SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2015

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number: 000-52015

Western Capital Resources, Inc.

(Exact Name of Registrant as Specified in its Charter)

Minnesota	47-0848102
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

11550 "I" Street, Suite 150, Omaha, Nebraska 68137
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (402) 551-8888

N/A

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

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

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

APPLICABLE ONLY TO CORPORATE ISSUERS

As of August 14, 2015, the registrant had outstanding 9,497,588 shares of common stock, no par value per share.

Western Capital Resources, Inc.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

WESTERN CAPITAL RESOURCES, INC. AND SUBSIDIARIES

CONTENTS

WESTERN CAPITAL RESOURCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
CURRENT ASSETS		
Cash	$ 3,184,828	$ 4,273,350
Loans receivable (less allowance for losses of $1,060,000 and $1,219,000, respectively)	4,840,242	5,331,266
Accounts receivable (less allowance for losses of $178,000 and $59,405, respectively)	875,988	1,135,127
Inventory	2,910,008	2,340,824
Prepaid expenses and other	1,534,103	1,435,918
Deferred income taxes	643,000	644,000
TOTAL CURRENT ASSETS	13,988,169	15,160,485
PROPERTY AND EQUIPMENT, net	1,946,674	1,197,710
GOODWILL	13,757,368	12,956,868
INTANGIBLE ASSETS, net	8,146,443	7,248,793
OTHER	447,156	198,408
TOTAL ASSETS	$ 38,285,810	$ 36,762,264
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 6,460,265	$ 6,025,920
Income taxes payable	209,003	755,615
Current portion notes payable	4,500,000	3,500,000
Current portion capital lease obligations	32,225	42,240
Deferred revenue and other	619,843	638,068
TOTAL CURRENT LIABILITIES	11,821,336	10,961,843
LONG-TERM LIABILITIES		
Notes payable, net of current portion	875,000	1,625,000
Capital lease obligations, net of current portion	19,768	31,481
Deferred income taxes	4,059,000	3,939,000
Other	106,120	114,514
TOTAL LONG-TERM LIABILITIES	5,059,888	5,709,995
TOTAL LIABILITIES	16,881,224	16,671,838
COMMITMENTS AND CONTINGENCIES (Note 15)		
EQUITY		
WESTERN SHAREHOLDERS' EQUITY		
Common stock, no par value, 12,500,000 shares authorized, 5,997,588 issued and outstanding.	—	—
Additional paid-in capital	22,750,062	22,703,745
Accumulated deficit	(1,359,836)	(2,621,692)
TOTAL WESTERN SHAREHOLDERS' EQUITY	21,390,226	20,082,053
NONCONTROLLING INTERESTS	14,360	8,373
TOTAL EQUITY	21,404,586	20,090,426
TOTAL LIABILITIES AND EQUITY	$ 38,285,810	$ 36,762,264

See notes to condensed consolidated financial statements.

WESTERN CAPITAL RESOURCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Three months ended		Six months ended	
	June 30, 2015	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
REVENUES				
Retail sales and associated fees	$ 6,129,520	$ 4,092,586	$ 13,635,268	$ 9,970,378
Financing fees and interest	2,556,202	2,597,584	5,141,596	5,309,394
Royalty and franchise fees, net	2,454,752	—	5,079,809	—
Other revenue	1,735,579	941,223	3,381,111	1,972,785
	12,876,053	7,631,393	27,237,784	17,252,557
COST OF REVENUES				
Cost of goods sold	3,496,283	2,283,470	8,004,538	5,859,297
Provisions for loans receivable losses	452,258	416,704	778,468	753,568
Other	256,662	—	529,840	—
Total Cost of Revenues	4,205,203	2,700,174	9,312,846	6,612,865
GROSS PROFIT	8,670,850	4,931,219	17,924,938	10,639,692
OPERATING EXPENSES				
Salaries, wages and benefits	4,281,389	2,438,108	8,497,503	4,995,879
Occupancy	1,406,083	1,138,722	2,713,312	2,287,281
Advertising and development	191,832	82,134	370,827	169,667
Depreciation	106,610	84,932	210,692	171,494
Amortization	113,510	29,831	217,350	54,589
Other	1,612,593	972,894	3,473,710	1,919,177
	7,712,017	4,746,621	15,483,394	9,598,087
OPERATING INCOME	958,833	184,598	2,441,544	1,041,605
OTHER INCOME (EXPENSES):				
Interest income	716	—	2,070	—
Interest expense	(97,276)	(51,156)	(203,251)	(131,330)
	(96,560)	(51,156)	(201,181)	(131,330)
INCOME BEFORE INCOME TAXES	862,273	133,442	2,240,363	910,275
INCOME TAX EXPENSE	432,870	51,000	972,520	339,000
NET INCOME	429,403	82,442	1,267,843	571,275
Less net income attributable to noncontrolling interests	(3,610)	—	(5,987)	—
NET INCOME ATTRIBUTABLE TO WESTERN SHAREHOLDERS	$ 425,793	$ 82,442	$ 1,261,856	$ 571,275
EARNINGS PER SHARE ATTRIBUTABLE TO WESTERN COMMON SHAREHOLDERS				
Basic and diluted	$ 0.07	$ 0.03	$ 0.21	$ 0.19
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic and diluted	5,997,588	3,010,996	5,997,588	3,011,002

See notes to condensed consolidated financial statements.

WESTERN CAPITAL RESOURCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

	Six Months Ended	
	June 30, 2015	**June 30, 2014**
OPERATING ACTIVITIES		
Net Income	$ 1,267,843	$ 571,275
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	210,692	171,494
Amortization	217,350	54,589
Deferred income taxes	121,000	231,000
Stock based compensation	46,317	—
Changes in operating assets and liabilities:		
Loans receivable	491,024	583,873
Accounts receivable	259,139	—
Inventory	(569,184)	(142,513)
Prepaid expenses and other assets	77,067	363,252
Accounts payable and accrued liabilities	(900,339)	(46,001)
Deferred revenue and other current liabilities	(18,225)	—
Accrued liabilities and other	(8,394)	(22,852)
Net cash provided by operating activities	1,194,290	1,764,117
INVESTING ACTIVITIES		
Purchase of property and equipment	(291,656)	(418,189)
Acquisition of stores	(2,608,500)	—
Cash acquired through acquisition	389,072	—
Net cash used by investing activities	(2,511,084)	(418,189)
FINANCING ACTIVITIES		
Advances (payments) on notes payable – long-term, net	250,000	(750,000)
Common stock redemption	—	(388)
Payments on capital leases	(21,728)	—
Net cash provided (used) by financing activities	228,272	(750,388)
NET INCREASE (DECREASE) IN CASH	(1,088,522)	595,540
CASH		
Beginning of period	4,273,350	1,983,835
End of period	$ 3,184,828	$ 2,579,375
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Income taxes paid	$ 1,408,494	$ 13,888
Interest paid	$ 194,703	$ 141,735
Noncash investing and financing activities:		
Deposit applied to purchase of intangibles	$ 50,000	$ —

See notes to condensed consolidated financial statements.

1. Basis of Presentation, Nature of Business and Summary of Significant Accounting Policies –

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared according to the instructions to Form 10-Q and Section 210.8-03(b) of Regulation S-X of the Securities and Exchange Commission (SEC) and, therefore, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been omitted.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three- and six-month periods ended June 30, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015.

For further information, refer to the Consolidated Financial Statements and footnotes thereto included in our Form 10-K for the year ended December 31, 2014. The condensed consolidated balance sheet at December 31, 2014, has been derived from the audited consolidated financial statements at that date, but does not include all of the information and footnotes required by GAAP.

Nature of Business

References in these financial statements notes to "Company" or "we" refer to Western Capital Resources, Inc. and its subsidiaries. References to specific companies within our enterprise, such as "PQH," "WFL," "EPI" or "AGI," are references only to those companies. Western Capital Resources, Inc. ("WCR") is a holding company owning operating subsidiaries, with the percentage of each operating subsidiary owned shown parenthetically, as summarized below.

- Franchise
  - AlphaGraphics, Inc. (AGI) (99.2% – acquired October 1, 2014) – franchisor of 250 domestic and 26 international AlphaGraphics Business Centers specializing in the planning, production and management of visual communications for businesses and individuals throughout the world.

- Cellular Retail
  - PQH Wireless, Inc. (PQH) (100%) – owns and operates cellular retail stores (110 as of June 30, 2015) as an exclusive dealer of the Cricket brand in 15 states—Arizona, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, Ohio, Oklahoma, Oregon, Texas, Washington and Wisconsin.

- Consumer Finance
  - Wyoming Financial Lenders, Inc. (WFL) (100%) – owns and operates "payday" stores (50 as of June 30, 2015) in nine states (Colorado, Iowa, Kansas, Nebraska, North Dakota, South Dakota, Utah, Wisconsin and Wyoming) providing sub-prime short-term uncollateralized non-recourse "cash advance" or "payday" loans typically ranging from $100 to $500 with a maturity of generally two to four weeks, sub-prime short-term uncollateralized non-recourse installment loans typically ranging from $300 to $800 with a maturity of six months, check cashing and other money services to individuals.

  - Express Pawn, Inc. (EPI) (100%) – owns and operates retail pawn stores (three as of June 30, 2015) in Nebraska and Iowa providing collateralized non-recourse pawn loans and retail sales of merchandise obtained from forfeited pawn loans or purchased from customers.

Basis of Consolidation

The consolidated financial statements include the accounts of WCR, its wholly owned subsidiaries and other entities in which the Company owns a controlling financial interest. For financial interests in which the Company owns a controlling financial interest, the Company applies the guidance of ASC 810 applicable to reporting the equity and net income or loss attributable to noncontrolling interests. All significant intercompany balances and transactions of the Company have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Significant management estimates relate to the notes and loans receivable allowance, carrying value and impairment of long-lived goodwill and intangible assets, inventory valuation and obsolescence, estimated useful lives of property and equipment, and deferred taxes and tax uncertainties.

Net Income Per Common Share

Basic net income per common share is computed by dividing the income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share gives effect to all dilutive potential common shares outstanding during the period, including stock options, using the treasury stock method. Options to purchase 65,000 shares granted under the 2015 Stock Incentive Plan effective February 6, 2015 (see Note 16) were outstanding at June 30, 2015. These options have a strike price in excess of the market price as of March 31, 2015, were antidilutive and therefore were not included in the computation of diluted earnings per share. Thus, there were no dilutive common shares as of June 30, 2015 and 2014.

Segment Reporting

The Company has grouped its operations into four segments – Franchise segment, Cellular Retail segment, Consumer Finance segment and Corporate. The Franchise segment specializes in the planning, production and management of visual communications for businesses and individuals. The Cellular Retail segment is an authorized Cricket premier dealer selling cellular phones and accessories, providing ancillary services and accepting service payments from customers. The Consumer Finance segment provides financial and ancillary services and also sells used merchandise at retail pawn stores. The Corporate segment consists of Company activities related to acquisitions and subsequent tone at the top management of acquired businesses.

Reclassifications

Certain Statement of Income reclassifications have been made in the presentation of our prior financial statements and accompanying notes to conform to the presentation as of and for the three and six months ended June 30, 2015.

Recent Accounting Pronouncements

No new accounting pronouncement issued or effective during the fiscal quarter has had or is expected to have a material impact on the condensed consolidated financial statements.

2. Risks Inherent in the Operating Environment –

Regulatory

The Company's Consumer Finance segment activities are highly regulated under numerous local, state, and federal laws, regulations and rules, which are subject to change. New laws, regulations or rules could be enacted or issued, interpretations of existing laws, regulations or rules may change and enforcement action by regulatory agencies may intensify. Over the past several years, consumer advocacy groups and certain media reports have advocated governmental and regulatory action to prohibit or severely restrict sub-prime lending activities of the kind conducted by the WFL and EPI. The federal Consumer Financial Protection Bureau has indicated that it will use its authority to further regulate the payday industry.

Any adverse change in present local, state, and federal laws or regulations that govern or otherwise affect lending could result in the Consumer Finance segment's curtailment or cessation of operations in certain or all jurisdictions or locations. Furthermore, any failure to comply with applicable local, state or federal laws or regulations could result in fines, litigation, closure of one or more store locations, or negative publicity. Any such change or failure would have a corresponding impact on the Company's results of operations and financial condition, primarily through a decrease in revenues resulting from the cessation or curtailment of operations, decrease in operating income through increased legal expenditures or fines, and could also negatively affect the Company's general business prospects if the Company is unable to effectively replace such revenues in a timely and efficient manner or if negative publicity effects its ability to obtain additional financing as needed.

In addition, the passage of federal or state laws and regulations or changes in interpretations of them could, at any point, essentially prohibit WFL or EPI from conducting its lending business in its current form. Any such legal or regulatory change would certainly have a material and adverse effect on the Company, its operating results and its financial condition and prospects.

3. Loans Receivable –

At June 30, 2015 and December 31, 2014, the Company's outstanding loans receivable aging was as follows:

June 30, 2015

	Payday	Installment	Pawn & Title	Total
Current	$ 4,005,684	$ 284,897	$ 318,709	$ 4,609,290
1-30	343,306	36,819	—	380,125
31-60	206,718	19,001	—	225,719
61-90	189,123	9,044	—	198,167
91-120	141,303	5,266	—	146,569
121-150	151,749	2,514	—	154,263
151-180	185,381	728	—	186,109
	5,223,264	358,269	318,709	5,900,242
Less Allowance	(983,000)	(77,000)	—	(1,060,000)
	$ 4,240,264	$ 281,269	$ 318,709	$ 4,840,242

December 31, 2014

	Payday	Installment	Pawn & Title	Total
Current	$ 4,387,393	$ 321,634	$ 372,805	$ 5,081,832
1-30	305,382	47,321	—	352,703
31-60	223,465	24,791	—	248,256
61-90	236,072	11,799	—	247,871
91-120	206,705	5,438	—	212,143
121-150	200,101	1,984	—	202,085
151-180	204,804	572	—	205,376
	5,763,922	413,539	372,805	6,550,266
Less Allowance	(1,147,000)	(72,000)	—	(1,219,000)
	$ 4,616,922	$ 341,539	$ 372,805	$ 5,331,266

4. Loans Receivable Allowance –

As a result of the Company's collection efforts, it historically writes off approximately 42% of the returned payday items. Based on days past the check return date, write-offs of payday returned items historically have tracked at the following approximate percentages: 1 to 30 days – 42%; 31 to 60 days – 65%; 61 to 90 days – 82%; 91 to 120 days – 88%; and 121 to 180 days – 92%.

A rollforward of the Company's loans receivable allowance is as follows:

	Six Months Ended June 30, 2015	Year Ended December 31, 2014
Loans receivable allowance, beginning of period	$ 1,219,000	$ 1,215,000
Provision for loan losses charged to expense	778,468	1,817,822
Charge-offs, net	(937,468)	(1,813,822)
Loans receivable allowance, end of period	$ 1,060,000	$ 1,219,000

5. Property and Equipment –

A rollforward of the Company's property and equipment is as follows:

	December 31, 2014	Additions	Deletions	June 30, 2015
Furniture and equipment	$ 2,853,603	$ 868,621	$ (706,740)	$ 3,015,484
Leasehold improvements	787,188	14,241	—	801,429
Software	504,967	76,793	(108,081)	473,679
Other	191,717	—	—	191,717
	4,337,475	959,655	(814,821)	4,482,309
Accumulated depreciation	(3,139,765)	(210,691)	814,821	(2,535,635)
	$ 1,197,710	$ 748,964	$ —	$ 1,946,674

6. Intangible Assets –

A rollforward of the Company's intangible assets consisted of the follows:

	December 31, 2014	Additions	Deletions	June 30, 2015
Customer relationships	$ 4,924,912	$ 1,115,000	$ —	$ 6,039,912
Acquired franchise agreements	5,227,112	—	—	5,227,112
Amortizable intangible assets	10,152,024	1,115,000	—	11,267,024
Less accumulated amortization	(5,685,523)	(217,350)	—	(5,902,873)
Net amortizable intangible assets	4,466,501	897,650	—	5,364,151
Non-amortizable trademarks	2,782,292	—	—	2,782,292
Intangible assets, net	$ 7,248,793	$ 897,650	$ —	$ 8,146,443

As of June 30, 2015, estimated future amortization expense for the amortizable intangible assets is as follows:

2015 (remainder)	$ 270,569
2016	528,928
2017	515,872
2018	504,123
2019	493,548
2020	484,030
Thereafter	2,567,081
	$ 5,364,151

7. Other Non-Current Assets –

Other Non-Current Assets include $153,900 for a note receivable. Our agreement with the borrower includes an approximate 50% forgiveness of principal if, among other terms and conditions, required payments under the agreement are received. The agreement provides for monthly payments of principal over a five-year term ending March 2020.

8. Deferred Revenue and Other Liabilities –

Deferred revenue and other liabilities consist of the following:

	June 30, 2015	December 31, 2014
Deferred financing fees	$ 258,943	$ 284,231
Deferred franchise fees	166,900	281,837
Other	194,000	72,000
Total	$ 619,843	$ 638,068

9. Notes Payable – Long Term –

	June 30, 2015	December 31, 2014
Note payable (with a credit limit of $3,000,000) to River City Equity, Inc., a related party, with interest payable monthly at 12% due June 30, 2016 and upon certain events can be collateralized by substantially all assets of WCR, excluding any equity interest in AGI	$ 3,000,000	$ 2,000,000
Subsidiary note payable to a financial institution with quarterly principal payments of $375,000 plus interest at prime rate plus 2.5% (5.75% as of June 30, 2015), secured by AGI's assets, maturing June 2017	2,375,000	3,125,000
Total	5,375,000	5,125,000
Less current maturities	(4,500,000)	(3,500,000)
	$ 875,000	$ 1,625,000

The Company's term note payable with a financial institution includes certain financial covenants. Management has determined that the Company was in compliance with these financial covenants as of June 30, 2015.

As part of their lending agreement, AGI may draw on a $1,000,000 line of credit (LOC). The LOC bears interest at the greater of (a) the prime rate plus 2.50% or (b) the LIBOR rate plus 5.50%. The LOC matures on August 30, 2017. There was no activity on this LOC during the period ended June 30, 2015 and there was no balance outstanding as of June 30, 2015.

10. Other Operating Expense –

A breakout of other operating expense is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Bank fees	$ 135,222	$ 107,185	$ 284,745	$ 219,678
Collection costs	108,984	98,461	220,303	221,982
Insurance	93,200	50,211	175,995	97,664
Management and advisory fees	124,801	126,163	274,303	237,985
Professional and consulting fees	472,677	131,837	918,113	316,402
Supplies	158,122	192,363	328,636	324,513
Other	519,587	266,674	1,271,615	500,953
	$ 1,612,593	$ 972,894	$ 3,473,710	$ 1,919,177

11. Income Tax Provision –

Income tax expense, as a percentage of Income Before Income Taxes, was 50% and 38% for the three months ended June 30, 2015 and 2014, respectively, and 43% and 37% for the six months ended June 30, 2015 and 2014, respectively. Nondeductible transaction costs of approximately $0.27 million contributed to the higher effective tax rates.

12. Acquisition –

Effective June 1, 2015, PQH consummated the acquisition of all outstanding membership interests in four separate limited liability companies. The entities acquired, when combined, do not meet the 20% significant subsidiaries thresholds under Rule 210.1-02 as modified by Rule 210.3-05(b) of SEC Reg. S-X. Under the equity method of accounting, the assets acquired and liabilities assumed were recorded at their estimated fair values as of the purchase date as follows:

	June 1, 2015
Cash	$ 389,000
Inventory	427,000
Other receivables	405,000
Property and equipment	612,000
Goodwill	578,000
Intangible assets	903,000
Other assets	69,000
Accounts payable and accrued liabilities	(826,000)
	$ 2,557,000

The results of the operations for the acquired business have been included in the consolidated financial statements since the date of the acquisition. The following table presents the unaudited pro forma results of operations for the three and six months ended June 30, 2015 and 2014, as if this acquisition and the acquisition of AlphaGraphics (see Note 13 to the Company's December 31, 2014 Notes to Consolidated Financial Statements) had been consummated at the beginning of 2014. The pro forma net income below excludes the expense of the transaction. The pro forma results of operations are prepared for comparative purposes only and do not necessarily reflect the results that would have occurred had the acquisition occurred at the beginning of the 2014 or the results which may occur in the future.

	For the Three Months Ended June 30, 2015 (in thousands except earnings per share)				
	Franchise	Cellular Retail	Consumer Finance	Corporate	Total
Pro forma revenue	$ 2,851	$ 8,803	$ 3,059	$ —	$ 14,713
Pro forma net income (loss)	$ 457	$ 127	$ 257	$ (416)	$ 425
Pro forma net income attributable to noncontrolling interests	$ 4	$ —	$ —	$ —	$ 4
Pro forma net income (loss) available to Western shareholders	$ 453	$ 127	$ 257	$ (416)	$ 421
Pro forma earnings (loss) per share available to Western common shareholders – basic and diluted	$ 0.076	$ 0.021	$ 0.043	$ (0.069)	$ 0.07

	For the Three Months Ended June 30, 2014 (in thousands except earnings per share)				
	Franchise	Cellular Retail	Consumer Finance	Corporate	Total
Pro forma revenue	$ 2,803	$ 6,638	$ 2,973	$ —	$ 12,414
Pro forma net income (loss)	$ 304	$ (261)	$ 287	$ —	$ 330
Pro forma net income attributable to noncontrolling interests	$ 3	$ —	$ —	$ —	$ 3
Pro forma net income (loss) available to Western shareholders	$ 301	$ (261)	$ 287	$ —	$ 327
Pro forma earnings (loss) per share available to Western common shareholders – basic and diluted	$ 0.050	$ (0.044)	$ 0.048	$ —	$ 0.05

	For the Six Months Ended June 30, 2015 (in thousands except earnings per share)				
	Franchise	Cellular Retail	Consumer Finance	Corporate	Total
Pro forma revenue	$ 5,967	$ 20,095	$ 6,153	$ —	$ 32,215
Pro forma net income (loss)	$ 755	$ 524	$ 543	$ (489)	$ 1,333
Pro forma net income attributable to noncontrolling interests	$ 6	$ —	$ —	$ —	$ 6
Pro forma net income (loss) available to Western shareholders	$ 749	$ 524	$ 543	$ (489)	$ 1,327
Pro forma earnings (loss) per share available to Western common shareholders – basic and diluted	$ 0.125	$ 0.087	$ 0.091	$ (0.082)	$ 0.22

	For the Six Months Ended June 30, 2014 (in thousands except earnings per share)				
	Franchise	Cellular Retail	Consumer Finance	Corporate	Total
Pro forma revenue	$ 5,762	$ 16,136	$ 6,140	$ —	$ 28,038
Pro forma net income (loss)	$ 606	$ 22	$ 639	$ —	$ 1,267
Pro forma net income attributable to noncontrolling interests	$ 5	$ —	$ —	$ —	$ 5
Pro forma net income available to Western shareholders	$ 601	$ 22	$ 639	$ —	$ 1,262
Pro forma earnings per share available to Western common shareholders – basic and diluted	$ 0.100	$ 0.004	$ 0.107	$ —	$ 0.21

13. Segment Information –

The Company has grouped its operations into four segments in 2015 and three segments in 2014 – Franchise (acquired October 1, 2014), Cellular Retail, Consumer Finance, and Corporate (beginning January 1, 2015). The Franchise segment offers franchise ownership opportunities for customized marketing solutions. The Cellular Retail segment is a dealer for Cricket Wireless selling cellular phones and accessories, ancillary services and serving as a payment center for customers. The Consumer Finance segment provides financial and ancillary services and also sells used merchandise at retail pawn stores. The Corporate segment consists of Company activities related to acquisitions and subsequent management of acquired businesses.

Segment information related to the three and six months ended June 30, 2015 and 2014, is presented below:

	For the Three Months Ended June 30, 2015				
	Franchise	Cellular Retail	Consumer Finance	Corporate	Total
Revenues from external customers	$ 2,850,877	$ 6,965,859	$ 3,059,317	$ —	$ 12,876,053
Depreciation and amortization	$ 103,771	$ 89,039	$ 27,310	$ —	$ 220,120
Interest expense	$ 46,345	$ 50,931	$ —	$ —	$ 97,276
Income tax expense (benefit)	$ 280,120	$ 84,390	$ 156,250	$ (87,890)	$ 432,870
Net income (loss)	$ 456,314	$ 140,456	$ 256,756	$ (424,123)	$ 429,403
Expenditures for segmented assets	$ 50,609	$ 3,135,472	$ 15,813	$ 13,614	$ 3,215,508

	For the Three Months Ended June 30, 2014				
	Franchise	Cellular Retail	Consumer Finance	Corporate	Total
Revenues from external customers	$ —	$ 4,658,452	$ 2,972,941	$ —	$ 7,631,393
Depreciation and amortization	$ —	$ 86,116	$ 28,647	$ —	$ 114,763
Interest expense	$ —	$ 35,800	$ 15,356	$ —	$ 51,156
Income tax expense (benefit)	$ —	$ (124,000)	$ 175,000	$ —	$ 51,000
Net income (loss)	$ —	$ (204,142)	$ 286,584	$ —	$ 82,442
Expenditures for segmented assets	$ —	$ 253,659	$ 50,842	$ —	$ 304,501

	For the Six Months Ended June 30, 2015				
	Franchise	Cellular Retail	Consumer Finance	Corporate	Total
Revenues from external customers	$ 5,966,438	$ 15,118,018	$ 6,153,328	$ —	$ 27,237,784
Depreciation and amortization	$ 215,733	$ 155,845	$ 56,464	$ —	$ 428,042
Interest expense	$ 99,717	$ 103,534	$ —	$ —	$ 203,251
Income tax expense (benefit)	$ 481,770	$ 281,390	$ 332,250	$ (122,890)	$ 972,520
Net income (loss)	$ 755,395	$ 467,086	$ 542,541	$ (497,179)	$ 1,267,843
Total segment assets	$ 9,555,181	$ 12,221,701	$ 16,191,888	$ 317,040	$ 38,285,810
Expenditures for segmented assets	$ 91,034	$ 3,655,691	$ 15,813	$ 13,614	$ 3,776,152

	For the Six Months Ended June 30, 2014				
	Franchise	Cellular Retail	Consumer Finance	Corporate	Total
Revenues from external customers	$ —	$ 11,112,985	$ 6,139,572	$ —	$ 17,252,557
Depreciation and amortization	$ —	$ 171,173	$ 54,910	$ —	$ 226,083
Interest expense	$ —	$ 87,700	$ 43,630	$ —	$ 131,330
Income tax expense (benefit)	$ —	$ (45,000)	$ 384,000	$ —	$ 339,000
Net income (loss)	$ —	$ (68,106)	$ 639,381	$ —	$ 571,275
Total segment assets	$ —	$ 8,568,244	$ 15,767,875	$ —	$ 24,336,119
Expenditures for segmented assets	$ —	$ 367,347	$ 50,842	$ —	$ 418,189

14. Leases –

The Company leases retail and office facilities under operating leases with terms ranging from month to month to six years, with rights to extend for additional periods. Future minimum base lease payments are approximately as follows:

Year Ending December 31,	Operating Leases
2015 (remainder)	$ 1,749,000
2016	2,775,000
2017	1,988,000
2018	903,000
2019	504,000
2020	87,000
Thereafter	—
Total minimum base lease payments	$ 8,006,000

15. Commitments and Contingencies –

On April 11, 2013, the Company entered into an Amended and Restated Employment Agreement with its Chief Executive Officer, Mr. John Quandahl. This agreement has a term of three years and contains, among other terms and conditions, provisions for an annual performance-based cash bonus pool for management. Pursuant to the management bonus plan, management bonuses of approximately $61,000 and ($58,000) were accrued for the three months ended June 30, 2015 and 2014, respectively, and $156,000 and $0 were accrued for the six months ended June 30, 2015 and 2014, respectively.

Effective February 9, 2015, the Company entered into a three-year employment agreement with its Chief Investment Officer (CIO). Pursuant to that agreement, the CIO is eligible for a discretionary annual performance-based bonus up to $200,000. To date no performance-based bonus has been accrued.

The Company has also entered into several employment agreements with certain members of subsidiary management. The terms of each agreement are different, but may ordinarily include stipulated base salary and bonus potential. Pursuant to the agreements, bonuses of approximately $59,000 and $146,000 were accrued for the three and six months ended June 30, 2015, respectively.

16. Shareholders' Equity –

2015 Stock Incentive Plan

The Board of Directors adopted the Company's new 2015 Stock Incentive Plan effective February 6, 2015. The plan replaces the Company's earlier adopted 2008 Stock Incentive Plan, which the board terminated effective February 6, 2015. There were no incentives issued or outstanding under the terminated plan.

The Board of Directors, or a committee of the board, will administer the 2015 Stock Incentive Plan and have complete authority to award incentives, interpret the plan and make any other determination which it believes necessary and advisable for the proper administration of the plan. A total of 100,000 shares of common stock were reserved in connection with the adoption of the 2015 Stock Incentive Plan.

The new plan permits the granting of incentives in any one or a combination of the following forms:

- stock options, including options intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended, as "qualified" or "incentive" stock options;
- stock appreciation rights (often referred to as "SARs") payable in shares of common stock;
- restricted stock and restricted stock units;
- performance awards of cash, stock or property; and
- stock awards.

The following table summarizes nonvested stock option awards outstanding at June 30, 2015 and the changes for the three months then ended:

	Number of Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractural Term (*in years*)	Aggregate Intrinsic Value
Outstanding and nonvested at December 31, 2014	—	$ —		$ —
Granted	65,000	6.00	9.62	—
Vested	—	—		—
Forfeited	—	—		—
Outstanding and nonvested at June 30, 2015	65,000	$ 6.00	9.62	$ —
Exercisable at June 30, 2015	—			

The option vests in three annual and near-equal installments on each of February 8, 2016, 2017 and 2018 and has a contract life of 10 years. There were no vested options at June 30, 2015 and thus no intrinsic value in outstanding vested options at June 30, 2015.

The Company accounts for its employee stock-based compensation plans using the fair value method. The fair value method requires the Company to estimate the grant-date fair value of its stock-based awards and amortize this fair value to compensation expense over the requisite service period or vesting term.

The Company uses the Black-Scholes option-pricing model to estimate the fair value of the Company's stock option awards. The determination of the fair value of stock-based payment awards on the date of grant using an option-pricing model is affected by the Company's stock price as well as assumptions regarding a number of complex and subjective variables. These variables include the expected stock price volatility over the term of the awards, actual and projected employee stock option exercise behaviors, the risk-free interest rate and expected dividends. Due to the inherent limitations of option-valuation models, future events that are unpredictable and the estimation process utilized in determining the valuation of the stock-based awards, the ultimate value realized by award holders may vary significantly from the amounts expensed in the Company's financial statements. As of June 30, 2015, total unrecognized stock-based compensation expense related to nonvested stock options was approximately $149,000, which is expected to be recognized over a weighted average period of approximately 1.6 years.

Stock-based compensation expense is recognized net of estimated forfeitures such that expense is recognized only for those stock-based awards that are expected to vest. A forfeiture rate is estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimate.

17. Subsequent Events –

Park Seed, Wayside Gardens, Jackson & Perkins, Van Dyke's Restorers and J&P Real Estate Transaction

Effective July 1, 2015, the Company acquired the businesses of Restorers Acquisition, Inc., a Delaware corporation, J&P Park Acquisitions, Inc., a Delaware corporation, and J&P Real Estate, LLC, a Delaware limited liability company, by completing a merger and contribution transaction. Restorers Acquisition owns the Van Dyke's Restorers brand business, an online retailer of home and furniture restoration products, J&P Park Acquisitions owns and operates the Park Seed online seed store, Wayside Gardens online and Jackson & Perkins online, and J&P Real Estate owns and operates certain related real estate properties.

In consideration for the acquisition of these businesses, the Company issued to the former owners of Restorers Acquisition, J&P Park Acquisitions and J&P Real Estate an aggregate of 3,500,000 shares of the Company's common stock representing approximately 37% of the total issued and outstanding common stock after consummation of the acquisition.

Change in Board of Directors

On July 1, 2015, and in connection with the Park Seed, Wayside Gardens, Jackson & Perkins, Van Dyke's Restorers and J&P Real Estate transaction, Gay A. Burke resigned from her position as a director of the Company. On that same day, the Board of Directors appointed Kevin Kuby to the board vacancy created by the resignation of Ms. Burke. Mr. Kuby is employed by Blackstreet Capital Management, a related-party, as its Managing Director in Restructuring.

Amended Management and Advisory Agreement

Effective July 1, 2015, the Company entered into an Amended and Restated Management and Advisory Agreement with Blackstreet Capital Management, LLC ("Blackstreet") to provide certain financial, managerial, strategic and operating advice and assistance. The original Management and Advisory Agreement was effective April 1, 2010 and amended on October 1, 2014. Under the amended and restated agreement, annual fees are the greater of (i) $612,100 (subject to annual increases of five percent) or (ii) five percent of the Company's "EBITDA," as defined under the agreement. All other terms and provisions remain unmodified.

We evaluated all other events or transactions that occurred after June 30, 2015 up through August 14, 2015, the date we issued these financial statements. During this period we did not have any other material subsequent events that impacted our financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Some of the statements made in this report are "forward-looking statements," as that term is defined under Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based upon our current expectations and projections about future events. Whenever used in this report, the words "believe," "anticipate," "intend," "estimate," "expect" and similar expressions, or the negative of such words and expressions, are intended to identify forward-looking statements, although not all forward-looking statements contain such words or expressions. The forward-looking statements in this report are primarily located in the material set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" (Part I, Item 2), but may be found in other parts of this report as well. These forward-looking statements generally relate to our plans, objectives and expectations for future operations and are based upon management's current estimates and projections of future results or trends. Although we believe that our plans and objectives reflected in or suggested by these forward-looking statements are reasonable, we may not achieve these plans or objectives. You should read this report completely and with the understanding that actual future results may be materially different from what we expect. We will not necessarily update forward-looking statements even though our situation may change in the future.

Specific factors that might cause actual results to differ from our expectations or may affect the value of the common stock include, but are not limited to:

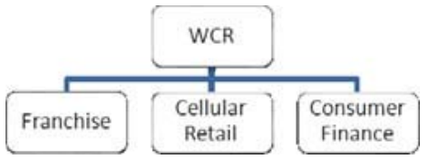
- changes in local, state or federal laws and regulations governing lending practices, or changes in the interpretation of such laws and regulations;
- litigation and regulatory actions directed toward us or the industries in which we operate, particularly in certain key states and/or nationally;
- our need for additional financing;
- unpredictability or uncertainty in financing markets which could impair our ability to grow our business through acquisitions;
- changes in Cricket dealer compensation;
- the impact on us, as a Cricket dealer, of the AT&T acquisition of the Cricket Wireless business; and
- our ability to successfully integrate our recently acquired businesses.

Other factors that could cause actual results to differ from those implied by the forward-looking statements in this report are more fully described in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Industry data and other statistical information used in this report are based on independent publications, government publications, reports by market research firms or other published independent sources. Some data are also based on our good faith estimates, derived from our review of internal surveys and the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information.

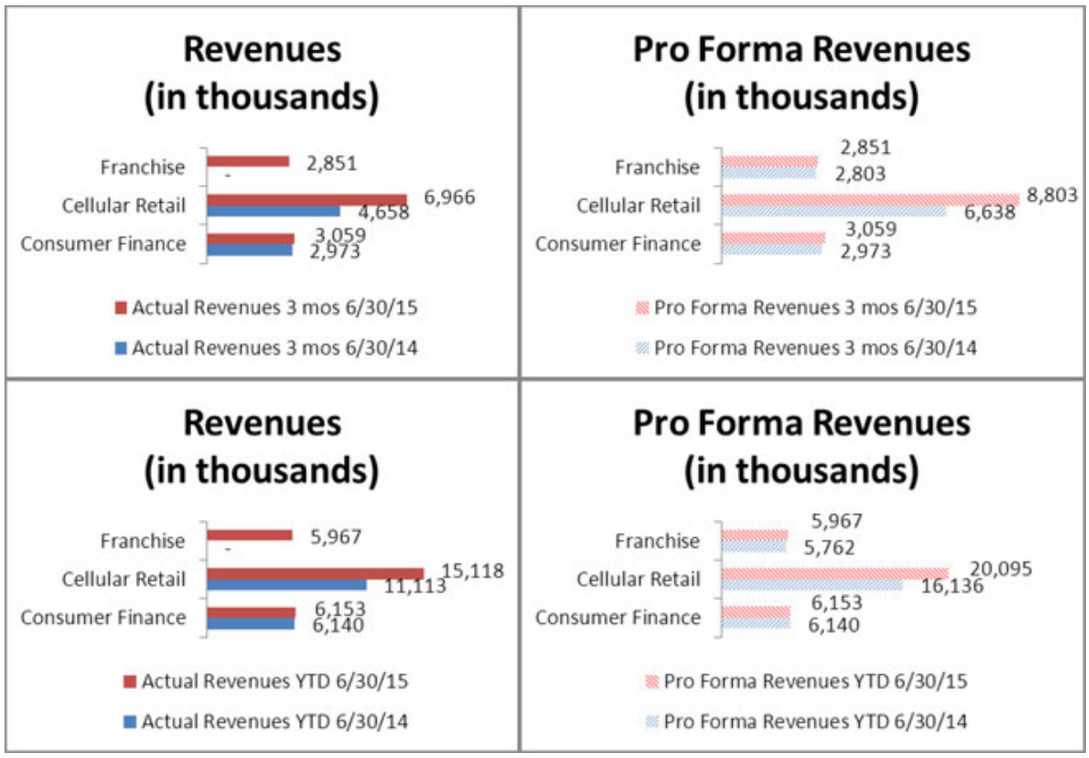
OVERVIEW

Western Capital Resources, Inc. ("WCR" or "Western Capital") is a holding company that operates, through its subsidiaries, in the following industries and operating segments:



Our “Franchise” segment involves the franchising of AlphaGraphics® customized print and marketing solutions offered through our majority owned subsidiary AlphaGraphics, Inc. (99.2% owned) (“AlphaGraphics” or “AGI”). Our “Cellular Retail” segment involves the retail sale of cellular phones and accessories to consumers through our wholly owned subsidiary PQH Wireless, Inc. (“PQH”). Our “Consumer Finance” segment consists of retail financial services conducted through our wholly owned subsidiaries Wyoming Financial Lenders, Inc. (“WFL”) and Express Pawn, Inc. (“EP”). On January 1, 2015, our “Corporate” segment was formed which includes the corporate acquisition and due diligence team and tone at the top management of acquired subsidiaries. Throughout this report, we collectively refer to WCR and its consolidated subsidiaries as “we,” the “Company,” and “us.” References to specific companies within our enterprise, such as “AGI,” “PQH,” or “WFL” are references only to those companies.

Key actual and *pro forma* financial data for the three and six months ended June 30, 2015 and 2014 were as follows:



Discussion of Critical Accounting Policies

Our condensed consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America applied on a consistent basis. The preparation of these financial statements requires us to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. We evaluate these estimates and assumptions on an ongoing basis. We base these estimates on the information currently available to us and on various other assumptions that we believe are reasonable under the circumstances. Actual results could vary materially from these estimates under different assumptions or conditions.

Our significant accounting policies are discussed in Note 1, “Basis of Presentation, Nature of Business and Summary of Significant Accounting Policies,” of the notes to our condensed consolidated financial statements included in this report. We believe that the following critical accounting policies affect the more significant estimates and assumptions used in the preparation of our condensed consolidated financial statements.

Loan Loss Allowance

Included in loans receivable are unpaid principal, interest and fee balances of payday, installment, pawn and title loans that have not reached their maturity date, and “late” payday loans that have reached maturity within the last 180 days and have remaining outstanding balances. Late payday loans generally are unpaid loans where a customer’s personal check has been deposited and the check has been returned due to non-sufficient funds in the customer’s account, a closed account, or other reasons. All returned items are charged-off after 180 days, as collections after that date have not been significant. Loans are carried at cost plus accrued interest or fees less payments made and a loans receivable allowance.

We do not specifically reserve for any individual payday, installment or title loan. We aggregate loan types for purposes of estimating the loss allowance using a methodology that analyzes historical portfolio statistics and management's judgment regarding recent trends noted in the portfolio. This methodology takes into account several factors, including (1) the amount of loan principal, interest and fee outstanding, (2) historical charge offs from loans that originated during the last 24 months, (3) current and expected collection patterns and (4) current economic trends. We utilize a software program to assist with the tracking of our historical portfolio statistics. A loan loss allowance is maintained for anticipated losses for payday and installment loans based primarily on our historical percentages by loan type of net charge offs, applied against the applicable balance of loan principal, interest and fees outstanding. We also periodically perform a look-back analysis on our loan loss allowance to verify the historical allowance established tracks with the actual subsequent loan write-offs and recoveries. We are aware that as conditions change, we may need to make additional allowances in future periods. Loan losses or charge-offs of pawn or title loans are not recorded because the value of the collateral exceeds the loan amount.

A rollforward of our loans receivable allowance is as follows:

	Six Months Ended June 30, 2015	Year Ended December 31, 2014
Loans receivable allowance, beginning of period	$ 1,219,000	$ 1,215,000
Provision for loan losses charged to expense	778,468	1,817,822
Charge-offs, net	(937,468)	(1,813,822)
Loans receivable allowance, end of period	$ 1,060,000	$ 1,219,000

Valuation of Long-lived and Intangible Assets

We assess the impairment of long-lived and intangible assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill is analyzed on an annual basis. Factors that could trigger an impairment review include significant underperformance relative to expected historical or projected future cash flows, significant changes in the manner of use of acquired assets or the strategy for the overall business, and significant negative industry trends. When management determines that the carrying value of long-lived and intangible assets may not be recoverable, impairment is measured based on the excess of the assets' carrying value over the estimated fair value.

Results of Operations – Three Months Ended June 30, 2015 Compared to Three Months Ended June 30, 2014

Net income attributable to our common shareholders was $0.43 million, or $0.07 per share (basic and diluted), for the three months ended June 30, 2015, compared to $.08 million, or $0.03 per share (basic and diluted), for the three months ended June 30, 2014. The Franchise segment, acquired on October 1, 2014, contributed $0.45 million, the Cellular Retail segment contributed $0.14 million, an increase of $0.34 million from the 2014 period, and the Consumer Finance segment contributed $0.26 million, a decline of $0.03 million from the 2014 period. The Corporate segment had $0.42 million in net costs. We expect the mix of segmented impact on net income to change throughout the remainder of 2015 due, at least in part, to completed acquisitions and fluctuating acquisition costs within this segment as we continue to move forward with our expansion initiative.

The following table provides quarter-over-quarter revenues and net income (in thousands) attributable to WCR common shareholders by operating segment:

	Franchise	Cellular Retail	Consumer Finance	Corporate	Total
Three Months Ended June 30, 2015					
Revenues	$ 2,851	$ 6,966	$ 3,059	$ —	$ 12,876
% of total revenue	22.1%	54.1%	23.8%	—	100.0%
Net income (loss)	$ 456	$ 140	$ 257	$ (424)	$ 429
Net income (loss) attributable to WCR common shareholders	$ 453	$ 140	$ 257	$ (424)	$ 426
Three Months Ended June 30, 2014					
Revenues	$ —	$ 4,658	$ 2,973	$ —	$ 7,631
% of total revenue	—	61.0%	39.0%	—	100.0%
Net income (loss)	$ —	$ (204)	$ 286	$ —	$ 82
Net income (loss) attributable to WCR common shareholders	$ —	$ (204)	$ 286	$ —	$ 82

Franchise

	Three Months Ended June 30, (in thousands)		2015 % of Revenues	2014 % of Revenues
	2015	2014		
Revenues	$ 2,851	$ —	100.0%	—%
Less:				
Cost of revenues	257	—	9.0%	—%
Expenses	2,138	—	75.0%	—%
Net income	$ 456	$ —	16.0%	—%

Our U.S. franchisees reported center sales for the three months ended June 30 as follows:

	2015	2014
Total gross U.S. network-wide center sales	$ 68,289,0000	$ 64,076,000

The table below summarizes the number of AlphaGraphics Business Centers owned and operated by franchisees during the three-month periods ended June 30, 2015 and 2014:

	Beginning	New	Closed	Ending
2015				
US Centers	245	5	—	250
International Centers	32	—	(6)	26
Total	277	5	(6)	276
2014				
US Centers	244	3	(2)	245
International Centers	33	—	—	33
Total	277	3	(2)	278

Revenues and net income for the three months ended June 30, 2015 and 2014 were $2.85 million and $0.46 million, respectively, comparable to pro forma revenues and net income for the comparable period in 2014 of $2.80 million and $0.30 million, respectively. Gross U.S. network-wide center sales as provided by franchisees increased 7% over the comparable periods.

Cellular Retail

The following table summarizes our Cellular Retail segment operating results:

	Three Months Ended June 30, (in thousands)		2015 % of Revenues	2014 % of Revenues
	2015	2014		
Revenues	$ 6,966	$ 4,658	100.0%	100.0%
Less:				
Cost of revenues	3,284	2,166	47.1%	46.5%
Expenses	3,542	2,696	50.9%	57.9%
Net income (loss)	$ 140	$ (204)	2.0%	(4.4)%

A summary table of the number of Cricket cellular retail stores we operated during the three month periods ended June 30, 2015 and 2014 follows:

	2015	2014
Beginning	68	53
Acquired/ Launched	42	6
Closed	—	(1)
Ending	110	58

On June 1, 2015 we acquired 41 Cricket retail stores, bringing the number of Cricket retail stores we operate up to 110. We will continue to evaluate store acquisition opportunities as they arise.

Revenues in the Cellular Retail segment increased $2.31 million, or 49.5%, to $6.97 million for the three months ended June 30, 2015, compared to $4.66 million for the three months ended June 30, 2014. This increase is due to a several factors that contributed to an approximate 100% increase in units sold period over period, including our acquisition of additional stores, relocation of under-performing locations, and the effects of AT&T's acquisition of Cricket Wireless.

Our expenses increased $0.84 million from $2.70 for the three-month period ended June 30, 2014 to $3.54 million for the three-month period ended June 30, 2015, primarily as a result of adding the new store locations. Stated as a percentage of Cellular Retail revenues, our expenses were 50.9% and 57.9% of revenue for the three months ended June 30, 2015 and 2014, respectively.

Consumer Finance

The following table summarizes our Consumer Finance segment operating results:

	Three Months Ended June 30, (in thousands)		2015 % of Revenues	2014 % of Revenues
	2015	2014		
Revenues	$ 3,059	$ 2,973	100.0%	100.0%
Less:				
Cost of revenues	664	534	21.6%	18.0%
Expenses	2,138	2,153	70.0%	72.4%
Net income	$ 257	$ 286	8.4%	9.6%

A summary table of the number of consumer finance locations we operated during the three month periods ended June 30, 2015 and 2014 follows:

	2015	2014
Beginning	51	52
Acquired/ Launched	—	—
Closed	—	(1)
Ending	51	51

Our Consumer Finance segment revenues increased 2.9% for the three months ended June 30, 2015 compared to the three months ended June 30, 2014. The increase in our revenues for the three months ended June 30, 2015 was due to increased merchandise sales through our pawn stores. Our cost of revenues had a corresponding increase. Our operating expenses for the quarter decreased year over year primarily as a result of change in corporate allocations as duties and efforts are re-directed to other segments.

Corporate

Costs related to our new Corporate segment were $.42 million for the three months ended June 30, 2015, which includes nonrecurring acquisitions costs of $.27 million.

Results of Operations – Six Months Ended June 30, 2015 Compared to Six Months Ended June 30, 2014

Net income attributable to our common shareholders was $1.26 million, or $0.21 per share (basic and diluted), for the six months ended June 30, 2015, compared to $0.57 million, or $0.19 per share (basic and diluted), for the six months ended June 30, 2014. The Franchise segment, acquired on October 1, 2014, contributed $0.75 million, the Cellular Retail segment contributed $0.47 million, an increase of $0.54 million from the 2014 period, and the Consumer Finance segment contributed $0.54 million, a decline of $0.10 million from the 2014 period. The Corporate segment had $0.50 million in net costs. As previously indicated, we expect the mix of segmented contributions to net income to change throughout 2015.

The following table provides six-month year-over-year revenues and net income (in thousands) attributable to WCR common shareholders by operating segment:

	Franchise	Cellular Retail	Consumer Finance	Corporate	Total
Six Months Ended June 30, 2015					
Revenues	$ 5,967	$ 15,118	$ 6,153	$ —	$ 27,238
% of total revenue	21.9%	55.5%	22.6%	—	100.0%
Net income (loss)	$ 755	$ 467	$ 543	$ (497)	$ 1,268
Net income (loss) attributable to WCR common shareholders	$ 749	$ 467	$ 543	$ (497)	$ 1,262
Six Months Ended June 30, 2014					
Revenues	$ —	$ 11,113	$ 6,140	$ —	$ 17,253
% of total revenue	—	64.4%	35.6%	—	100.0%
Net income	$ —	$ (68)	$ 639	$ —	$ 571
Net income attributable to WCR common shareholders	$ —	$ (68)	$ 639	$ —	$ 571

Franchise

	Six Months Ended June 30, (in thousands)		2015 % of Revenues	2014 % of Revenues
	2015	2014		
Revenues	$ 5,967	$ —	100.0%	—%
Less:				
Cost of revenues	530	—	8.9%	—%
Expenses	4,682	—	78.4%	—%
Net income	$ 755	$ —	12.7%	—%

Our U.S. franchisees reported center sales for the six-months ended June 30, 2015 and 2014, as follows:

	2015	2014
Total gross U.S. network-wide center sales	$ 132,153,000	$ 126,161,000

The table below summarizes the number of AlphaGraphics Business Centers owned and operated by franchisees during the six month periods ended June 30, 2015 and 2014:

	Beginning	New	Closed	Ending
2015				
US Centers	242	10	(2)	250
International Centers	32	—	(6)	26
Total	274	10	(8)	276
2014				
US Centers	243	7	(5)	245
International Centers	34	2	(3)	33
Total	277	9	(8)	278

Revenues and net income for the six-months ended June 30, 2015 and 2014 were $5.97 million and $0.76 million, respectively, comparable to pro forma revenues and net income for the comparable period in 2014 of $5.77 million and $0.61 million, respectively. Gross U.S. network-wide center sales as provided by franchisees increased 5% over the comparable periods.

Cellular Retail

The following table summarizes our Cellular Retail segment operating results:

	Six Months Ended June 30, (in thousands)		2015 % of Revenues	2014 % of Revenues
	2015	2014		
Revenues	$ 15,118	$ 11,113	100.0%	100.0%
Less:				
Cost of revenues	7,598	5,596	50.2%	50.3%
Expenses	7,053	5,585	46.7%	50.3%
Net income (loss)	$ 467	$ (68)	3.1%	(0.6)%

A summary table of the number of Cricket cellular retail stores we operated during the six-month periods ended June 30, 2015 and 2014 follows:

	2015	2014
Beginning	61	57
Acquired/ Launched	49	6
Closed	—	(5)
Ending	110	58

Revenues in the Cellular Retail segment increased $4.01 million, or 36%, to $15.12 million for the six months ended June 30, 2015, compared to $11.11 million for the six months ended June 30, 2014. This increase is due to a several factors that contributed to an approximate 80% increase in units sold period over period. Factors include our acquisition of additional stores, relocation or closing of under-performing locations and the effects of AT&T's acquisition of Cricket Wireless, which effects include Cricket Wireless' post-acquisition offering of subsidized and/or lower priced handsets to existing Cricket customers migrating off the older CDMA network onto the current GSM network, and Cricket Wireless' increased post-acquisition advertising and marketing. The migration of Cricket customers, which we believe to have had a significant contribution to our increased unit sales, is expected to be substantially completed by year's end. Accordingly, we anticipate that there will be a decline in unit sales as a result but are not able to reasonably predict the extent of any such decrease.

Our expenses increased $1.46 million from $5.59 million for the six-month period ended June 30, 2014 to $7.05 million for the six-month period ended June 30, 2015, primarily as a result of adding the new stores with partial offset by the reduction in costs associated with the closure of a small number of underperforming stores. Stated as a percentage of Cellular Retail revenues, our expenses were 46.7% and 50.3% of revenue for the six months ended June 30, 2015 and 2014, respectively.

We operate in a highly competitive marketplace and our future growth and success is largely dependent on our relationship with Cricket and the dealer compensation package and operational requirements provided by Cricket Wireless. We expect to continue our strategic acquisitions of other dealers, the opening of additional Cricket stores in new and existing markets and the consolidation of store locations operating in the same markets to reduce our operating costs.

Consumer Finance

The following table summarizes our Consumer Finance segment operating results:

	Six Months Ended June 30, (in thousands)		2015 % of Revenues	2014 % of Revenues
	2015	2014		
Revenues	$ 6,153	$ 6,140	100.0%	100.0%
Less:				
Cost of revenues	1,186	1,017	19.3%	16.6%
Expenses	4,424	4,484	71.9%	73.0%
Net income	$ 543	$ 639	8.8%	10.4%

A summary table of the number of consumer finance locations we operated during the six month periods ended June 30, 2015 and 2014 follows:

	2015	2014
Beginning	51	52
Acquired/ Launched	—	—
Closed	—	(1)
Ending	51	51

Our Consumer Finance segment revenues increased slightly for the six months ended June 30, 2015 compared to the six months ended June 30, 2014. The increase in our revenues for the six months ended June 30, 2015 was due to slight growth in pawn retail sales.

Our cost of revenues increased $0.17 million, primarily due to the increased pawn retail sales. Our operating expenses for the period remained relatively flat at 72% of segment revenue.

Corporate

Costs related to our new Corporate segment were $0.50 million for the six months ended June 30, 2015, which includes nonrecurring acquisition costs of $0.27 million. As acquisition activity increases/decreases, costs within this segment will show a corresponding change.

Liquidity and Capital Resources

Summary cash flow data is as follows:

	Six Months Ended June 30,	
	2015	2014
Cash flows provided (used) by:		
Operating activities	$ 1,194,290	$ 1,764,117
Investing activities	(2,511,084)	(418,189)
Financing activities	228,272	(750,388)
Net increase (decrease) in cash	(1,088,522)	595,540
Cash, beginning of period	4,273,350	1,983,835
Cash, end of period	$ 3,184,828	$ 2,579,375

At June 30, 2015, we had cash of $3.18 million compared to cash of $2.58 million on June 30, 2014. Our cash flows utilized for investing activities increased for the six months ended June 30, 2015 because of our 2015 purchases of 48 additional Cricket retail store locations compared to the purchase of six Cricket retail locations over the same period in 2014. Our cash flows from financing activities was $0.23 million, which includes a net $1.00 million advance on our long-term note with an expiration date of June 30, 2016 and principal payment by our subsidiary AGI (was not part of the consolidated group as of June 30, 2014) of $0.77 million. We believe that our available cash, combined with expected cash flows from operations, will be sufficient to fund our liquidity and capital expenditure requirements through June 30, 2016. Our expected short-term uses of available cash include the funding of operating activities, including anticipated increases in payday loans, the financing of additional expansion activities and the reduction of debt.

Because of the constant threat of regulatory changes to the payday lending industry, we believe it will be difficult for us to obtain debt financing from traditional financial institutions. As a result, financing we may obtain from alternate sources is likely to involve higher interest rates.

Credit Facility

On October 18, 2011 (and later amended on December 7, 2012, March 21, 2014 and May 21, 2015), we entered in a borrowing arrangement with River City Equity, Inc. Under this arrangement, as amended, we may borrow up to $3.00 million at an interest rate of 12% per annum, with interest payable on a monthly basis. The note contains no prepayment penalties, and matures June 30, 2016. The note, under certain circumstances, permits River City Equity to obtain a security interest in substantially all of our assets. As of June 30, 2015, $3.00 million was due and owing under this borrowing agreement.

Credit Facilities - AlphaGraphics

AGI is a party to term and revolving notes payable with a financial institution. Under the term debt agreements, $2.38 million was outstanding at June 30, 2015. The notes accrue interest at prime rate plus 2.5% (5.75% as of June 30, 2015), require quarterly payments of $375,000 principal plus accrued interest, and mature in June 2017. Under the revolving debt agreement, as amended, AGI may borrow up to $1.00 million, accruing interest at the higher of (a) prime rate plus 2.5% or (b) the LIBOR rate plus 5.5%. AlphaGraphics has not drawn on the revolving debt arrangement during the six-month period ended June 30, 2015. The revolving note matures in August 2017. The notes payable are secured by all the assets of AGI.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as of June 30, 2015.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in our reports filed pursuant to the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance the objectives of the control system are met.

We utilize the Committee of Sponsoring Organization's *Internal Control – Integrated Framework, 2013 version,* for the design, implementation and assessment of the effectiveness of our disclosure controls and procedures and internal control over financial reporting.

As of June 30, 2015, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of our disclosure controls and procedures as such term is defined in Rule 13a-15(e) under the Securities and Exchange Act of 1934. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded our disclosure controls and procedures are effective as of June 30, 2015.

Changes in Internal Control over Financial Reporting

We began documenting and evaluating the effectiveness of controls and procedures related to our recent acquisitions upon completion of the transactions. We will assess and incorporate the design and operating effectiveness of the disclosure controls and internal controls over financial reporting and changes in internal control over financial reporting in our Annual Report on Form 10-K for the fiscal year ending December 31, 2015.

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 6. Exhibits

Exhibit	Description
10.1	Amendment to Promissory Note dated effective May 21, 2015 (*filed herewith*).
10.2	Purchase and Sale Agreement with by and among PQH Wireless, Inc., Cheryn K. and Vernon G. Robins, dated May 22, 2015 (*filed herewith*).
10.3	Merger and Contribution Agreement with Restorers Acquisition, Inc., J&P Park Acquisitions, Inc., and J&P Real Estate, LLC, and certain other parties, dated June 9, 2015 (*filed herewith*).
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (*filed herewith*).
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (*filed herewith*).
32	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (*filed herewith*).
101.INS	XBRL Instance Document (*filed herewith*).
101.SCH	XBRL Schema Document (*filed herewith*).
101.CAL	XBRL Calculation Linkbase Document (*filed herewith*).
101.DEF	XBRL Definition Linkbase Document (*filed herewith*).
101.LAB	XBRL Label Linkbase Document (*filed herewith*).
101.PRE	XBRL Presentation Linkbase Document (*filed herewith*).

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 14, 2015

Western Capital Resources, Inc.
(Registrant)

By: /s/ John Quandahl
John Quandahl
Chief Executive Officer and Chief Operating Officer

By: /s/ Stephen Irlbeck
Stephen Irlbeck
Chief Financial Officer

Exhibit 10.1

AMENDMENT TO PROMISSORY NOTE

THIS AMENDMENT TO PROMISSORY NOTE (this "**Amendment**") is made effective as of May 21, 2015, by and between Western Capital Resources, Inc., a Minnesota corporation ("**Borrower**"), and River City Equity, Inc. a Nebraska corporation ("**Lender**").

RECITALS

Borrower and Lender are parties to a Promissory Note dated as of October 18, 2011, as amended and restated in an Amended and Restated Promissory Note dated as of December 7, 2012 (the "**Note**"). Capitalized terms used in this Amendment and not defined herein shall have the meanings given in the Note. The parties now desire to amend the Note as set forth below.

AGREEMENT

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

1. Maturity Date. Paragraph 1.1 of the Note shall be amended to extend the Maturity Date (as defined in the Note) to June 30, 2016.

2. Conflicts. In the event of any conflict between the terms of the Note and this Amendment, the terms of this Amendment shall govern.

3. Counterparts. This Amendment may be executed in counterparts which, when taken together, shall constitute one and the same agreement.

4. Modifications. Except as otherwise expressly modified by this Amendment, all terms, provisions, covenants and agreements contained in the Note shall remain unmodified and in full force and effect.

BORROWER:

WESTERN CAPITAL RESOURCES, INC.

_____
John Quandahl
Chief Executive Officer

LENDER:

RIVER CITY EQUITY, INC.

_____
By: _____
Its: _____

PURCHASE AND SALE AGREEMENT
Green Communications Companies

This is a Purchase and Sale Agreement, dated May 22, 2015 ("**Agreement**"), among **Cheryn K. Robins** and **Vernon G. Robins**, individually and as Trustees of the **Robins Family Trust, dated October 21, 2010**, in their capacities as Managers and Members of the Companies (collectively, "**Robins**" or "**Sellers**"), and **PQH Wireless, Inc.**, a Nebraska corporation ("**Buyer**").

Background

A. Sellers are the sole Members in four entities, **Green Communications, LLC**, a Washington limited liability company ("**Green WA**"), **Green Communications, LLC**, an Arizona limited liability company ("**Green AZ**"), **Green Communications, LLC**, an Oregon limited liability company ("**Green OR**"), and **Go Green, LLC**, an Arizona limited liability company ("**Go Green**," and collectively referred to with Green WA, Green AZ, and Green OR as the "**Companies**"). Specifically, **Cheryn K. Robins** and **Vernon G. Robins** own 100% of the outstanding Member Interests in **Green WA**, **Green AZ**, and **Green OR**, and as of the Closing will own 100% of the outstanding Member Interests in **Go Green**. All such Member Interests are collectively referred to as "**Sellers' Member Interests**".

B. The Companies collectively operate 41 wireless premier dealer retail stores, located at the addresses listed on **Attachment A** ("**Stores**"), under the Cricket® brand name ("**Business**"). One other store is in the process of opening, to be located in Prescott, Arizona ("**Prescott Store**"), and is included in the term "Stores" as the context requires in this Agreement. The parties have agreed to the basic terms under which Sellers will sell to Buyer 100% of the Sellers' Member Interests and all associated Assets owned by the Companies, and this Agreement is intended to describe the entire understanding of the parties. The parties intend that the transaction will be structured as a sale of Member Interests, such that Buyer will receive the Companies and their Business as an ongoing operation.

Agreement

Accordingly, for valuable consideration, the parties agree as follows:

1. **Member Interests and Assets to be Purchased**.

(a) **Green WA**. Robins agree to sell, transfer, assign and deliver to Buyer, and Buyer agrees to purchase from Robins, Robins's entire Member Interest in Green WA, representing 100% of the outstanding Member Interests in Green WA. Upon Closing, Robins will be removed as Members of Green WA, and will hold no position as a Manager or other officer of Green WA, and Buyer will be the sole remaining Member and Manager.

(b) **Green AZ**. Robins agree to sell, transfer, assign and deliver to Buyer, and Buyer agrees to purchase from Robins, Robins's entire Member Interest in Green AZ, representing 100% of the outstanding Member Interests in Green AZ. Upon Closing, Robins will be removed as Members of Green AZ, and will hold no position as a Manager or other officer of Green AZ, and Buyer will be the sole remaining Member and Manager.

(c) **Green OR**. Robins agree to sell, transfer, assign and deliver to Buyer, and Buyer agrees to purchase from Robins, Robins's entire Member Interest in Green OR, representing 100% of the outstanding Member Interests in Green OR. Upon Closing, Robins will be removed as Members of Green OR, and will hold no position as a Manager or other officer of Green OR, and Buyer will be the sole remaining Member and Manager.

(d) **Go Green**. Robins agree to sell, transfer, assign and deliver to Buyer, and Buyer agrees to purchase from Robins, Robins's entire Member Interest in Go Green, representing 100% of the outstanding Member Interests in Go Green. Upon Closing, Robins will be removed as Members of Go Green, and will hold no position as a Manager or other officer of Go Green, and Buyer will be the sole remaining Member and Manager.

(e) **Ongoing Business; Assets**. The Sellers' Member Interests described above will be transferred to Buyer at the Closing, such that Buyer will receive the Companies' Business operation as an ongoing business without interruption. With the purchase of the Sellers' Member Interests, Buyer will take control of all of the Companies' assets necessary to run the Business, which include but are not limited to Cricket® Wireless dealer agreements, store Leases, phone inventory with a purchase date of 60 days or less before Closing ("**Phone Inventory**"), prepaid assets, licenses, fixed assets, and all other assets used in the Business, except as described in this Agreement (collectively, the "**Acquired Assets**").

(f) **Vehicles Purchased**. Schedule 1(f) contains a list of Company-owned vehicles that are used in the Business, including vehicle description, VINs, and estimated value of each ("**Vehicles**"). Buyer will evaluate the Vehicles during the Confirmatory Diligence Period with the good faith effort to purchase the Vehicles at the Closing, subject to any existing liens. Amounts that are paid by Buyer for the Vehicles shall be in addition to the Purchase Price, as defined in Section 2 below.

(g) **Accessory Inventory**. Buyer shall pay Sellers at Closing, as an adjustment to the Purchase Price pursuant to Section 2.2 below, an amount equal to 100% of the cost of all accessory inventory on the books with a purchase date of 90 days or less (collectively, the "**Accessory Inventory**").

(h) **Excluded Assets**. For the avoidance of doubt, this Agreement specifically excludes all cash on hand of the Companies through the Closing date, balances in the checking accounts of the Companies through Closing, Pre-Closing Receivables (and related items for which Sellers are entitled to under the Post-Closing Adjustment), and Sellers' personal vehicles, which Sellers shall retain post-Closing (collectively, the "**Excluded Assets**"); provided, however, that the cash in the Companies' banking accounts in an amount sufficient to cover known expenses incurred as of the Closing will remain in such accounts at the Closing and be reconciled as part of the Post-Closing Adjustments contemplated under Section 2.2. At the Closing, Buyer will deposit into such accounts sufficient funds to cover June rent.

(i) **Intellectual Property; Green TX Excluded**. Sellers release to Buyer all rights to the trade names "Green Communications" and "Go Green", within the states of Washington, Arizona, Oregon, and Idaho. Buyer acknowledges that Robins maintain an entity in Texas known as Green Star, LLC, which owns and operates one or more wireless premier dealer retail stores under the Cricket® brand name ("**Green TX**"). Buyer agrees that Green TX is not included in the transactions described in this Agreement, and that Robins may continue to operate under the trade name "Green Star" in Texas.

2. **Purchase Price and Payment**. The purchase price for Sellers' Member Interests is **Two Million Two Hundred Thousand and no/100 United States Dollars** ($2,200,000.00), subject to the adjustments provided in Section 2.2 of this Agreement ("**Purchase Price**").

2.1 **Payment by Buyer**. Subject to Sellers' compliance with the terms of this Agreement, Buyer agrees to pay to Sellers in cash, by wire transfer or immediately available funds, the Purchase Price as follows:

(i) $220,000.00 (refundable in the event the Closing does not occur as contemplated by Sections 7 and 15 below), payable to Escrow Agent immediately upon signing this Agreement (which amount will be credited against the Purchase Price at Closing) ("**Deposit**"); and

(ii) an amount equal to Three Hundred Thirty Thousand Dollars ($330,000) (the "**Escrow Fund**") shall be paid by Buyer to the Escrow Agent at the Closing, such Escrow Fund to be held in accordance with the terms of an Escrow Agreement between Buyer and Sellers substantially in the form attached hereto as Exhibit A (the "**Escrow Agreement**") (and such amount (reduced by payments required to be made under the Escrow Agreement) shall be released to Sellers six months after Closing); and

(iii) the remainder of the Purchase Price, payable to Escrow Agent on or before the Closing (which amount is to be released to the Sellers immediately upon the Closing).

2.2 **Adjustments to Purchase Price**. The Purchase Price shall be adjusted as follows:

(i) **Phone Inventory; Excess Accounts Payable**. The Companies' existing Phone Inventory as of the Closing date shall be netted (at 100% cost) against the Companies' total IMM (Brightpoint) accounts payable balance existing as of the Closing date ("**IMM Accounts Payable**"). In the event that IMM Accounts Payable exceed the amount of Phone Inventory (such difference being referred as "**Excess Accounts Payable**"), the Purchase Price will be adjusted downward by the amount of such Excess Accounts Payable. In the event that the amount of Phone Inventory exceeds IMM Accounts Payable (such difference being referred as "**Excess Inventory**"), the Purchase Price will be adjusted upward by the amount of such Excess Inventory. A schedule presenting the aggregate IMM Accounts Payable and Phone Inventory, as of the date of this Agreement, is attached hereto as Schedule 2.2(i).

(ii) **Accessory Inventory**. Buyer shall pay Sellers at Closing for all Accessory Inventory.

(iii) **Post-Closing Adjustments**. Within 45 days after the Closing, there shall be a post-Closing adjustment to the Purchase Price to account for (A) any trailing credits, instant rebates, and Clover, callidus, and CSP payments directly related to any pre-Closing phone sales by the Companies, (B) any pre-Closing liabilities of the Companies paid by the Buyer, (C) any amounts owed by Sellers to Buyer for pre-Closing obligations of the Business after the reconciliation of banking accounts, and (D) cash on hand in the Companies' depositary accounts (in the aggregate, the "**Post-Closing Adjustment**"). Buyer shall prepare and deliver to Sellers a written reconciliation of the Post-Closing Adjustment on or prior to the 45th day after the Closing, and such reconciliation shall be final unless the Sellers provide Buyer with written notice to the contrary within ten days of receipt of the reconciliation. In the event of a dispute regarding the Post-Closing Adjustment, the parties will work together in good faith to resolve such dispute. If such dispute cannot be resolved, the Buyer or Sellers, as applicable, will pay the other party/parties the undisputed portion of the Post-Closing Adjustment, and the disputed portion shall be submitted to a arbitration pursuant to Section 31.

2.3 **Inventory**. Phone Inventory and Accessory Inventory will be determined as of the Closing date, using the Companies' point-of-sale computer reports (except in the case of manifest error).

2.4 **Consistent Tax Returns Reporting Allocation of Purchase Price**. To the extent necessary for asset purchase portion of this Agreement, Buyer and Seller agree that (i) they will prepare and file their respective Forms 8594 under Internal Revenue Code Section 1060 with respect to their purchase and sale of the Seller's Business in a manner consistent with the recommendation from Sellers' accountant for all federal and state income tax reporting purposes.

3. **Collection of Accounts Receivable, Manufacturer's Rebates, and Deposits**. Buyer shall use commercially reasonable efforts to collect accounts receivable of the Companies, generated prior to the Closing (the "**Pre-Closing Receivables**"), in the ordinary course (without any requirement to resort to litigation), and shall remit to Sellers, as of the 45th day after Closing, a written summary of collections of the Pre-Closing Receivables together with related payments. The obligation to use commercially reasonable efforts in collecting Pre-Closing Receivables, provide written summaries and remit related payments, shall cease as of the 90th day after the Closing.

4. **Assumed Liabilities; Excluded Liabilities**.

(a) **General**. Buyer shall assume all Store leases (including the Prescott Store) for stores currently operating and new stores to be opened in 60 days or less ("**Leases**"), the Cricket dealer agreements, and ordinary course current IMM Accounts Payable, to the extent accrued on the balance sheet at Closing and listed in Schedule 2.2(i) to this Agreement ("**Assumed Liabilities**"). Buyer will not assume any intra-company liabilities, vehicle leases, negative cash balances, or any other debt or liability of the Company not specifically referenced as being assumed above, specifically including but not limited to all liabilities of the Business arising prior to the Closing or relating to Sellers' ownership or operation of the Business prior to the Closing (collectively, the "**Excluded Liabilities**"). Sellers will promptly discharge and pay when due, after the Closing, all Excluded Liabilities. Sellers' Member Interest and Acquired Assets will be delivered free and clear of liens, claims, and interests.

(b) **Leases**. Buyer acknowledges that certain Leases are for a specified term, and others are on a month-to-month basis. A summary of the Leases is attached hereto as Schedule 4(b), which summary identifies the Landlord, the property address, the amount of monthly rent, and the remaining term of the existing Lease (as amended, if applicable), together with an indication as to whether any such Lease provides any of the Companies with an extension option. Buyers and Sellers will cooperate in good faith to obtain Landlords' consent for Buyer to the transactions contemplated hereby, if necessary, and to remove Sellers as personal guarantors on the Leases. Landlord consent is not a condition precedent to Buyer's obligation to proceed to Closing.

5. **Liabilities**. Sellers will pay from the Companies' accounts all accounts payable and other obligations and liabilities of the Companies accruing on or before the Closing Date, and will not allow any account payable to go into default.

6. **Business Credit Cards and Accounts; Cooperation.**

(a) All charges on credit and other business cards used in the Business ("**Charge Cards**") will be assumed and paid by Sellers as of the Closing date. All Charge Cards are issued in Sellers' personal names, and will retained by Sellers. Buyer will be responsible for opening and maintaining separate credit cards for the Companies for use post-Closing.

(b) Buyer will succeed to the Business's various banking, checking and merchant accounts. Schedule 6(ii) attached hereto lists each such account of the Business and the authorized signatories therefor. At Closing, Sellers will cause those persons designated by the Buyer to be added as authorized signatories to the banking, checking and merchant accounts of the Companies to be replaced with those persons designated by the Buyer. Corporate Commission documents for the Companies will be changed within one week after Closing to reflect new managers, as directed by Buyer, at which time Sellers will be remove from the accounts. Buyer will be given full access to the merchant accounts at Closing. Subsequently, the Business shall continue to operate with the existing accounts, and Sellers agree not to make any changes to such accounts or redirect funds from them. Merchant accounts will be replaced by Buyer for each Store when it is updated to the RQ4 System by Cricket. At the time of such update, the respective existing account will be closed.

(c) Sellers will forward to the Companies, at the location agreed by the parties, all invoices related to the Business that are received by the Sellers after the Closing, whether related to the period of time prior to or after the Closing, together with an indication of which invoices have been paid by the Sellers (i.e., because the invoiced services or goods were rendered or purchased pre-Closing, or because of some other covenant in this Agreement obligating the Sellers to pay such invoices) and which invoices are to be paid by one or more of the Companies (i.e., because the invoiced services or goods were rendered or purchased post-Closing, or because of some other covenant in this Agreement obligating the Buyer to pay such invoices).

7. **Confirmatory Diligence Period**. Buyer acknowledges that it has already analyzed the financials of the Companies based on the limited information provided to Buyer, and has had an introductory meeting and conference calls with Sellers. Buyer's remaining due diligence requirements are confirmatory in nature and can be completed promptly. Buyer does not foresee having any due diligence items that would hold up Closing. Accordingly, Buyer shall have 15 business days from the date of this Agreement or until the Closing, whichever is earlier, to review all records and items delivered by Seller, to make appropriate inspections of the Stores on a "secret shopper" basis, to confirm that the Assets and Business are sufficient and acceptable for Buyer's needs, and to otherwise provide Sellers with reasonable follow-on due diligence informational requests ("**Confirmatory Diligence Period**"). Sellers will promptly provide, and cause the Companies to provide, all reasonable information requested by Buyer. During the Confirmatory Diligence Period, Buyer and its representatives and agents shall have reasonable access to the Stores and Business records in order to conduct physical inspections. During the Confirmatory Diligence Period, Buyer may, for any reason, terminate the Agreement by written notice to Seller; in that event, the Deposit shall be immediately released to Buyer, and the parties shall have no further rights or obligations under this Agreement. The parties will exercise all good faith efforts to complete the due diligence as quickly and efficiently as possible.

8. **Companies and Business Condition; Acknowledgment**. Buyer shall conduct its own independent investigation of the Companies' historical financial statements, with no representations required by Sellers related to them other than as expressly contained in this Agreement. Buyer acknowledges that it is purchasing the Sellers' Member Interests without any representations or warranties to Buyer except those expressly provided in this Agreement, including without limitation the full disclosure representation in Section 9(u).

9. **Representations, Warranties and Covenants of Sellers**. Sellers jointly and severally represent, warrant, and covenant to Buyer as of the date of the Closing as follows:

(a) **Company Organization**. The Companies have been duly formed, and are validly existing and in good standing in their respective state of organization. The Companies have all required business, transaction privilege, and other licenses necessary to carry on the Business in their respective locations.

(b) **Ownership of Member Interests**. Sellers are the legal owners of their respective Sellers' Member Interests, and Sellers have not sold, gifted, encumbered, or otherwise transferred or conveyed all or any portion of Sellers' Member Interests. Sellers have and will convey to Buyer good and marketable fee title to Sellers' Member Interests, free and clear of all options, rights of first refusal, possessory interests, liens, mortgages, pledges, encumbrances, and charges of any kind. There are no outstanding contracts, agreements, or other rights affording any person or entity the right to obtain any membership interest in any of the Companies. To the extent Sellers have entered into any agreement to sell, transfer or encumber all or any portion of Sellers' Member Interests, or issue any new membership interests in any of the Companies, Sellers shall fully indemnify Buyer as to any such transfer. After the Closing, Buyer will enjoy all the rights and benefits of exclusive ownership of the Companies and Business as an ongoing business.

(c) **Ownership and Sufficiency of Acquired Assets**. The Companies are the legal owners of their respective interests in the Acquired Assets, and the Companies have not sold, gifted, encumbered, or otherwise transferred or conveyed all or any portion of the Acquired Assets other than in the ordinary course of business. Buyer, by virtue of its ownership of the Sellers' Member Interests as of the Closing, will receive good and marketable fee title to the Acquired Assets, free and clear of all options, rights of first refusal, possessory interests, liens, mortgages, pledges, encumbrances, and charges of any kind, except for purchase money liens on certain Vehicles, as disclosed. The Companies have not entered into any agreement to sell, transfer or encumber all or any portion of the Acquired Assets. The assets owned by the Companies are in good condition and repair, ordinary wear and tear excepted, and are usable in the ordinary course of business. The assets of the Companies include all assets, both tangible and intangible, necessary for the conduct of the Business as it is being conducted as of the date hereof.

(d) **Authority.** Sellers and the Companies have full legal right, power and authority, without the consent of any other person, to execute and deliver this Agreement and to carry out the contemplated transactions, and to perform their obligations under it. Sellers' execution of this Agreement and performance of their obligations do not and will not violate any contractual or other legal obligations or restraints upon Sellers, violate any provision of the charter documents of any of the Companies, permit any third party the right to terminate any contract to which the Companies are a party (except for requirements for consent from Cricket and Brightpoint, and Landlord consent on Leases), accelerate any obligation of the Companies, or cause any assets of the Companies to become subject to a lien.

(e) **Validity.** This Agreement has been, and the documents to be delivered at the Closing will be, duly executed and delivered by Sellers, and the Agreement constitutes lawful and legally binding obligations of Seller, enforceable according to their respective terms, subject to customary enforceability exceptions.

(f) **Accuracy of Financial Statements; No Adverse Change**. The Companies' financial records provided to Buyer, copies of which are attached hereto as Schedule 9(f) (the "**Financial Statements**"), present fairly the financial position and results of operations of the Business as of the indicated dates and for the indicated periods, and have been prepared on a cash basis consistent with historical practice. There have been no adverse changes in the operations or finances of the Business after January 1, 2015 through and including the Closing Date, except as disclosed on Schedule 9(f) attached hereto. From and after January 1, 2014 and through and including the date of Closing: (i) the Business has been conducted only in the ordinary course consistent with past practice, and (ii) there has not been any change in the accounting methods, principles or practices of the Business, except as disclosed on Schedule 9(f) attached hereto.

(g) **Business Insurance**. None of the Companies have received any notice of cancellation or non-renewal, or of material premium increases, with respect to any of the Business insurance policies. There are no pending claims made by or on behalf of the Companies under such policies, and no claims have been denied. No gaps in coverage have occurred with respect to the Business insurance policies during the last two (2) years.

(h) **No Breach**. Each of the Companies is in good standing under the Cricket® Dealer Agreement, and Leases, and there is no breach or threatened breach under such agreements by either any of the Companies, Cricket Wireless, the Landlords, or any other third party, and all of such agreements are valid and binding agreements of the Companies in full force and effect.

(i) **No Breach of Operating Agreements**. Sellers waive, or have no knowledge of, any breach of the Operating Agreements for the Companies.

(j) **No Undisclosed Liabilities**. Except as disclosed in the Financial Statements or on Schedule 9(j), and except for liabilities incurred in the ordinary and usual course of normal day-to-day operations of the Business, the Business does not have liability of any nature whether or not absolute, contingent or otherwise, that would be required to be disclosed on the Financial Statements.

(k) **No Litigation.** Neither Sellers nor the Companies are engaged in, or a party to, or threatened with any legal, administrative or governmental action or investigation, and Sellers do not know of or anticipate any such action or investigation that would have any effect on the Companies or the Business.

(l) **No Judgments or Liens**. There are no judgments, attachments, levies, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary of involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws, contemplated by Seller, or filed by Seller or, to the best of Seller's knowledge, pending in any current judicial or administrative proceedings against Seller or any of the Companies.

(m) **Taxes**. All sales, transaction privilege, use, property, and other federal, state, and local taxes relating to the Business or resulting from the conduct of the Business prior to and as of Closing are the responsibility of, and will be promptly paid by, Sellers. All such tax returns have been properly filed, and they accurately reflect the operations of the Business.

(n) **Environmental Matters**. Sellers have not received any written notice of any proceeding or any inquiry by any governmental agency concerning any environmental contamination or leakage, or any violation of any local, state or federal statutes or laws governing the storage, disposal, or clean-up of hazardous substances at the Stores or the real property on which the Stores are located.

(o) **Employment Matters**.

(i) Schedule 9(o) contains a complete and accurate list of (A) the names of all employees of the Business; (B) their titles or positions; (C) their dates of hire; (D) their current salaries or wages and all bonuses, commissions and incentives paid at any time during the past 12 calendar months; (E) their last compensation changes and the dates on which such changes were made; (F) any non-standard bonus, commission or incentive plans or agreements for or with them; (G) any outstanding loans or advances made by or to them; and (H) any verbal or written employment agreements which impact or establish the terms of employment of those persons. Correct and completed copies of all written employment agreements, including all amendments thereof and exhibits or addenda thereto, have been delivered to the Buyer.

(ii) Schedule 9(o) contains a complete and accurate list of (A) the identities of all independent contractors currently engaged by the Business; (B) their payment arrangements; and (C) a brief description of the type of services provided by them. Correct and completed copies of all written agreements with independent contractors, including all amendments thereof and exhibits or addenda thereto, have been delivered to the Buyer.

(iii) Except for any limitations of general application which may be imposed under applicable labor or employment laws, and except for any employment agreements otherwise disclosed and provided to the Buyer, the Companies have the right to terminate the employment of each of their employees at will, and to terminate the engagement of any of their independent contractors, without any payment, penalty or liability to any such person other than for services rendered through the date of termination.

(iv) Sellers have delivered to the Buyer accurate and complete copies of all current employee manuals and handbooks, disclosure materials, policy statements and other materials prepared, disclosed or promulgated by the Companies at any time during the last two years relating to the employment of the current and former employees of the Business.

(v) Sellers shall pay and discharge, or cause the Companies to pay and discharge at the Closing, all employee-related liabilities relating to periods of time prior to the Closing, including but not limited to: (A) the payment of unpaid salaries and bonuses; and (B) the payment of all accrued but unpaid vacation or sick or PTO days.

(p) **Material Contracts**. Schedule 9(p) contains a true, complete and correct list of all contracts and agreements, whether written or oral, which are used in the Business and which require a payment to or from any one or more of the Companies of $15,000 or more per year (collectively, the "**Material Contracts**"). True and complete copies of the Material Contracts, including all amendments thereof and exhibits and addenda thereto, have been provided to the Buyer. Each Material Contract is a valid and binding agreement of one or more of the Companies and is in full force and effect. The Companies have performed all obligations required to be performed by them under or in connection with each Material Contract and are not in receipt of any claim of default under any Material Contract. Sellers do not have knowledge of a breach or anticipated breach by any other party to any Material Contract.

(q) **Cricket Wireless**. Other than the Green TX, after the Closing the Sellers will not have any ownership interest in, or any interest as a financier, employee, consultant or otherwise with, any entity that is a Cricket Wireless authorized dealer or authorized dealer of another wireless carrier or retailer, or any entity affiliated with any of the foregoing. Neither the Sellers nor the Companies are obligated to open any new Cricket Wireless or other wireless carrier or retail locations, other than the location described herein as the Prescott Store, and have made no written or verbal commitments to Cricket Wireless, any other wireless carrier or retailer, or any other person, on behalf of the Companies or otherwise, to open any new Business locations.

(r) **Restrictive Covenants**. The Companies are not a party to any written contract, license agreement or other restriction limiting the scope of the Business' current or future operations or the sale or use of the Companies' assets in any manner whatsoever.

(s) **Related-Party Transactions**. Except as set forth on Schedule 9(s), none of the Companies have any business relationship, whether in the form of employment, consulting, supply, vendor, maintenance, leases or other kinds of agreements, written or unwritten, with any Related Parties. For this purpose, "**Related Parties**" means any of the Sellers' or their respective family members or relatives, employees of the business, or any entity controlled by any of the foregoing persons.

(t) **Vehicles**. All Vehicles to be purchased pursuant to Section 1(f) are in good working order and condition, ordinary wear and tear excepted, and all routine maintenance on such Vehicles has been performed.

(u) **Full Disclosure**. No representation or warranty of Sellers contained in this Agreement, any Schedules, any exhibit hereto or in any statement (including but not limited to the Financial Statements), certificate, instrument of transfer or conveyance or other document furnished to Buyer pursuant to this Agreement, or otherwise in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact required to make the statements herein or therein not misleading.

(v) **Survival**. Sellers' representations, warranties, and covenants under Sections 9(a) (Company Organization), 9(b) (Ownership of Member Interests), 9(c) (Ownership of Acquired Assets), 9(d) (Authority), 9(e) (Validity), and 9(j) (No Undisclosed Liabilities) shall forever survive the Closing of this Agreement. Sellers' representations under Sections 9(l) (Taxes), 9(m) (Environmental Matters), and 9(k) (Litigation) shall survive for a period equal to the applicable statute of limitations. Finally, all other representations of Seller under Sections 9 shall survive for a period of 12 months following the Closing of this Agreement.

10. **Representations, Warranties and Covenants of Buyer**. Buyer represents, warrants, and covenants to Sellers as of the date of this Agreement and as of the Closing as follows:

(a) **Authority.** Buyer has full legal right, power and authority, without the consent of any other person, to execute and deliver this Agreement and to carry out the contemplated transactions, and to perform Buyer's obligations under it. Buyer's execution of this Agreement and performance of its obligations does not and will not violate any contractual or other legal obligations or restraints upon Buyer. The person signing this Agreement on Buyer's behalf has full corporate power and authority to do so; on Seller's request, Buyer shall provide an accurate copy of signing resolutions duly signed or approved by Buyer's board of directors.

(b) **Validity.** This Agreement has been, and the documents to be delivered at the Closing will be, duly executed and delivered by Sellers, and the Agreement constitutes lawful and legally binding obligations of Seller, enforceable according to their respective terms, subject to customary enforceability exceptions.

(c) **Survival**. Buyer's representations, warranties, and covenants survive the Closing of this Agreement.

11. **Interim Conduct of Company**.

(a) **Obligations**. From the date of this Agreement through the Closing Date, Sellers will do the following, at Sellers' expense:

(i) Carry on the Business substantially consistent with prior practice and not introduce any materially new method of management, operation, or accounting; and

(ii) Preserve intact the organization and reputation of the Business, retain and maintain Sellers' relationships with customers, vendors, suppliers, Cricket®, and others having business relations with Seller;

(iii) Preserve and maintain the Assets and the Stores in good working order, and perform any needed repairs. Notwithstanding the foregoing, Sellers are not required to make any capital expenditures or tenant improvements in the Stores, including without limitation, the Prescott Store; and

(iv) Disclose to Buyer in writing the occurrence of any facts or events that could have a material adverse effect on the financial condition, operating results, customer, employee or supplier or dealer relations, prospects or Business taken as a whole.

(b) **Prohibitions**. From the date of this Agreement through the Closing Date, Sellers will not do or agree to do any of the following, except in the ordinary course of business, without Buyer's prior written consent:

(i) dispose of or purchase any assets;

(ii) dispose of or purchase any inventory, except in the ordinary course of Business and consistent with normal practice; or

(iii) incur liabilities against the Business;

(iv) enter into, modify, terminate, or breach any existing vendor contract, the Cricket® Dealer Agreement, any Lease, or other agreement (except as expressly consented to by Buyer); Buyer acknowledges that Sellers are currently negotiating a new location for a Store in Tucson and consents to Sellers' judgment as to such location to the extent decisions must be made before Closing;

(v) hire or terminate any employee, change any benefits or compensation package for employees, discuss this transaction with employees, or solicit any employee to leave his or her employment in the Business; or

(vi) waive or release any material causes of action, lawsuits, judgments, claims or demands.

12. **Non-Solicitation; Non-Competition**.

(a) **Non-Solicitation; Robins**. As a material term of this Agreement, Robins agree, for a period commencing on the date of this Agreement and continuing for five years ("**Restriction Period**"), not to do any of the following, directly or indirectly, as an owner, agent, principal, director, officer, partner, employee, consultant, independent contractor, or otherwise:

(i) solicit or induce, or attempt to solicit or induce, any customer of the Business to not do business with the Companies or the Buyer, or to cease doing business with the Companies or the Buyer;

(ii) solicit, induce, or attempt to solicit or induce, any employee of the Business to leave the employ of the Companies or the Buyer;

(iii) maliciously or otherwise intentionally interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Companies or Buyer (on the one hand) and Cricket Wireless (on the other hand), or between the Companies or Buyer (on the one hand) and any customer, vendor, supplier, employee, consultant or independent contractor of Buyer or the Companies (on the other hand).

(b) **Non-Competition; Robins**. As a material term of this Agreement, Robins agree that Robins will not, during the Restriction Period, directly or indirectly, as an owner, agent, principal, director, officer, partner, employee, consultant, independent contractor, or otherwise, open, operate, or engage in a business that is similar to, or in competition with, the Business in Washington, Oregon, Arizona, or Idaho.

(c) **Non-Solicitation; Buyer**. As a material term of this Agreement, if Buyer elects to cancel this Agreement before the end of the Confirmatory Diligence Period, or fails to proceed to Closing because of Buyer's breach of the Agreement, then for a period commencing on the date of such election or the Closing Date, whichever is earlier ("**Cancelation Date**") and continuing for one year from such Cancelation Date ("**Buyer Restriction Period**"), Buyer agrees not to do any of the following, directly or indirectly, as an owner, agent, principal, director, officer, partner, employee, consultant, independent contractor, or otherwise:

(i) solicit, induce, or attempt to solicit or induce, any employee of the Business to leave the employ of the Companies (other than circumstantially through general solicitation activities such as newspaper or online ads not specifically targeted at employees of the Companies);

(ii) solicit, induce, or attempt to solicit or induce, any Landlord of the Leases to terminate or fail to renew any Lease of the Companies;

(iii) maliciously or otherwise intentionally interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Companies or Sellers (on the one hand) and Cricket Wireless (on the other hand), or between the Companies or Sellers (on the one hand) and any vendor, supplier, employee, Landlord, consultant or independent contractor of Sellers or the Companies (on the other hand).

(d) **Necessary Provisions**. The parties acknowledge that the non-solicitation and non-competition covenants contained in this Section are commercially reasonable restrictions that are necessary to preserve the Business and goodwill of the Business, and that are essential to the planned operations of the Business. The parties also acknowledge that these restrictions do not unduly hinder them respectively in their ability to earn a livelihood and support themselves financially. The parties also acknowledge that the Purchase Price is materially affected by these non-solicitation and non-competition provisions.

(e) **Remedies for Breach**.

(i) The parties recognize that breach or threatened breach of any of the non-solicitation and non-competition covenants of this Agreement would result in serious harm to the other party and the Business, for which monetary damages might not be an adequate remedy, and that the amount of such damages would be difficult to determine. Therefore, if a party breaches any such provision, or engages in any activity which, in the other party's reasonable judgment, constitutes a threat to breach any such provision, then such other party shall be entitled to seek injunctive relief and specific performance in addition to any other available legal or equitable remedies allowed under applicable law. The breaching party releases the other from any requirement to post a bond in connection with temporary or interlocutory injunctive relief, to the extent permitted by law, and from the need to prove irreparable harm, to the extent permitted by law.

(ii) In the event of breach by a party, then the other party may recover by appropriate action the amount, if ascertainable, of the actual damage caused by any failure, refusal or neglect of the breaching party to perform the covenants above, together with any and all costs incurred by the non-breaching party, including reasonable attorneys' fees, in seeking such relief.

(iii) The remedies provided in this Section shall be deemed cumulative and the exercise of one shall not preclude the exercise of any other remedy at law or in equity for the same event or any other event.

13. **Release and Indemnity**.

13.1 **Sellers**. Except as set forth in this Agreement, and except for claims arising out of this Agreement, Sellers, individually and on behalf of their heirs, representatives and assigns, release and forever discharge Buyer from and against, and jointly and severally indemnify and hold harmless the Buyer from and against, any and all claims (including third-party claims), rights, demands, suits, causes of action, damages, costs (including costs of investigation), fees (including reasonable attorneys' fees), expenses, and liabilities of any nature, known or unknown (including without limitation any tax or creditor liabilities, contract and tort claims and claims for personal injuries and health-related injuries, and all Excluded Liabilities), relating to or arising from (i) Sellers' ownership or operation of the Business prior to the Closing, and all Excluded Liabilities (specifically including all tax-related obligations of Sellers or the Companies relating in any way to periods of time prior to the Closing), (ii) the breach of any covenants of Sellers contained in this Agreement, or (iii) the breach of any representations or warranties of Sellers contained in this Agreement. In addition, Sellers release and forever discharge Buyer from any claim for past salary, distributions, or other benefits accruing to Sellers before the Closing. The Purchase Price represents a full and final payment to Sellers for Sellers' Member Interests, and no further money will be owed to Sellers, except as provided in this Agreement.

13.2 **Buyer**. Except as set forth in this Agreement, and except for claims arising out of this Agreement, Buyer and its successors and assigns release and forever discharge Sellers from and against, and indemnify and hold harmless the Sellers from and against, any and all claims, rights, demands, suits, causes of action, damages, penalties, costs (including costs of investigation), fees (including reasonable attorneys' fees), expenses, and liabilities of any nature, known and unknown (including without limitation any tax or creditor liabilities, contract and tort claims and claims for personal injuries and health-related injuries) incurred by Sellers by reason of (i) Buyer's ownership or operation of the Business from and after the Closing Date, and all Assumed Liabilities, (ii) the breach of any covenants of Buyer contained in this Agreement, or (iii) the breach of any representations or warranties of Buyer contained in this Agreement. For avoidance of doubt, under clause (i) above, Buyer specifically indemnifies Sellers from and against all claims, rights, demands, suits, causes of action, damages, penalties, costs, fees, expenses, and liabilities of any nature, arising or accruing after the Closing, relating to any Personal Guaranties of Sellers on the Leases.

13.3 **Unknown Claims**. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THE RELEASES AND INDEMNITIES CONTAINED IN THIS AGREEMENT EXPRESSLY INCLUDE, AND SHALL CONSTITUTE FULL, ADEQUATE AND COMPLETE CONSIDERATION FOR, THE RELEASE OF ALL CLAIMS AND INJURIES THE NATURE, EXTENT AND AMOUNT OF WHICH ARE NOT, AND DESPITE REASONABLE DILIGENCE COULD NOT NOW BE, KNOWN TO THE RESPECTIVE PARTIES ("**UNKNOWN CLAIMS**"), AND THAT, ANY PRINCIPLE OR RULE OF LAW TO THE CONTRARY, THE INTENT AND AGREEMENT OF THE PARTIES IS THAT ANY AND ALL UNKNOWN CLAIMS AGAINST EACH OTHER ARE AND SHALL BE RELEASED.

13.4 **Notice to Indemnifying Party**. If a party ("**Indemnitee**") receives written notice of any claim or the commencement of any action or proceeding with respect to which the other party ("**Indemnifying Party**") is obligated to provide indemnification pursuant to this Agreement, the Indemnitee shall give the Indemnifying Party written notice thereof and shall permit the Indemnifying Party to participate in the defense of any such claim, action or proceeding by counsel of the Indemnifying Party's own choosing and at the Indemnifying Party's own expense. In addition, upon written request of the Indemnitee, the Indemnifying Party shall assume the full responsibility for the defense of any such claim, action or proceeding. In any event, the Indemnitee and the Indemnifying Party shall cooperate in the compromise of, or defense against, any such asserted liability.

13.5 **Reservation of Rights**. Neither a party's representations and warranties contained in this Agreement nor the party's indemnification obligations set forth in this Agreement shall be affected by (i) any due diligence or other investigation conducted by another party; or (ii) any knowledge on the part of another party or its agents or representatives of any circumstances resulting from such investigation or otherwise, including without limitation knowledge that one or more of such party's representations or warranties are or might be untrue when made or will or might become untrue on or prior to the Closing.

14. **Conditions Precedent to Sellers' Obligation to Close**. The obligation of Sellers to proceed to the Closing of this transaction is, at the option of Sellers, subject to compliance with each of the following conditions, at or prior to the Closing Date:

(a) All representations and warranties of Buyer shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date.

(b) All of the terms, covenants and conditions to be complied with and performed by Buyer under this Agreement on or before the Closing Date shall have been duly complied with and performed.

(c) Buyer shall have delivered to Escrow the Deposit and all other funds required to be paid, at Closing, to Sellers under this Agreement.

(d) The parties shall have received consent from Cricket Wireless to the transfer of ownership described in the Agreement.

(e) Sellers shall have received proof that they have been released as of the Closing from any and all obligations and personal guaranties under the IMM Account.

15. **Conditions Precedent to Buyer's Obligation to Close**. The obligation of Buyer to proceed to the Closing of this transaction is, at the option of Buyer, subject to compliance with each of the following conditions, at or prior to the Closing Date:

(a) All representations and warranties of Sellers shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date.

(b) All of the terms, covenants and conditions to be complied with and performed by Sellers under this Agreement on or before the Closing Date shall have been duly complied with and performed.

(c) The parties shall have received consent from Cricket Wireless to the transfer of ownership described in the Agreement.

(d) Buyer shall have completed its confirmatory due diligence, the results of which shall be satisfactory to Buyer in its discretion.

(e) Buyer shall have received (as contemplated under Section 17.2), reviewed and accepted, in its discretion, the updated disclosure schedules of Sellers.

(f) Buyer shall have received the approval of its Board of Directors to consummate the transactions contemplated herein.

In the event that the foregoing conditions shall not have been satisfied on or prior to June 1, 2015, Buyer shall be entitled to terminate this Agreement by written notice to Seller; in that event, the Deposit shall be immediately released to Buyer, and the parties shall have no further rights or obligations under this Agreement, except as it relates to the non-solicitation provisions of Section 12.

16. **Closing**. The Closing of this Agreement shall occur on June 1, 2015 ("**Closing Date**" or "**Closing**"), and the effective date for the purpose of transferring and turning over the Companies and Business shall be May 31, 2015. The place of Closing shall be mutually agreed between both parties.

17. **Deliveries**.

17.1 **By Buyer**. On or before the Closing, Buyer will deliver the following:

(a) To the Escrow Agent, certified funds of Buyer payable to or for the benefit of Sellers in the amount of the Purchase Price, as adjusted for adjustments under Section 2 above, plus the agreed upon acquisition price for any Vehicles Buyer shall have agreed in writing to purchase;

(b) To Sellers, a Closing certificate, executed by an officer of Buyer and certifying to the accuracy of Buyer's representations and warranties under this Agreement as of the Closing; and

(c) To Sellers, such other documents and instruments reasonably required or requested to complete the Closing of this transaction.

17.2 **By Sellers**. On or before the Closing, Sellers will deliver to the Buyer the following:

(a) All documents and records in Sellers' possession, relating to the Companies, in any format or media;

(b) An Assignment and Assumption of Member Interest, acceptable to both parties, for each of the Companies, relating to Sellers' assignment of rights and delegation of obligations of Sellers' Member Interests as of the Closing;

(c) A Bill of Sale and executed Titles for transfer of the Vehicles to be purchased by Buyer at the Closing, if any;

(d) Articles of Amendment for each of the Companies for filing with the Washington, Oregon, and Arizona Corporation Commissions, reflecting removal of Sellers from those entities as Members, Managers, Statutory Agent, and any other position;

(e) A Closing certificate, executed by Sellers, certifying to the accuracy of Sellers' representations and warranties under this Agreement as of the Closing; and

(f) Such other documents and instruments reasonably required or requested to complete the Closing of this transaction, specifically including the replacement of account signatories contemplated in Section 6 above.

In addition, at least two business days prior to the earlier of (i) the expiration of the Confirmatory Diligence Period or (ii) the Closing, Sellers shall deliver to the Buyer a complete set of disclosure schedules.

18. **Records; Document Storage**.

18.1 **Storage**. Buyer will maintain at its expense all Company records and documents for the period of all applicable statutory limits. Sellers shall hold Buyer harmless from any loss, damage, or expense, relating to Buyer's storage of the documents, so long as Buyer does not intentionally destroy any records prior to expiration of any requisite statutory limit.

18.2 **Access to Records**. After the Closing Date, Sellers shall have reasonable access to records which may be in Buyer's possession and which relate to operation of the Business prior to the Closing Date for the purpose examination, copying and use, at Sellers' cost, in connection with Sellers' accounting, auditing, or tax purposes.

19. **Risk of Loss Prior to Closing Date**. Buyer shall, at its election, be relieved from the obligations recited in the Agreement in the event that, before the Closing of the transaction, the properties to be acquired by Buyer, or any substantial part thereof, or the operation of the Business, shall be materially adversely affected by any substantial loss from any cause whatsoever, including, but not limited to fire, accident, acts of God, explosion, earthquake, windstorm, flood, war, embargo, condemnation or threat thereof, confiscation or threat thereof, or any order of the federal, state or local government, or other governmental subdivision.

20. **No Brokerage**. All parties acknowledge and agree that no brokerage fees or other commissions are due and payable as a result of this transaction, and that no party is represented by any broker. Each party shall indemnify the other against any claim for commissions or fees made by a third party in violation of this Section.

21. **Notices**. All notices hereunder shall be in writing and shall be deemed given only if delivered personally or mailed by registered or certified mail, postage prepaid, addressed as respectively indicated below. The parties may, by notice as provided herein, designate other or different addresses to which notices shall be given and all notices shall thereafter be sent to such party at the address so established. Notices shall be addressed as follows:

If to Sellers:
Cheryn K. Robins and Vernon G. Robins
2317 E. Dry Wood Rd.
Phoenix, 85024
Tel: 602.738.0482
Email: rockinrobins@yahoo.com

and copy to:
Dalon J. Morgan
Pinnacle Plan Law Center, PLC
7025 N. Scottsdale Rd., ste. 115
Scottsdale, AZ 85253
Tel.: 480.513.0466
Facs.: 480.922.7477
Email: djm@dalonmorgan.com

If to Buyer:
John Quandahl, CEO
Western Capital Resources, Inc.
11550 I Street, Suite 150
Omaha, NE 68137
Tel: 402.551.8888
Email: johnq@wcrimail.com

and copy to:
Paul Chestovich
Maslon LLP
3300 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Tel.: 612.672.8305
Facs.: 612.642.8305
Email: Paul.Chestovich@maslon.com

22. **Escrow Instructions**. This Agreement shall constitute and be used as escrow instructions. The parties agreed to deliver a signed copy of this Agreement to **Terry-Ann Shepstead, Branch Manager, American Title Service Agency, LLC** ("**Escrow Agent**"), within three (3) days of the execution of this Agreement. All documents necessary to close this transaction shall be executed promptly by Seller and Buyer in the standard form used by Escrow Agent. All escrow fees, closing and escrow costs, unless otherwise stated herein, shall be allocated between Seller and Buyer in accordance with local custom and applicable laws and regulations. Escrow Agent shall provide the parties and their respective representatives access to escrowed materials and information regarding the escrow. Any documents necessary to close the escrow may be signed in counterparts, each of which shall be effective as an original upon execution, and all of which together shall constitute one and the same instrument.

23. **Applicable Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, without regard to its choice of law provisions.

24. **Partial Invalidity.** If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed to be modified to the minimum extent necessary to make the provision valid and enforceable. Such holding will not invalidate or render unenforceable any other provision.

25. **Other Rules of Construction.** Words in the singular include the plural and in the plural include the singular. Words importing any gender include the other gender. The word "or" is not exclusive. The word "including" means including, without limitation. This Agreement is not to be construed against the drafting party.

26. **Counterparts**. This Agreement may be executed in multiple counterparts, and when a counterpart has been executed by each of the parties hereto, such counterparts, taken together, shall constitute a single agreement. Duplicate and/or faxed or emailed originals may also be utilized, each of which shall be deemed an original document.

27. **Complete Agreement**. This Agreement (including the Schedules attached and which are by reference incorporated herein) contains the complete agreement between Buyer and Sellers with respect to the subject matter described in the Agreement, and supersedes any prior understandings, letters of intent, agreements or representations by or between the parties, whether written or oral. From the Closing, Sellers will have no further interest in the Companies' operation, and Sellers' interests fully severed and dissolved. The terms of this Agreement are intended to incorporate the terms of the Letter of Intent, dated May 11, 2015 between the parties ("**LOI**"), and to expand on such terms as required in a transaction of this nature. To the extent there is a conflict between the LOI and this Agreement, the term of this Agreement shall govern

28. **Binding Nature**. This Agreement shall be binding upon and inure to the benefit of the parties and their respective trustees, successors and assigns.

29. **Expense of This Agreement**. Each of the parties agrees that each party shall be responsible for their own fees, expenses and legal costs in association with this Agreement.

30. **Confidentiality**.

(a) **General**. The parties acknowledge that it is in their mutual best interest to maintain the strict confidentiality of this transaction, and to act as quickly as possible to close the Agreement before details are revealed to the public or within the cellular market. The parties shall not reveal to anyone, other than as may be mutually agreed in writing or otherwise required by law, the existence of this Agreement or any of the terms and conditions of this Agreement until the Closing Date, and shall cause their respective officers, employees, agents, attorneys, etc. to comply with such confidentiality requirements. Buyer shall exercise absolute best efforts in maintaining strict confidentiality while performing its due diligence. In addition, neither party will make any comments or statements that disparage the reputation, skills, or goodwill of the other.

(b) **Securities Compliance**. Sellers acknowledge that United States securities laws prohibit any person or firm having material non-public information about a public reporting corporation such as Buyer (including a possible transaction involving Buyer) from (i) purchasing or selling securities of such corporation in reliance on such information, or (ii) communicating such information to any other person or firm under circumstances in which it is reasonably foreseeable that such other person or firm is likely to purchase or sell securities of such corporation in reliance on such information. Accordingly, Sellers agree, for so long as they have any material non-public information regarding Buyer, not to (y) purchase or sell securities of Buyer, or (z) furnish or communicate such information to any person or firm under circumstances in which it is reasonably foreseeable that such person or firm is likely to purchase or sell securities of Buyer in reliance thereon.

31. **Arbitration of Disputes**. Any dispute or claim in law or equity arising out of this contract or any resulting transaction shall be decided by neutral binding arbitration in accordance with the rules of the American Arbitration Association, and not by court action except as provided by Arizona law for judicial review of arbitration proceedings. By initialing in the space below Buyer and Sellers agree to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral, binding arbitration as provided by Arizona law and are giving up any rights they may possess to have the dispute litigated in a court or jury trial. By initialing in the space below Buyer and Sellers are giving up judicial rights to discovery and appeal; unless those rights are specifically included in the "Arbitration of Disputes" provision. If Buyer or Sellers refuse to submit to arbitration after agreeing to this provision, such party may be compelled to arbitrate under the authority of the Arizona code of civil procedure. Agreement to this arbitration provision is voluntary. We have read and understand the foregoing and agree to submit disputes arising out of the matters included in the "Arbitration of Disputes" provisions to neutral, binding arbitration.

Buyer _____ Sellers _____ _____ _____

32. **Attorneys' Fees**. In the event of litigation or arbitration proceedings brought by any party to enforce the terms of this Agreement or otherwise relating directly or indirectly to this Agreement, the prevailing party, in addition to any and all other rights and remedies, will be entitled to recover its reasonable attorneys' fees incurred.

33. **Further Assurances**. Sellers shall, at any time and from time to time at and after the Closing, upon request of Buyer and without additional consideration, take any and all steps reasonably necessary to place Buyer in possession and operating control of the Business and its various assets and accounts, and Sellers will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances and assurances as may be reasonably required for the more effective transfer and confirmation to Buyer of title and possession of the Sellers' Member Interests.

34. **Time of Essence.** Time is of the essence with respect to the performance of all terms, covenants, conditions and provisions of this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. SIGNATURES FOLLOW]

The parties have executed this Agreement on the year and date first above written.

BUYER:
PQH Wireless, Inc.

By /s/ John Quandahal
John Quandahl, CEO

SELLERS:

/s/ Cheryn K. Robins
Cheryn K. Robins
Individually and Trustee
Robins Family Trust, dated October 21, 2010

/s/ Vernon G. Robins
Vernon G. Robins
Individually and Trustee
Robins Family Trust, dated October 21, 2010

ACCEPTED AND AGREED:

Green Communications, LLC,
a Washington limited liability company

By /s/ Cheryn K. Robins
Cheryn K. Robins, Manager

By /s/ Vernon G. Robins
Vernon G. Robins, Manager

Green Communications, LLC,
an Oregon limited liability company

By /s/ Cheryn K. Robins
Cheryn K. Robins, Manager

By /s/ Vernon G. Robins
Vernon G. Robins, Manager

Green Communications, LLC,
an Arizona limited liability company

By /s/ Cheryn K. Robins
Cheryn K. Robins, Manager

By /s/ Vernon G. Robins
Vernon G. Robins, Manager

Go Green, LLC,
an Arizona limited liability company

By /s/ Cheryn K. Robins
Cheryn K. Robins, Manager

By /s/ Vernon G. Robins
Vernon G. Robins, Manager

Exhibit 10.3

MERGER AND CONTRIBUTION AGREEMENT

by and among

WESTERN CAPITAL RESOURCES, INC.,

WCRS RESTORERS ACQUISITION CO.,

RESTORERS ACQUISITION, INC.,

J&P PARK ACQUISITIONS, INC.,

J&P REAL ESTATE, LLC,

THE STOCKHOLDERS OF J&P PARK ACQUISITIONS, INC.,

and

THE MEMBERS OF J&P REAL ESTATE,

Dated as of June 9, 2015

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EXHIBITS

MERGER AND CONTRIBUTION AGREEMENT

THIS MERGER AND CONTRIBUTION AGREEMENT (this "***Agreement***") is made and entered into as of June 9, 2014, by and among Western Capital Resources, Inc., a Minnesota corporation ("***Parent***"), WCRS Restorers Acquisition Co., a Delaware corporation and wholly owned subsidiary of the Parent ("***Merger Sub***"), Restorers Acquisition, Inc., a Delaware corporation ("***Restorers***"), J&P Park Acquisitions, Inc., a Delaware corporation ("***J&P Park***"), J&P Real Estate, LLC, a Delaware limited liability company ("***J&P Real Estate***"), and the stockholders of J&P Park and the members of J&P Real Estate, each as identified as such on Schedule 2.1 and the signature pages hereto (collectively, the "***Owners***"). Capitalized terms not otherwise defined in this Agreement shall have the respective meanings ascribed to them in Exhibit A.

RECITALS

A. Parent, Merger Sub and Restorers intend to effect a merger of Merger Sub with and into Restorers in accordance with, and subject to, the terms and conditions of this Agreement, the Certificate of Merger in a form to be mutually agreed upon by the parties (the "***Certificate of Merger***") and the DGCL (the "***Merger***"). Upon consummation of the Merger, Merger Sub will cease to exist, and Restorers will become a wholly owned subsidiary of Parent.

B. The Owners own all of the issued and outstanding shares of common stock of J&P Park (such shares, the "***J&P Park Shares***"), which represent all of the issued and outstanding shares of J&P Park and (ii) all of the issued and outstanding membership units (of all classes) of J&P Real Estate (such units, the "***J&P Real Estate Units***"), which represent all of the issued and outstanding membership interests of J&P Real Estate, in respective amounts set forth next to each Owner's name on Schedule 2.1. The Owners intend, subject to the terms and conditions of this Agreement, to contribute the J&P Park Shares and the J&P Real Estate Units to Parent in exchange for a number of Parent Shares (the "***Contribution***"). Upon consummation of the Contribution, each of J&P Park and J&P Real Estate will become wholly owned subsidiaries of Parent.

C. For United States federal income tax purposes (and, where applicable, state and local income tax purposes): (i) the parties intend that the Merger will qualify as a reorganization within the meaning of Sections 368(a)(1)(A) and 368(a)(2)(E) of the Code, and that this Agreement be, and is hereby adopted as, a plan of reorganization for purposes of Sections 354 and 361 of the Code; and (ii) the parties intend that the Contribution will qualify as a tax-free contribution to the capital of a corporation under Section 351 of the Code.

D. The respective Boards of Directors, Managers or similar governing body of Parent, Merger Sub, J&P Park, J&P Real Estate, Restorers, and the Owners who are not natural persons, have each duly approved and declared advisable this Agreement, the Merger, the Contribution and the other Contemplated Transactions to which they are a party.

E. Parent, Merger Sub, J&P Park, J&P Real Estate, Restorers, and the Owners desire to make certain representations, warranties, covenants and agreements in connection with the Merger and Contribution, and to prescribe certain conditions to the Merger and the Contribution (as applicable), as set forth in this Agreement.

AGREEMENT

In consideration of the foregoing and the representations, warranties, covenants and agreements set forth herein, the parties to this Agreement, intending to be legally bound, hereby agree as follows:

ARTICLE 1.
DESCRIPTION OF THE MERGER

1.1 Merger of Merger Sub with and into Restorers.

(a) General. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time (as defined in Section 1.2), Merger Sub shall be merged with and into Restorers. At the Effective Time, the separate existence of Merger Sub shall cease and Restorers shall continue as the surviving corporation in the Merger (the "***Surviving Corporation***") and become a wholly owned subsidiary of Parent.

(b) Effects of Merger. The Merger shall have the effects set forth in this Agreement, the Certificate of Merger and the applicable provisions of the DGCL. At the Effective Time, all Restorers' and Merger Sub's property, rights, privileges, powers and franchises will vest in the Surviving Corporation, and all debts, liabilities and duties of Restorers and Merger Sub will become the Surviving Corporation's debts, liabilities, and duties.

1.2 Closing; Effective Time. The consummation of the Merger (the "***Closing***") shall take place at the law offices of Maslon LLP, legal counsel to Parent, or at such other time and place as mutually agreed upon by Parent, Restorers and the Owners, including by electronic transmission and release of executed closing documents, on a date to be designated jointly by Parent, Restorers and the Owners, which shall be no later than the third business day after the satisfaction or waiver of the last to be satisfied or waived of the conditions set forth in Article 7 and Article 8 (other than the conditions that, by their nature, are to be satisfied at the Closing, but subject to the satisfaction or waiver of each such condition). The date on which the Closing actually takes place is referred to as the "***Closing Date***." The applicable parties shall cause the Merger to become consummated and effective on the Closing Date by the filing of the Certificate of Merger with the Delaware Secretary of State in such form as is agreed to by Parent and Restorers and as required by, and executed and acknowledged in accordance with, the DGCL. The term "***Effective Time***" shall be the date and time when the filing of the Certificate of Merger becomes effective or at such later time on the Closing Date as may be designated jointly by Parent and Restorers and specified in the Certificate of Merger.

1.3 Certificate of Incorporation and Bylaws. At the Effective Time, the Certificate of Incorporation and Bylaws of Restorers shall be the Certificate of Incorporation and Bylaws of the Surviving Corporation.

1.4 Conversion of Shares.

(a) Merger. At the Effective Time, by virtue of the Merger and without any further action on the part of the parties:

(i) each Restorers Share that is issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive the number of shares of validly issued, fully paid and non-assessable Parent Shares equal to the Per Share Merger Consideration, subject to adjustment as provided in Sections 1.4(b) and 1.4(c).

(ii) all issued and outstanding Restorers Shares as of the Effective Time shall cease to be outstanding, shall automatically be cancelled and shall cease to exist, and the holders of such Restorers Shares (immediately prior to the Effective Time) shall cease to have any rights with respect thereto, except the right to receive the Per Share Merger Consideration; and

(iii) each share of common stock of Merger Sub outstanding immediately prior to the Effective Time shall be converted into one share of common stock of the Surviving Corporation, which shall represent the only outstanding share of common stock of the Surviving Corporation immediately after the Effective Time.

(b) Recapitalizations. If, during the period from the date of this Agreement through the Effective Time, any of the outstanding Restorers Shares or Parent Shares are changed into a different number or class of shares by reason of any reorganization, reclassification or recapitalization (e.g., any stock, division or subdivision of shares, stock dividend, reverse stock, consolidation of shares, or other similar transaction), or a record date with respect to any such event shall occur during such period, then the Merger Exchange Ratio shall, to the extent it does not so adjust by its terms, be adjusted to the extent appropriate to provide the same economic effect as contemplated by this Agreement prior to such action.

(c) No Fractional Shares. No fractional Parent Shares shall be issued to a holder of Restorers Shares in connection with the Merger, and no certificates or scrip for any such fractional shares shall be issued. For any such fractional interest that may occur, the fractional amount of any Per Share Merger Consideration shall be rounded up or down to the nearest whole Parent Share (with even halves being rounded up).

(d) Issuance of Shares. On the Closing Date, the Parent shall cause the issuance to the holders of Restorers Shares immediately prior to the Effective Time of that number of Parent Shares representing the aggregate Per Share Merger Consideration that the holders of Restorers Shares are entitled to receive, each in the amounts set forth on Schedule 1.4(d), in accordance with Section 1.4(a)(i).

1.5 Closing of the Transfer Books. At the Effective Time: (i) all Restorers Shares outstanding immediately prior to the Effective Time shall automatically be canceled and retired and shall cease to exist, and the holders of Restorers Shares immediately prior to the Effective Time shall cease to have any rights as stockholders of Restorers, except the right to receive the Per Share Merger Consideration; and (ii) the transfer books of Restorers shall be closed with respect to all Restorers Shares outstanding immediately prior to the Effective Time. No further transfer of any Restorers Shares shall be made on such stock transfer books after the Effective Time.

1.6 Reservation of Parent Shares. Prior to the Closing, the Parent Board shall reserve for issuance a sufficient number of Parent Shares for the purpose of issuing the Aggregate Merger Consideration.

1.7 Tax Consequences. It is intended that, for U.S. federal income tax purposes, the Merger will qualify as a reorganization within the meaning of Sections 368(a)(1)(A) and 368(a)(2)(E) of the Code, and that this Agreement be, and is hereby adopted as, a plan of reorganization for purposes of Sections 354 and 361 of the Code.

1.8 Further Action. Prior to the Effective Time, and subject to the terms and conditions set forth in this Agreement, the parties shall take or cause to be taken all such actions as may be necessary or appropriate in order to effectuate, as expeditiously as reasonably practicable, the Merger. If, at any time after the Effective Time, any further action is determined by Parent or the Surviving Corporation to be necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation with full right, title and possession of and to all rights and property of Merger Sub and Restorers, then the directors and officers of the Surviving Corporation are hereby fully authorized (in the name of Merger Sub or Restorers, as applicable, and otherwise) to take such action.

ARTICLE 2.
DESCRIPTION OF THE CONTRIBUTION

2.1 Contribution. Upon the terms and subject to the conditions set forth in this Agreement, at Closing (as defined in Section 1.2), the Owners shall contribute and assign to Parent (pursuant to assignment and conveyance instruments in customary form reasonably acceptable to Parent), each in the amounts set forth on Schedule 2.1, the J&P Park Shares and the J&P Real Estate Units. At the Closing, the transfer of the J&P Park Shares and the J&P Real Estate Units shall be registered on the books of J&P Park and J&P Real Estate, as applicable, and each of J&P Park and J&P Real Estate shall thereupon become a wholly owned subsidiary of Parent.

2.2 Contribution Consideration. On the Closing Date, the Parent shall cause the issuance to each Owner of that number of Parent Shares representing the Per Share Contribution Consideration that such Owner is entitled to receive as set forth on Schedule 2.2, in exchange for and upon delivery of such Owner's assignment of all of its J&P Park Shares and J&P Real Estate Units.

2.3 Reservation of Parent Shares. Prior to the Closing, the Parent Board shall reserve for issuance a sufficient number of Parent Shares constituting the Aggregate Contribution Consideration.

2.4 Tax Consequences. It is intended that, for U.S. federal income tax purposes, the Contribution will qualify as a tax-free contribution to the capital of Parent under Section 351 of the Code.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF THE TARGET COMPANIES AND OWNERS

Each Target Company and each Owner hereby severally and solely with respect to such Target Company or Owner (as applicable), represents and warrants to Parent and Merger Sub, as follows:

3.1 Due Organization.

(a) Such Target Company is duly organized, validly existing and in good standing (or equivalent status) under the Legal Requirements of the jurisdiction of its incorporation or formation and has the requisite corporate (or similar) power and authority: (i) to conduct its business in the manner in which its business is currently being conducted; and (ii) to own and use its assets in the manner in which its assets are currently owned and used.

(b) Such Target Company (in jurisdictions that recognize the following concepts) is qualified to do business as a foreign limited liability company or other foreign Entity, and is in good standing (or equivalent status), under the Legal Requirements in each jurisdiction where the nature of the business conducted by it requires such qualification, except for jurisdictions in which the failure to be so qualified, individually or in the aggregate, would not have a Target Company Material Adverse Effect.

(c) Such Target Company does not own any capital stock of, or any equity interest of any nature in, any other Entity.

3.2 Authority; Binding Nature of Agreement. Such Target Company or Owner that is not a natural person has the corporate or limited liability company power (as applicable) and authority to enter into, deliver and perform their obligations under this Agreement. The stockholders of Restorers have, or will have prior to the Effective Time, authorized and approved the execution, delivery and performance of this Agreement by Restorers and the Contemplated Transactions. Assuming the due authorization, execution and delivery of this Agreement by Parent and Merger Sub, this Agreement constitutes the legal, valid and binding obligation of such Target Company or Owner, enforceable against such Target Company or Owner in accordance with its terms, except as such enforceability may be limited by: (i) the Legal Requirements of general application relating to bankruptcy, insolvency, fraudulent transfer, moratorium, or the rights of debtors' and creditors' rights generally; and (ii) the Legal Requirements governing specific performance, injunctive relief and general principals of equity.

3.3 Capitalization. Except as set forth on Part 3.3 of the Target Company Disclosure Schedule:

(a) J&P Park.

(i) All of the outstanding J&P Park Shares have been duly authorized and validly issued, are fully paid and non-assessable and were issued free of preemptive rights. There is no Contract relating to the voting or registration of, or restricting any Person from purchasing, selling, pledging or otherwise disposing of (or from granting any option or similar right with respect to), any J&P Park Shares. All outstanding J&P Park Shares have been issued in compliance in all material respects with applicable federal and state securities laws and regulations. J&P Park represents and warrants that the Owners identified on Schedule 2.1 as owing J&P Park Shares own all of the issued and outstanding J&P Park Shares. Each such Owner represents and warrants that, at the Closing, such Owner will transfer good and marketable title to its J&P Park Shares, free and clear of all Liens.

(ii) There are no outstanding (i) securities convertible into or exchangeable for J&P Park Shares, (ii) options, warrants, calls or other rights to purchase or subscribe for J&P Park Shares or (iii) Contracts of any kind to which J&P Park Shares are subject or bound and requiring the issuance after the date of this Agreement of (A) any J&P Park Shares, (B) any convertible or exchangeable security of the type referred to in clause (i), or (C) any options, warrants, calls or rights of the type referred to in clause (ii).

(b) Restorers.

(i) All of the outstanding Restorers Shares have been duly authorized and validly issued, are fully paid and non-assessable and were issued free of preemptive rights. There is no Contract relating to the voting or registration of, or restricting any Person from purchasing, selling, pledging or otherwise disposing of (or from granting any option or similar right with respect to), any Restorers Shares. All outstanding Restorers Shares have been issued in compliance in all material respects with applicable federal and state securities laws and regulations.

(ii) There are no outstanding (i) securities convertible into or exchangeable for Restorers Shares, (ii) options, warrants, calls or other rights to purchase or subscribe for Restorers Shares or (iii) Contracts of any kind to which Restorers Shares are subject or bound and requiring the issuance after the date of this Agreement of (A) any Restorers Shares, (B) any convertible or exchangeable security of the type referred to in clause (i), or (C) any options, warrants, calls or rights of the type referred to in clause (ii).

(c) J&P Real Estate.

(i) All of the outstanding J&P Real Estate Units have been duly authorized and validly issued, are fully paid and non-assessable and were issued free of preemptive rights. There is no Contract relating to the voting or registration of, or restricting any Person from purchasing, selling, pledging or otherwise disposing of (or from granting any option or similar right with respect to), any J&P Real Estate Units. All outstanding J&P Real Estate Units have been issued in compliance in all material respects with applicable federal and state securities laws and regulations. J&P Real Estate represents and warrants that the Owners identified on Schedule 2.1 as owing J&P Real Estate Units own all of the issued and outstanding J&P Real Estate Units. Each such Owner represents and warrants that, at the Closing, such Owner will transfer good and marketable title to its J&P Real Estate Units, free and clear of all Liens.

(ii) There are no outstanding (i) securities convertible into or exchangeable for J&P Real Estate Units, (ii) options, warrants, calls or other rights to purchase or subscribe for J&P Real Estate Units or (iii) Contracts of any kind to which J&P Real Estate Units are subject or bound and requiring the issuance after the date of this Agreement of (A) any J&P Real Estate Units, (B) any convertible or exchangeable security of the type referred to in clause (i), or (C) any options, warrants, calls or rights of the type referred to in clause (ii).

3.4 Financial Statements.

(a) Such Target Company has delivered to Parent accurate and complete copies of its financial statements, including balance sheets and income statements (collectively, the "***Financial Statements***"), as follows:

(i) J&P Park and J&P Real Estate: the combined audited financial statements, including balance sheets and income statements, for the fiscal years ended December 31, 2013 and December 31, 2014, and the combined unaudited financial statements, including balance sheets and income statements, of J&P Park and J&P Real Estate for the period from January 1, 2015 through April 30, 2015. The combined J&P Park and J&P Real Estate unaudited balance sheet at April 30, 2015 shall be referred to herein as the "***J&P Latest Balance Sheet***."

(ii) Restorers: the audited financial statements, including balance sheets and income statements, for the fiscal years ended December 31, 2013 and December 31, 2014, and the unaudited financial statements, including balance sheets and income statements, of Restorers for the period from January 1, 2015 through April 30, 2015. The Restorers unaudited balance sheet at April 30, 2015 shall be referred to herein as the "***Restorers Latest Balance Sheet***."

(b) Each Target Company represents that its above-referenced financial statements comprising the "***Financial Statements***" (i) were prepared in accordance with GAAP consistently applied during the periods covered, except, in each case (1) as may be indicated in such Financial Statements and (2) in the case of any Financial Statements which are unaudited, such financial statements may not contain footnotes and are subject to year-end adjustments normal in nature and amount, and (3) as set forth in Part 3.4 of the Target Company Disclosure Schedule; and (ii) fairly present, in all material respects, the financial position of such Target Company(ies) as of the respective dates thereof and the results of operations and cash flows of such Target Company(ies) for the periods covered thereby (subject to the exceptions set forth in Section 3.4(b)(i)(1) through (3)).

3.5 Absence of Undisclosed Liabilities. Such Target Company does not have any material liabilities that would be required to be reflected on a statement of financial condition or notes thereto prepared in accordance with GAAP, other than: (a) liabilities that are set forth in the applicable Financial Statements for the fiscal year ended December 31, 2014 or in the applicable Target Company Latest Balance Sheet or are not otherwise required to be reflected thereon pursuant to GAAP; (b) liabilities that are set forth in Part 3.5 of the Target Company Disclosure Schedule; (c) liabilities incurred in the ordinary course of business since the date of the applicable Target Company Latest Balance Sheet and consistent with past practice; (d) liabilities incurred in connection with the transactions contemplated by this Agreement; or (e) liabilities for executory obligations to be performed after the Closing under the Contracts described in Part 3.11 of the Target Company Disclosure Schedule.

3.6 Absence of Changes. Except as set forth in Part 3.6 of the Target Company Disclosure Schedule, since the date of the applicable Target Company Latest Balance Sheet, (a) such Target Company has conducted its business in the ordinary course of business and consistent with past practice and (b) there has not been any Target Company Material Adverse Effect, and no event has occurred or circumstance has arisen that, would reasonably be expected to have or result in a Target Company Material Adverse Effect.

3.7 Title to Assets. Each Target Company has good and valid title to, all material assets purported to be owned by it, including: (a) all assets reflected on the applicable Target Company Latest Balance Sheet (except for inventory sold, used or otherwise disposed of in the ordinary course of business since the date of the applicable Target Company Latest Balance Sheet); and (b) all other material assets reflected in the books and records of such Target Company as being owned by it. All of said assets are owned by the Target Company free and clear of any Encumbrances, except for: (i) any Encumbrance for current Taxes not yet due or payable, or being contested in good faith by appropriate proceeding and for which reserves have been established in accordance with GAAP; (ii) any Encumbrance of mechanics', carriers', workers', repairers' and similar statutory Encumbrances arising or incurred in the ordinary course of business for amounts not yet due or payable, or being contested in good faith by appropriate proceeding and for which reserves have been established in accordance with GAAP; (iii) Encumbrances (including zoning restrictions, title imperfections, survey exceptions, easements, rights of way, licenses, rights, appurtenances and similar Encumbrances) that do not (in any case or in the aggregate) materially detract from the value of the assets subject thereto or materially impair the use of such assets; (iv) Encumbrances as reflected on the applicable Financial Statements; or (v) Encumbrances described in Part 3.7 of the Target Company Disclosure Schedule (collectively, the "***Target Company Permitted Encumbrances***"). Such Target Company is the lessee of, and holds valid leasehold interests in, all real and personal property purported to have been leased by it that are material to such Target Company's respective business.

3.8 Loans. Part 3.8 of the Target Company Disclosure Schedule contains an accurate and complete list as of the date of this Agreement of all outstanding loans and advances made by such Target Company to any of their respective directors, managers, officers or employees.

3.9 Real Property; Leasehold.

(a) Agreements Affecting Real Property.

(i) Neither J&P Park nor Restorers owns any real property. Part 3.9(a) of the Target Company Disclosure Schedule sets forth the street address and legal description of each location where J&P Real Estate currently owns real property (the "***Target Company Real Property***"). Except as set forth on Part 3.9(a) of the Target Company Disclosure Schedule, there are no lessees, tenants, licensees or parties in possession of the Target Company Real Property (other than such Target Company). Except as set forth on Part 3.9(a) of the Target Company Disclosure Schedule, there are no management, maintenance or service contracts, leases, licenses, purchase agreements, purchase options, rights of first refusal, or similar rights with respect to the Target Company Real Property, or any part thereof, or other unrecorded agreements or understandings affecting the Target Company Real Property.

(ii) J&P Real Estate has good and marketable and insurable record title to the Target Company Real Property owned by it, free and clear of any and all liens and liabilities other than Target Company Permitted Encumbrances.

(iii) There are no unrecorded conditions, restrictions, obligations or agreements that adversely affect the Target Company Real Property and no ordinance or Legal Proceeding is now before any local Governmental Body that either contemplates or authorizes any public improvements or special tax levies, and there has been no public improvements constructed, the cost of which may be assessed against the Target Company Real Property.

(iv) There is no Legal Proceeding of any kind pending or threatened against J&P Real Estate that will affect any portion of the Target Company Real Property, including any proceedings by expropriation or by transfer in lieu thereof. J&P Real Estate is not in violation nor has it received notice of any potential violation of any Law affecting the Target Company Real Property. All labor or material furnished to the Target Company Real Property has been fully paid for or will be fully paid for prior to the Closing Date, and no Lien related to labor or materials rendered can be asserted against the Target Company Real Property.

(v) J&P Real Estate is not in default concerning any of its liabilities regarding any Target Company Real Property owned by it. J&P Real Estate has not received notice of actual or threatened reduction or curtailment of any utility service now supplied or proposed to be supplied to the Target Company Real Property owned by it.

(vi) Part 3.9(a) of the Target Company Disclosure Schedule describes any real estate appraisals, surveys, title reports and environmental reports related to the real estate owned by J&P Real Estate, copies of which documentation J&P Real Estate shall have delivered or made available to Parent at least ten days prior to the Closing.

(b) Part 3.9(b) of the Target Company Disclosure Schedule sets forth an accurate and complete list of each lease pursuant to which such Target Company leases real property from any other Person for annual rent payments in excess of $100,000 (collectively, the "***Target Company Leased Real Property***"). Part 3.9(b) of the Target Company Disclosure Schedule contains an accurate and complete list of all subleases, occupancy agreements and other Target Company Contracts granting to any Person (other than such Target Company) a right of use or occupancy of any of the Target Company Leased Real Property. Except as set forth in the leases or subleases identified in Part 3.9(b) of the Target Company Disclosure Schedule, there is no Person in possession of any Target Company Leased Real Property. Except as set forth on Part 3.9(b) of the Target Company Disclosure Schedule, since December 31, 2014, the Target Company has not received any written notice (or, to the Target Company's Knowledge, any other communication, whether written or otherwise) of a Company default, alleged failure to perform, or any offset or counterclaim with respect to any Target Company Leased Real Property which has not been fully remedied and/or withdrawn.

3.10 Intellectual Property. Set forth on Part 3.10 of the Target Company Disclosure Schedule is a complete and accurate list of all Intellectual Property that is owned by such Target Company or that is licensed by such Target Company from a third party pursuant to an existing Contract, which requires the Target Company to pay annual licensing fees in excess of $100,000.

3.11 Contracts and Commitments; No Default.

(a) Except as set forth in Part 3.11 of the Target Company Disclosure Schedule, such Target Company is not a party to or bound by any contract, arrangement, commitment or understanding (whether written or oral) which would be deemed a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC) and which is to be performed after the date of this Agreement.

(b) Each agreement disclosed pursuant to Part 3.11 of the Target Company Disclosure Schedule (the "***Material Target Company Contracts***") is in full force and effect and a valid and binding obligation of such Target Company and, to such Target Company's Knowledge, of each of the other parties thereto, except as such enforceability may be limited by: (i) the Legal Requirements of general application relating to bankruptcy, insolvency, fraudulent transfer, moratorium, or the rights of debtors' and creditors' rights generally; and (ii) the Legal Requirements governing specific performance, injunctive relief and general principals of equity. Such Target Company has not received any written notice of any material default under the terms of any Material Target Company Contract. To such Target Company's Knowledge, no other party to any Material Target Company Contract is in default or breach in any material respect under the terms of any such Material Target Company Contract.

3.12 Compliance with Legal Requirements. Such Target Company is, and at all times since December 31, 2014 has been, in compliance in all material respects with all applicable Legal Requirements applicable to the conduct of the business of such Target Company. Since December 31, 2014, until the date hereof, such Target Company has not received any written notice from any Governmental Body or other Person regarding any actual or possible violation in any material respect of, or failure to comply in any material respect with, any Legal Requirement.

3.13 Governmental Authorizations. Such Target Company holds all Governmental Authorizations necessary to enable it to conduct its business in the manner in which such business is currently being conducted, except where the failure to hold such Governmental Authorizations would not reasonably be expected to have or result in a Target Company Material Adverse Effect. Since December 31, 2014, such Target Company has not received any written notice from any Governmental Body regarding: (i) any actual or possible material violation of or failure to comply in any material respect with any term or requirement of any material Governmental Authorization; or (ii) any actual or possible revocation, withdrawal, suspension, cancellation, termination or modification of any material Governmental Authorization.

3.14 Tax Matters.

(a) Each of the material Tax Returns required to be filed by or on behalf of such Target Company with any Governmental Body (the "***Target Company Returns***"): (i) has been filed on or before the applicable due date (including any extensions of such due date); and (ii) has been prepared in all material respects in compliance with all applicable Legal Requirements (except as subsequently corrected by amended Tax Returns). All Taxes shown on the Target Company Returns, including any amendments, to be due have been timely paid other than Taxes that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been established in accordance with GAAP. Such Target Company is the beneficiary of any extension of time within which to file any Tax Return. There are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim for, or the period for the collection or assessment or reassessment of, Taxes due from such Target Company for any taxable period and no request for any such waiver or extension is currently pending.

(b) Neither such Target Company nor any Target Company Return is currently under (or since December 31, 2014, has been under) audit by any Governmental Body and, to such Target Company's Knowledge, there are no disputes pending, or written claims asserted, for Taxes or assessments upon such Target Company.

(c) No claim or Legal Proceeding is pending or, to such Target Company's Knowledge, has been threatened against or with respect to such Target Company in respect of any material Tax. There are no Encumbrances for material Taxes upon any of the assets of such Target Company except Encumbrances for current Taxes not yet due and payable or being contested in good faith by appropriate proceedings and for which reserves have been established in accordance with GAAP.

(d) The Parent has been furnished with accurate and complete copies of all federal and state income Tax Returns of such Target Company with respect to periods beginning on or after January 1, 2013.

(e) Such Target Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in method of accounting under Code Section 481 (or any corresponding or similar provision of state, local or non-U.S. income Tax law) for a taxable period ending on or prior to the Closing Date; (ii) installment sale or open transaction disposition made on or prior to the Closing Date; or (iii) prepaid amount received on or prior to the Closing Date.

(f) Since December 31, 2014, such Target Company has, within the time and in the manner prescribed under applicable Legal Requirements, withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder, or other third party, and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(g) Since December 31, 2014, such Target Company (i) has not been a member of an Affiliated Group filing a consolidated federal income Tax Return and (ii) has not had any liability for the Taxes of any other Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or non-U.S. law), as a transferee or successor, by contract, or otherwise.

(h) Such Target Company is not and has not been a party to any "listed transaction," as defined in Code Section 6707A(c)(2) and Reg. §1.6011-4(b)(2).

3.15 Employee and Labor Matters; Benefit Plans.

(a) Part 3.15(a) of the Target Company Disclosure Schedule sets forth a list of all employment agreements currently in effect with such Target Company. Such Target Company is not a party to, nor does it have a duty to bargain for, any collective-bargaining agreement or other Contract with a labor organization or works council representing any of its employees and there are no labor organizations or works councils representing, purporting to represent or, to such Target Company's Knowledge, seeking to represent any employees of such Target Company.

(b) There is no claim or grievance pending or, to such Target Company's Knowledge, threatened relating to any employment Contract, wages and hours, leave of absence, plant closing notification, employment statute or regulation, work rule (together with all policies and supplements related thereto), privacy right, labor dispute, safety, retaliation, immigration or discrimination matters involving any Target Company Associate, including charges of unfair labor practices or harassment complaints.

(c) Parent has been furnished with an accurate and complete list as of the date hereof, of: (i) each Target Company Employee Plan; (ii) each Target Company Employee Agreement; and (iii) all work rules (together with all policies and supplements related thereto) and employee manuals and handbooks relating to employees of any Target Company.

(d) Each Target Company Employee Plan intended to be Tax qualified under applicable Legal Requirements is so Tax qualified, and, to the Target Company's Knowledge, no event has occurred and no circumstance or condition exists that could reasonably be expected to result in the disqualification of any such Target Company Employee Plan.

(e) Since December 30, 2014, neither such Target Company, nor any Affiliate of such Target Company, has maintained, established, sponsored, participated in or contributed to any: (i) Target Company Pension Plan subject to Title IV of ERISA; (ii) "multiemployer plan" within the meaning of Section (3)(37) of ERISA; or (iii) plan described in Section 413 of the Code. Neither such Target Company, nor any Affiliate of such Target Company, maintains, sponsors or contributes to any Target Company Employee Plan that is an employee welfare benefit plan (as such term is defined in Section 3(1) of ERISA) and that is, in whole or in part, self-funded or self-insured.

(f) Except as set forth in Part 3.15(f) of the Target Company Disclosure Schedule, such Target Company and each Affiliate of such Target Company: (i) is, and at all times has been, in compliance in all material respects with any Order or arbitration award of any court, arbitrator or any Governmental Body respecting employment, employment practices, terms and conditions of employment, wages, hours or other labor related matters; (ii) has withheld and reported all amounts required by applicable Legal Requirements or by Contract to be withheld and reported with respect to wages, salaries and other payments to Target Company Associates; (iii) is not liable for any arrears of wages or any Taxes with respect thereto or any interest or penalty for failure to comply with the Legal Requirements applicable of the foregoing; and (iv) is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any Governmental Body with respect to unemployment compensation benefits, social security, social charges or other benefits or obligations for Target Company Associates (other than routine payments to be made in the normal course of business and consistent with past practice).

(g) With respect to such Target Company, there is no agreement, plan, arrangement or other Contract covering any Target Company Associate, and no payments have been made to any Target Company Associate, that, in connection with the Contemplated Transaction, considered individually or considered collectively with any other such Contracts or payments, will, or could reasonably be expected to, be characterized as a "parachute payment" within the meaning of Section 280G(b)(2) of the Code or give rise directly or indirectly to the payment of any amount that would not be deductible pursuant to Section 162(m) of the Code (or any comparable provision under state or foreign Tax laws). Such Target Company is not a party to nor have any obligation under any Contract to compensate any Person for excise Taxes payable pursuant to Section 4999 of the Code or for additional Taxes payable pursuant to Section 409A of the Code.

(h) Such Target Company is not, to its Knowledge, subject to any restrictions or requirements on the number of employees it must have for purposes of complying with any Legal Requirements or continuing to obtain grants or tax preferences from any Person.

3.16 Environmental Matters. Such Target Company is and since December 31, 2014 has at all times been in compliance in all material respects with all applicable environmental laws. Such Target Company has not received any written notice from a Governmental Body that alleges that such Target Company is not in compliance in any material respect with any applicable environmental law, which non-compliance has not been cured or for which there is any remaining material liability. Part 3.16 of the Target Company Disclosure Schedule lists any Phase I environmental reports relating to real estate owned by J&P Real Estate, describes any remediation performed by J&P Real Estate on any such property, and identifies any hazards, contamination or pollutants known to exist on any such property and that is presently unremediated.

3.17 Legal Proceedings; Orders.

(a) Except as set forth on Part 3.17(a) of the Target Company Disclosure Schedule, there is no pending Legal Proceeding, and, to such Target Company's Knowledge, no such Legal Proceeding has been threatened: (i) that involves such Target Company; or (ii) that challenges, or has the effect of preventing, delaying, making illegal or otherwise interfering with, any of the Contemplated Transactions.

(b) To such Target Company's Knowledge, there is no Order to which such Target Company, or any of the assets owned or used by such Target Company, is subject that, individually or in the aggregate, would have a Target Company Material Adverse Effect. To such Target Company's Knowledge, no officer or other key employee of such Target Company is subject to any Order that prohibits such officer or other employee from engaging in or continuing any conduct, activity or practice relating to the business of such Target Company.

3.18 Reserved.

3.19 Non-Contravention; Consents. Assuming compliance with the applicable provisions of the DGCL, and except as disclosed on Part 3.19 of the Target Company Disclosure Schedule, neither the execution and delivery of this Agreement by the Target Companies or the Owners, nor the consummation of the Merger or the Contribution or any of the other Contemplated Transactions, will (with or without notice or lapse of time): (a) contravene, conflict with or result in a violation of any of the provisions of the certificate of formation or certificate of incorporation (as applicable), limited liability company agreement or bylaws (as applicable) or other charter or organizational documents of such Target Company; or (b) assuming that the requisite consents, approvals and filings in connection with the Contemplated Transactions are duly obtained and/or made, (i) constitute a breach or violation of, or a default under, or give rise to any Encumbrance (other than a Target Company Permitted Encumbrance), any acceleration of remedies or any right of termination under, any permit or license, or agreement, indenture or instrument of such Target Company or to which such Target Company or any of its properties is subject or bound, or (ii) violate any Legal Requirement or Order applicable to such Target Company or any of its properties or assets, except with respect to clauses (b)(i) and (b)(ii), for any such breaches, violations, defaults or Encumbrances which, individually or in the aggregate, would not have a Target Company Material Adverse Effect.

3.20 Financial Advisor. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Contemplated Transactions based upon arrangements made by or on behalf of any Target Company or the Owners except as disclosed on Part 3.20 of the Target Company Disclosure Schedule.

3.21 Disclosure. Except for the representations and warranties contained in this Article 3, neither such Target Company nor any other Person on behalf of such Target Company, nor the Owners or any other Person on behalf of such Owners, makes any other express or implied representation or warranty with respect to any of the Target Companies or with respect to any other information provided to Parent or Merger Sub in connection with the Contemplated Transactions. Neither such Target Company nor any other Person will have or be subject to any liability or indemnification obligation to Parent or Merger Subs, or any other Person, resulting from the distribution to Parent or Merger Sub, or Parent's or Merger Sub's use of, any such information, including any information, documents, projections, forecasts of other material made available to Parent or Merger Sub in connection with due diligence review of the Target Companies or management presentations in expectation of the transactions contemplated by this Agreement, unless any such information is expressly included in a representation or warranty contained in this Article 3. The Target Companies and the Owners each acknowledge that neither Parent nor Merger Sub make any representations or warranties except for the representations and warranties contained in Article 4.

ARTICLE 4.
REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUBS

Parent and Merger Sub jointly and severally represent and warrant to the Target Companies and the Owners as follows:

4.1 Subsidiaries; Due Organization.

(a) Part 4.1(a) of the Parent Disclosure Schedule identifies each Subsidiary of Parent and indicates its jurisdiction of organization. Neither Parent nor any of the Subsidiaries identified in Part 4.1(a) of the Parent Disclosure Schedule owns any capital stock of, or any equity interest of any nature in, any other Entity, other than the Entities identified in Part 4.1(a) of the Parent Disclosure Schedule. No Subsidiary of Parent has agreed or is obligated to make, or is bound by any Contract under which it may become obligated to make, any future investment in or capital contribution to any other Entity.

(b) Each of the Parent Entities is duly organized, validly existing and in good standing (or equivalent status) under the Legal Requirements of the jurisdiction of its incorporation or formation and has the requisite corporate (or similar) power and authority: (i) to conduct its business in the manner in which its business is currently being conducted; and (ii) to own and use its assets in the manner in which its assets are currently owned and used.

(c) Each of the Parent Entities (in jurisdictions that recognize the following concepts) is qualified to do business as a foreign corporation or other foreign Entity, and is in good standing (or equivalent status), under the Legal Requirements in each jurisdiction where the nature of the business conducted by it requires such qualification, except for jurisdictions in which the failure to be so qualified, individually or in the aggregate, would not have a Parent Material Adverse Effect.

4.2 Authority; Binding Nature of Agreement. Parent and Merger Sub have the corporate, power and authority to enter into and deliver this Agreement and to perform their respective obligations under this Agreement. The Parent Board (or independent and disinterested committee thereof) has: (a) unanimously determined that the Mergers and the Contribution are advisable and in the best interests of Parent and its shareholders; and (b) unanimously authorized and approved the execution, delivery and performance of this Agreement by Parent and unanimously approved the Merger and the Contribution. Assuming the due authorization, execution and delivery of this Agreement by the Target Companies or the Owners, this Agreement constitutes the legal, valid and binding obligation of Parent and Merger Sub, enforceable against them in accordance with its terms, except as such enforceability may be limited by: (i) the Legal Requirements of general application relating to bankruptcy, insolvency, fraudulent transfer, moratorium, or the rights of debtors' and creditors' rights generally; and (ii) the Legal Requirements governing specific performance, injunctive relief and general principles of equity.

4.3 Capitalization.

(a) As of the date of this Agreement, the authorized capital stock of Parent consists of 12,500,000 shares, of which there are 5,997,588 Parent Shares issued and outstanding. All of the outstanding shares of capital stock of Parent have been duly authorized and validly issued, are fully paid and non-assessable and were issued free of preemptive rights. None of the Parent Entities (other than Parent) holds any shares of capital stock of Parent or any rights to acquire shares of capital stock of Parent. There is no Parent Contract relating to the voting or registration of, or restricting any Person from purchasing, selling, pledging or otherwise disposing of (or from granting any option or similar right with respect to), any shares of capital stock of Parent or any securities of any of the Parent Entities. None of the Parent Entities is under any obligation, or is bound by any Contract pursuant to which it may become obligated, to repurchase, redeem or otherwise acquire any outstanding shares of capital stock of Parent or other securities of the Parent or any of its Subsidiaries.

(b) All outstanding Parent Shares have been issued and granted in compliance in all material respects with applicable federal and state securities laws and regulations.

(c) All of the outstanding shares of capital stock of each of Parent's Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and were issued free of preemptive rights and are held by Parent or a wholly owned Subsidiary of Parent. All of the outstanding shares and all other securities of each of Parent's Subsidiaries are owned beneficially and of record by Parent free and clear of any Encumbrances.

(d) There are outstanding (i) no securities convertible into or exchangeable for Parent Shares, (ii) 65,000 options, warrants, calls or other rights to purchase or subscribe for Parent Shares and (iii) except as indicated in foregoing clause (ii), no Contracts of any kind to which Parent is subject or bound requiring the issuance after the date of this Agreement of (A) any Parent Shares, (B) any convertible or exchangeable security of the type referred to in clause (i) or (C) any options, warrants, calls or rights to purchase or subscribe for Parent Shares.

4.4 SEC Filings; Financial Statements.

(a) Parent has made available (or made available on the SEC website) to the Corporations and the Owners accurate and complete copies of all registration statements, proxy statements, Parent Certifications (as defined below) and other statements, reports, schedules, forms and other documents filed or furnished by Parent with the SEC since December 31, 2014, including all amendments thereto (collectively, the "***Parent SEC Documents***"). Since December 31, 2014, all Parent SEC Documents required to have been filed by Parent or its officers with the SEC have been so filed on a timely basis under applicable Legal Requirements. None of Parent's Subsidiaries is required to file any documents with the SEC. As of the time it was filed with the SEC (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing or, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of the relevant meetings, respectively): (i) each of the Parent SEC Documents complied as to form in all material respects with the applicable requirements of the Securities Act or the Exchange Act (as the case may be); and (ii) none of the Parent SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made and taking into account the requirements applicable to the respective Parent SEC Document, not misleading, except to the extent corrected: (A) in the case of Parent SEC Documents filed or furnished on or prior to the date of this Agreement that were amended or superseded on or prior to the date of this Agreement, by the filing or furnishing of the applicable amending or superseding Parent SEC Document; and (B) in the case of Parent SEC Documents filed or furnished after the date of this Agreement that are amended or superseded prior to the Effective Time, by the filing or furnishing of the applicable amending or superseding Parent SEC Document. As of the date of this Agreement, no executive officer of Parent has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act of 2002.

(b) The consolidated financial statements of Parent included (or incorporated by reference) in the Parent SEC Reports filed with (but not furnished to) the SEC, including the related notes (the "***Parent Financial Statements***") (i) fairly present in all material respects the consolidated results of operations, cash flows, changes in shareholders' equity and consolidated financial position of the Parent and its Subsidiaries for the respective fiscal periods or as of the respective dates therein set forth (subject, in the case of unaudited statements, to year-end audit adjustments normal in nature and amount), (ii) complied as to form, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, and (iii) have been prepared in accordance with GAAP consistently applied during the periods covered thereby, except, in each case, as indicated in such statements or in the notes thereto.

(c) The Parent and each of its Subsidiaries maintains a system of "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) reasonably designed and maintained to ensure that all information (both financial and non-financial) required to be disclosed by the Parent in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to the Parent's management as appropriate to allow timely decisions regarding required disclosure and to make the certifications of the Chief Executive Officer and Chief Financial Officer of the Parent required under the Exchange Act with respect to such reports.

(d) Since December 31, 2014, (i) neither the Parent nor any of its Subsidiaries nor, to the Knowledge of the Parent, any director, officer, employee, auditor, accountant or representative of the Parent or any of its Subsidiaries, has received or otherwise obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of the Parent or any of its Subsidiaries or their respective internal accounting controls relating to periods after December 31, 2014, including any material complaint, allegation, assertion or claim that the Parent or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) to the Knowledge of the Parent, no attorney representing the Parent or any of its Subsidiaries, whether or not employed by the Parent or any of its Subsidiaries, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation, relating to periods after December 31, 2014, by the Parent or any of its officers, directors, employees or agents to the Parent Board or any committee thereof or to any director or officer of the Parent.

(e) The Parent and its Subsidiaries maintain internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of the Parent Financial Statements in conformity with GAAP and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Parent has disclosed, based on its most recent evaluation prior to the date of this Agreement, to the Parent's outside auditors and the audit committee of the Parent Board (x) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that would be reasonably likely to adversely affect the Parent's ability to accurately record, process, summarize and report financial information and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in the Parent's internal controls over financial reporting.

4.5 Absence of Undisclosed Liabilities. Parent does not have any material liabilities that would be required to be reflected on a statement of financial condition or notes thereto prepared in accordance with GAAP, other than: (a) liabilities that are fully reflected or reserved for in the Parent Latest Balance Sheet or are not otherwise required to be reflected thereon pursuant to GAAP; (b) liabilities that are set forth in Part 4.5(b) of the Parent Disclosure Schedule; (c) liabilities incurred by Parent in the ordinary course of business since the date of the Parent Latest Balance Sheet and consistent with past practice; (d) liabilities incurred by the Parent in connection with the transfer contemplated by this Agreement; or (e) liabilities for executory obligations to be performed after the Closing under the Parent Contracts described in Part 4.11 of the Parent Disclosure Schedule.

4.6 Absence of Changes. Except as set forth in Part 4.6 of the Parent Disclosure Schedule, since the date of the Parent Latest Balance Sheet, (a) Parent has conducted its business in the ordinary course of business and consistent with past practice and (b) there has not been any Parent Material Adverse Effect.

4.7 Title to Assets. The Parent Entities have good and valid title to, all material assets purported to be owned by them, including: (a) all assets reflected on the Parent Latest Balance Sheet (except for inventory sold, used or otherwise disposed of in the ordinary course of business since the date of the Parent Latest Balance Sheet); and (b) all other material assets reflected in the books and records of the Parent Entities as being owned by the Parent Entities. All of said assets are owned by the Parent Entities free and clear of any Encumbrances, except for: (i) any Encumbrance for current Taxes not yet due or payable, or being contested in good faith by appropriate proceeding and for which reserves have been established in accordance with GAAP; (ii) any Encumbrance of mechanics', carriers', workers', repairers' and similar statutory Encumbrances arising or incurred in the ordinary course of business for amounts not yet due or payable, or being contested in good faith by appropriate proceeding and for which reserves have been established in accordance with GAAP, (iii) minor Encumbrances (including zoning restrictions, title imperfections, survey exceptions, easements, rights of way, licenses, rights, appurtenances and similar Encumbrances) that do not (in any case or in the aggregate) materially detract from the value of the assets subject thereto or materially impair the use of such assets; (iv) Encumbrances as reflected on the Parent Financial Statements; and (v) Encumbrances described in Part 4.7 of the Parent Disclosure Schedule (collectively, the "***Parent Permitted Encumbrances***"). The Parent Entities are the lessees of, and hold valid leasehold interests in, all real and personal property purported to have been leased by them, that are material to the Parent Entities' respective businesses.

4.8 Loans. Part 4.8 of the Parent Disclosure Schedule contains an accurate and complete list as of the date of this Agreement of all outstanding loans and advances made by any of the Parent Entities to any of their respective directors, officers or employees, other than routine travel and business expense advances made to directors or officers or other employees in the ordinary course of business.

4.9 Real Property; Leasehold.

(a) No Parent Entity owns any real property.

(b) Part 4.9(b) of the Parent Disclosure Schedule sets forth an accurate and complete list of each lease pursuant to which any of the Parent Entities leases real property from any other Person for annual rent payments in excess of $100,000 (collectively, the "***Parent Leased Real Property***"). Part 4.9(b) of the Parent Disclosure Schedule contains an accurate and complete list of all subleases, occupancy agreements and other Parent Contracts granting to any Person (other than any Parent Entity) a right of use or occupancy of any of the Parent Leased Real Property. Except as set forth in the leases or subleases identified in Part 4.9(b) of the Parent Disclosure Schedule, there is no Person in possession of any Parent Leased Real Property other than a Parent Entity. Since December 31, 2013, none of the Parent Entities has received any written notice (or, to the Knowledge of Parent, any other communication, whether written or otherwise) of a Parent default, alleged failure to perform, or any offset or counterclaim with respect to any occupancy agreement with respect to any Parent Leased Real Property which has not been fully remedied and/or withdrawn.

4.10 Intellectual Property. Set forth on Part 4.10 of the Parent Disclosure Schedule is a complete and accurate list of all Intellectual Property that is owned by any of the Parent Entities, or that is licensed by the Parent Entities from a third party pursuant to an existing Contract, which has annual fees in excess of $100,000.

4.11 Contracts and Commitments; No Default.

(a) Except as set forth in Part 4.11 of the Parent Disclosure Schedule or in the SEC Reports, neither the Parent nor its Subsidiaries is a party to or bound by any contract, arrangement, commitment or understanding (whether written or oral) which would be deemed a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC) and which is to be performed after the date of this Agreement.

(b) Each "material contract" disclosed pursuant to Part 4.11 of the Parent Disclosure Schedule or in the SEC Reports (the "***Material Parent Contracts***") is in full force and effect and is a valid and binding obligation of the Parent Entity party thereto and, to the Knowledge of Parent, of each of the other parties thereto, except as such enforceability may be limited by: (i) the Legal Requirements of general application relating to bankruptcy, insolvency, fraudulent transfer, moratorium, or the rights of debtors' and creditors' rights generally; and (ii) the Legal Requirements governing specific performance, injunctive relief and general principals of equity. Parent has not received any written notice of any material default under the terms of any Material Parent Contract. To the Knowledge of Parent, no other party to any Material Parent Contract is in default or breach in any material respect under the terms of any such Material Parent Contract.

4.12 Compliance with Legal Requirements. Each of the Parent Entities is, and has at all times since December 31, 2014 been, in compliance in all material respects with all applicable Legal Requirements. Since December 31, 2014 until the date hereof, none of the Parent Entities has received any written notice (or, to the Knowledge of Parent, any other communication, whether written or otherwise) from any Governmental Body or other Person regarding any actual or possible violation in any material respect of, or failure to comply in any material respect with, any Legal Requirement.

4.13 Governmental Authorizations. The Parent Entities hold all Governmental Authorizations necessary to enable the Parent Entities to conduct their respective businesses in the manner in which such businesses are currently being except where the failure to hold such Governmental Authorizations would not reasonably be expected to have or result in a Parent Material Adverse Effect. Since December 31, 2014, none of the Parent Entities has received any written notice (or, to the Knowledge of Parent, any other communication, whether written or otherwise) from any Governmental Body regarding: (i) any actual or possible material violation of or failure to comply in any material respect with any term or requirement of any material Governmental Authorization; or (ii) any actual or possible revocation, withdrawal, suspension, cancellation, termination or modification of any material Governmental Authorization.

4.14 Tax Matters.

(a) Each of the material Tax Returns required to be filed by or on behalf of the respective Parent Entities with any Governmental Body (the "***Parent Returns***"): (i) has been filed on or before the applicable due date (including any extensions of such due date); and (ii) has been prepared in all material respects in compliance with all applicable Legal Requirements (except as subsequently corrected by amended Tax Returns). All Taxes shown on the Parent Returns, including any amendments, to be due have been timely paid other than Taxes that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been established in accordance with GAAP. Parent is not the beneficiary of any extension of time within which to file any Tax Return. There are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim for, or the period for the collection or assessment or reassessment of, Taxes due from the Parent for any taxable period and no request for any such waiver or extension is currently pending.

(b) No Parent Entity and no Parent Return is currently under audit by any Governmental Body and, to the Knowledge of Parent, there are no disputes pending or written claims asserted, for taxes or assessments upon Parent.

(c) No claim or Legal Proceeding is pending or, to the Knowledge of Parent, has been threatened against or with respect to any Parent Entity in respect of any material Tax. There are no Encumbrances for material Taxes upon any of the assets of any of the Parent Entities except Encumbrances for current Taxes not yet due and payable or being contested in good faith by appropriate proceedings and for which reserves have been established in accordance with GAAP.

(d) Parent has delivered or made available to the Corporations and the Owners accurate and complete copies of all federal and state income Tax Returns of the Parent Entities with respect to periods after January 1, 2013.

(e) Each Merger Sub is a directly and wholly owned, first-tier Subsidiary of Parent.

(f) Each of the Parent Entities has within the time and in the manner prescribed under applicable Legal Requirements withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder, or other third party, and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(g) None of the Parent Entities (i) has been a member of an Affiliated Group filing a consolidated federal income Tax Return (other than an Affiliated Group the common parent of which was the Parent) or (ii) has had any liability for the Taxes of any other Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or non-U.S. law), as a transferee or successor, by contract, or otherwise.

4.15 Employee and Labor Matters; Benefit Plans.

(a) Part 4.15(a) of the Parent Disclosure Schedule sets forth a list of employment agreements currently in effect for any Parent Entity. None of the Parent Entities is a party to, or has a duty to bargain for, any collective bargaining agreement or other Contract with a labor organization or works council representing any of its employees and there are no labor organizations or works councils representing, purporting to represent or, to the Knowledge of Parent, seeking to represent any employees of any of the Parent Entities.

(b) There is no claim or grievance pending or, to the Knowledge of Parent, threatened relating to any employment Contract, wages and hours, leave of absence, plant closing notification, employment statute or regulation, work rule (together with all policies and supplements related thereto), privacy right, labor dispute, safety, retaliation, immigration or discrimination matters involving any Parent Associate, including charges of unfair labor practices or harassment complaints.

(c) Parent has delivered or made available to the Corporations and the Owners an accurate and complete list, by country and as of the date hereof, of: (i) each Parent Employee Plan; (ii) each Parent Employee Agreement; and (iii) all work rules (together with all policies and supplements related thereto) and employee manuals and handbooks relating to employees of any Parent Entity.

(d) Each Parent Employee Plan intended to be Tax qualified under applicable Legal Requirements is so Tax qualified, and no event has occurred and no circumstance or condition exists that could reasonably be expected to result in the disqualification of any such Parent Employee Plan.

(e) Since December 31, 2014, none of the Parent Entities, and no Parent Affiliate, has ever maintained, established, sponsored, participated in or contributed to any: (i) Parent Pension Plan subject to Title IV of ERISA; (ii) "multiemployer plan" within the meaning of Section (3)(37) of ERISA; or (iii) plan described in Section 413 of the Code. None of the Parent Entities, and no Parent Affiliate, maintains, sponsors or contributes to any Parent Employee Plan that is an employee welfare benefit plan (as such term is defined in Section 3(1) of ERISA) and that is, in whole or in part, self-funded or self-insured.

(f) Except as set forth in Part 4.15(f) of the Parent Disclosure Schedule, each of the Parent Entities and Parent Affiliates: (i) is, and at all times has been, in compliance in all material respects with any Order or arbitration award of any court, arbitrator or any Governmental Body respecting employment, employment practices, terms and conditions of employment, wages, hours or other labor related matters; (ii) has withheld and reported all amounts required by applicable Legal Requirements or by Contract to be withheld and reported with respect to wages, salaries and other payments to Parent Associates; (iii) is not liable for any arrears of wages or any Taxes with respect thereto or any interest or penalty for failure to comply with the Legal Requirements applicable of the foregoing; and (iv) is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any Governmental Body with respect to unemployment compensation benefits, social security, social charges or other benefits or obligations for Parent Associates (other than routine payments to be made in the normal course of business and consistent with past practice).

(g) There is no agreement, plan, arrangement or other Contract covering any Parent Associate, and no payments have been made to any Parent Associate, that, in connection with the Merger, considered individually or considered collectively with any other such Contracts or payments, will, or could reasonably be expected to, be characterized as a "parachute payment" within the meaning of Section 280G(b)(2) of the Code or give rise directly or indirectly to the payment of any amount that would not be deductible pursuant to Section 162(m) of the Code (or any comparable provision under state or foreign Tax laws). No Parent Entity is a party to or has any obligation under any Contract to compensate any Person for excise Taxes payable pursuant to Section 4999 of the Code or for additional Taxes payable pursuant to Section 409A of the Code.

4.16 Environmental Matters. Each of the Parent Entities is and has at all times been in compliance in all material respects with all applicable environmental laws. None of the Parent Entities has received any written notice (or, to the Knowledge of Parent, any other communication, whether written or otherwise), whether from a Governmental Body, citizens group or other Person that alleges that any of the Parent Entities is not in compliance in any material respect with any applicable environmental law, which non-compliance has not been cured or for which there is any remaining material liability.

4.17 Legal Proceedings; Orders.

(a) There is no pending Legal Proceeding, and, to the Knowledge of Parent, no such Legal Proceeding has been threatened: (i) that involves any of the Parent Entities or (ii) that challenges, or has the effect of preventing, delaying, making illegal or otherwise interfering with, the Mergers, the Contribution, or any of the other Contemplated Transactions.

(b) To the Knowledge of Parent, there is no Order to which any of the Parent Entities, or any of the assets owned or used by any of the Parent Entities, is subject that, individually or in the aggregate, would have a Parent Material Adverse Effect. To the Knowledge of Parent, no officer or other key employee of any of the Parent Entities is subject to any Order that prohibits such officer or other employee from engaging in or continuing any conduct, activity or practice relating to the business of any of the Parent Entities.

4.18 No Vote Required. No vote of the holders of any class or series of Parent's capital stock is necessary to approve the Merger, the Contribution, and this Agreement.

4.19 Non-Contravention; Consents. Assuming compliance with the applicable provisions of the MBCA and the DGCL, and except as disclosed on Part 4.19 of the Parent Disclosure Schedule, neither the execution and delivery of this Agreement by Parent, nor the consummation of the Merger, the Contribution, or any of the other Contemplated Transactions, will (with or without notice or lapse of time): (a) contravene, conflict with or result in a violation of (i) any of the provisions of the articles of incorporation, bylaws or other charter or organizational documents of any of the Parent Entities or (ii) any resolution adopted by the shareholders, the Board of Directors or any committee of the Board of Directors of any of the Parent Entities; or (b) assuming that the requisite consents, approvals and filings in connection with the Contemplated Transactions are duly obtained and/or made, (i) constitute a breach or violation of, or a default under, or give rise to any Encumbrance (other than a Parent Permitted Encumbrance), any acceleration of remedies or any right of termination under, any permit or license, or agreement, indenture or instrument of the Parent Entities or to which the Parent Entities or any of their respective properties is subject or bound, or (ii) violate any Legal Requirement or Order applicable to the Parent Entities or any of their respective properties or assets, except with respect to clauses (b)(i) and (b)(ii), for any such breaches, violations, defaults or Encumbrances which, individually or in the aggregate, would not have a Parent Material Adverse Effect.

4.20 Financial Advisor. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Merger, the Contribution, or any of the other Contemplated Transactions based upon arrangements made by or on behalf of any of the Parent Entities except as disclosed on Part 4.20 of the Parent Disclosure Schedule.

4.21 Disclosure. Except for the representations and warranties contained in this Article 4, none of Parent, Merger Sub or any other Person on behalf of them makes any other express or implied representation or warranty with respect to Parent or its Subsidiaries or with respect to any other information provided to the Corporations and the Owners in connection with the Contemplated Transactions. None of Parent, Merger Sub or any other Person will have or be subject to any liability or indemnification obligation to the Target Companies or the Owners, or any other Person, resulting from the distribution to the Target Companies and the Owners, or the Target Companies and the Owners' use of, any such information, including any information, documents, projections, forecasts of other material made available to the Target Companies and the Owners in connection with due diligence review of the Parent and its Subsidiaries or management presentations in expectation of the transactions contemplated by this Agreement, unless any such information is expressly included in a representation or warranty contained in this Article 4. Each of Parent and Merger Sub acknowledges that neither the Target Companies nor the Owners make any representations or warranties except for the representations and warranties contained in Article 3.

4.22 Merger Sub. Merger Sub was formed solely for the purpose of engaging in the Contemplated Transactions to which it is a party, has no assets or liabilities (other than obligations under this Agreement) and has not engaged in any business activities or conducted any operations other than in connection with the Contemplated Transactions. Parent has delivered to the Target Companies and the Owners true, complete and correct copies of the certificates of incorporation and bylaws of Merger Sub and any other agreement or contract of any kind to which Merger Sub is a party or by which it is bound (provided that to the extent such agreement or contract is "oral" a true and correct written summary of the same has been delivered).

4.23 Valid Issuance. The Parent Shares to be issued in the Merger and Contribution have been duly authorized and will, when issued in accordance with the provisions of this Agreement, be validly issued, fully paid and non-assessable.

ARTICLE 5.
CERTAIN COVENANTS OF THE PARTIES

5.1 Access and Investigation. During the period commencing on the date of this Agreement and ending as of the earlier of the Effective Time or the termination of this Agreement in accordance with Article 8 (the "***Pre-Closing Period***"), subject to applicable Legal Requirements (including attorney-client privilege and work-product doctrine) and the terms of any confidentiality restrictions under Contracts of a party as of the date hereof, upon reasonable notice the Target Companies, the Owners, and Parent shall each, and Parent shall cause its Subsidiaries to: (a) provide the Representatives of the other party with reasonable access during normal business hours to its personnel, tax and accounting advisers and assets and to all existing books, records, Tax Returns, and other documents and information relating to such Entity or any of its Subsidiaries, in each case as reasonably requested by Parent, the Target Companies, or the Owners and in such manner as shall not unreasonably interfere with the business or operations of the party providing such access, as the case may be; and (b) provide the Representatives of the other party with such copies of the existing books, records, Tax Returns, and other documents and information relating to such Entity and its Subsidiaries as reasonably requested by Parent, either of the Target Companies, or the Owners, as the case may be. All information furnished pursuant to this Section 5.1 shall be subject to the provisions of that certain Letter of Intent dated as of April 16, 2015 (the "***Letter of Intent***").

5.2 Operation of the Business of the Target Companies.

(a) During the Pre-Closing Period, except as set forth in Part 5.2(a) of the Target Company Disclosure Schedule, as otherwise contemplated by this Agreement, as required by Legal Requirements or to the extent that Parent shall otherwise consent in writing: (i) each Target Company shall conduct its business and operations in the ordinary course consistent with past practices and, without limiting the foregoing covenant, shall not (without the prior written consent of Parent), declare, accrue, set aside or pay any dividend or distribution (including without limitation a distribution in redemption of an interest in any Target Company), or incur any indebtedness for borrowed money except that J&P Real Estate shall be permitted to make a distribution to its Owners of any cash on hand prior to the Closing Date; (ii) each Target Company shall use commercially reasonable efforts to preserve intact the material components of its current business organization, keep available the services of certain of its current officers (other than its chief executive officer) and other key employees, and maintain its relations and goodwill with all material suppliers, material customers, material licensors and Governmental Bodies; and (iii) each Target Company shall promptly notify Parent following its becoming aware of any Legal Proceeding commenced, or, to such Target Company's Knowledge, either: (A) with respect to a Governmental Body, overtly threatened; or (B) with respect to any other Person, threatened in writing, in either case of clause (A) or (B) of this sentence, against, involving or that would reasonably be expected to materially affect such Target Company or that relates to any of the Contemplated Transactions.

(b) During the Pre-Closing Period, each Target Company and the Owners shall promptly notify Parent in writing of any event, condition, fact or circumstance that would reasonably be expected to make the timely satisfaction of any of the conditions set forth in Article 7 impossible or that has had or would reasonably be expected to have or result in a Target Company Material Adverse Effect.

5.3 Operation of the Business of the Parent Entities.

(a) During the Pre-Closing Period, except as set forth in Part 5.3(a) of the Parent Disclosure Schedule, as otherwise contemplated by this Agreement, as required by Legal Requirements or to the extent that the Target Companies and the Owners shall otherwise consent in writing: (i) Parent shall ensure that each of the Entities conducts its business and operations in the ordinary course consistent with past practices and, without limiting the foregoing covenant, shall not (without the prior written consent of the Owners), and shall ensure that each of the Parent Entities shall not, declare, accrue, set aside or pay any dividend or distribution (including without limitation a distribution in redemption of an interest in any Parent Entity), or incur any indebtedness for borrowed money; (ii) Parent shall use commercially reasonable efforts to attempt to cause each of the Parent Entities to preserve intact the material components of its current business organization, keeps available the services of its current officers and key employees and maintains its relations and goodwill with all material suppliers, material customers, material licensors, and Governmental Bodies; and (iii) Parent shall promptly notify the Target Companies and the Owners following its becoming aware of any Legal Proceeding commenced, or, to Parent's Knowledge, either: (A) with respect to a Governmental Body, overtly threatened; or (B) with respect to any other Person, threatened in writing, in either case of clause (A) or (B) of this sentence, against, involving or that would reasonably be expected to affect any of the Parent Entities or that relates to any of the Contemplated Transactions.

(b) During the Pre-Closing Period, Parent shall promptly notify the Target Companies and the Owners in writing of any event, condition, fact or circumstance that would reasonably be expected to make the timely satisfaction of any of the conditions set forth in Article 8 impossible or that has had or would reasonably be expected to have or result in a Parent Material Adverse Effect.

ARTICLE 6.
ADDITIONAL COVENANTS OF THE PARTIES

6.1 Exemption from Registration. Prior to the Effective Time, Parent shall obtain all regulatory approvals needed to ensure that the Parent Shares to be issued in the Merger and the Contribution will (to the extent required) be exempt from registration or qualification under the Securities Act and the state securities laws of every state of the United States in which any registered holder of J&P Park Shares, Restorers Shares, or J&P Real Estate Units has residency or domicile on the record date for determining the Target Companies' stockholders or members (as applicable) entitled to vote on the Contemplated Transactions. Restorers shall promptly furnish to Parent all information concerning Restorers and its stockholders, and the Owners' Representative shall, on behalf of the Owners, promptly furnish to Parent all information concerning J&P Park, J&P Real Estate or their respective stockholders or members, that may be required or reasonably requested by Parent to obtain such exemptions.

6.2 Regulatory Approvals and Related Matters.

(a) Upon the terms and subject to the conditions set forth in this Agreement (including those contained in this Section 6.2), each of the parties hereto shall, and Parent shall cause its Subsidiaries to, use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, and to satisfy all conditions to, in the most expeditious manner practicable, the Contemplated Transactions.

(b) In the event that any administrative or judicial action or proceeding is instituted (or threatened to be instituted) by a Governmental Body or private party challenging the Merger or the Contribution or any of the other Contemplated Transactions, or any other agreement contemplated hereby, each of the parties shall cooperate in all respects and shall use its commercially reasonable efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the Contemplated Transactions.

6.3 Disclosure. Attached as Schedule 6.3 is the text of the joint press release announcing the signing of this Agreement. Parent and the Owners' Representative shall consult with each other before issuing any further press release or otherwise making any public statement, and (except as may be required by applicable Legal Requirements) shall not issue any such press release or make any such public statement without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld, delayed or conditioned.

6.4 Takeover Statutes. If any "control share acquisition," "fair price," "moratorium" or other anti-takeover Legal Requirement becomes or is deemed to be applicable to the Target Companies, Parent, Merger Sub, the Merger, the Contribution or any other of the Contemplated Transactions, then each of the Target Companies, Parent, Merger Subs, and their respective Board of Directors or Managers (as applicable) shall grant such approvals and take such actions as are necessary so that the Contemplated Transactions may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to render such anti-takeover Legal Requirement inapplicable to the foregoing.

6.5 Indemnification.

(a) From and after the Effective Time through the sixth anniversary of the Effective Time, Parent (the "***Indemnifying Party***") shall or cause its Subsidiaries to indemnify and hold harmless each present and former director, manager, member, stockholder, officer and employee of the Target Companies, determined as of the Effective Time, and each of their heirs, estates, executors and administrators (the "***Indemnified Parties***"), against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of matters existing or occurring at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time, arising in whole or in part out of or pertaining to the fact that he or she was a director, manager, member, officer, stockholder, employee, fiduciary or agent of a Target Company or is or was serving at the request of a Target Company as a director, manager, member, officer, stockholder, employee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise, including, without limitation, matters related to the negotiation, execution and performance of this Agreement or consummation of the Contemplated Transactions, to the fullest extent which such Indemnified Parties would be entitled under applicable law, the organizational documents of the applicable Target Company or any agreement, arrangement or understanding, which has been set forth in Part 6.5 of the Target Company Disclosure Schedule, in each case, as in effect on the date hereof; *provided, however*, that any determination required to be made with respect to whether an employee's, officer's or director's conduct complies with the standards set forth in the applicable organizational documents of the applicable Target Company or other agreement or applicable law, shall be made by independent counsel selected by Parent and reasonably acceptable to the Indemnified Party. Each Indemnified Party is intended to be a third-party beneficiary of this Section 6.5 and the provisions of this Section 6.5 shall be enforceable by each Indemnified Party and his or her heirs and representatives.

(b) Any Indemnified Party wishing to claim indemnification under this Section 6.5, upon learning of any such claim, action, suit, proceeding or investigation, shall promptly notify the Indemnifying Party, but the failure to so notify shall not relieve the Indemnifying Party of any liability it may have to such Indemnified Party if such failure does not actually prejudice the Indemnifying Party. In the event of any such claim, action, suit, proceeding or investigation (whether arising before or after the Effective Time), (i) the Indemnifying Party shall have the right to assume the defense thereof and the Indemnifying Party shall not be liable to such Indemnified Parties for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof, except that if the Indemnifying Party elects not to assume such defense or counsel for the Indemnified Parties advises that there are issues which raise conflicts of interest between the Indemnifying Party and the Indemnified Parties that make joint representation inappropriate, the Indemnified Parties may retain counsel which is reasonably satisfactory to the Indemnifying Party, and the Indemnifying Party shall pay, promptly as statements therefor are received, the reasonable fees and expenses of such counsel for the Indemnified Parties (which may not exceed one firm in any jurisdiction unless the Indemnified Parties have conflicts of interest), (ii) the Indemnified Parties will cooperate in the defense of any such matter, (iii) neither the Indemnified Party nor the Indemnifying Party shall be liable for any settlement effected without its prior written consent, which shall not be unreasonably withheld, conditioned or delayed, and (iv) the Indemnifying Party shall have no obligation hereunder in the event that a federal or state banking agency or a court of competent jurisdiction shall determine that indemnification of an Indemnified Party in the manner contemplated hereby is prohibited by applicable laws and regulations.

(c) Parent hereby guarantees all obligations of the Target Companies to provide indemnification to their respective Indemnified Parties as provided in Section 6.5(a) above. Such guarantee shall be a guaranty of payment and not of collection, and Parent agrees that no such Indemnified Party shall be required to pursue or exhaust any recourse against the applicable Target Company as a prerequisite to asserting a claim against Parent hereunder.

(d) If Parent or any of its successors or assigns shall consolidate with or merge into any other entity and shall not be the continuing or surviving entity of such consolidation or merger or shall transfer all or substantially all of its assets to any other entity, then and in each case, proper provision shall be made so that the successors and assigns of Parent shall assume the obligations set forth in this Section 6.5.

6.6 Delivery of Revised Disclosure Schedules; Due Diligence Period.

(a) By the Target Companies and Owners. The parties agree and acknowledge that each of the Target Companies and the Owners are entitled to deliver a revised Target Company Disclosure Schedule ("***Revised Target Companies Disclosure Schedules***") to Parent within 20 days of the execution of this Agreement. The Revised Target Companies Disclosure Schedules shall be deemed to qualify the representations and warranties made by the Target Companies and the Owners as of the date of the Agreement and replace for such purpose the applicable Target Company Disclosure Schedules delivered to Parent as of the date hereof. Parent shall have the longer of (x) 10 days after receipt of such Revised Target Companies Disclosure Schedules or (y) 30 days from the date of this Agreement (as applicable, the "***Parent Review Period***") to review the Revised Target Companies Disclosure Schedules, and Parent shall, in its discretion, conduct a further business and financial investigation and review of the Target Companies during the Parent Review Period, in accordance with the procedures set forth in Section 5.1. On or before the expiration of the Parent Review Period, Parent will have the right to deliver written notice ("***Notice***") to the Target Companies and the Owners that it (a) has, in good faith, identified a Target Company Material Adverse Effect based on the manner in which the disclosures contained in the Revised Target Companies Disclosure Schedules differ from the disclosures contained in the original Target Company Disclosure Schedules delivered concurrent with the execution and delivery of this Agreement, and (b) desires to terminate the Agreement pursuant to Section 9.1(e)(ii) (subject, however, to the cure period contemplated therein). The Notice shall set forth, in reasonable detail, the Target Company Material Adverse Effect identified by Parent.

(b) By Parent. The parties agree and acknowledge that Parent is entitled to deliver a revised set of Parent Disclosure Schedules ("***Revised Parent Disclosure Schedules***") to the Target Companies and the Owners within 20 days of the execution of this Agreement. The Revised Parent Disclosure Schedule shall be deemed to qualify the representations and warranties made by Parent as of the date of the Agreement and replace for such purpose the Parent Disclosure Schedules delivered to the Target Companies and the Owners as of the date hereof. The Target Companies and the Owners shall have the longer of (x) 10 days after receipt of such Revised Parent Disclosure Schedules or (y) 30 days from the date of the Agreement (as applicable, the "***Target Company Review Period***") to review the Revised Parent Disclosure Schedules, and the Target Companies and the Owners shall, in their discretion, conduct a further business and financial investigation and review of Parent and its Subsidiaries during the Target Company Review Period, in accordance with the procedures set forth in Section 5.1. On or before the expiration of the Target Company Review Period, the Target Companies and the Owners will have the right to deliver a Notice to Parent that they (a) have, in good faith, identified a Parent Material Adverse Effect based on the manner in which the disclosures contained in the Revised Parent Disclosure Schedules differ from the disclosures contained in the Parent Disclosure Schedules delivered concurrent with the execution and delivery of this Agreement, and (b) desire to terminate the Agreement pursuant to Section 9.1(f)(ii) (subject, however, to the cure period contemplated therein). The Notice shall set forth, in reasonable detail, the Parent Material Adverse Effect identified by Parent.

6.7 Supplement to Disclosure Schedules. Each party (for purposes of this Section 6.7, the "***Disclosing Party***") shall promptly notify the other party in writing of any fact or circumstance that would cause any of the Disclosing Party's representations, warranties or covenants in this Agreement or any Schedule hereto, to be untrue or incomplete in any respect, or would cause the Disclosing Party to be unable to deliver the certificate required under Sections 7.4 or 8.4, as applicable, and the Disclosing Party shall promptly deliver to the other party an updated version of any applicable Part of the Disclosing Party's Disclosure Schedule or add a new Schedule to this Agreement to which such fact or circumstance relates (the "***Updated Disclosure Schedule***"). The delivery by the Disclosing Party of an Updated Disclosure Schedule shall not prejudice any rights of any other party hereunder prior to the Closing, to exercise any right to terminate this Agreement with respect to any inaccuracy of the Disclosure Party's representations and warranties as of the date hereof or as any date after the date hereof. If the other party consummates the Merger and the Contribution following delivery of an Updated Disclosure Schedule, such Updated Disclosure Schedule shall be deemed to qualify the representations and warranties made as of the Effective Time by the Disclosing Party and replace for such purpose, in whole or in part, as the case may be, the applicable Part(s) of the Disclosing Party's Disclosure Schedule delivered hereunder for such purpose.

6.8 Management Agreement. Each of the Target Companies and Parent is currently a party to a Management and Advisory Agreement (each, a "***Management Agreement***") with Blackstreet Capital Management, LLC ("***BCM***") pursuant to which, among other things, BCM provides certain management and advisory services to such Target Company and Parent, as applicable, in return for fees. The parties agree that, at Closing, the Management Agreements between BCM and each Target Company shall be terminated and the Management Agreement between BCM and Parent shall be amended to, among other things, (i) provide for an increase in the minimum annual management fee from $330,750 to $612,100 to account for the termination of such Management Agreements with the Target Companies and the increased consolidated EBITDA of Parent after giving effect to the Contemplated Transactions, (ii) provide for the payment by Parent of additional fees, if any, owing to BCM during the period October 1, 2014 through June 30, 2015 as a result of the actual EBITDA of Parent during such period, and (iii) amend the definition of "Initial Term" defined therein to be the period commencing July 1, 2015 and ending December 31, 2016. In addition, the parties acknowledge that BCM has agreed to waive its right under the Management Agreements to receive any acquisition-related fees owing to it as a result of the Contemplated Transactions, and to waive its right to receive any termination-related fees arising from the termination of the Management Agreements with the Target Companies, in return for receiving the above-described amendment to the Management Agreement with Parent.

ARTICLE 7.
CONDITIONS PRECEDENT TO OBLIGATIONS OF PARENT AND MERGER SUB

The obligation of Merger Sub to effect the Merger, and Parent to effect the Merger and the Contribution, and otherwise cause the Contemplated Transactions to be consummated, are subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

7.1 Accuracy of Representations. Each of the representations and warranties of the Target Companies and the Owners shall have been accurate in all material respects as of the date of this Agreement and shall be accurate in all material respects as of the Closing Date as if made on and as of the Closing Date (except for any such representations and warranties made as of a specific date, which shall have been accurate in all material respects as of such date).

7.2 Performance of Covenants. The covenants and obligations in this Agreement that the Target Companies and the Owners are required to comply with or to perform at or prior to the Closing shall have been complied with and performed in all material respects.

7.3 Approval of Stockholders and Owners. Restorers shall have obtained the approval of the holders of the Restorers Shares, the Owners who are not natural persons shall have obtained the approval of their respective members (if required), for this Agreement, the Merger, the Contribution and the other Contemplated Transactions.

7.4 Documents. Parent and Merger Sub shall have received a certificate executed by the Chief Executive Officer of each Target Company confirming that the conditions set forth in Sections 7.1 and 7.2 have been duly satisfied.

7.5 Approvals and Consents. Parent shall have received (a) approvals and consents as may be required by applicable law from all applicable Governmental Bodies and (b) the material consents and approvals from third parties required pursuant to Target Company Contracts as a result of the transactions contemplated by this Agreement.

7.6 No Target Company Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Target Company Material Adverse Effect which has not been cured, and no event shall have occurred or circumstance shall exist that would reasonably be expected to have or result in a Target Company Material Adverse Effect.

7.7 No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of either of the Merger or the Contribution shall have been issued by any court of competent jurisdiction or other Governmental Body and remain in effect, and there shall not be any Legal Requirement enacted or deemed applicable to the Merger or the Contribution that makes consummation of the Merger or the Contribution illegal.

7.8 Securities Matters. Parent shall have received from each Owner such documentation and representations as are sufficient for Parent to comply with the requirements of Section 6.1.

7.9 Fairness Opinion. Parent shall have received to its reasonable satisfaction, from one or more reputable and independent financial services firm, an opinion as to the fairness, from a financial point of view, to the stockholders of Parent, of the Aggregate Merger Consideration and the Aggregate Contribution Consideration issuable under this Agreement.

ARTICLE 8.
CONDITIONS PRECEDENT TO OBLIGATION OF RESTORERS AND OWNERS

The obligation of Restorers to effect the Merger, and the Owners to effect the Contribution, and otherwise cause the Contemplated Transactions to be consummated, is subject to the satisfaction, at or prior to the Closing, of the following conditions:

8.1 Accuracy of Representations. Each of the representations and warranties of Parent and Merger Sub shall have been accurate in all material respects as of the date of this Agreement and shall be accurate in all material respects as of the Closing Date as if made on and as of the Closing Date (except for any such representations and warranties made as of a specific date, which shall have been accurate in all material respects as of such date).

8.2 Performance of Covenants. The covenants and obligations in this Agreement that Parent and Merger Sub are required to comply with or to perform at or prior to the Closing shall have been complied with and performed in all material respects.

8.3 Approval of Parent as Sole Stockholder of Merger Sub. Merger Sub shall have obtained the approval of Parent, in its capacity as the sole stockholder of Merger Sub, for this Agreement, the Merger, the Contribution and the other Contemplated Transactions.

8.4 Documents. The Target Companies and the Owners shall have received a certificate executed by an executive officer of Parent confirming that the conditions set forth in Sections 8.1 and 8.2 have been duly satisfied.

8.5 Consents and Approvals. Restorers and the Owners shall have received (a) approvals and consents as may be required by applicable law from all applicable Governmental Bodies and (b) the material consents and approvals from third parties required pursuant to Parent Contracts as a result of the transactions contemplated by this Agreement.

8.6 No Parent Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Parent Material Adverse Effect which has not been cured, and no event shall have occurred or circumstance shall exist that, in combination with any other events or circumstances, then in existence would reasonably be expected to have or result in a Parent Material Adverse Effect.

8.7 No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of the Merger or the Contribution shall have been issued by any court of competent jurisdiction or other Governmental Body and remain in effect, and there shall not be any Legal Requirement enacted or deemed applicable to the Merger or the Contribution that makes consummation of the Merger or the Contribution illegal.

8.8 Fairness Opinion. Restorers, J&P Park and the Owners shall have received to their reasonable satisfaction, from one or more reputable and independent financial services firm, an opinion as to the fairness, from a financial point of view, to the equity interest holders of the Target Companies, of the Aggregate Merger Consideration and the Aggregate Contribution Consideration.

ARTICLE 9.
TERMINATION

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

(a) by mutual written consent of Parent, the Target Companies and the Owners;

(b) by any of Parent, the Target Companies, or the Owners if the Merger or the Contribution shall not have been consummated by July 1, 2015 (the "***End Date***"); *provided, however*, that a party shall not be permitted to terminate this Agreement pursuant to this subsection (b) if the failure to consummate the Merger or the Contribution by the End Date is attributable to a failure on the part of such party to perform any covenant or obligation in this Agreement required to be performed by such party at or prior to the Effective Time;

(c) by any of Parent, the Target Companies, or the Owners if a court of competent jurisdiction or other Governmental Body shall have issued a final and non-appealable Order, or shall have taken any other action, having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger or the Contribution;

(d) by any of Parent, the Target Companies, or the Owners if any approval required by their respective Board of Directors, manager(s), stockholders or members (as applicable) is not obtained;

(e) by Parent if: (i) any of the Target Companies' or the Owners' representations and warranties contained in this Agreement shall be inaccurate as of the date of this Agreement such that the condition set forth in Section 7.1 would not be satisfied, or shall have become inaccurate as of a date subsequent to the date of this Agreement (as if made on such subsequent date) such that the condition set forth in Section 7.1 would not be satisfied; or (ii) any of the Target Companies' or the Owners' covenants or obligations contained in this Agreement shall have been breached such that the condition set forth in Section 7.2 would not be satisfied; *provided, however*, that, for purposes of clauses (i) and (ii) above, if an inaccuracy in any of the Target Companies' or the Owners' representations and warranties (as of the date of this Agreement or as of a date subsequent to the date of this Agreement) or a breach of a covenant or obligation by any of the Target Companies or the Owners is curable by such party by the End Date and such party is continuing to exercise its reasonable best efforts to cure such inaccuracy or breach, then Parent may not terminate this Agreement under this subsection (e) on account of such inaccuracy or breach unless such inaccuracy or breach shall remain uncured for a period of 30 days commencing on the date that Parent gives the applicable party written notice of such inaccuracy or breach; or

(f) by any the Target Companies or the Owners if: (i) any of Parent or Merger Sub's representations and warranties contained in this Agreement shall be inaccurate as of the date of this Agreement such that the condition set forth in Section 8.1 would not be satisfied, or shall have become inaccurate as of a date subsequent to the date of this Agreement (as if made on such subsequent date) such that the condition set forth in Section 8.1 would not be satisfied; or (ii) any of Parent or Merger Sub's covenants or obligations contained in this Agreement shall have been breached such that the condition set forth in Section 8.2 would not be satisfied; *provided, however*, that, for purposes of clauses (i) and (ii) above, if an inaccuracy in any of Parent or Merger Sub's representations and warranties (as of the date of this Agreement or as of a date subsequent to the date of this Agreement) or a breach of a covenant or obligation by Parent or Merger Sub is curable by Parent or Merger Sub by the End Date and Parent or Merger Sub, as applicable, is continuing to exercise its reasonable best efforts to cure such inaccuracy or breach, then the Target Companies or the Owners (as applicable) may not terminate this Agreement under this subsection (f) on account of such inaccuracy or breach unless such inaccuracy or breach shall remain uncured for a period of 30 days commencing on the date that the Target Companies or the Owners (as applicable) gives Parent written notice of such inaccuracy or breach.

9.2 Effect of Termination. In the event of the termination of this Agreement as provided in Section 9.1, this Agreement shall be of no further force or effect; *provided, however*, that: (i) this Section 9.2, Section 9.3 and Article 10 shall survive the termination of this Agreement and shall remain in full force and effect; (ii) the Letter of Intent shall survive the termination of this Agreement and shall remain in full force and effect in accordance with its terms; and (iii) the termination of this Agreement shall not relieve any party from any liability for any willful breach of this Agreement or intentional fraud.

9.3 Expenses. All fees and expenses incurred in connection with this Agreement and the Contemplated Transactions shall be paid by the party incurring such expenses, whether or not the Merger or the Contribution is consummated; *provided, however*, that, notwithstanding anything to the contrary contained herein, the parties acknowledge and agree that (a) each Target Company shall be permitted to fund at Closing all expenses of such Target Company then due and (b) Parent shall take all necessary action to cause such Target Company to fund any such expenses related to the Contemplated Transactions, even if such payments are not due and payable or finally determined until after the Closing.

ARTICLE 10.
GENERAL PROVISIONS

10.1 Survival of Representations and Warranties and Covenants. Except as set forth in this Agreement or in any other agreement, exhibit, schedule, certificate, instrument or other writing delivered in connection with this Agreement, no party hereto makes any representation or warranty to any other party hereto. No representations, warranties, agreements and covenants contained in this Agreement shall survive the Effective Time (other than agreements or covenants contained herein that by their express terms are to be performed after the Effective Time) or the termination of this Agreement if this Agreement is terminated prior to the Effective Time. Notwithstanding anything in the foregoing to the contrary, no representations, warranties, agreements and covenants contained in this Agreement shall be deemed to be terminated or extinguished so as to deprive a party hereto or any of its affiliates of any defense at law or in equity which otherwise would be available against the claims of any Person.

10.2 Amendment. This Agreement may be amended with the approval of the Board of Directors of J&P Park, the Board of Directors of Restorers, the manager of the Owners' Representative, and the Board of Directors of Parent at any time, subject to the approval of Restorers stockholders if and as required by the DGCL. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

10.3 Waiver.

(a) No failure on the part of any party to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any party in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

(b) No party shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such party; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

10.4 Entire Agreement; Counterparts; Exchanges by Facsimile or Electronic Delivery. This Agreement and the other agreements, exhibits and disclosure schedules referred to herein constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among or between any of the parties with respect to the subject matter hereof and thereof; *provided, however*, that, except as otherwise expressly set forth in this Agreement, the Letter of Intent shall not be superseded and shall remain in full force and effect in accordance with its terms. This Agreement may be executed in separate counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. The exchange of a fully executed Agreement (in counterparts or otherwise) by facsimile or by other electronic delivery shall be sufficient to bind the parties to the terms and conditions of this Agreement. Except for the Indemnified Parties' right to enforce Parent's obligation under Section 6.5, which are expressly intended to be for the irrevocable benefit of, and shall be enforceable by, each Indemnified Party and his or her heirs and representatives, nothing in this Agreement, expressed or implied, is intended to confer upon any Person, other than the parties hereto or their respective successors, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

10.5 Applicable Law; Remedies. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without regard to conflicts-of-law principles. In any action between any of the parties arising out of or relating to this Agreement or any of the Contemplated Transactions, each of the parties irrevocably waives the right to trial by jury. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available. The parties hereto further agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to Legal Requirements or inequitable for any reason, and agree not to assert that a remedy of monetary damages would provide an adequate remedy.

10.6 Attorneys' Fees. In any action at law or suit in equity to enforce this Agreement or the rights of any of the parties hereunder, the prevailing party in such action or suit shall be entitled to receive a reasonable sum for its attorneys' fees and all other reasonable costs and expenses incurred in such action or suit.

10.7 Assignability. This Agreement shall be binding upon, and shall be enforceable by and inure solely to the benefit of, the parties hereto and their respective successors and assigns; *provided, however*, that neither this Agreement nor any party's rights or obligations hereunder may be assigned or delegated by such party without the prior written consent of the other parties.

10.8 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given or made as follows: (a) if sent by registered or certified mail in the United States return receipt requested, upon receipt; (b) if sent designated for overnight delivery by nationally recognized overnight air courier (such as Federal Express), one business day after mailing; (c) if sent by facsimile transmission before 5:00 p.m. Central Time, when transmitted and receipt is confirmed; (d) if sent by facsimile transmission after 5:00 p.m. Central Time and receipt is confirmed, on the following business day; and (e) if otherwise actually personally delivered, when delivered, provided that such notices, requests, demands and other communications are delivered to the address set forth below, or to such other address as any party shall provide by like notice to the other parties to this Agreement:

if to Parent or Merger Sub:	Western Capital Resources, Inc. 11550 “I” Street, Suite 150 Omaha, NE 68137 Attention: John Quandahl, Chief Executive Officer Facsimile: (402) 551-8888
with a copy to:	Maslon LLP 3300 Wells Fargo Center 90 South Seventh Street Minneapolis, MN 55402 Attention: Paul D. Chestovich Facsimile: (612) 642-8305
if to any of the Target Companies or Owners:	c/o BCP II J&P, LLC 5425 Wisconsin Avenue, Suite 701 Chevy Chase, MD 20815 Attention: Manager Facsimile: (240) 223-1331
with a copy to:	Manatt Phelps & Phillips LLP 1050 Connecticut Ave NW, Suite 600 Washington, DC 20036 Attention: Alan M. Noskow Facsimile: (202) 637-1534

10.9 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions of this Agreement or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

* * * * * * *

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

J&P PARK ACQUISITIONS, INC.

By: /s/ Gay Burke
Name: Gay Burke
Title: Chairman

RESTORERS ACQUISITION, INC.

By: /s/ Gay Burke
Name: Gay Burke
Title: Chairman

J&P REAL ESTATE, LLC

By: /s/ Caroline Miller
Name: Caroline Miller
Title: Secretary

WESTERN CAPITAL RESOURCES, INC.

By: /s/ John Quandahl
Name: John Quandahl
Title: CEO

WCRS RESTORERS ACQUISITION CO.

By: /s/ John Quandahl
Name: John Quandahl
Title: CEO

[signature page for Owners follows]

OWNERS:

WCR, LLC

By: BCA 2 WCR, LLC,
its Manager

By: Blackstreet Capital Advisors II, LLC,
its Member

By: /s/ Murry N. Gunty
Name: Murry N. Gunty
Title: Manager

BC ALPHA HOLDINGS I, LLC

By: Blackstreet Capital Management, LLC,
its Manager

By: /s/ Murry N. Gunty
Name: Murry N. Gunty
Title: Manager

/s/ Paul J. Ambrose
Paul J. Ambrose

/s/ Charles DeLauder
Charles DeLauder

/s/ Gay A. Burke
Gay A. Burke

/s/ Richard A. Pope
Richard A. Pope

[Owners' signature page to Merger and Contribution Agreement]

/s/ Steve M. Sevran
Steven M. Sevran

/s/ Jonathan D. Tipton
Jonathan D. Tipton

By: /s/ Richard A. Pope
Name: Richard A. Pope, As Settlor And Trustee Under The Amendment And Restatement of the Richard And Lonette Pope Living Trust Dated October 18, 2003

By: /s/ Lonette M. Pope
Name: Lonette M. Pope, As Settlor And Trustee Under The Amendment And Restatement of the Richard And Lonette Pope Living Trust Dated October 18, 2003

By: /s/ Steven M. Sevran
Name: Steven M. Sevran, As Settlor And Trustee Under The Amendment And Restatement of the Sevran Living Trust Dated September 29, 1980

By: /s/ Ellen S. Sevran
Name: Ellen S. Sevran, As Settlor And Trustee Under The Amendment And Restatement of the Sevran Living Trust Dated September 29, 1980

EXHIBIT A
CERTAIN DEFINITIONS

For purposes of the Agreement (including this Exhibit A):

"***Affiliated Group***" shall mean an "affiliated group" within the meaning of Code Section 1504(a) or any similar group defined under a similar provision of state, local, or non-U.S. Tax law.

"***Aggregate Merger Consideration***" shall mean the number of Parent Shares equal to the product, rounded down to the nearest full Parent Share, of (a) the Parent Shares as of the Effective Time (i.e., after giving effect to the Merger and the Contribution), multiplied by (b) .05264495 (subject, however, to adjustment for the rounding contemplated by Section 1.4(c)).

"***Aggregate Contribution Consideration***" shall mean the number of Parent Shares equal to the product, rounded down to the nearest full Parent Share, of (a) the Parent Shares as of the Effective Time (i.e., after giving effect to the Merger and the Contribution), multiplied by (b) .31586967.

"***Agreement***" shall mean the Merger and Contribution Agreement to which this Exhibit A is attached, as it may be amended from time to time.

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

"***Contemplated Transactions***" shall mean the Merger, the Contribution, and the other transactions contemplated by the Agreement.

"***Contract***" shall mean any agreement, contract, subcontract, lease, instrument, note, option, warranty, purchase order, license, sublicense, insurance policy, benefit plan or legally binding commitment or undertaking, written or oral.

"***DGCL***" shall mean the Delaware General Corporation Law.

"***Encumbrance***" shall mean any lien, pledge, hypothecation, charge, mortgage, easement, encroachment, imperfection of title, title exception, title defect, right of possession, lease, tenancy license, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, preemptive right, community property interest or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset).

"***Entity***" shall mean any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company or joint stock company), firm, society or other enterprise, association, organization or entity.

"***ERISA***" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

"***GAAP***" shall mean generally accepted accounting principles in the United States.

"***Governmental Authorization***" shall mean any: (a) permit, license, certificate, franchise, permission, variance, clearance, registration, qualification or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement; or (b) right under any Contract with any Governmental Body.

"***Governmental Body***" shall mean any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court or other tribunal); or (d) self-regulatory organization.

"***Intellectual Property***" shall mean: (a) patents (including any registrations, continuations, continuations in part, renewals and any applications for any of the foregoing); (b) registered and unregistered copyrights and copyright applications; and (c) registered and unregistered trademarks, service marks, trade names, slogans, logos, designs and general intangibles of the like nature, together with all registrations and applications therefor.

"***IRS***" shall mean the United States Internal Revenue Service.

"***J&P Park Shares***" shall mean the shares of the common stock of J&P Park.

"***J&P Real Estate Units***" shall mean the membership units (representing membership interest) of J&P Real Estate.

"***Knowledge***" of a party shall mean the actual knowledge of (a) Gay Burke, Vick Crowley and Paul Ambrose with respect to J&P Park, (b) William Powers, Vick Crowley and Paul Ambrose with respect to Restorers, (c) Vick Crowley and Paul Ambrose with respect to J&P Real Estate, and (d) John Quandahl, Ric Miller and Steven Irlbeck with respect to Parent.

"***Legal Proceeding***" shall mean any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Body or any arbitrator or arbitration panel.

"***Legal Requirement***" shall mean any federal, state, local, municipal, foreign or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, order, award, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body, and the provisions of the current organizational documents and internal rules of the applicable Entity.

"***Letter of Intent***" is defined in Section 5.1.

"***MBCA***" shall mean the Minnesota Business Corporation Act.

"***Merger Exchange Ratio***" shall mean the quotient determined by dividing the Aggregate Merger Consideration by the number of Restorers Shares as of the moment immediately prior to the Effective Time, rounded to the nearest ten thousandth.

"***Order***" shall mean any order, writ, injunction, judgment or decree.

"***Owners' Representative***" shall mean BCP II J&P, LLC, a Delaware limited liability company.

"***Parent Affiliate***" shall mean any Person under common control with any of the Parent Entities within the meaning of Section 414(b), Section 414(c), Section 414(m) or Section 414(o) of the Code, and the regulations issued thereunder.

"***Parent Associate***" shall mean any current or former officer, employee (full-time or part-time), independent contractor, consultant, director or statutory auditor of or to any of the Parent Entities or any Parent Affiliate.

"***Parent Board***" shall mean Parent's Board of Directors.

"***Parent Contract***" shall mean any Contract: (a) to which any of Parent Entities is a party; (b) by which any of the Parent Entities or any asset of any of the Parent Entities is bound or under which any of the Parent Entities has any express obligation; or (c) under which any of the Parent Entities has any express right.

"***Parent Disclosure Schedule***" shall mean the Parent Disclosure Schedule that Parent prepared in accordance with the requirements of the Agreement and delivered to the Corporations and the Owners on the date of the Agreement.

"***Parent Employee***" shall mean any director or any officer or any other employee (full-time or part-time) of any of the Parent Entities.

"***Parent Employee Agreement***" shall mean any management, employment, severance, retention, transaction bonus, change in control, consulting, relocation, repatriation or expatriation agreement or other Contract between: (a) any of the Parent Entities; and (b) any Parent Employee, other than any such Contract that is terminable "at will" (or following a notice period imposed by applicable law) without any obligation on the part of any Parent Entity to make any severance, termination, change in control or similar payment or to provide any benefit that exceeds $75,000 per annum.

"***Parent Employee Plan***" shall mean any plan, program, policy, practice (of the type that might result in monetary implications to a Parent Entity) or Contract providing for compensation, severance, termination pay, deferred compensation, performance awards, stock or stock-related awards, fringe benefits, retirement benefits or other benefits or remuneration of any kind, whether or not in writing and whether or not funded, including each "employee benefit plan," within the meaning of Section 3(3) of ERISA (whether or not ERISA is applicable to such plan): (a) that is or has been maintained or contributed to, or required to be maintained or contributed to, by any of the Parent Entities for the benefit of any Parent Employee; or (b) with respect to which any of the Parent Entities has or may incur or become subject to any liability or obligation; *provided, however*, that a Parent Employee Agreement shall not be considered a Parent Employee Plan.

"***Parent Entities***" shall mean: (a) Parent; and (b) each of Parent's Subsidiaries.

"***Parent Latest Balance Sheet***" shall mean the latest consolidated balance sheet of Parent and its consolidated Subsidiaries included in the Parent SEC Filings.

"***Parent Material Adverse Effect***" shall mean any Effect that has or would reasonably be expected to have or result in a material adverse effect on: (a) the business, financial condition, or results of operations of Parent and its Subsidiaries taken as a whole; *provided, however*, that in no event shall any Effects resulting from any of the following, alone or in combination, be deemed to constitute, or be taken into account in determining whether there has occurred a Parent Material Adverse Effect: (i) conditions generally affecting the industries in which Parent Entities participate or the U.S. or global economy as a whole, to the extent that such conditions do not have a disproportionate impact on the Parent Entities, taken as a whole, as compared to other industry participants; (ii) general conditions in the financial markets, and any changes therein (including any changes arising out of acts of terrorism, war, weather conditions or other force majeure events), to the extent that such conditions do not have a disproportionate impact on the Parent Entities, taken as a whole, as compared to other industry participants; (iii) changes in the trading price or trading volume of Parent Shares (it being understood, however, that, except as otherwise provided in clauses (i), (ii), (iv) or (v) of this sentence, any Effect giving rise to or contributing to such changes in the trading price or trading volume may give rise to a Parent Material Adverse Effect and may be taken into account in determining whether a Parent Material Adverse Effect has occurred); (iv) changes in GAAP (or any interpretations of GAAP) applicable to Parent or any of its Subsidiaries; or (v) changes in applicable Legal Requirements after the date hereof; or (b) the ability of Parent to consummate the Merger or the Contribution or any of the other Contemplated Transactions.

"***Parent Pension Plan***" shall mean each: (a) Parent Employee Plan that is an "employee pension benefit plan," within the meaning of Section 3(2) of ERISA; or (b) other occupational pension plan, including any final salary or money purchase plan.

"***Parent Shares***" shall mean the shares of the Common Stock, no par value, of Parent.

"***Per Share Contribution Consideration***" shall mean the number of Parent Shares issuable to each Owner (which Parent Shares, in the aggregate, constitute the Aggregate Contribution Consideration) as set forth on Schedule 2.2.

"***Per Share Merger Consideration***" shall mean a number of Parent Shares equal to the Merger Exchange Ratio.

"***Person***" shall mean any individual, Entity or Governmental Body.

"***Representatives***" shall mean directors, managers, officers, employees, agents, attorneys, accountants, investment bankers, other advisors and representatives.

"***Restorers Shares***" shall mean the shares of the common stock of Restorers.

"***SEC***" shall mean the United States Securities and Exchange Commission.

"***Securities Act***" shall mean the Securities Act of 1933, as amended.

"***Subsidiary***" of a Person means an Entity in which such Person directly or indirectly owns or purports to own, beneficially or of record: (a) an amount of voting securities of or other interests in such Entity that is sufficient to enable such Person to elect at least a majority of the members of such Entity's Board of Directors or Board of Managers (as applicable) or other governing body; or (b) at least 25% of the outstanding equity, voting or financial interests in such Entity.

"***Target Companies***" shall mean (i) J&P Park Acquisitions, Inc., a Delaware corporation, (ii) J&P Real Estate, LLC, a Delaware limited liability company, and (iii) Restorers Acquisition, Inc., a Delaware corporation.

"***Target Company Affiliate***" shall mean, with respect to each Target Company, any Person under common control with such Target Company within the meaning of Section 414(b), Section 414(c), Section 414(m) or Section 414(o) of the Code, and the regulations issued thereunder.

"***Target Company Associate***" shall mean, with respect to any Target Company, any current or former officer, employee (full-time or part-time), independent contractor, consultant, director, manager or statutory auditor of or to such Target Company or any Target Company Affiliate.

"***Target Company Contract***" shall mean, with respect to each Target Company, any Contract: (a) to which such Target Company is a party; (b) by which such Target Company is bound or under which any of such Target Company's has any express obligation; or (c) under which such Target Company has any express right.

"***Target Company Disclosure Schedule***" shall mean the disclosure schedule of each Target Company prepared in accordance with the requirements of the Agreement and delivered to Parent on the date of the Agreement.

"***Target Company Employee Agreement***" shall mean, with respect to each Target Company, each management, employment, severance, retention, transaction bonus, change in control, consulting, relocation, repatriation or expatriation agreement or other Contract between: (a) such Target Company or any Target Company Affiliate; and (b) any Target Company Associate, other than any such Contract that is terminable "at will" (or following a notice period imposed by applicable Legal Requirements) without any obligation on the part of such Target Company or any Target Company Affiliate to make any severance, termination, change in control or similar payment or to provide any benefit that exceeds $75,000 per annum.

"***Target Company Employee Plan***" shall mean, with respect to each Target Company, each plan, program, policy or Contract providing for compensation, severance, termination pay, deferred compensation, performance awards, stock or stock-related awards, fringe benefits, retirement benefits or other benefits or remuneration of any kind, whether or not in writing and whether or not funded, including each "employee benefit plan," within the meaning of Section 3(3) of ERISA (whether or not ERISA is applicable to such plan): (a) that is maintained or contributed to, or required to be maintained or contributed to, by such Target Company or any Target Company Affiliate for the benefit of any Target Company Associate; or (b) with respect to which such Target Company or any Target Company Affiliate has or may incur or become subject to any liability or obligation; *provided, however*, that a Company Employee Agreement shall not be considered a Target Company Employee Plan.

"***Target Company Latest Balance Sheet***" shall mean (i) the J&P Latest Balance Sheet, and (ii) the Restorers Latest Balance Sheet, as applicable.

"***Target Company Material Adverse Effect***" shall mean, with respect to any particular Target Company, any effect, change, claim, event or circumstance (collectively, "***Effect***") that has or would reasonably be expected to have or result in a material adverse effect on: (a) the business, financial condition, or results of operations of such Target Company taken as a whole; *provided, however*, that in no event shall any Effects resulting from any of the following, alone or in combination, be deemed to constitute, or be taken into account in determining whether there has occurred a Target Company Material Adverse Effect: (i) conditions generally affecting the industries in which such Target Company participates or the U.S. or global economy as a whole, to the extent that such conditions do not have a disproportionate impact on such Target Company, taken as a whole, as compared to other industry participants; (ii) general conditions in the financial markets, and any changes therein (including any changes arising out of acts of terrorism, war, weather conditions or other force majeure events), to the extent that such conditions do not have a disproportionate impact on such Target Company, taken as a whole, as compared to other industry participants; (iii) changes in GAAP (or any interpretations of GAAP) applicable to such Target Company; (iv) the taking of any action or any omission expressly required to be taken pursuant to this Agreement or the taking of any action or any omission requested by Parent to be taken pursuant to the terms of the Agreement to the extent taken in accordance with such request; or (v) changes in applicable Legal Requirements after the date hereof; or (b) the ability of such Target Company to consummate the Mergers or the Contribution (as applicable) or any of the other Contemplated Transactions.

"***Target Company Pension Plan***" shall mean, with respect to each Target Company, each: (a) Target Company Employee Plan that is an "employee pension benefit plan," within the meaning of Section 3(2) of ERISA; or (b) other occupational pension plan, including any final salary or money purchase plan.

"***Tax***" shall mean any federal, state, local, foreign or other tax (including any income tax, franchise tax, capital gains tax, gross receipts tax, value-added tax, surtax, estimated tax, unemployment tax, national health insurance tax, excise tax, ad valorem tax, transfer tax, stamp tax, sales tax, use tax, property tax, business tax, withholding tax or payroll tax), levy, assessment, tariff, duty (including any customs duty), deficiency or fee, and any related charge or amount (including any fine, penalty or interest), whether disputed or not, imposed, assessed or collected by or under the authority of any Governmental Body.

"***Tax Return***" shall mean any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate, claim for review or other document or information, any schedule or attachment thereto, and any amendment or supplement to any of the foregoing, filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Legal Requirement relating to any Tax.

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Certification

I, John Quandahl, Chief Executive Officer of Western Capital Resources, Inc. certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Western Capital Resources, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: August 14, 2015

/s/ John Quandahl
JOHN QUANDAHL
Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Certification

I, Stephen Irlbeck, Chief Financial Officer of Western Capital Resources, Inc. certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Western Capital Resources, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: August 14, 2015

/s/ Stephen Irlbeck
STEPHEN IRLBECK
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Western Capital Resources, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Quandahl, Chief Executive Officer of the Company and I, Stephen Irlbeck, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John Quandahl
John Quandahl
Chief Executive Officer
August 14, 2015

/s/ Stephen Irlbeck
Stephen Irlbeck
Chief Financial Officer
August 14, 2015