

TO:  
SUBJECT: Referral Agreement  
DATE: January 8, 2007  
FROM:

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Our goal is to register Referrers immediately. Before getting started, the following, enclosed items **must** be returned to us:

- Signed Contract, with each page initialed
- ACH Authorization Form
- W-9 Form
- Voided Business Check
- Driver's License

Thank you...

THIS MERCHANT REFERRAL AGREEMENT (hereinafter "the Agreement") is made between American Verification Processing Solutions, LLC with its principal place of business at 21515 Vanowen Blvd. Ste. 114 Canoga Park, CA 91303 (hereinafter, collectively referred to as "AVPS"), and \_\_\_\_\_ ("Referrer"), a Corporation with its principal place of business at \_\_\_\_\_ and is entered January 8, 2007 (the "Effective Date"). Referrer

**1. Obligations of the Parties**

**1. A. Referrals.** Referrer hereby agrees to refer Eligible Merchants, as defined in Schedule A, to AVPS for the purpose of providing bankcard services on a non-exclusive basis. Upon AVPS' request, Referrer shall provide AVPS with a legible copy of all relevant documents pertaining to the past processing activity, current financial condition or current business practices of any merchant so referred which has been doing business with Referrer at the time of the referral. Referrer shall not knowingly solicit or provide on-line or off-line Visa or MasterCard processing services to any merchant with respect to which AVPS is then providing merchant services. Nothing in this Agreement shall be interpreted to require any marketing of merchant services by Referrer.

**1. B. AVPS Duties.** AVPS shall act promptly upon each merchant lead provided by Referrer, and hereby agrees to (i) provide each qualified merchant (in AVPS' sole determination) so referred with merchant services application and agreement forms, (ii) provide assistance in the completion of those forms, and (iii) quote a bankcard discount rate for said merchant. AVPS shall further provide all such merchants whose application for services is accepted by AVPS with its customary complete merchant support and service. It is understood, however, that AVPS shall determine, in AVPS' sole discretion, whether or not to solicit and/or approve each such merchant, and with whatever limitations thereon as AVPS may deem appropriate. All decisions regarding the qualification and/or acceptance of any such merchant and entering into a merchant agreement therewith, rejecting any such application, or refusing to accept one or more applications for any reason whatsoever, shall be in the sole and absolute discretion of AVPS.

**2. Merchant Referral Fee:**

**2. A.** As Compensation for the performance of its services pursuant to this Agreement, Referrer shall be entitled to receive fifty percent (50%) of the net profits of the Program. For purposes of this section, "net profits" are defined to mean the total of all Merchant discount amounts and merchant discount rate collected by AVPS from referred and approved merchants each month pursuant to AVPS' agreement with such merchants, less ACH rejects, chargebacks and expenses incurred by AVPS (in the Administration and servicing of the referred and approved merchant) including but not limited to any and all Visa and/or MasterCard costs or fees/fines, and third party processor fees.

**2. B.** Should such amount be less than zero, then nothing shall be paid to Referrer.

**2. C.** Minimum Fees: The minimum fee to be offered by AVPS to each referred merchant shall be as follows:

<b>Minimum Fees</b>	<b>Merchant Classification</b>
1.75% + \$0.25	For retail locations where at least 70% of the transactions are swiped through the terminal.
1.75% + \$0.25	For retail locations where at least 85% of the transactions are swiped through the terminal and are contained on AVPS's "Select Retail Merchant List."
2.20% + \$0.30	For mail or telephone order merchant locations <b>or</b> any merchants that swipe less than 70% of their transactions.
2.20% + \$0.30	For Internet Merchants

**2. D.** As compensation for the performance of its services pursuant to this Agreement, Referrer shall be entitled to receive discount income as specified above. Said compensation shall be computed daily by AVPS and paid to Referrer by the twenty-fifth (25<sup>th</sup>) calendar day of the following calendar month, at such time as the total compensation due equals or exceeds the sum of fifty dollars (\$50.00). In the event that the total compensation due is less than fifty dollars (\$50.00) the compensation amount will be forfeited and not paid to Referrer. In the event that total amount due Referrer is less than \$50.00 for 6 consecutive months, then Agreement will automatically terminate and no further compensation is due Referrer.

**3. Liability.**

**3. A. Referrer Responsibility.** Each referred merchant shall contract directly with AVPS for bankcard and/or other merchant processing services. Referrer shall not be liable for any damages, losses or liabilities whatsoever with respect to any such merchant account with AVPS. It is expressly understood that Referrer does not assume any credit risk with respect to any referred merchant with which AVPS contracts to provide merchant processing services.

**3. B. No Warranties by Referrer.** Referrer makes no representation or warranty, express or implied, with respect to any referred merchant including, but not limited to, said merchant's creditworthiness or the nature of its business. Referrer makes no representation regarding, and assumes no liability for the authenticity, validity, accuracy or completeness of, any document or instrument provided to AVPS by any potential merchant.

4. **Term and Termination.**

4. A. **Term of Agreement.** This Agreement shall be effective for one year from the date first set forth herein, and shall automatically be extended for successive thirty (30) day periods until the end of the term or extension period, as the case may be, which terminates at least sixty (60) days after the date that either party gives written notice of termination to the other party.

4. B. **Termination for Cause.** In addition to all other remedies, which may be available to the party, either party may, upon fourteen (14) days written notice to the other party, terminate this Agreement for any material breach of the terms hereof. Termination for Cause will result in the immediate cessation of Referral Fees.

4. C. **Termination for Other Specified Reasons.** In the (i) event either party ceases conducting business in the ordinary course; becomes insolvent; makes a general assignment for the benefit of its creditors; files a petition seeking or acquiescing in any relief for itself under any present or future federal, state or other statute or law relating to bankruptcy, insolvency or other relief for debtors; seeks or consents to or acquiesces in the appointment of any trustee, receiver or liquidator of all or any part of its business or property; or admits in writing its inability to pay its debts generally as they become due, this Agreement shall be automatically and immediately terminated; (ii) AVPS may terminate for cause if the business reputation of AVPS is, or is threatened to be, adversely affected by the quality of services rendered by Referrer or its agents hereunder or by the reputation of Referrer, or both, or (iii) that further performance of services by Referrer hereunder will have an adverse financial impact upon AVPS for any reason. Termination for Other Specified Reasons will result in the immediate cessation of Referral Fees.

5. **General Provisions.**

5. A. **Assignment.** AVPS may assign this Agreement upon thirty-(30) days' written notice to Referrer. Referrer may not assign this Agreement without the prior written consent of AVPS.

5. B. **Confidentiality.** The parties agree that, during the term of this Agreement and thereafter, confidential information, including the financial terms of this Agreement, shall be used solely in connection with satisfying each party's obligations to the other party. The parties shall receive such confidential information in the strictest of confidence and shall not disclose such information to any third party unless required by legal process or appropriate legal demand. The preceding notwithstanding, however, it is understood that this Agreement and the performance of the merchant services contemplated by this Agreement is or may be subject to regulation or examination by federal and/or state regulatory agencies, and each party hereby authorizes the other to submit or furnish to any such agency any and all information as may be required under any applicable law or regulation.

5. C. **Notices.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given: (i) on the date of service if served personally on the party to whom notice is to be given, (ii) on the first business day after transmission if sent by facsimile transmission, or (iii) on the third business day after deposit in the United States mail, registered or certified, postage prepaid and properly addressed as follows:

**If to American Verification Processing Solutions:**

Attn:  
Tiffany Segura, President  
21515 Vanowen Blvd. Suite 114.  
Canoga Park, CA 91303  
Phone: 818-657-3640  
Fax: 818-657-3641

**If to Referrer:**

Attn: \_\_\_\_\_  
CompanyName: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_

Either party may hereafter designate, by notice sent to the other party pursuant to this Paragraph, a different address to which notices are to be sent pursuant to this Agreement.

5. D. **Relationship of Parties.** Referrer and AVPS are each Independent Contractors, and nothing herein contained shall be construed to imply the existence of a partnership or joint venture between them, nor to make either one an agent of the other.

5. E. **Law Governing.** This Agreement shall in all respects be interpreted, governed, construed and enforced by and under the laws of the State of California.

5. F. **Captions.** The captions in this Agreement are for convenience only and shall not be considered a part hereof nor affect the construction or interpretation of any provision hereof.

5. G. **Entire Agreement; Modification; Waiver.** This Agreement contains the entire understanding between the Parties with respect to this subject matter, and shall supersede and cancel all prior offers, negotiations and agreements between the Parties thereon, whether written or oral. Accordingly, this Agreement now constitutes the complete and exclusive statement of the terms and conditions between the Parties covering the performance hereof, and may not be altered, modified or supplemented except by a writing duly executed by each Party; provided, notwithstanding the foregoing, that AVPS shall have the right to amend the provisions set forth in Section 2 hereto upon thirty (30) calendar days' notice to Referrer.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement by their respective officers as of the day and year set forth below.

**American Verification Processing Solutions:**

**Referrer:**

Signature: \_\_\_\_\_

Company: \_\_\_\_\_

By: Tiffany Segura

Signature: \_\_\_\_\_

Title: President

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule A**  
**Prohibited Merchants**  
**American Verification Processing Solutions, LLC**

Prohibited Merchant Types

- Age Verification
- Aggregators
- Any Product/Service considered Illegal
- Auctions of any type
- Barter Services
- Charities through Outbound Telemarketing
- Collection Agencies
- Currency / Commodity Exchange
- E-Cash
- Future delivery beyond three months
- Golf Clubs/accessories
- Home Based Gun Dealers
- Import/Export of any type
- Outbound telemarketing
- Prepaid Legal Services
- Programs on How to Apply for Low Interest Credit Cards
- Third Party Processors

**ACH TRANSACTION AUTHORIZATION**  
**American Verification Processing Solutions, LLC**

I hereby authorize **Bank** to initiate ACH transactions to my (our):

CHECKING

Account at the **Depository** named below. This authority is to remain in full force and effect until such time **Bank** receives written notification from me of its termination, in such time and in such manner as to afford **Bank** and the **Depository** a reasonable opportunity to act on it.

\_\_\_\_\_  
Bank

\_\_\_\_\_  
Branch

\_\_\_\_\_  
Transit/ABA Number

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
Customer's Name

\_\_\_\_\_  
Customer's Name (second name if joint account)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature (second signature if joint account)

\_\_\_\_\_  
Date