and former directors and officers with coverage for six (6) years following the Closing of not less than the existing coverage and have other terms not materially less favorable to the insured than the directors' and officers' insurance currently maintained by the Company. The provisions of this Section 6.7(c) are intended to be for the benefit of, and shall be enforceable by, each Person entitled to be indemnification pursuant hereto, and each such Person's heirs, legatees, representatives, successors and assigns, it being expressly agreed that such Persons shall be third party beneficiaries of this Section 6.7(c). The Parent and Surviving Corporation each (x) agree that indemnification obligations provided under this Section 6.7(c) are primary and the indemnification of first resort, and the indemnified Persons shall not be obligated to pursue claims that exist under any other agreement or document which may provide any rights of indemnification or exculpation, and (y) waive, relinquish and release the Indemnified Persons and their Affiliates from any and all claims for contribution, subrogation or any other recovery of any kind in respect thereof.

ARTICLE VII

CONDITIONS TO THE MERGER

7.1 Conditions to Obligations of the Company. The obligations of the Company to consummate the Merger and the transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived, in writing, exclusively by the Company:

(a) Representations and Warranties. The representations and warranties of Parent and Merger Subsidiary in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall be true and correct in all material respects as of the Effective Time (except that representations and warranties that are made as of a specific date need be true in all material respects only as of such date and each of the representations and warranties qualified by "material" or similar qualifiers shall be true and correct).

(b) Agreements and Covenants. Each of Parent and Merger Subsidiary shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Effective Time.

(c) Any and all necessary approvals and consents of and filings required to be obtained or made by Parent with any Governmental Authority relating to the consummation of the transactions contemplated by this Agreement if any, shall have been obtained and made.

(d) No law or governmental order that restrains or prohibits the consummation of the transactions contemplated by this Agreement shall be in effect and no litigation or proceeding commenced by any Governmental Authority shall be pending which seeks to prevent or enjoin the transactions contemplated by this Agreement.

7.2 Conditions to the Obligations of Parent and Merger Subsidiary. The obligations of Parent and Merger Subsidiary to consummate the Merger and the transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived, in writing, exclusively by Parent:

(a) Representations and Warranties. The representations and warranties of the Company in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall be true and correct in all material respects as of the Effective Time (except that representations and warranties that are made as of a specific date need be true in all material respects only as of such date and each of the representations and warranties qualified by "material" or similar qualifiers shall be true and correct).

(b) Agreements and Covenants. The Company shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Effective Time.

(c) Cancellation of Options and Warrants. All Company Options and Company Warrants shall have been exercised, cancelled or shall have otherwise expired (whether pursuant to the terms of Article II or otherwise).

(d) The holders of no more than 5% of the outstanding Company Shares shall have exercised their dissenters' rights.

(e) Any and all necessary approvals and consents of and filings required to be obtained or made by the Company with any Governmental Authority relating to the consummation of the transactions contemplated by this Agreement if any, shall have been obtained and made.

(f) No law or governmental order that restrains or prohibits the consummation of the transactions contemplated by this Agreement shall be in effect and no litigation or proceeding commenced by any Governmental Authority shall be pending which seeks to prevent or enjoin the transactions contemplated by this Agreement.

ARTICLE VIII

INDEMNIFICATION

8.1 Survival of Representations and Warranties. All of the representations and warranties of the Company in this Agreement or in any agreement, instrument or document delivered pursuant to this Agreement shall survive the Closing for a period of eighteen (18) months; provided, however, that (i) the representations and warranties contained in Sections 4.9 (Environmental Matters), 4.10 (Taxes), and 4.11(b) (Employees and Employee Benefit Plans)

shall survive until the close of business on the sixtieth (60th) day after the expiration of the applicable statute of limitations with respect to the matter that is the subject of such representation or warranty, (ii) the representations and warranties contained in Sections 4.1 (Organization and Qualification.), 4.2 (Capital Structure), and 4.4 (Authority) shall survive forever, and (iii) any claim for fraud shall survive until one (1) year following the discovery of such fraud; and provided further that if, at any time prior to the respective expiration date for such representation and warranty, any Parent Indemnified Party (as defined below) delivers to the Agent a written notice asserting a claim for recovery under Section 8.2 hereof, then the claim asserted in such notice shall survive the expiration date until such time as such claim is fully and finally resolved. All representations and warranties of Parent and Merger Subsidiary shall survive the Closing for a period of eighteen (18) months; provided, however, that (i) the representations and warranties contained in Sections 5.1 (Organization) and 5.2 (Authority) shall survive forever and (ii) any claim for fraud shall survive until one (1) year following the discovery of such fraud.

8.2 Indemnification. Subject to the limitations set forth herein, from and after the Effective Time, Parent (and after the Closing, the Surviving Corporation), its representatives, Affiliates, directors, officers, shareholders, successors and assigns (the "**Parent Indemnified Parties**") shall be entitled to be indemnified from any and all losses, Taxes, claims, suits, proceedings, demands, judgments, damages, expenses and costs, including reasonable counsel fees, costs and expenses incurred in the investigation, defense or settlement of any claims covered by this indemnity (collectively, "**Damages**") which any such Parent Indemnified Party may suffer or incur by reason of, arising from or relating to: (i) any inaccuracy or breach of any of the representations or warranties of the Company contained in Article IV of this Agreement, (ii) any breach of or failure by the Company to perform or otherwise fulfill or comply with any covenant, undertaking, agreement or obligation in this Agreement; (iii) any exercise of dissenter's rights to the extent that amount paid to any Security holder on appraisal exceeds the amount that such Security holder would have received pursuant to Article II hereof; and (iv) successful enforcement of this Section 8.2. Any payments made as indemnification under this Article VIII shall be considered adjustments to the Merger Consideration. **Notwithstanding anything to the contrary in this Agreement, the sole source from which any Parent Indemnified Party may seek or recover any amounts under this Article VIII is from the as-then unpaid portion, if any, of the Earn-out Payments.**

8.3 Notice and Defense of Third Party Claims; Other Claims

(a) If a Parent Indemnified Party shall receive notice of any claims or demands by any third party which are subject to the indemnification provided for in this Section 8.2 ("**Third Party Claims**"), the Parent Indemnified Party shall give the Agent notice (the "**Notice of Claim**") of such Third Party Claim within thirty (30) days of the receipt by the Parent Indemnified Party of such notice; provided, however, that the failure to provide the Notice of Claim shall not preclude recovery under this Article VIII except to the extent that the Agent has been actually prejudiced by such failure. The Notice of Claim shall describe in reasonable detail the facts known to the Parent Indemnified Party giving rise to such indemnification claim, and the amount or good faith estimate of the amount arising therefrom.

(b) If the Agent acknowledges in writing, subject to the limitations contained in this Article VIII, the right of the Parent Indemnified Party to recover amounts hereunder for Damages that result from such Third Party Claim, then the Agent shall be entitled to assume and control the defense of such Third Party Claim through counsel of their choice if the Agent gives notice of such intention to the Parent Indemnified Party within fifteen (15) days of the receipt of such notice from the Parent Indemnified Party; provided, however, that the Agent shall not have the right to assume the defense of the Third Party Claim if (i) any such claim seeks, in addition to or in lieu of monetary losses, any injunctive or other equitable relief, or (ii) there exists or is reasonably likely to exist a conflict of interest that would make it inappropriate (in the judgment of the Parent Indemnified Party in its reasonable discretion) for the same counsel to represent both parties. Once the Agent has duly assumed the defense of a Third Party Claim, the Parent Indemnified Party shall have the right, but not the obligation, to participate in such defense and to employ separate counsel of its choosing at its sole cost and expense. If the Agent does not timely elect to control the defense, the Parent Indemnified Party may control the defense of such Third Party Claim and may defend or prosecute such claim in any manner as it may reasonably deem appropriate and may settle such claim after giving written notice thereof to the Agent, on such terms as such Parent Indemnified Party may deem appropriate; provided, however, that no such defense or settlement shall prevent the Agent from contesting the issue of whether such claim is within the scope of and subject to indemnification under this Article VIII or the issue as to the amount of Damages thereunder that may reasonably be recovered from the then unpaid portion, if any, of the Earn-out Payments.

(c) If the Agent assumes the defense of a Third Party Claim, the Parent Indemnified Party shall reasonably cooperate with the Agent in such defense and make available to the Agent all pertinent records, materials and information in the Parent Indemnified Party's possession or under the Parent Indemnified Party's control relating thereto as is reasonably requested by the Agent. Except with the written consent of the Parent Indemnified Party (not to be unreasonably withheld), the Agent will not, in the defense of a Third Party Claim, consent to the entry of any judgment or enter into any settlement (i) which does not include as an unconditional term thereof the giving to the Parent Indemnified Party by the third party of a release from all liability with respect to such suit, claim, action, or proceeding; or (ii) which exceeds the then value of the as-then unpaid portion, if any, of the Earn-out Payments.

(d) Other Claims. In the event any Parent Indemnified Party should have a claim under this Article VIII that does not involve a Third Party Claim being asserted against or sought to be collected from such Parent Indemnified Party, the Agent shall have sixty (60) days after receipt of any notice for a claim by a Parent Indemnified Party to dispute such claim. The failure by any Parent Indemnified Party to so notify the Agent shall not shall not preclude recovery under this Article VIII except to the extent that the Agent has been actually prejudiced by such failure. If the Agent fails to dispute such claim within the period specified above, or upon a final resolution of any dispute in favor of a Parent Indemnified Party (a "Resolved Claim"), such claim specified by the Parent Indemnified Party shall be conclusively deemed Damages subject to indemnification under Section 8.2, and may be recovered from the then unpaid portion, if any, of the Earn-out Payments.

8.4 Limitations. Except in the case of fraud or willful violation of a covenant in this Agreement, the Parent agrees that claims against the unpaid portion, if any, of the Earn-out Payments are the sole and exclusive remedy of Parent or any Parent Indemnified Party (and their respective Affiliates) under this Agreement after Closing. Further, no recovery shall be made from the unpaid portion, if any, of the Earn-out Payments unless and until the aggregate amount of the indemnification obligations under Section 8.2 exceeds One Hundred Thousand Dollars ($100,000) (the "**Deductible**"). Once the aggregate amount of the indemnification obligations under Section 8.2 exceeds such amount, then the Parent Indemnified Parties shall be entitled to recover only the amounts thereof in excess of the Deductible. Notwithstanding the foregoing, recovery for indemnification under Section 8.2(i) with respect to a breach of the representations and warranties that is related to either of the first two Material Contracts listed on Section 4.15(xxiv) of the Disclosure Schedule (i.e., with Litigation Logistics, LLC and D4, LLC) shall not be subject to the Deductible (and shall not count towards the Deductible amount).

8.5 Agent.

(a) The prior Note holders and prior Security holders shall be bound by all actions taken by the Agent in its capacity thereof. The Agent shall promptly provide written notice to the prior Note holders (collectively, the "**Holders**") of any action taken on behalf of them by the Agent pursuant to the authority delegated to the Agent under this Section 8.5. The Agent shall at all times act in his, her or its capacity as Agent in a manner that the Agent believes to be in the best interest of the Holders.

(b) The Agent shall not be liable to any Holder for any error of judgment, or any action taken, suffered or omitted to be taken, under this Agreement except in the case of its gross negligence, bad faith or willful misconduct. The Agent may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts. The Agent (i) shall not be deemed to have knowledge of any event or circumstance relating to the Earn-out Payments unless and until notice describing such Earn-out Payments is given to the Agent in writing by the Parent or the Surviving Company pursuant to Section 2.8 hereof, (ii) shall be entitled to rely upon, and shall not incur any liability for relying upon, any statement, notice, request, certificate, consent, statement, instrument, document or other oral or written statement (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been made, written, signed, sent, otherwise authenticated by the Parent, the Surviving Corporation or any Parent Indemnified Person and (iii) shall not have any duty to independently ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement.

(c) The use of the term "Agent" is not intended to connote any fiduciary or other implied (or express) obligations to the Holders arising under agency doctrine or any applicable law, but is meant to reflect only an administrative relationship under this Agreement between the Agent and the Holders and between the Agent and the Company, the Parent and the Parent Indemnified Parties. The Agent shall have only those duties and obligations expressly set forth herein, which are solely administrative in nature and are not meant to be fiduciary or implied duties to take any discretionary action or to exercise any discretionary powers, except

discretionary rights and powers expressly contemplated hereunder. The Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to the Agreement or applicable law.

(d) Each Holder acknowledges that it has, independently and without reliance upon the Agent or any other Holder and based on such documents and information as it has deemed appropriate, made its own analysis and decision to enter into this Agreement. Each Holder severally shall indemnify and hold harmless the Agent from and against such Holder's ratable share of any and all liabilities, losses, damages, claims, costs or expenses suffered or incurred by the Agent arising out of or resulting from any action taken or omitted to be taken by the Agent under this Agreement, other than those arising out of or resulting from the Agent's gross negligence, bad faith or willful misconduct. In all matters relating to this Article VIII, the Agent shall be the only party entitled to assert the rights of the Holders. The Parent Indemnified Parties shall be entitled to rely on all statements, representations and decisions of the Agent.

(e) The Agent may perform any and all of its duties by or through sub-agents and the exculpatory provisions of this Section shall apply to any such sub agent. All reasonable out-of-pocket expenses incurred by the Agent and its sub-agents (including the reasonable out-of-pocket fees, charges and disbursements of counsel for the Agent), in connection with the activities of Agent hereunder, shall be reimbursed to the Agent out of any Earn-out Payments before such Earn-out Payments are allocated or paid to the Holders.

ARTICLE IX

TERMINATION

9.1 Termination. This Agreement may be terminated prior to the Effective Time:

(a) By mutual written consent of the Company and Parent;

(b) By the Company or Parent if the Effective Time has not occurred on or prior to October 31, 2011 (the "Outside Date"); provided that the right to terminate this Agreement pursuant to this Section 9.1(b) shall not be available to any party whose breach of any provision of this Agreement has contributed to the failure of the Closing to occur on or before the Outside Date.

(c) By Parent, if there has been a breach of any representation, warranty, covenant or agreement made by the Company in this Agreement, or any such representation and warranty shall have become untrue, in each case in a manner such that the conditions set forth in Section 7.2(a) or Section 7.2(b), as applicable, would not be satisfied; provided that the right to terminate this Agreement pursuant to this Section 9.1(c) shall not be available to Parent if Parent is then in material breach of any of its covenants, agreements or other obligations contained in this Agreement;

(d) By Parent, if the Stockholder Consent is not received by October 10, 2011;

(e) By the Company, if there has been a breach of any representation, warranty, covenant or agreement made by Purchaser in this Agreement, or any such representation and warranty shall have become untrue, in each case in a manner such that the conditions set forth in Section 7.1(a) or Section 7.1(b), as applicable, would not be satisfied.

9.2 Effect of Termination. In the event of the termination of this Agreement as provided in Section 9.1, written notice thereof shall promptly be given by the terminating party to the other parties and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned without further action by or further liability of any party; provided, however, that nothing herein shall relieve any Party from liability for fraud or any knowing and willful breach hereof (other than in any immaterial respect); provided, further, the provisions of this Section 9.2, Section 6.2 and Article X (and any related definitional provisions in Article I) shall remain in full force and effect and survive any termination of this Agreement.

ARTICLE X

GENERAL

10.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other shall be in writing and delivered personally or sent by certified mail, postage prepaid, by telecopy, or by courier service, as follows:

(a) If to Parent or Merger Subsidiary, to:

Allen Systems Group, Inc.
1333 Third Avenue South
Naples, Florida 34102
Attn: General Counsel
Fax: (239) 213-3502

with a copy to:

Allen Systems Group, Inc.
1333 Third Avenue South
Naples, Florida 34102
Attention: President
Fax: (239) 435-2290

and if to the Company (prior to Closing) or to the Agent:

Ante J. Pervan
c/o Dillon Kane Group, LLC
1 N. Wacker Dr. Suite 4000
Chicago, IL 60606
Fax: (312) 896-1561

with copies to:

Rob Schultz
c/o IllinoisVENTURES, LLC
2001 South First Street, Suite 201
Champaign, IL 61820
Fax: (217) 239-1948

and

K&L Gates LLP
70 W. Madison St., Suite. 3100
Chicago, IL 60602-4207
Attention: Dennis A. Peterson
Fax: (312) 827-8187

or to such other Persons as may be designated in writing by the parties, by a notice given as aforesaid.

10.2 Headings. The headings of the several sections of this Agreement are inserted for convenience of reference only and are not intended to affect the meaning or interpretation of this Agreement.

10.3 Counterparts. This Agreement may be executed in counterparts, and when so executed each counterpart shall be deemed to be an original, and said counterparts together shall constitute one and the same instrument. Facsimile signatures shall be as effective as original signatures.

10.4 Entire Agreement; Assignment. This Agreement, the Schedules and Exhibits hereto (including the Disclosure Schedule), and the Confidentiality Agreement: (a) constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof; (b) are not intended to confer upon any other Person any rights or remedies hereunder; and (c) shall not be assigned by operation of law or otherwise except as mutually agreed in writing between the parties and any assignment in violation of this Section 10.4 shall be null and void.

10.5 Severability. In the event that any provision of this Agreement or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or

unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other Persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

10.6 Other Remedies and Specific Performance. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy. The parties hereto agree and acknowledge that, in the event of a breach of any provision of this Agreement, the aggrieved party may be without an adequate remedy at law. The parties therefore agree that in the event of a breach of any provision of this Agreement, the aggrieved party may elect to institute and prosecute proceedings in any court of competent jurisdiction to obtain specific performance or to enjoin the continuing breach of such provision. By seeking or obtaining any such relief, the aggrieved party will not be precluded from seeking or obtaining any other relief to which it may be entitled.

10.7 Governing Law; Wavier of Jury Trial.

(a) This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Delaware as applied to contracts entered into solely between residents of, and to be performed entirely in, such state. The parties hereto do hereby irrevocably submit to the jurisdiction of any state or federal court located in the State of Delaware, solely in respect of the interpretation and enforcement of the provisions of this Agreement and in respect of the transactions contemplated hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a state or federal court. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 9.1 hereof, or in such other manner as may be permitted by law, shall be valid and sufficient service thereof.

(b) EACH PARTY HERETO HEREBY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, AND (II) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY.

10.8 Absence of Third Party Beneficiary Rights. Except as specifically set forth herein, no provision of this Agreement is intended, or will be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any client, customer, affiliate, stockholder, employee or partner of any party hereto or any other Person, and all provisions hereof will be personal solely between the parties to this Agreement.

10.9 Amendment or Supplement. Except as otherwise provided herein, this Agreement may be amended or supplemented at any time before or after approval of this Agreement by the stockholders of the Company to the extent permitted under the DGCL. No amendment or supplement shall be effective unless in writing and signed by or on behalf of all parties hereto. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, all as of the date first above written.

ALLEN SYSTEMS GROUP, INC.

By: _____
Name:
Title:

ASG RG M&A, INC.

By: _____
Name:
Title:

RIVERGLASS, INC.

By: _____
Name: Kirk Dauksavage
Title: President and CEO

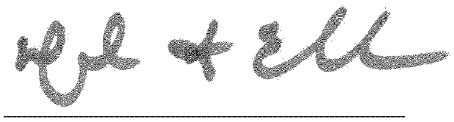
And, solely in its role as Agent under this Agreement (and in no other capacity):

COUNTRY MUTUAL INSURANCE COMPANY

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, all as of the date first above written.

ALLEN SYSTEMS GROUP, INC.

By: 
Name: Derek S. Eckelman
Title: General Counsel and Secretary

ASG RG M&A, INC.

By: 
Name: Derek S. Eckelman
Title: Secretary

RIVERGLASS, INC.

By: _____
Name: Kirk Dauksavage
Title: President and CEO

And, solely in its role as Agent under this Agreement (and in no other capacity):

COUNTRY MUTUAL INSURANCE COMPANY

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, all as of the date first above written.

ALLEN SYSTEMS GROUP, INC.

By: _____
Name:
Title:

ASG RG M&A, INC.

By: _____
Name:
Title:

RIVERGLASS, INC.

By: _____
Name: Kirk Dauksavage
Title: President and CEO

And, solely in its role as Agent under this Agreement (and in no other capacity):

COUNTRY MUTUAL INSURANCE COMPANY

By: _____
Name: Peter J. Borowski
Title: Vice President & Corporate Controller

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, all as of the date first above written.

ALLEN SYSTEMS GROUP, INC.

By: _____
Name:
Title:

ASG RG M&A, INC.

By: _____
Name:
Title:

RIVERGLASS, INC.

By: _____
Name: Kirk Dauksavage
Title: President and CEO

And, solely in its role as Agent under this Agreement (and in no other capacity):

COUNTRY MUTUAL INSURANCE COMPANY

By: _____
Name:
Title:

Asset and Liability Schedule

	June 30, 2011	
ASSETS		
Total Current Assets	658,746	A
Fixed Assets		
Fixed Assets - Tangibles	538,495	A
Accumulated Depreciation - Tangibles	-340,930	A
Fixed Assets - Intangibles	75,698	
Accumulated Depreciation - Intangibles	-74,714	
Total Fixed Assets	198,549	
Other Assets		
Other Assets	60,194	
Accumulated Amortization	-4,057	
Total Other Assets	56,137	
TOTAL ASSETS	**913,432**	
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	183,802	L
Other Current Liabilities		
Payroll Liabilities	14,829	L
Other Accrued Expenses	61,453	L
Current Portion of Equip Leases	0	L
Accrued payroll - Other	80,413	L
Accrued payroll - Employee Offset Portion[1]	0	
Accrued Paid Leave	81,411	L
Accrued Interest	618,205	L
Deferred Revenue	3,437,231	
Total Other Current Liabilities	4,293,542	
Total Current Liabilities	4,477,344	
Long Term Liabilities		
Equipment Leases	96,493	L
Convertible Notes	4,502,746	
Total Long Term Liabilities	4,599,239	
Total Liabilities	9,076,583	
Equity		
Capital Stock	3,576	
Additional Paid-in Capital	49,347	
Preferred Stock - Series A, Net	1,757,462	
Preferred Stock - Series B, Net	6,259,202	
Treasury Stock	-729	
Retained Earnings	-14,598,460	
Net Income	-1,633,548	
Total Equity	-8,163,151	
TOTAL LIABILITIES & EQUITY	**913,432**	

Asset Greater than Liability Calculation	
A = Included in Asset Total	
L = Included in Liability Total	
Sum of A =	856,310.59
Sum of L =	1,136,606.63
	(280,296.04)

Note: Liabilites are greater in this calculation due to the Accrued Interest, as of the Effective Date the Accrued Interest will be 0 as part of the cancelation of the convertible debt.

[1] The Employee Offset is not included in the Liabilities under Section 4.7(b)

Employee Offset Schedule

Employee Salary:	
Kirk Dauksavage	$43,749.99
Crystal Bailey	$18,249.99
Doug Marquis	$43,749.99
Scott Eichenauer	$31,250.01
Howard Hall	$31,250.01
Total:	$168,249.99
Commissions:	
Howard Hall	$24,496.27
John Ryan	$13,582.09
Total:	$38,078.36

Grand Total: $206,328.35*

Permitted Encumbrances Schedule

None

Schedule 2.6(g)(i)

(To be paid on Closing Date, resulting in an offset to Earn-out Payments)

Transaction Expenses:

K&L Gates LLP	$66,000.00
RapiDemand	$11,317.70

Schedule 2.6(g)(ii)

(To be paid on Closing Date)

Expense reimbursement:

Crystal Bailey	$8,311.20
Doug Marquis	$2,182.65
John Ryan	$1,319.76
Justin Palmer	$ 318.94
Kirk Dauksavage	$2,035.10
Mary Pat Poteet	$5,702.57
Matthew Berry	$ 100.00
Peter Carroll	$ 187.57
Phil Truesdale	$ 34.00
Shar Smith	$ 76.00
Shawn Burchfield	$5,071.82
Tom Hjellming	$ 693.79
Vikas Mehra	$ 14.07

Total Expense reimbursements are $26,047.47. The Parent will wire this amount into the Company's primary checking account and then the Company will process each payment via check.

Vendor:

K&L Gates LLP	$31,286.98

Schedule 2.6(g)(iii)

(To be paid by 10/15/2011, subject to employee withholding, resulting in an offset to Earn-out Payments)

Employee Salary:	
Kirk Dauksavage	$43,749.99
Crystal Bailey	$18,249.99
Doug Marquis	$43,749.99
Scott Eichenauer	$31,250.01
Howard Hall	$31,250.01
Total:	$168,249.99

Commissions:	
Howard Hall	$24,496.27
John Ryan	$13,582.09
Total:	$38,078.36

Schedule 2.6(g)(iv)

(To be paid by 10/15/2011, subject to employee withholding)

Commissions:	
Howard Hall	$ 4,642.62
John Ryan	$12,380.33
Total:	$17,022.95

DISCLOSURE SCHEDULE

TO THE

AGREEMENT AND PLAN OF MERGER

among

ALLEN SYSTEMS GROUP, INC.,

ASG RG M&A, INC.,

RIVERGLASS, INC.

and

COUNTRY MUTUAL INSURANCE COMPANY, as AGENT

This Disclosure Schedule is being delivered pursuant to the Agreement and Plan of Merger among Allen Systems Group, Inc., ASG RG M&A, Inc., Riverglass, Inc. and Country Mutual Insurance Company as Agent, dated as of October 7, 2011 (the "Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in the Agreement.

Each Section of this Disclosure Schedule qualifies the corresponding numbered representation and warranty, and any other representation or warranty to which such disclosure is applicable to the extent such applicability is readily apparent from the nature of the disclosure (except that Section 4.15 of the Disclosure Schedule qualifies only Section 4.15 of the Agreement). The inclusion of any matter in this Disclosure Schedule does not constitute a determination by any of the parties to the Agreement that such matters are material. This Disclosure Schedule is qualified in its entirety by reference to the specific provisions of the Agreement, and are not intended to constitute, and shall not be construed as constituting, any representation or warranty or covenant.

The information contained in this Disclosure Schedule is disclosed solely for the purposes of the Agreement, and no information contained herein shall be deemed to be an admission of any liability or obligation by any party hereto to any third party of any matter whatsoever, including of any violation of law or breach of any agreement.

To the extent any documents or agreements are summarized in this Disclosure Schedule, reference is made to the full document or agreement for a complete statement of its terms and conditions.

DISCLOSURE SCHEDULE

Section 4.1	-	Organization and Qualification
Section 4.2	-	Capital Structure
Section 4.7	-	Financial Statements
Section 4.8	-	Properties
Section 4.10	-	Taxes
Section 4.11	-	Employees and Employee Benefit Plans
Section 4.12	-	Labor Matters
Section 4.14	-	Litigation
Section 4.15	-	Contracts
Section 4.16	-	Proprietary Rights
Section 4.17	-	Absence of Certain Changes and Actions
Section 4.18	-	Insurance
Section 4.19	-	Transactions with Affiliates
Section 4.21	-	Vendors and Customers
Section 4.22	-	Non-Compete
Section 4.23	-	Warranties, Guarantees and Indemnities
Section 4.24	-	Product and Service Quality
Section 4.25	-	Brokers or Finders
Section 4.26	-	Bank Accounts

Section 4.1
Organization and Qualification

4.1 List of Directors and Officers

1. Board of Directors

   Phil Wilmington (Chairman)
   Kirk Dauksavage
   Rob Schultz
   Marc Weiser
   Michael Welge
   Tom Reedy
   Don Kane

2. Officers

   Kirk Dauksavage – President, Treasurer, & Secretary

Section 4.2
Capital Structure

1. The Notes are outstanding and, by their terms prior to the Effective Time, are convertible into capital stock of the Company. The Notes will be canceled as provided in Article II.

2. The Company's existing stockholders agreement and registration rights agreement, each as amended to date, exist as of the execution of the Agreement – but are terminated as of the Effective Time pursuant to the terms of the Stockholder Consent.

3. The Company's equity incentive plan, and all outstanding option thereunder, are being terminated as of the Effective Time.

Section 4.7(a)
Financial Statements

1. See attached for the Financial Statements

2. The Financial Statements have been prepared in accordance with GAAP with the exception that they do not account for employee stock options as compensation as required under ASC Topic 718 (formerly, FASB Statement 123R). All stock options are being terminated as of the Effective Time.

3. Capital Leases

   a. Equipment Lease Agreement dated as of June 3, 2011 among VAR Resources, Inc and RiverGlass, Inc.

   b. Equipment Lease Agreement dated as of May 10, 2011 among Dell Financial Services, L.L.C. and RiverGlass, Inc.

   c. Equipment Lease Agreement dated as of December 28, 2010 among VAR Resources, Inc. and RiverGlass Inc.

   d. Equipment Lease Agreement dated as of September 10, 2010 among Dell Financial Services, L.L.C. and RiverGlass, Inc.

   e. Equipment Lease Agreement dated as of February 19, 2009 among Dell Financial Services L.L.C. and RiverGlass, Inc.

   f. Equipment Lease Agreement dated as of June 4, 2008 among 1807 N Federal Drive.

RiverGlass, Inc.
Balance Sheet
January through December 2010

	Dec 31, 10
ASSETS	
Current Assets	
Cash	92,840
Accounts Receivable	
Accounts Receivable	33,263
Allowance for Doubtful Accounts	-3,788
Total Accounts Receivable	29,475
Prepaid Liabilities	57,701
Total Current Assets	180,016
Fixed Assets	
Fixed Assets	582,845
Accumulated Depreciation	-371,806
Total Fixed Assets	211,040
Other Assets	
Other Assets	48,614
Accumulated Amortization	-3,057
Total Other Assets	45,557
TOTAL ASSETS	**436,613**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	77,207
Other Current Liabilities	
Payroll Liabilities	10,474
Other Accrued Expenses	40,637
Current Portion of Equip Leases	46,638
Accrued Payroll	12,500
Accrued Paid Leave	77,411
Accrued Interest	369,436
Deferred Revenue	1,789,398
Total Other Current Liabilities	2,346,494
Total Current Liabilities	2,423,701

RiverGlass, Inc.
Balance Sheet
January through December 2010

Long Term Liabilities	
Equipment Leases	39,770
Convertible Notes	4,502,746
Total Long Term Liabilities	4,542,515
Total Liabilities	6,966,216
Equity	
Capital Stock	3,576
Additional Paid-in Capital	49,347
Preferred Stock - Series A, Net	1,757,462
Preferred Stock - Series B, Net	6,259,202
Treasury Stock	-729
Retained Earnings	-12,520,862
Net Income	-2,077,598
Total Equity	-6,529,603
TOTAL LIABILITIES & EQUITY	**436,613**

RiverGlass, Inc.
Statement of Income
January through December 2010

	Jan-Dec 2010
Ordinary Income/Expense	
Income	
License Fees	1,020,551
Custom Integration	315,522
Maintenance	296,781
Professional Services	69,029
Reseller Agreement	520,000
Total Income	2,221,882
Cost of Goods Sold	168,409
Gross Profit	2,053,473
Expense	
Sales & Marketing	
Compensation	631,162
Consulting Fees	123,000
T&E	64,692
Conference Fees	33,948
Marketing Expenses	1,590
Memberships	1,177
Sales & Marketing Total	855,569
Engineering	
Compensation	1,711,765
Consulting Fees	117,036
T&E	27,864
Conference Fees- R&D	15,856
Supplies and Materials	107
License Support	833
Engineering Total	1,873,461
General & Administrative	
Compensation	326,672
T&E	17,855
Conference Fees - G&A	276
Supplies & Small Equipment	38,934
Insurance	40,694
Occupancy	206,738
Professional Fees	18,097
Other	27,611
General & Administrative Total	676,876
Total Expense	3,405,906

RiverGlass, Inc.
Statement of Income
January through December 2010

	Jan-Dec 2010
Net Ordinary Income	-1,352,433
Other Income/Expense	
Other Income	2,044
Other Expense	
Depreciation Expense	119,536
Amortization	1,662
Interest Expense	440,170
Loss on Disposal of Fixed Assets	159,756
Taxes/Franchise Fees	6,085
Other Expense Total	727,209
Net Other Income	-725,165
Net Income	**-2,077,598**

RiverGlass, Inc.
Statement of Cash Flows
January through December 2010

	Jan - Dec 10
OPERATING ACTIVITIES	
Net Income	-2,077,598
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Depreciation Expense	119,536
Amortization Expense	1,662
Loss on Disposal of Assets	159,756
Accounts Receivable	220,989
Allowance for Doubtful Accounts	3,788
Prepaid Liabilities	-37,865
Accounts Payable	-43,260
Payroll Liabilities	19,937
Other Accrued Expenses	30,137
Current Portion of Equip Leases	13,433
Accrued Payroll	-335
Accrued Paid Leave	36,641
Accrued Interest	180,469
Deferred Revenue	427,189
Net cash provided by Operating Activities	-945,521
INVESTING ACTIVITIES	
Fixed Asset Additions	-171,523
Other Asset Additions	-47,212
Net cash provided by Investing Activities	-218,735
FINANCING ACTIVITIES	
Equipment Leases	-28,923
Convertible Notes	1,202,746
Equipment Leases	39,770
Capital Stock	300
Preferred Stock - Series B, Net	-55,189
Retained Earnings	38,758
Net cash provided by Financing Activities	1,197,462
Net cash increase for period	33,206
Cash at beginning of period	59,634
Cash at end of period	**92,840**

RiverGlass, Inc.
Interim Balance Sheet
January through June 2011
Note: Interim Financials are subject to standard year-end adjustments and estimations

	June 30, 2011
ASSETS	
Current Assets	
Cash	13,134
Accounts Receivable	
Accounts Receivable	409,427
Allowance for Doubtful Accounts	-3,788
Total Accounts Receivable	405,640
Other Current Assets	
Unbilled AR - Special Terms	180,000
Prepaid Liabilities	59,973
Total Accounts Receivable	239,973
Total Current Assets	658,746
Fixed Assets	
Fixed Assets	614,193
Accumulated Depreciation	-415,644
Total Fixed Assets	198,549
Other Assets	
Other Assets	60,194
Accumulated Amortization	-4,057
Total Other Assets	56,137
TOTAL ASSETS	**913,432**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	183,802
Other Current Liabilities	
Payroll Liabilities	14,829
Other Accrued Expenses	61,453
Current Portion of Equip Leases	0
Accrued payroll	80,413
Accrued Paid Leave	81,411
Accrued Interest	618,205
Deferred Revenue	3,437,231
Total Other Current Liabilities	4,293,542
Total Current Liabilities	4,477,344

RiverGlass, Inc.
Interim Balance Sheet
January through June 2011
Note: Interim Financials are subject to standard year-end adjustments and estimations

Long Term Liabilities	
Equipment Leases	96,493
Convertible Notes	4,502,746
Total Long Term Liabilities	4,599,239
Total Liabilities	9,076,583
Equity	
Capital Stock	3,576
Additional Paid-in Capital	49,347
Preferred Stock - Series A, Net	1,757,462
Preferred Stock - Series B, Net	6,259,202
Treasury Stock	-729
Retained Earnings	-14,598,460
Net Income	-1,633,548
Total Equity	-8,163,151
TOTAL LIABILITIES & EQUITY	**913,432**

RiverGlass, Inc.
Interim Statement of Income
January through June 2011
Note: Interim Financials are subject to standard year-end adjustments and estimations

	Jan-June 2011
Ordinary Income/Expense	
Income	
License Fees	55,547
Custom Integration	1,763
Maintenance	142,394
Hosting Fees	45,520
Professional Services	10,879
Reseller Agreement	476,667
Total Income	732,769
Cost of Goods Sold	152,164
Gross Profit	580,605
Expense	
Sales & Marketing	
Compensation	371,845
Consulting Fees	7,700
T&E	35,637
Conference Fees	44,564
Marketing Expenses	4,170
Memberships	767
Sales & Marketing Total	464,683
Engineering	
Compensation	822,626
Consulting Fees	139,826
T&E	15,329
Conference Fees- R&D	1,559
Supplies and Materials	9,986
License Support	3,457
Engineering Total	992,783
General & Administrative	
Compensation	179,036
T&E	11,325
Conference Fees - G&A	1,108
Supplies & Small Equipment	29,196
Insurance	20,567
Occupancy	115,103
Professional Fees	83,864
Other	12,815
General & Administrative Total	453,014
Total Expense	1,910,480

RiverGlass, Inc.
Interim Statement of Income
January through June 2011
Note: Interim Financials are subject to standard year-end adjustments and estimations

	Jan-June 2011
Net Ordinary Income	-1,329,875
Other Income/Expense	
Other Income	0
Other Expense	
Depreciation Expense	43,838
Amortization	1,000
Interest Expense	257,823
Loss on Disposal of Fixed Asset	0
Taxes/Franchise Fees	1,012
Other Expense Total	303,674
Net Other Income	-303,674
Net Income	**-1,633,548**

RiverGlass, Inc.
Interim Statement of Cash Flows
January through June 2011
Note: Interim Financials are subject to standard year-end adjustments and estimations

	Jan - June 11
OPERATING ACTIVITIES	
Net Income	-1,633,548
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Depreciation Expense	43,838
Amortization Expense	1,000
Loss on Disposal of Assets	0
Accounts Receivable	-376,165
Allowance for Doubtful Accounts	0
Unbilled AR - Special Terms	-180,000
Prepaid Liabilities	-2,272
Accounts Payable	106,595
Payroll Liabilities	4,355
Other Accrued Expenses	20,816
Current Portion of Equip Leases	-46,638
Accrued Payroll	67,913
Accrued Paid Leave	4,000
Accrued Interest	248,769
Deferred Revenue	1,647,833
Net cash provided by Operating Activities	-93,503
INVESTING ACTIVITIES	
Fixed Asset Additions	-31,348
Other Asset Additions	-11,580
Net cash provided by Investing Activities	-42,928
FINANCING ACTIVITIES	
Equipment Leases	56,724
Convertible Notes	0
Capital Stock	0
Preferred Stock - Series B, Net	0
Net cash provided by Financing Activities	56,724
Net cash increase for period	-79,707
Cash at beginning of period	92,840
Cash at end of period	**13,134**

Section 4.8
Properties

4.8(a) Property Encumbrances

1. Certain off-site employees use personal computers and office equipment.

4.8(b) Leased Property Listing

Real Property	Lesser
2700 W. International Drive STE 305 West Chicago, IL 60185	DuPage Airport Authority Flight Center – Month to Month lease

Equipment	Lesser and lease identifier
Catalyst 4500 Supervisor	Var Resources (final payment just made, waiting on release from Lesser)
Dell PowerVault MD1120 DAS	Dell - 004
Dell PowerVault MD 1220 DAS	Dell - 005
Dell PowerEdge R710 Server	Dell - 005
Dell PowerVault MD1220 DAS	Var Resources – 2nd
Dell PowerEdge R610 Server	Var Resources – 2nd
Dell PowerVault MD1220 DAS	Dell - 006
Dell PowerEdge R710 Server	Dell - 006
Dell PowerVault MD1200 DAS	Var Resources – 3rd
Dell PowerEdge R710 Server	Var Resources – 3rd

1. The Company has received notices of late payment under the following lease agreements; however it has not received any notices of breach of contract or cancellation.

    a. Var Resources – final payment just made, it was due in June, however, the Company was working with Lesser on a discrepancy therefore did not make final payment until Oct.

    b. Dell – 004, the Company is currently in arrears by 4 months in the amount of $1432.52.

c. Dell – 005, the Company is currently in arrears by 4 months in the amount of $3,378.89.

d. Dell – 006, the Company is currently in arrears by 3 months in the amount of $1,648.30.

Section 4.10
Taxes

4.10(b) Timely Filed

The Company has on occasion filed late Use Tax and Franchisee tax returns, any penalties incurred have been paid and all returns due currently have been filed.

4.10(c) Payroll Tax Withholding

The Company had an employee move from California to Washington and the state payroll tax withholdings were incorrect for two pay periods following the employee's move. The Company is currently in the process of correcting the payroll tax withholdings for that employee.

4.10(d) Notices or Requests for information related to Tax Matters

None, except in relation to item noted above in 4.10(c).

Section 4.11
Employees and Employee Benefit Plans

4.11(a)

1. See attached Employee List

2. The Company has an Employment Agreement with Doug Marquis, that requires six months of severance pay and COBRA coverage should the Company terminate his employment without cause.

3. The Company has an Agreement via an Offer Letter with Kirk Dauksavage that requires four months of severance pay and COBRA coverage should the Company terminate his employment without cause.

4.11(b)

1. The Company has on occasion had late payments to carriers of employee benefit plans, however, only one carrier (Fort Dearborn Life) has cancelled the Company's life insurance policy due to non-payment. The Company had not received any notices or invoices for several months and upon noticing missing invoices, called the carrier and was informed of the termination . The Company immediately issued a request to reinstate the policy and estimates that the amount of past due invoices that will need to be paid upon reinstatement to be approximately $650.

2. See attached Benefits Schedule

3. The Company has not received a favorable determination letter from the IRS stating satisfaction of the requirements of Section 501(a), but instead has an opinion letter from the IRS because the plan is a Prototype Non-standardized Profit Sharing Plan with CODA. This replaces a favorable determination letter.

4.11(c) (i)

1. The Company has an Employment Agreement with Doug Marquis, that requires six months of severance pay and COBRA coverage should the Company terminate his employment without cause.

2. The Company has an Agreement via an Offer Letter with Kirk Dauksavage that requires four months of severance pay and COBRA coverage should the Company terminate his employment without cause.

4.11(c) (iii)

Certain Stock Option Agreements contained provisions to accelerate the vesting schedule under a change of control event, however, all options and option grants all outstanding option are being terminated as of the Effective Time.

4.11(c) (vi)

As noted in Section 4.7(a), the Company does not account for employee stock options as compensation, therefore is unaware if the execution of this Agreement would cause additional compensation expense.

4.11(d)(ii) The Company has on occasion remitted 401k deferral payments late.

Employee	Category (Engineering,S&M,G&A)	Job Title	Salary	FTE	PTO Accrual as of 10/7/2011	Total Value PTO Accrual through 10/7/2011
Bailey, Crystal M	G&A	Director of Finance & Operations	$ 73,000	100%	100	$ 3,509.62
Berry, Matthew J.	Engineering	Sr. Software Engineer	$ 80,580	100%	59.36	$ 2,299.63
Burchfield, Shawn T	S&M	Director, Strategic Accounts	$ 120,000	100%	69.49	$ 4,009.04
Bushell, Colleen B[1]	Engineering	Director, User Experience	$ 61,548	50%	18.76	$ 1,110.23
Carroll, Peter	S&M		$ 71,500	100%	14.56	$ 1,001.00
Dauksavage, Kirk D[3]	G&A	President	$ 175,000	100%	96.7	$ 8,135.82
Eichenauer, Scott A	S&M	VP Professional Services	$ 125,000	100%	139.42	$ 8,378.61
Hall, Howard	S&M	VP Sales	$ 125,000	100%	82.5	$ 4,957.93
Hjellming, Thomas	Engineering	Principle Engineer, User Experience	$ 115,000	100%	51.42	$ 2,842.93
Marquis, Doug A[3]	Engineering	VP Engineering	$ 175,000	100%	67.42	$ 5,672.36
Mehra, Vikas	Engineering	Sr Software Engineer	$ 80,000	100%	80.36	$ 3,090.77
Palmer, Justin E.	Engineering	Sr. Software Engineer	$ 85,000	100%	99.34	$ 4,059.57
Poteet, Mary Pat	S&M	VP E-Discovery	$ 145,000	100%	12.5	$ 871.39
Ryan, John J.	S&M	Director, Sales	$ 75,000	100%	10.5	$ 378.61
Shi, Lixia	Engineering	Quality Analyst	$ 40,000	100%	16.5	$ 317.31
Smith, Sharys L[2]	G&A	HR/Admin. Manager	$ 37,625	87.5%	82.5	$ 1,492.34
Truesdale, Philip E.	Engineering	Team Lead, Quality Analyst	$ 64,800	100%	95.56	$ 2,977.06
Wake, Timothy K	Engineering	Sr Software Engineer	$ 86,080	100%	94.08	$ 3,893.46

[1] Colleen Bushell salary at 100% would be $123,000
[2] Shar Smith salary at 100% would be $43,000
[3] Note Severance referenced in Schedule 6.7(a)

Consultant Name		Job Title/Services	2010 Compensation	YTD as of 9/30/11
Victor Raskin	Engineering	OntoSem Development	$ 37,000.00	$ 12,692.02
Lori Wilson	Engineering	OntoSem Development	$ 36,520.00	$ 24,480.00
Gayle O'Connor	S&M	Web Content & Development	$ -	$ 2,800.00
Maxim Petrenko	Engineering	OntoSem Development	$ 31,125.00	$ 34,690.00
Whitney Vandiver	Engineering	OntoSem Development	$ 15,993.75	$ 2,275.00
Ambassador Stephen Minikes	S&M	Senior Government Consultant	$ 11,250.00	$ -
Brett Atwood	S&M	Sales Consultant	$ 23,000.00	$ -
Function 49	S&M	Website Design	$ -	$ 5,512.50

RiverGlass, Inc
Employee List
October 7, 2011

RiverGlass Benefits

Champaign Group:

Benefit	Provider	Benefit Received	Employer Cost (per month)	Employee Cost (per month)
Health Insurance	Health Alliance	Coverage is 90/10. $500 deductible for single. $1000 deductible for family.	Single (age 30-34) – no participants at this time Single (age 35-39) $216 Employee/Spouse (age 25-29) – no participants at this time Employee/Child(ren) – no participants at this time Family (age 35-39) $1390 Total current monthly cost $4386	Single $75 Employee/Spouse $150 Employee/Child(ren) $150 Family $250
Dental	NABCO	Benefit received depends on covered expense: - Type 1 – 100% covered - Type 2 – 80% covered with $50 deductible per person - Type 3 – 50% covered with $50 deductible per person - Type 4– 50% covered with no deductible	Single $62.35 Employee/Spouse $60.49 Employee/Child(ren) – no participants at this time Family $198.12 Total current monthly cost $293	Employee cost listed above includes all monthly benefit costs.
Long Term Disability *includes all employees within company	NABCO	Maximum monthly benefit $6000. Benefit percentage – 60% of monthly income loss	Cost varies by age. Total current monthly cost $54	Employee cost listed above includes all monthly benefit costs.
Supplemental Insurance	AFLAC	- Accident coverage - Hospital coverage - Vision coverage - Short-term disability coverage	$0	Elective insurance. Currently there are 0 participant
Life Insurance	NABCO	$25,000 benefit	Cost varies by age. Total current monthly cost $19	Employee cost listed above includes all monthly benefit costs.
AD&D	NABCO	$25,000 benefit	$1.25 per person. Total current monthly cost $11.25	Employee cost listed above includes all monthly benefit costs.

Employees outside of Champaign area:

Benefit	Provider	Benefit Received	Employer Cost (per month)	Employee Cost (per month)
Health Insurance	Blue Cross Blue Shield	Coverage is 90/10. $500 deductible for single. $1000 deductible for family.	Single $348 Employee/Spouse (age 25-29) $735 Employee/Child(ren) – $779 Family (age 35-39) $1141 Total current monthly cost $13789	Single $75 Employee/Spouse $150 Employee/Child(ren) $150 Family $250
Dental	NABCO	Benefit received depends on covered expense: Type 1 – 100% covered Type 2 – 80% covered with $50 deductible per person Type 3 – 50% covered with $50 deductible per person Type – 50% covered with no deductible	*Single *Employee/Spouse *Employee/Child(ren) *Family *Premiums are combined and invoiced together with health insurance premiums	Employee cost listed above includes all monthly benefit costs.
Long Term Disability *includes all employees within company	NABCO	Maximum monthly benefit $6000. Benefit percentage – 60% of monthly income loss	Cost varies by age. Total current monthly cost $160	Employee cost listed above includes all monthly benefit costs.
Supplemental Insurance	AFLAC	Accidental coverage Hospital coverage Vision coverage Short-term disability coverage	$0	Elective insurance. Currently there is 1 participant
Life Insurance	NABCO	$25,000 benefit	Cost varies by age. Total current monthly cost $48	Employee cost listed above includes all monthly benefit costs.
AD&D	NABCO	$25,000 benefit	$1.25 per person. Total current monthly cost $11.25	

Health Insurance-Blue Cross Blue Shield-Blue Advantage PPO 90/70 $500/$1000 Policy #316816
Dental Insurance- Blue Cross Blue Shield-Policy #316816
Life Insurance-Fort Dearborn Life-Policy #FP16816
Long Term Disability-NABCO-Policy #8771-000001
AFLAC
401K-Nationwide-Plan #292-00212

All benefits cease upon termination unless COBRA is elected.

Section 4.12
Labor Matters

In 2006, the Company was audited by the Illinois Dept. of Employment Security and during the course of the audit, it was found that individuals had been improperly classified as independent consultants and employment taxes, penalties and interest were assessed for those individuals. All related taxes, penalties and interest due were paid upon conclusion of the audit.

Section 4.14
Litigation

On May 19, 2011, the Company received a letter from the attorneys of The Cowen Group, claiming that the Company was in breach of contract due to non-payment of a recruitment fee for placing an individual for employment at Riverglass. The Company responded to the letter on May 31, 2011 stating its disagreement with the allegations. No further notices or correspondence has occurred between the two parties since that time.

Section 4.15
Contracts

4.15(i) material agreements for the sale, license, lease or other disposition of the Company's products, or for the performance of services by the Company;

1. Software Evaluation Agreement dated as of September 20, 2011 among RiverGlass, Inc. and Davis Wright Tremaine LLP.

2. Software License and Services Agreement for Service Bureaus dated as of June 30, 2011 among RiverGlass, Inc. and CP Document Technologies, LLC.

3. Hosting Agreement dated as of June 9, 2011 among RiverGlass, Inc. and Brocade Communications Systems, Inc.

4. Software License and Services Agreement dated as of June 9, 2011 among RiverGlass, Inc. and Brocade Communications Systems, Inc.

5. Software License and Services Agreement for Service Bureaus dated as of May 19, 2011 among RiverGlass, Inc. and Scarab Acquisition, LLC.

6. Software License and Services Agreement for Service Bureaus dated as of March 31, 2011 among RiverGlass, Inc. and D4, LLC.

7. Software License and Services Agreement for Service Bureaus dated as of March 31, 2011 among RiverGlass, Inc. and Litigation Logistics, LLC.

8. Software License and Services Agreement for Early Adaptors dated as of March 16, 2011 among RiverGlass, Inc. and Pepper Hamilton.

9. Hosting Agreement dated as of March 16, 2011 among RiverGlass, Inc. and Pepper Hamilton LLP.

10. Hosting Agreement dated as of March 2, 2011 among RiverGlass, Inc. and Perkins Coie, LLP.

11. Master Consulting Services Agreement dated as of March 2, 2011 among RiverGlass, Inc. and Perkins Coie, LLP.

12. Software License and Services Agreement for Early Adaptors dated as of March 2, 2011 among RiverGlass, Inc. and Perkins Coie, LLP.

13. Software License and Services Agreement for Early Adaptors dated as of March 1, 2011 among RiverGlass, Inc. and Miller Canfield Paddock and Stone, P.L.C.

14. Hosting Agreement dated as of February 28, 2011 among RiverGlass, Inc. and Pacific Gas and Electric Company.

15. Software License and Services Agreement for Early Adaptors dated as of February 9, 2011 among RiverGlass, Inc. and Pacific Gas and Electric Company.

16. Software License and Services Agreement for Early Adaptors dated as of January 26, 2011 among RiverGlass, Inc. and Nossaman LLP.

17. Authorized Reseller Agreement dated as of June 17, 2010 among RiverGlass, Inc. and Autometric, Inc. (The Boeing Company).

18. Software Maintenance and Support Agreement dated as of November, 17, 2010 among RiverGlass, Inc. and Bill and Melinda Gates Foundation.

19. End User License Agreement dated as of November 30, 2009 among RiverGlass, Inc and Bill and Melinda Gates Foundation.

20. End User Agreement dated March 30, 2009 among RiverGlass, Inc. and Alabama Criminal Justice Information Center.

21. Sole Source Contract dated July 7, 2006 among RiverGlass, Inc. and the State of Iowa.

22. End User Agreement dated April 28, 2008 among RiverGlass, Inc. and Las Vegas Metropolitan Police Department.

23. Statement of Work dated June 18, 2008 among RiverGlass, Inc. and Analyst International (in support of the End User Agreement with Las Vegas Metropolitan Police Department.)

24. Subcontract Agreement for Infrastructure Services dated June 18, 2008 among RiverGlass, Inc. and Analyst International (in support of the in support of the End User Agreement with Las Vegas Metropolitan Police Department)

25. Contract No. 071B8200270 dated August 30, 2008 among Dewpoint, Inc., as a Prime Contractor and RiverGlass, Inc., a subcontractor and the State of Michigan.

26. Subcontractor Agreement dated October 13, 2008 among RiverGlass, Inc and Dewpoint, Inc. (in support of the Contract with the State of Michigan.)

27. Statement of Work dated December 8, 2008 among RiverGlass, Inc. and Dewpoint, Inc. (in support of the End User Agreement with the State of Michigan.)

28. Sole Source Contract dated January 18, 2005 among RiverGlass, Inc. and the State of Illinois.

4.15(ii) management or employment Contracts, consulting Contracts and collective bargaining Contracts;

1. Executive Retention Agreement dated as of June 1, 2010 among RiverGlass, Inc. and Doug Marquis. NOTE: This agreement requires six months of severance pay and COBRA coverage should the Company terminate his employment without cause.

2. Offer Letter dated April 16, 2004 among RiverGlass, Inc. (formerly Moire, Inc.) and Kirk Dauksavage. NOTE: This agreement requires four months of severance pay and COBRA coverage should the Company terminate his employment without cause.

3. Independent Contractor Agreement dated as of October 1, 2009 among RiverGlass, Inc. and Crystal Bailey

4. Independent Contractor Agreement dated as of February 5, 2009 among RiverGlass, Inc. and Max Petrenko

5. Independent Contractor Agreement dated as of January 13, 2011 among RiverGlass, Inc. and Gayle O'Connor.

6. Independent Contractor Agreement dated April 29, 2011 among RiverGlass, Inc. and Function 49.

7. Offer Letter for an Independent Sales Consultant dated October 5, 2010 among RiverGlass, Inc. and Brett Atwood.

8. Independent Contractor Agreement dated as of July 1, 2009 among RiverGlass, Inc. and Lori Wilson.

9. Independent Contractor Agreement dated as of May 13, 2009 among RiverGlass, Inc. and Sean Harrigan.

10. Consulting Agreement dated May 13, 2009 among RiverGlass, Inc. and Victor Raskin.

4.15(iii) notes, mortgages, deeds of trust, loan agreements, security agreements, guarantees and other evidences of Indebtedness;

1. Amended and Restated Note and Warrant Purchase Agreement dated as of July 27, 2011 among RiverGlass, Inc. and Country Mutual Life Insurance Company, Country Life Insurance Company, Illinois Ventures, LLC, Illinois Emerging Technologies Fund, L.P., Waypoint Venture Partners I, LP and Weiser Family Investments, LLC.

    a. Amended and Restated Convertible Promissory Note dated July 27, 2011 among RiverGlass Inc. and Country Mutual Insurance Company

b. Amended and Restated Convertible Promissory Note dated July 27, 2011 among RiverGlass Inc. and Country Life Insurance Company

c. Amended and Restated Convertible Promissory Note dated July 27, 2011 among RiverGlass Inc. and Illinois Ventures, LLC

d. Amended and Restated Convertible Promissory Note dated July 27, 2011 among RiverGlass Inc. and Illinois Emerging Technologies Fund, L.P.

e. Amended and Restated Convertible Promissory Note dated July 27, 2011 among RiverGlass Inc. and Waypoint Venture Partners I, LP

f. Amended and Restated Convertible Promissory Note dated July 27, 2011 among RiverGlass Inc. and Weiser Family Investments, LLC.

2. Equipment Lease Agreement dated as of June 3, 2011 among VAR Resources, Inc and RiverGlass, Inc. (referenced as Var -3 internally)

3. Equipment Lease Agreement dated as of May 10, 2011 among Dell Financial Services, L.L.C. and RiverGlass, Inc. (referenced as Dell-006 internally)

4. Equipment Lease Agreement dated as of December 28, 2010 among VAR Resources, Inc. and RiverGlass Inc. (referenced as Var-2 internally)

5. Equipment Lease Agreement dated as of September 10, 2010 among Dell Financial Services, L.L.C. and RiverGlass, Inc. (referenced as Dell-005 internally)

6. Equipment Lease Agreement dated as of February 19, 2009 among Dell Financial Services L.L.C. and RiverGlass, Inc. (referenced as Dell -004 internally)

4.15(iv) any agreements in connection the settlement or other disposition of any Proceeding or threatened Proceeding;

1. Settlement Agreement dated March 30, 2010 among RiverGlass, Inc. and Hakia, Inc.

2. Stipulation to Dismiss dated August 23, 2010 among RiverGlass, Inc. and Carla Miller.

4.15(v) patent licenses, patent sublicenses, royalty agreements, development agreements and other Contracts to which the Company is a party under which Company licenses to or from a third party, any Intellectual Property material to the Company's business, except shrink-wrap or click-wrap type software licenses with annual fees of less than $5,000;

1. Embedded Software License Distribution Agreement dated as of November 26, 2010 among RiverGlass, Inc. and Oracle PartnerNetwork.

2. Technology License Agreement dated December 20, 2007 among RiverGlass, Inc. and Hakia, Inc. The Agreement was terminated under the Settlement Agreement listed above in Section 4.15(iv).

3. See License Agreements listed above in Section 4.15(i).

4.15(vi) each Contract that provides for a minimum payment guarantee with a term or any payment obligations that extend beyond one year;

1. Software License and Services Agreement for Service Bureaus dated as of June 30, 2011 among RiverGlass, Inc. and CP Document Technologies, LLC provides for the following payment schedule: $50,000 upon signing (this has been collected), $36,667 upon CP Docs invoicing the first case (to one of it's clients), $36,667 upon the second case, and $36,667 upon the third case, with the caveat that if the first case is not invoiced in the first 180 days of the agreement, the first $50,000 payment will be refunded and the agreement will be terminated. Currently, the customer is working diligently along with the Company's sales support team to license its first case, but payment schedule could potentially extend beyond one year.

2. Embedded Software License Distribution Agreement dated as of November 26, 2010 among RiverGlass, Inc. and Oracle PartnerNetwork.

4.15(vii) any open source, copyleft, shareware or similar licenses,

	Software	License
1	Apache Commons Codec	Apache License v2.0
2	Spring Framework	Apache License v2.0
3	ROME	Apache License v2.0
4	GWT	Apache License v2.0
5	Apache Jakarta Commons Logging	Apache License 2.0
6	Log4J	Apache License v1.0
7	Apache xml-commons external	Apache License, v1.1
8	JUnitPerf	BSD License
9	dsnjava	BSD License
10	JGoodies Looks	BSD License
11	prefuse	BSD License
12	PDFBox	BSD License
13	TimingFramework	BSD License
14	dom4j library	BSD License
15	PostgreSQL	PostgresSQL license
16	HttpUnit	Copyright © 2000–2008, Russell Gold
17	jasper-compiler-jdt package	Eclipse Public License v1.0.
18	CentOS	GNU General Public License.

19	OpenOffice.org	GNU Lesser General Public License v1.0.
20	HTML Parser	GNU Lesser General Public License v2.1.
21	Trove	GNU Lesser General Public License v2.1.
22	SmartGWT	GNU Lesser General Public License v3.0.
23	Tatami	GNU Lesser General Public License v3.0.
24	GNUGetOpt	GNU Library General Public License v2.0.
25	gnu.regexp package	GNU Library General Public License v2.0.
26	Jena	Hewlett-Packard Development Company
27	GFlot	MIT License
28	Protégé	Mozilla Public License v1.1
29	iText	Mozilla Public License v1.1
30	BeanShell	Sun Public License
31	D2K, T2K	University of Illinois/NCSA Open Source License
32	SecondString	University of Illinois/NCSA Open Source License

4.15(viii) any Contract concerning a partnership or joint venture with any Person, or sharing profits or losses, costs or liabilities;

None

4.15(ix) any leases from or to any Person of any real or personal property;

1. Rental Agreement dated as of August, 27, 2008 among RiverGlass, Inc. and DuPage Airport Authority Flight Center.

2. Equipment Lease Agreement dated as of June 3, 2011 among VAR Resources, Inc and RiverGlass, Inc. (referenced as Var -3 internally)

3. Equipment Lease Agreement dated as of May 10, 2011 among Dell Financial Services, L.L.C. and RiverGlass, Inc. (referenced as Dell-006 internally)

4. Equipment Lease Agreement dated as of December 28, 2010 among VAR Resources, Inc. and RiverGlass Inc. (referenced as Var-2 internally)

5. Equipment Lease Agreement dated as of September 10, 2010 among Dell Financial Services, L.L.C. and RiverGlass, Inc. (referenced as Dell-005 internally)

6. Equipment Lease Agreement dated as of February 19, 2009 among Dell Financial Services L.L.C. and RiverGlass, Inc. (referenced as Dell -004 internally)

4.15(x) any Contract to acquire equipment or commitment to make capital expenditures in excess of $10,000 in any year;

None

4.15(xi) any Contract relating to interest rate swaps or hedging agreements, sale and leaseback transactions or other similar financing transactions;

None

4.15 xii) any Contract under which the Company has an obligation to make an investment in or loan to any Person;

None

4.15(xiii) any Contract limiting the freedom of the Company or any of its Affiliates (including Parent or any of its Affiliates from and after the Closing) to engage in any line of business or to compete with any other Person in any geographic area, during any period of time or within any specific customer market and/or any contract that provides for "most favored nation" provisions for the benefit of any other Person or otherwise materially restricts the Company or any of its Affiliates from carrying on such Person's business as now conducted;

1. Authorized Reseller Agreement dated as of June 17, 2010 among RiverGlass, Inc. and Autometric, Inc. (The Boeing Company) gives exclusive rights to the markets of; Federal, state, local governments, Treaty Organizations, and Ports.

2. Software License and Services Agreement dated as of March 31, 2011 among RiverGlass, Inc. and Litigation Logistics, LLC guarantees most favored nation pricing for the initial bundle of cases purchased.

4.15(xiv) any Contract that provides for payment obligations of the Company (whether contingent or otherwise) in respect of earn-outs, deferred purchase price arrangements or similar arrangements that have arisen in connection with investments in or acquisitions of any Person or the assets, rights or properties of any Person;

None

4.15(xv) any Contract that qualifies as a Material Contract under any other clause of this Section and contains any "change in control" or similar provision applicable to the Company;

1. The Company's existing stockholders agreement, Notes and Warrants as listed above, exist as of the execution of the Agreement – but are terminated as of the Effective Time pursuant to the terms of the Stockholder Consent.

4.15(xvi) any Contract governing how any shares of capital stock of the Company shall be voted;

1. The Company's existing stockholders agreement and Registration Rights Agreement exist as of the execution of the Agreement – but are terminated as of the Effective Time pursuant to the terms of the Stockholder Consent.

4.15(xvii) any Contract with respect to which the Company has accrued a loss prior to the Closing;

None

4.15(xviii) any Contract relating to advertising or marketing and agreements (excluding purchase orders) with any sales agents or dealers, distributors and/or manufacturer's representatives;

None

4.15(xix) any Contract or group of related Contracts with the same party for the furnishing or receipt of services, or systems or software which involve a sum in excess of $10,000 on an annual basis;

1. Hosting Agreement dated as of June 9, 2011 among RiverGlass, Inc. and Brocade Communications Systems, Inc.

2. Hosting Agreement dated as of February 28, 2011 among RiverGlass, Inc. and Pacific Gas and Electric Company.

3. There is the potential for any of the Software License and Services Agreement for Service Bureaus or Software License and Services Agreement for Early Adopters to individually generate a sum in excess of $10,000.

4.15(xx) any Contract pursuant to which the Company has disclosed or is obligated to disclose the source code of any Company Software to any third party;

1. Authorized Reseller Agreement dated as of June 17, 2010 among RiverGlass, Inc. and Autometric, Inc. (The Boeing Company) stipulates that a current copy of the source code be kept in an escrow account and under certain circumstances (discontinuation of support of a product , bankruptcy, ect. the code can be released.

4.15(xxi) any Contract settlement agreements of any nature;

1. Technology License Agreement dated December 20, 2007 among RiverGlass, Inc. and Hakia, Inc. The Agreement was terminated under the Settlement Agreement listed above in Section 4.15(iv).

4.15(xxii) any Contract which is a stock purchase agreement, asset purchase agreement or other acquisition or divestiture agreement entered into by the Company currently in effect on the date hereof;

1. The Company's existing stockholders agreement and registration rights agreement, each as amended to date, exist as of the execution of the Agreement – but are terminated as of the Effective Time pursuant to the terms of the Stockholder Consent.

4.15(xxiii) any Contract between the Company and any Governmental Authority, including any amendments and binding correspondence incorporated therein; and

1. Award/Contract dated January 9, 2008 among RiverGlass, Inc. and the Office of Naval Research.

    a. Mod P00001 dated December 29, 2008
    b. ModP00002 dated April, 3, 2008

4.15(xxiv) any other Contract that individually has a payment obligation in excess of Ten Thousand Dollars ($10,000) per year.

1. Software License and Services Agreement for Service Bureaus dated as of March 31, 2011 among RiverGlass, Inc. and Litigation Logistics, LLC. Service Bureau (reseller) has asked to extend payment terms; Company is in the beginning stages of negotiating this with Service Bureau as we believe it is in the best interest of the Company to work with them to find a mutually beneficial resolution to the request.

2. Software License and Services Agreement for Service Bureaus dated as of March 31, 2011 among RiverGlass, Inc. and D4, LLC. Service Bureau (reseller) is currently 30 days behind on its payments and the Company is in the beginning stages of discussing this with the Service Bureau.

3. Software License and Services Agreement for Service Bureaus dated as of June 30, 2011 among RiverGlass, Inc. and CP Document Technologies, LLC provides for the following payment schedule: $50,000 upon signing (this has been collected), $36,667 upon CP Docs invoicing the first case (to one of it's clients), $36,667 upon the second case, and $36,667 upon the third case, with the caveat that if the first case is not invoiced in the first 180 days of the agreement, the first $50,000 payment will be refunded and the agreement will be terminated. Currently, the customer is working diligently along with the Company's sales support team to license its first case, but payment schedule could potentially extend beyond one year.

4. Hosting Agreement dated as of June 9, 2011 among RiverGlass, Inc. and Brocade Communications Systems, Inc.

5. Hosting Agreement dated as of February 28, 2011 among RiverGlass, Inc. and Pacific Gas and Electric Company.

Section 4.16
Registered Proprietary Rights

4.16(a) Trademark and Patent listing

Trademarks

Mark	Reg. No.	Status	Response Due
RiverGlass	3366279	registered	None
Solutions for eDiscovery	85262436	Pending Application	12/16/11
Solutions for Fusion Centers	85265792	Pending Application	12/16/11
Intelligent Enterprise Search	85265817	Pending Application	12/16/11
Intelligent Web Search	85265866	Pending Application	12/16/11
Intelligent Data Connections	85265886	Pending Application	12/16/11
Semantic Text Analyzer (STAn)	85265926	Pending Application	12/16/11

Patents

Patent Description	Reg. No.	Status	Response Due
METHOD OF PORTIONING A SEARCH QUERY TO GATHER RESULTS BEYOND A SEARCH LIMIT	USApp20100268723	US Pending Patent Application	None
METHOD OF SEARCH STRATEGY VISUALIZATION AND INTERACTION	USApp20100268703	US Pending Patent Application	None
METHOD FOR MASSIVELY PARALLEL MULTI-CORE TEST INDEXING	USApp20100094870A1	US Pending Patent Application	Due date 12/20/11, patent atty needs to be notified by 11/28/11 if Company wants to take action
METHOD FOR GATHERING SEARCH RESULTS BEYOND SEARCH RESULTS LIMITS	RIVE-P01-AMD1	Provisional Patent	Patent Office Action due to potential prior art. Response required by 12/20/2011
METHOD OF CREATING A VIRTUAL BROWSING SESSION FOR THE DISCOVERY OF INFORMATION ON A WEBSITE	RIVE-P02-PRV	Provisional Patent	Expired – Can be re-filed

METHOD FOR VISUALLY DISPLAYING SEARCH RESULTS FROM A PLURALITY OF SEARCH ENGINS	RIVE-P03-AMD1	Provisional Patent	Patent Office Action due to potential prior art. Response required by 11/10/2011
METHOD FOR GENERATING A LINK MAP WITH EMBEDDED NODES	RIVE-P04-PRV1	Provisional Patent	Expired – Can be re-filed
METHOD FOR GENERATING A LINK MAP WITH EMBEDDED NODES	RIVE-P04-PRV2	Provisional Patent	Expired – Can be re-filed
METHOD FOR GENERATING A LINK MAP WITH EMBEDDED NODES	RIVE-P04-PRV3	Provisional Patent	Expired – Can be re-filed
NATURAL LANGUAGE PROCESSING SYSTEMS AND METHODS FOR HANDLING ORGANIZATION-FOR-HUMAN-METONYMY	RIVE-P05-PRV	Provisional Patent Serial Number 61/475,202	File full patent before 4/12/2012
SYSTEMS AND METHODS FOR HANDLING TIME IN NATURAL LANGUAGE PROCESSING	RIVE-P06-PRV	Provisional Patent Serial Number 61/475,203	File full patent before 4/12/2012
NATURAL LANGUAGE PROCESSING SYSTEMS AND METHODS FOR HANDLING UNKNOWN PROPER NAMES	RIVE-P07-PRV	Provisional Patent Serial Number 61/475,205	File full patent before 4/12/2012

4.16(b)

1. Oracle Embedded License Agreement for Outside In Technology as referenced in Section 4.15 (v).

2. The Company licenses open source code pursuant Open Source licensing as referenced in Section 4.15(vii).

4.16(c)

1. Authorized Reseller Agreement dated as of June 17, 2010 among RiverGlass, Inc. and Autometric, Inc. (The Boeing Company) stipulates that a current copy of the source code be kept in an escrow account and under certain circumstances (discontinuation of support of a product , bankruptcy, ect. the code can be released.

2. Technology License Agreement dated December 20, 2007 among RiverGlass, Inc. and Hakia, Inc. The Agreement was terminated under the Settlement Agreement listed above in Section 4.15(iv).

4.16(d)

Intelligent Enterprise Search
Intelligent Web Search
Intelligent Data Connections

Section 4.17
Absence of Certain Changes and Actions

4.17(v)

The Employees listed on the Employee Offset Schedule agreed to defer certain salary in return for an extra month's pay. The total amount owed for the deferred salary plus the extra month are set forth on such schedule.

Section 4.18
Insurance

Type	Carrier	Policy #
General Liability	Travelers	VP06304691
Umbrella	Travelers	VP06304691
Business Auto	Travelers	VP06304691
Property	Travelers	VP06304691
Crime (includes ERISA)	Travelers	VP06304691
Workers Compensation	Travelers	8641C287
Errors & Omissions Liability	Lloyd's of London	SEN2010000653
Directors & Officers	Philadelphia Indemnity	PHSD522527

Section 4.19
Transactions with Affiliates

1. Executive Retention Agreement dated as of June 1, 2010 among RiverGlass, Inc. and Doug Marquis. NOTE: This agreement requires six months of severance pay and COBRA coverage should the Company terminate his employment without cause.

2. Offer Letter dated April 16, 2004 among RiverGlass, Inc. (formerly Moire, Inc.) and Kirk Dauksavage. NOTE: This agreement requires four months of severance pay and COBRA coverage should the Company terminate his employment without cause.

Section 4.21
Vendors and Customers

Customers - 10 largest by dollar revenue (recognized revenue)
(Note: in 2010, due to the Company's market shift from the Gov't market to the eDiscovery market, there were only 7 customers with revenue, all 7 have been listed below.)

2010	2011
ACJIC	Analysts International
Analysts International	Bill & Melinda Gates Foundation
Bill & Melinda Gates Foundation	Brocade Communications
Dewpoint, Inc.	D4
Metrica Inc.	Dewpoint, Inc.
SAIC	Miller Canfield
The Boeing Company	Nossaman
	Pepper Hamilton
	PGandE
	The Boeing Company

Vendor lists – 10 largest by amount paid or expect to pay

Vendors paid $10,000 or more during 2010	Vendors expected to be paid $10,000 or more during 2011
Ambassador Stephen Minikes	Appia Communications, Inc
Appia Communications, Inc	Blue Cross
Blue Cross	Connor & Gallagher
Brett L. Atwood	CRP Property, LLC
Carla Miller	Doug Marquis
Clausen Miller	DuPage Airport
CRP Property, LLC	Flatiron Capital
Crystal Bailey	Forte Consulting Group
Dell Financial Services - 003	Health Alliance
Doug Marquis	John Ryan
DuPage Airport	Lori Wilson
Gartner Inc.	Maxim Petrenko
Health Alliance	Nate Steere
Howard Hall,	Oracle Partner Network
K & L Gates LLP	Premiere Global Services-5127303
Lori Wilson	Rapidemand
MaryPat Poteet	Raytheon Telemus, Inc.

Maxim Petrenko
Premiere Global Services-5127303
Raytheon Telemus, Inc.
Secretary of State
Shawn Burchfield
Singleton Law Firm
The Cowen Group
Travelers
United Air Lines
University of Illinois - EW
Victor Raskin
Whitney Vandiver,
Schox, PLC Patent Group
Secretary of State
Shawn Burchfield
Singleton Law Firm
Travelers
University of Illinois - EW
Victor Raskin

1. The Company had a request from PG&E for a credit in the amount of $10,400 after an IT tech made an error that resulted in the loss of the customer's workproduct. The company granted the request for the credit.

Section 4.22
Non-Compete

1. Authorized Reseller Agreement dated as of June 17, 2010 among RiverGlass, Inc. and Autometric, Inc. (The Boeing Company) gives exclusive rights to the markets of; Federal, state, local governments, Treaty Organizations, and Ports.

Section 4.23
Warranties, Guarantees, and Indemnities

None

Section 4.24
Product and Service Quality

None

Section 4.25

Brokers or Finders

On January 13, 2011, the Company entered into an exclusive agreement with RapiDemand, Inc., to act as an exclusive M&A advisor for the sale of the Company. On October 5, 2011, the Company entered into a Release and Termination of the Agreement with RapiDemand, Inc. which provides for a final fee for services and a release future claims arising from the Merger transaction.

Section 4.26
Bank Accounts

Type of Account	**Bank**	**Authorized Persons**
Checking – Regular account	Busey Bank	Kirk Dauksavage, Crystal Bailey
Checking – Flex Spending Account	Busey Bank	Kirk Dauksavage, Crystal Bailey
Safe Deposit Box	Busey Bank	Kirk Dauksavage, Crystal Bailey

Schedule 6.1

None

Schedule 6.7(a)

1. If terminated within four (4) months after Closing, the following employees (each with at least two years service with the Company) would receive a severance payment equal to two (2) months of their salary plus payment for accrued vacation and sick days (i.e., the balance they carry-over from pre-Closing plus new accruals, all minus vacation and sick time taken after Closing), all subject to standard employee withholding:

Crystal Bailey*	$12,166.66
Matt Berry	$13,430.00
Shawn Burchfield	$20,000.00
Colleen Bushell	$10,258.00
Peter Carroll	$11,916.66
Scott Eichenauer	$ 20,833.34
Tom Hjellming	$ 19,166.66
Vikas Mehra	$ 13,333.34
Justin Palmer	$14,166.66
Shar Smith	$6,270.84
Phil Truesdale	$10,800.00
Tim Wake	$14,346.66

*(note: "service" time includes time as an exclusive Consultant)

2. If terminated within four (4) months after Closing, the following employees (each with less than two years service with the Company) would receive a severance payment equal to one (1) month of their salary plus payment for accrued vacation and sick days (i.e., the balance they carry-over from pre-Closing plus new accruals, all minus vacation and sick time taken after Closing), all subject to standard employee withholding:

Howard Hall	$ 10,416.67
Mary Pat Poteet	$ 12,083.33
John Ryan	$6,250.00
Lixia Shi	$3,333.33

3. If terminated after Closing or if he quits for "Good Reason", Doug Marquis would receive severance payments equal to six (6) months of his salary plus payment for accrued vacation and sick days (i.e., the balance he carries-over from pre-Closing plus new accruals, all minus vacation and sick time taken after Closing), all subject to standard employee withholding. He would also be entitled to continued benefits during such period.

4. If terminated without cause after Closing, Kirk Dauksavage would receive severance payments equal to four (4) months of his salary plus payment for accrued vacation and sick days (i.e., the balance he carries-over from pre-Closing plus new accruals, all minus vacation and sick time taken after Closing), all subject to standard employee withholding. He would also be entitled to continued benefits during such period.

Merger Consideration Spreadsheet

Whenever an Earn-out Payment is payable pursuant to the Agreement, it shall be paid, subject to the terms of the Agreement, including, but not limited to, Section 8.5(e), to the following entities in the following percentages:

COUNTRY Life Insurance Company	41.87%
COUNTRY Mutual Insurance Company	41.87%
Illinois Emerging Technologies Fund, L.P.	7.01%
Illinois Ventures, LLC	2.12%
Waypoint Venture Partners I, LP	2.72%
Weiser Family Investments	2.91%
RapiDemand Corporation*	1.50%
Total:	100.00%

*RapiDemand's right to receive 1.5% of any Earn-out Payments is in satisfaction of its fee for serving as exclusive M&A advisor to the Company.