

This **Option Agreement** (this "Agreement"), dated as of March 1, 2001, is by and between **Thomas Fletcher Holdings, LLC**, a New York limited liability company with a principal place of business located at 39 Broadway, New York, New York 10006 ("Fletcher"), and **Meiyi Xia**, ("Xia").

WITNESSETH:

WHEREAS, Fletcher and Xia have entered into a Stock Acquisition Agreement, dated as of March 1, 2001 (the "Acquisition Agreement"), pursuant to which Xia has sold, assigned, transferred and conveyed to Fletcher (a) 20% of the Class A common stock (the "Common Stock"), of Asia Pacific Securities, Inc., a Delaware corporation (the "Company"), and (b) an option (the "Option") to purchase the entire balance of the authorized Class A stock (each an "Option Share") of the Company; and

WHEREAS, Fletcher and Xia desire to set forth in writing the terms of the Option; and

WHEREAS, Fletcher would not have entered into the Acquisition Agreement if not for the sale of the Option.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Grant and Option Price.** Xia hereby grants Fletcher the right and Option to purchase 24 shares of Class A Common Stock of the Company representing (80%) percent of the Class A Common Stock of the Company for a purchase price of \$10,056.72 and herewith deposits such securities in escrow with Snow Becker Krauss P.C.

2. **Period of Option.** The Option shall be exercisable in whole, but not in part, by Fletcher at any time during the period commencing on June 1, 2001 and terminating at 5:00 p.m., New York City time, on December 31, 2001 (the "Expiration Time").

3. **Method of Exercising Option.** Fletcher may exercise the Option at any time by giving notice (an "Exercise Notice") of such exercise on or before the Expiration Time. The Closing shall take place at the office of Fletcher's counsel, Snow Becker Krauss P.C. ("Snow Becker"), located at 605 Third Avenue, New York, New York 10158-0125, at 10:00 a.m., within five (5) business days of the Exercise Notice, or at such other location or other time and date as Fletcher and Xia may agree in writing.

4. Closing. At the Closing, Snow Becker Krauss P.C. shall deliver to Fletcher one or more certificates representing the Option Shares subject to the Exercise Notice, endorsed in blank, free and clear of all liens, claims or encumbrances of every kind and nature whatsoever ("Liens"), under the following conditions:

(a) The purchase price for the Option Shares shall be payable to Xia at the time specified and in accordance with the terms set forth in Section 12.1 of the Acquisition Agreement; and

(b) All dividends, however declared or paid, or share splits which may be paid or declared on any Option Shares subsequent to the date of this Agreement shall forthwith be assigned by Xia to Fletcher.

5. Representations and Warranties of Xia. Xia represents and warrants to Fletcher as follows:

(a) The Option Shares. Xia is the lawful owner of and has the full right, power and authority to sell, transfer, and deliver to Fletcher the Option Shares in accordance with the terms of this Agreement, and the sale, transfer, and delivery of the Option Shares in accordance with the terms of this Agreement will transfer good, valid and marketable title to the Option Shares free and clear of all Liens.

(b) Valid Issuance. All of the Option Shares have been duly authorized, are validly issued and outstanding, are fully paid and non-assessable, and no liability attaches to the holders thereof. The Option Shares are owned by Xia free and clear of any and all restrictions, Liens or rights of third parties of any nature whatsoever; there are no existing options, warrants, calls, or commitments on the part of Xia of any character relating to the Option Shares; and no voting agreements or restrictions of any kind affect the rights of any of the Option Shares or the holders thereof.

(c) Authorization. Xia has the right, authority and power to enter into this Agreement, and this Agreement has been duly executed and delivered and constitutes the valid and binding obligation of Xia. No consent of any person not a party to this Agreement and no consent of any governmental authority is required to be obtained on the part of Xia to permit the sale, transfer and assignment of the Option Shares as contemplated by this Agreement.

6. Representations And Warranties of Fletcher. Fletcher represents and warrants to the Xia as follows:

(a) Organization, Good Standing, and Authority. Fletcher is a limited liability company duly formed, validly existing and in good standing under the laws of the State of New York, has the power and authority to own or lease all of its properties and assets and to carry on its business as now being conducted, and possesses all licenses, franchises, rights and privileges material to the conduct of its business taken as a whole.

Neither the character of the properties owned or leased by Fletcher nor the nature of the business currently transacted by it requires Fletcher to be qualified in any other jurisdiction, except in those jurisdictions where Fletcher is so qualified or those jurisdiction where the failure to so qualify would not materially adversely affect the business, properties or operations of Fletcher taken as a whole.

(b) Authorization. Fletcher has the power to enter into this Agreement, and the execution, delivery, and performance of this Agreement by Fletcher has been duly authorized and, when executed and delivered, shall constitute the valid and binding obligation of Fletcher enforceable in accordance with its terms. The execution, delivery, and performance by the Fletcher of its obligations hereunder will not constitute a violation of, conflict with, result in any breach of, or constitute a default under, or result in any claim or the creation of a lien or encumbrance on any of the properties or assets of the Fletcher pursuant to the Certificate of Limited Liability Company or Operating Agreement of Fletcher or any contract, license, indenture, mortgage lease, or other instrument to which Fletcher is a party or by which Fletcher is bound or affected. No consent of any person not a party to this Agreement and no consent of any governmental authority is required to be obtained on the part of Fletcher to permit the consummation of the transactions as contemplated by this Agreement.

(c) Purchase for Investment. Fletcher shall purchase all Option Shares, if any, for its own account for investment purposes only and not with a view to or for sale in connection with the distribution thereof.

7. Covenants. Xia covenants and agrees as follows:

(a) Xia shall, at its own expense, keep all of the Option Shares free and clear of all Liens and shall discharge and satisfy all Liens against the Option Shares through the date which is thirty days after the Expiration Time.

(b) At the Closing, Fletcher shall receive good and marketable title to the Option Shares, free and clear of all Liens.

(c) If at the time the Option is exercised any of the Option Shares is subject to any Lien, Fletcher shall be entitled, in addition to any other rights and remedies, to have so much of the purchase price for such Option Shares as shall be required for that purpose applied to discharge such Lien and to pay all costs and expenses in connection therewith and Xia shall be entitled to receive from Fletcher only such balance of the purchase as remains after the discharge of such Liens. Xia hereby authorizes Fletcher to use such part of the purchase price as may be necessary to discharge any such Liens.

(d) Conduct of Business. Except as otherwise contemplated or permitted by this Agreement, from and after the execution and delivery of this Agreement and until the Expiration Time, Xia shall use his best efforts to cause (i) the Company not to engage in any activities or transactions which shall be outside the ordinary course of the Company's

business without the prior written consent of Fletcher, (ii) the Company not to acquire any assets (other than in the ordinary course or business) having a value of more than \$1,000 or capital stock of any corporation or other entity, (iii) the Company to preserve its existing licenses, franchises, rights, and privileges pertinent to its business and credit arrangements with banks and other financial institutions and (iv) the Company to preserve intact its business organization and keep available its present employees, and to preserve its goodwill and relationships with suppliers, customers, and others with whom they deal and to continue to develop their business, each except with the prior written consent of Fletcher.

(e) Action Needing Consent. Except as otherwise contemplated or permitted by this Agreement, between the date hereof and the Termination Time, Xia shall use his best efforts to cause the Company not to (i) make any change in the Company's authorized capital stock, (ii) issue stock options or warrants or similar rights, (iii) declare or pay any stock dividend or make any reclassification in respect of the Company's outstanding shares of capital stock, (iv) issue or sell any shares of their capital stock (or securities convertible into or exchangeable for, with, or without additional consideration, such capital stock) except pursuant to the exercise of outstanding stock options and warrants, (v) purchase or otherwise acquire for consideration any outstanding shares of the Company's capital stock, or except in the ordinary course of business consistent with sound business judgement, any outstanding debt securities, (vi) declare, pay, or set apart any cash dividend or other distribution or payment in respect of the Company's capital stock, (vii) enter into any merger or consolidation, (viii) incur any obligations or liabilities (absolute or contingent) other than those incurred in the ordinary course of business, (ix) enter into any sales or service contract or agreement, (x) mortgage, pledge, or subject to lien or to any other encumbrance (other than a lien for taxes not yet payable), any of their assets, tangible or intangible, other than in the ordinary course of business, (xi) discharge or satisfy any lien or encumbrance or pay any obligation or liability, except current liabilities included on the Company Financial Statements (as such term is defined in the Acquisition Agreement) and current liabilities incurred since that date in the ordinary course of business, (xii) sell or transfer any of the Company's assets or cancel any debts or claim, except in the ordinary course of business, (xiii) sell, assign, or transfer any trade secrets, patents, trademarks, trade names, copyrights, licenses or other intangible assets, (xiv) enter into or amend or cancel any contract or transaction, other than in the ordinary course of business, (xv) enter into any agreement or commitment other than in the ordinary course of business which, if entered into prior to the date of this Agreement, would be required to be listed on any Exhibit hereto, (xvi) amend the Company's Articles of Incorporation or Bylaws, or (xvii) agree to do any of the foregoing, each except with the prior written consent of Fletcher.

(f) Implementation of Representations and Warranties. Xia will take all action to render accurate as of the Termination Time Xia's representations and warranties contained in this Agreement, and Xia will refrain from taking any action which would render inaccurate as of the Closing Date any such representations or warranties.

(g) Deposit of Option Shares. Simultaneously with the execution of this Agreement, Xia shall deposit with Snow Becker, as escrow agent, one or more stock

with a copy to:

Snow Becker Krauss P.C.
605 Third Avenue
New York, New York 10158-0125
Attention: Charles Snow, Esq.

or, in the case of any of the parties hereto, at such other address as such party shall have furnished in writing, in accordance with this paragraph 8(c), to the other parties hereto. Each such request, demand, notice or other communication shall be deemed given (i) on the date of delivery by hand, (ii) on the first business day following the date of delivery to an overnight courier or (iii) three business days following mailing by registered or certified mail.

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

(e) Counterparts. This Agreement may be executed in counterparts, and when so executed each counterpart shall be deemed to be an original, and said counterparts together shall constitute one and the same instrument.

(f) Binding Nature. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement. Neither Xia, nor Fletcher may assign or transfer any rights under this Agreement.

(g) Waiver. Any of Xia or Fletcher may, by written notice to the other, (i) waive any of the conditions to its obligations hereunder or extend the time for the performance of any of the obligations or actions of the other, (ii) waive any inaccuracies in the representations of the other contained in this Agreement or in any documents delivered pursuant to this Agreement, (iii) waive compliance with any of the covenants of the other contained in this Agreement, and (iv) waive or modify performance of any of the obligations of the other. No action taken pursuant to this Agreement including, without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action or compliance with any representation, warranty, condition or agreement contained herein. Waiver of the breach of any one or more provisions of this Agreement shall not be deemed or construed to be a waiver of other breaches or subsequent breaches of the same provisions.

(h) Entirety of Agreement. This Agreement, including all exhibits, attachments, and attachments to exhibits hereto and all certificates, letters, and opinions referenced or called for herein, constitutes the entire agreement among the parties and supersedes all prior oral or written proposals and communications.

(i) Other Agreements. All oral or written agreements heretofore made between the parties hereto in contemplation of this Agreement are superseded by this Agreement and are hereby terminated in their entirety.

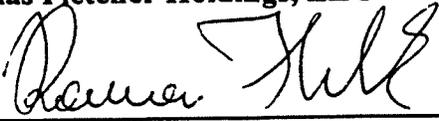
(j) Good Faith. Each of the parties hereto agrees that it shall act in good faith in an attempt to cause all the conditions precedent and subsequent to their respective obligations to be satisfied.

(k) Amendment or Modification. The parties hereto may amend or modify this Agreement by a written instrument executed by such parties.

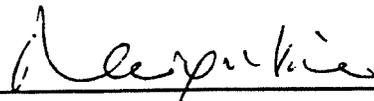
(l) Applicable Law. This Agreement will be governed by, and construed and enforced in accordance with the laws of the State of New York without regard to the conflict of laws provisions thereof. The parties hereto do hereby consent and submit to the venue and jurisdiction of the state and federal courts sitting in the State of New York, County of New York, as the sole and exclusive forum for such matters of dispute, and further agree that, in the event of any action or suit as to any matters of dispute between the parties, service of any process may be made upon the other party in the same manner as the giving of notices under paragraph 8(c) of this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

Thomas Fletcher Holdings, LLC

By:  _____

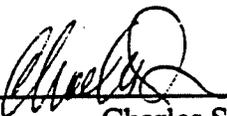
Roman ^[Name and Title] Thaker, Managing Director



Meiyi Xia

Agreed to as to paragraphs 1, 3 and 4 only:

Snow Becker Krauss P.C.

By:  _____
Charles Snow

This **STOCK ACQUISITION AGREEMENT**, dated as of March 1, 2001 (this "Agreement"), is by and among Thomas Fletcher Holdings, LLC, a New York limited liability company (the "Buyer"), Meiyi Xia ("Seller") and Asia Pacific Securities, Inc., a Delaware corporation (the "Company").

RECITALS:

WHEREAS, Seller is the owner of all of the issued and outstanding shares (each, a "Share") of the Class A common stock, (the "Common Stock"), of the Company; and

WHEREAS, Buyer desires to acquire 6 Shares representing twenty (20%) of the outstanding Class A Common Stock (the "Initial Shares") and an option (the "Option") to acquire 24 of such Shares representing the remaining eighty (80%) percent of the outstanding Class A Common Stock (each, an "Option Share") from the Seller; and

WHEREAS, the form, terms and provisions of the Option shall be evidenced in an Option Agreement (the "Option Agreement"), substantially in the form attached as Appendix A to this Agreement; and

WHEREAS, Seller desires to sell to Buyer the Initial Shares and the Option; and

WHEREAS, the Board of Directors of the Company has determined that it is advisable and to the Company's advantage and benefit to that such a sale of the Shares and Option to Buyer be consummated; and

WHEREAS, the Board of Directors of the Company has approved and adopted this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, representations, warranties and covenants contained in this Agreement and other good and valuable consideration, the adequacy and receipt is hereby acknowledged by each of the parties to this Agreement, the parties to this Agreement do hereby agree as follows:

ARTICLE I - PURCHASE AND SALE

1.1. Sale and Purchase of the Shares and Option. On the Closing Date (as defined in Section 11.1 of this Agreement), in accordance with the provisions of this Agreement and applicable law, Seller will sell, assign, transfer and convey to Buyer, and Buyer will purchase from Seller the Initial Shares and the Option.

ARTICLE II - CONSIDERATION

2.1. Amount of Share Consideration. In consideration for the sale, assignment, transfer and conveyance of the Initial Shares to Buyer from Seller pursuant to Section 1.1. above, Buyer shall pay to Seller the sum of \$4,945.20 on the date hereof (the "Share Consideration").

2.2. Amount of Option Consideration. In consideration for the sale, assignment, transfer and conveyance of the Option to Buyer from Seller pursuant to Section 1.1. above, Buyer shall pay to Seller the sum of \$10,000.00 (the "Option Consideration"), payable in immediately available funds. In addition, at the Closing, Buyer shall tender Seller the exercise price of the Option in the amount of \$10,056.72 (the "Option Exercise Amount"). The Option may be exercised in whole, but not part, by notice to the Company and Xia given in writing on or before June 1, 2001; or such notice after such date on or before December 31, 2001, in which case the Option Exercise Amount shall be \$20,000. In the event, the Buyer fails to exercise the Option prior to December 31, 2001, the Seller shall pay the Buyer the amount of \$5,000 within ten days thereafter.

ARTICLE III - REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND SELLER

The Company and Seller, jointly and severally, represent and warrant to Buyer as follows:

3.1. Organization. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as now being conducted, and possesses all licenses, franchises, rights and privileges material to the conduct of its business taken as a whole. Neither the character of the properties owned or leased by the Company nor the nature of the business transacted by it requires the Company to be qualified in any other jurisdiction, except where the failure to so qualify would not materially adversely affect the business, properties or operations of the Company taken as a whole.

3.2. Subsidiaries. The Company does not own any equity interest in any other corporation, partnership, joint venture, unincorporated association, or other business enterprise or association.

3.3. Capitalization. The authorized capital stock of the Company as of the date of this Agreement is as set forth on Exhibit 3.3. All of the issued and outstanding shares of stock are as set forth in Exhibit 3.3. There are no existing options, warrants, calls or commitments on the part of the Company of any character relating to shares of Stock. There are no preemptive rights to purchase or otherwise acquire shares of Common Stock from the Company pursuant to any provisions of law or the Certificate of Incorporation or Bylaws of the Company or by agreement or otherwise.

3.4. Minute Books. Exhibit 3.4 hereto comprising the minute books of the Company contain complete and accurate records of all meetings and other corporate actions of the shareholders and the Board of Directors (including any committees of the Board) of the Company.

3.5. Financial Statements. The balance sheet of the Company at February 28, 2001 (the "Company Financial Statements"), have been prepared in conformity with generally accepted accounting principles applied on a consistent basis within such period and with prior periods, and present fairly the financial position, results of operations and changes in financial position of the Company at the dates and for the periods stated therein.

3.6. Title to Properties. Except as set forth in the Company Financial Statements and except for any lien for current taxes not yet delinquent, the Company has good and valid title, free and clear of any liens, claims, charges or other encumbrances, to all of the tangible and intangible assets and property reflected in the Company Financial Statements (except property disposed of in the ordinary course of business since February 28, 2001 and all such property acquired since the February 28, 2001).

3.7. No Changes. Since February 28, 2001, except as set forth in Exhibit 3.7, there has not been:

3.7.1. Any change in the business, financial condition or results of operations of the Company, or any event or condition which has had, or may reasonably be expected to have, a material adverse effect on the business, financial condition or results of operations of the Company;

3.7.2. Any destruction, damage, or other casualty loss (whether or not covered by insurance) which has had, or may reasonably be expected to have, a material adverse effect on the business, financial condition or results of operation of the Company;

3.7.3. Any direct or indirect redemption, purchase or other acquisition of any shares of the Company's capital stock by the Company, or any declaration, setting aside or payment of any dividend on any shares of Common Stock;

3.7.4. Any issuance of shares of Common Stock;

3.7.5. Any indebtedness for borrowed money incurred, assumed or committed by the Company or any mortgage, pledge, or other lien, charge or encumbrance of, against or upon any property or assets of the Company; or

3.7.6. Any other material transaction entered into by the Company, other than in the ordinary course of business or as contemplated by this Agreement.

3.8. Undisclosed Liabilities. Except as set forth in the Company Financial Statements or in Exhibit 3.8, there are no liabilities of the Company of any kind whatsoever, whether or not accrued and whether or not absolute or contingent, determined or determinable, and no

existing condition or circumstance which could reasonably be expected to result in such a liability, other than:

3.8.1. Such as were not disclosed or provided for in the Company Financial Statements because, individually or in the aggregate, such provision or disclosure was not necessary for a fair presentation of the financial condition or results of operations of the Company as of, or for the periods ending on, the dates thereof in accordance with generally accepted accounting principles; or

3.8.2. Liabilities incurred since the Company Balance Sheet Date, none of which has had, or may reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations of the Company.

3.9. Taxes. Except as set forth in Exhibit 3.9 hereto, the Company has filed all tax returns and reports required to be filed and has paid, or set aside an adequate reserve for the payment of, all taxes required to be paid in respect of the periods covered by such returns, and has set aside an adequate reserve for the payment of all income, franchise, property, excise, sales, employment or other taxes estimated by the Company to be payable in respect of the period subsequent to the last of said periods; the Company has no material liability for such taxes in excess of the amounts so paid or reserves so set aside; and the Company is not delinquent in the payment of any tax, interest or penalty or other governmental charge or assessment, and has not requested any extension of time within which to file any tax returns or reports which have not since been filed, and no material deficiencies for any tax or other governmental charge or assessment have been claimed, proposed or assessed. For the purposes of this Agreement, the term "tax" includes all federal, state, local and foreign taxes and related governmental charges.

3.10. No Violations of Law. The Company is not in violation of any applicable provisions of any federal, state, local or foreign law, ordinance, rule or regulation, or any judgement, order, writ or decree, which violations, individually or in the aggregate, could have a material adverse effect on the business, financial condition or results of operations of the Company.

3.11. Accounts Receivable. All of the notes and accounts receivable of the Company reflected on the Company Financial Statements unpaid as of the Closing Date (as hereinafter defined) were and shall be good and collectible within six months of the Closing Date, with the exception of an amount equal to the reserves for bad debts indicated on the Company Financial Statements and any and all discounts, credits or refunds with respect to services or products sold (the "Reserves"), which Reserves have been established in conformity with past accounting policy of the Company. Between February 28, 2001 and the Closing Date, the Company has not and will have not received any notice of counter-claims, set offs or facts indicating uncollectability of any notes or accounts receivable in any amount in the aggregate exceeding the amount included in the Reserves with respect to such counterclaims, set-offs or indicated facts. The accounts receivable of the Company shown on the Company Financial Statements and all accounts receivable acquired thereafter, arose or will arise from valid transactions in the ordinary course of business. No accounts receivable reflected on the books of the Company have or will have resulted from consignment sales.

3.12. Plant and Equipment. All of the property, plant, machinery and equipment of the Company are in reasonable repair, reasonably maintained, and in reasonable and satisfactory operating condition, free from any known defects, except such minor defects as do not substantially interfere with the continued use thereof in the conduct of normal operations of the Company and such property, plant, machinery and equipment are reasonably well suited to the efficient conduct of the business of the Company. All such property, plant, machinery, and equipment owned by the Company are valued on the Company Financial Statements at original purchase price less reasonable depreciation consistently applied in accordance with generally accepted accounting principles.

3.13. Properties; Leases. The Company has good, valid and marketable title to all real property and tangible and intangible personal property and assets owned by it, including the property and assets listed on the Company Financial Statements, and, except as set forth on Exhibit 3.13, such are free and clear of all liens, claims, charges or encumbrances. Exhibit 3.13 also contains a true and complete listing of all real property, including any improvements thereon, and all items of tangible and intangible property (excluding inventory) owned by the Company and of all leases under which the Company presently holds or leases real property or tangible and intangible property. Except as indicated on Exhibit 3.13, each such lease is valid and subsisting and, subject to laws of general application affecting the rights and remedies of creditors, is, to the best knowledge and belief of the Company and Seller, enforceable in accordance with its terms, and no material default of the Company, or, to the best knowledge and belief of the Company and Seller, of any lessor thereof, exists under any of said leases. To the best of the Company's and Seller's knowledge, none of the properties or assets of the Company, nor the operation or maintenance thereof, contravenes any zoning restriction or other administrative regulation (whether or not permitted because of prior non-conforming use) or violates any restrictive covenant or any provision of law in such a way as to materially and adversely affect the business or properties of the Company. Since the Company Balance Sheet Date, none of the properties or assets owned or leased by the Company has been destroyed by any casualty or otherwise.

3.14. Inventory. The inventory reflected on the Company Financial Statements (except for inventory sold in the ordinary course of business and inventory acquired since the January 31, 2001 and at the Closing Date) consists and will consist of items of quality and quantity usable and salable in the ordinary course of business of the Company. All of the items included in the inventory are the property of the Company, except for sales made in the ordinary course of business and for any such sales either the purchaser has made full payment or the purchaser's liability to make payment is reflected on the books and records of the Company. No items reflected in such inventory has been or will be pledged as collateral or will be held by the Company on consignment from others. There is no consigned inventory.

3.15. Software. Exhibit 3.15 hereto includes a complete list of each computer software package which the Company owns, has license rights to, uses, or markets in connection with its business, which Exhibit 3.15 sets forth the manner in which such computer software packages are held and whether the Company holds (and the manner in which held) any registered or common law copyrights or trademarks to such computer software packages. The Company has all right, title, and interest in and to all such software, free and clear of all liens, claims, charges or encumbrances, and to any and all copies, modifications, alterations, and enhancements thereto or

parts thereof. Further, the Company has all right, title and interest in and to all such copyrights or trademarks, free and clear of all liens, claims, charges or encumbrances, unless otherwise reflected on Exhibit 3.15.

All of such licenses are valid, subsisting, and in full force and effect, and held free and clear of all liens, claims, charges or encumbrances. The Company is not in breach or default under any such license and the purchase by Buyer of the Shares and Option, the exercise of the Option or the consummation of the transactions contemplated by this Agreement does not conflict with any restriction or require any consent or other approval under any such license, except where such consent or other approval is provided to Buyer, in writing, prior to or on the Closing Date.

3.16. Litigation; Claims. Except as set forth on Exhibit 3.16, there are no claims (asserted or unasserted), actions, suits, investigations, or proceedings pending or, to the knowledge of the Company or Seller, threatened against or affecting the Company or its property or business, at law or in equity, or before or by any governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, which if determined adversely would have a material adverse effect, individually or collectively, on the business, financial condition or results of operations of the Company or the ability of the Company to carry on its business as presently conducted. Exhibit 3.16 also sets forth a description of all pending litigation involving the Company. Neither the claims set forth in Exhibit 3.16 nor, to the extent known as of the date hereof, any future claim, action, suit, investigation, or proceeding arising out of the operations of the Company prior to the Closing Date will result in awards, judgements, fees, or expenses, in the aggregate amount, in excess of the amount of that portion of the reserve established with respect to such claim, action, suit, investigation or proceeding, as such amount is reflected on the Balance Sheet. The Company is not in default with respect to, and the execution, delivery, and performance by the Company of this Agreement, and the consummation of the transactions herein contemplated will not conflict with or result in the breach or violation of any judgement, order, writ, injunction, or decree of any court or governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign. To the knowledge of the Company, no governmental agency has at any time challenged or questioned the legal right of the Company to offer or sell any of the Company's products and services in the present manner or style thereof.

3.17. Audits. The Company has not been since its inception and is not currently the subject of nor has it been notified that it will be the subject of any tax audit by any governmental taxing agency, except as set forth on Exhibit 3.17.

3.18. Agreements, Contracts and Commitments. Except as disclosed in the Company Financial Statements or Exhibit 3.18 hereto, the Company is not a party to or otherwise subject to any oral or written (i) agreements, contracts, or commitments for the employment of any officer or employee which are not terminable (without liability) on 30 or less days' notice, (iii) profit sharing, bonus, deferred compensation, stock option, severance pay, pension, retirement, or similar plans or agreements providing employee benefits, (iv) mortgages, indentures, notes, or other agreements contracts, commitments, or instruments for or relating to any borrowing of money or the deferred purchase price of property, (v) guarantees of any obligations for the borrowing of money or otherwise, or any other agreement of guarantee or indemnification, excluding endorsements made

for collection in the ordinary course of business, (vi) agreements, contracts, or commitments for the purchase or sale of any assets other than in the ordinary course of business or for the grant of any preferential rights to purchase any of their assets, properties or rights, (vii) agreements, contracts, commitments, or other instruments containing any covenant limiting the freedom of the Company or any of its subsidiaries to engage in any line of business in any area of the world or to compete with any person or entity or which constitute an undue material burden on the business, financial condition, or properties of the Company or any of its subsidiaries, (viii) continuing agreements, contracts, or commitments for future purchase of materials, supplies, or equipment, (ix) agreements, contracts, or binding commitments relating to the issuance of any securities of the Company or to capital expenditures involving future payments, (x) agreements, contracts, or commitments relating to the acquisition of the assets or a substantial part of the assets or capital stock of any business enterprise, (xi) agreements, contracts, or commitments with any officer, director, five percent (5%) shareholder of the Company or any "associate" of any of them as that term is defined in Rule 405 of the Securities Act of 1933, (xiii) agreements, contracts, commitments or other instruments not entered into in the ordinary course of business. Except as set forth in Exhibit 3.18, the Company is not in default under any franchise, contract, agreement, lease, or other material document to which the Company is a party or by which the Company or its property are bound which default would materially and adversely affect, individually or collectively, the business or property of the Company, and there have been no claims of defaults and there are no existing facts or conditions known to the Company which, if continued or upon notice, individually or collectively, will result in a default under the material contracts to which the Company is a party or by which the Company or its property may be bound and which would materially and adversely affect the business or property of the Company, individually or collectively.

Except as otherwise contemplated or permitted by this Agreement, between the date hereof and the expiration of the Option, without the prior consent of Buyer and except in the ordinary course of business, the Company will not amend, in any material respect, or enter into any contract, agreement, or other instrument of the types described in this Section 3.18.

3.19. Employees, Agents, Etc. Exhibit 3.19 contains a list as of the date hereof of (i) the names of all employees of the Company or any of its subsidiaries, (ii) the names and addresses of all persons, if any, holding a power of attorney on behalf of the Company and (iii) the names and addresses of all banks and other institutions at which the Company has accounts, deposit or safety deposit boxes, with the names of all persons authorized to draw on or give instructions with respect to such accounts or deposits or to have access to said boxes.

3.20. Customers. Exhibit 3.20 hereto sets forth all customers of the Company. The relationship of the Company with the customers set forth on Exhibit 3.20 hereto is good, except as noted on said Exhibit 3.20; there is no present indication of any intention to terminate or modify any such relationships, and there is no present reason to believe that the benefits of any relationship with such customers will not continue to be available to the Company.

3.21. Patents, Trademarks, Etc. The Company has no registered patents, registered copyrights, or registered trademarks. The Company does, however, hold such copyrights and trademarks as common law may permit.

3.22. Insurance. Exhibit 3.22 hereto contains a true and complete list and description of all policies of insurance maintained by the Company. Such insurance or comparable insurance will be maintained in full force and effect to and including the Closing Date.

3.23. Competition. Except as set forth on Exhibit 3.23 hereto, neither the Company nor any officer or director of the Company has any material direct or indirect financial or economic interest in any competitor, supplier, or customer of the Company. For purposes of this Section 3.23., ownership of less than 2% of the voting stock of any publicly-held corporation shall not constitute such an interest.

3.24. Authorization. The Company has the corporate power to enter into this Agreement, and the execution, delivery, and performance of this Agreement by the Company has been duly authorized, and when executed and delivered shall constitute the valid and binding obligation of the Company enforceable in accordance with its terms. The execution, delivery, and performance by the Company of its obligations hereunder will not constitute a violation of, conflict with, result in any breach of, or constitute a default under, or result in any claim or the creation of a lien or encumbrance on any of the properties or assets of the Company pursuant to the Certificate of Incorporation or Bylaws of the Company or any contract, license, indenture, mortgage lease, or other instrument to which the Company is a party or by which the Company is bound or affected.

3.25. Compliance with Laws. To the best of the knowledge of the Company and Seller, the Company has complied with and is not in violation of any federal, state, local, or foreign statute, law, rule, or regulation with respect to the conduct of its businesses, the ownership or operation of its properties, or the sale or purchase of its securities which violation might have a material adverse effect on the business, financial conditions, or earnings of the Company, taken as a whole.

3.26. Finders. The Company is not obligated, absolutely or contingently, to any person for financial advice, a finder's fee, brokerage commission, or other similar payment in connection with the transactions contemplated by this Agreement.

3.27. Absence of Certain Payments. Neither the Company nor any of its directors, officers, agents, employees, or other persons associated with or acting on behalf of any of them, has, to the best of the Company's and Seller's knowledge, used any funds of the Company or Seller for unlawful contributions, gifts, entertainment, or other unlawful expenses relating to political activity or made any direct or indirect unlawful payment to governmental officials or employees (foreign or domestic) from corporate funds or established or maintained any unlawful or unreported funds.

3.28. Interest in the Company's Assets. Except as set forth on Exhibit 3.28 and except for the normal rights of a shareholder, no shareholder, officer, or director of the Company has any interest in any property, real or personal, or tangible or intangible, including inventions, patents, copyrights, trademarks, or trade names used in or pertaining to the business of the Company.

3.29. Effect of Agreement. The execution and delivery by the Company of this Agreement and the consummation of the transactions herein contemplated will not conflict with or

result in a breach of the terms of or constitute a default under or violation of any law or regulation of any governmental authority, domestic or foreign, or the Certificate of Incorporation or Bylaws of the Company or any agreement or instrument to which the Company is a party or by which the Company is bound or to which the Company is subject nor will it give to others any interests or rights, including rights of termination, acceleration, or cancellation, in or with respect to any of the properties, assets, agreements, contracts, or business of the Company. No consent of any person not a party to this Agreement and no consent of any governmental authority is required to be obtained on the part of the Company to permit the transactions contemplated by this Agreement or to permit the continuation by the Company after the Closing Date of the business activities of the Company in the manner such businesses are presently carried on by the Company.

3.30. Nature of Representations. No representation, warranty, or agreement made by the Company or Seller in this Agreement, the Exhibits hereto, the Company Financial Statements, or any other document referred to herein contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make any statement, representation, warranty, or agreement not misleading. The Company and Seller do not know of any material fact or condition adversely affecting the value of the Common Stock or the assets, whether owned or leased, or the business operations of the Company which has not been disclosed in writing to Buyer. The Company and Seller agree to disclose to Buyer prior to or on the Closing Date any fact, information, document, or notice which would have an adverse effect on any statements, covenant, representation, warranty, or agreement contained in this Agreement, any Exhibit hereto, the Company Financial Statements, or any other document referred to herein.

ARTICLE IV - REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

4.1. The Shares. Seller is the lawful owner of and has the full right, power, and authority to sell, transfer, and deliver to the Buyer the Shares in accordance with the terms hereof and the Option Agreement and the sale, transfer, and delivery of the Shares in accordance with the terms of this Agreement and the Option Agreement will transfer good, valid and marketable title thereto free and clear of all liens, encumbrances, claims or rights of every kind and nature whatsoever.

4.2. Valid Issuance. All of the Shares have been duly authorized, are validly issued and outstanding, are fully paid and non-assessable, and no liability attaches to the holders thereof. The Shares are owned by Seller free and clear of any and all restrictions, liens, claims, or encumbrances or rights of third parties of any nature whatsoever; there are no existing options, warrants, calls, or commitments on the part of Seller of any character relating to the Shares; and no voting agreements or restrictions of any kind affect the rights of any of the Shares of the holders thereof.

4.3. Authorization. Seller has the right, authority and power to enter into this Agreement, and this Agreement has been duly executed and delivered and constitutes the valid and

binding obligation of Seller. No consent of any person not a party to this Agreement and no consent of any governmental authority is required to be obtained on the part of Seller to permit the sale, transfer and assignment of the Shares as contemplated by this Agreement and the Option Agreement.

4.4. Finders. Seller is not obligated, absolutely or contingently, to any person for financial advice, a finder's fee, brokerage commission, or other similar payment in connection with the transactions contemplated by this Agreement.

ARTICLE V - REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to the Company and Seller as follows:

5.1. Organization, Good Standing, and Authority. Buyer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of New York, has the power and authority to own or lease all of its properties and assets and to carry on its business as now being conducted, and possesses all licenses, franchises, rights and privileges material to the conduct of its business taken as a whole. Neither the character of the properties owned or leased by Buyer nor the nature of the business currently transacted by it requires Buyer to be qualified in any other jurisdiction, except in those jurisdictions where Buyer is so qualified or those jurisdiction where the failure to so qualify would not materially adversely affect the business, properties or operations of Buyer taken as a whole.

5.2. Authorization. Buyer has the corporate power to enter into this Agreement, and the execution, delivery, and performance of this Agreement by Buyer has been duly authorized and, when executed and delivered, shall constitute the valid and binding obligation of Buyer enforceable in accordance with its terms. The execution, delivery, and performance by the Buyer of its obligations hereunder will not constitute a violation of, conflict with, result in any breach of, or constitute a default under, or result in any claim or the creation of a lien or encumbrance on any of the properties or assets of the Buyer pursuant to the Certificate of Limited Liability Company or Operating Agreement of Buyer or any contract, license, indenture, mortgage lease, or other instrument to which Buyer is a party or by which Buyer is bound or affected. No consent of any person not a party to this Agreement and no consent of any governmental authority is required to be obtained on the part of Buyer to permit the consummation of the transactions as contemplated by this Agreement.

5.3. Purchase for Investment. Buyer is purchasing the Shares for its own account for investment purposes only and not with a view to or for sale in connection with the distribution thereof.

5.4. Finders. Buyer is not obligated to any person for financial advice, a finder's fee, brokerage commission, or other similar payment in connection with the transactions contemplated by this Agreement.

ARTICLE VI - ACCESS TO INFORMATION

6.1. Access to Company Information. Until the Closing Date, the Company covenants to Buyer that the Company shall afford officers and representatives of Buyer reasonable access to officers, personnel, and professional representatives of the Company and such of the financial, contractual, and corporate records of the Company as Buyer shall reasonably request and as shall be reasonably necessary for Buyer's investigations and appraisal of the Company. In addition, the Company, until the Closing Date, shall provide all reasonably necessary office space for one or more representatives of Buyer at the premises of the Company.

6.2. Confidentiality. Buyer covenants that all information not previously disclosed to the public or generally known to persons engaged in the business of the Company which shall have been furnished by the Company to Buyer as provided in this Article VI shall not be disclosed to any person other than Buyers' members, employees, legal counsel, financial advisers, accountants or agents in confidence, or used for any purpose other than as contemplated herein. In the event that the transactions contemplated by this Agreement shall not be consummated, all such information which shall be in writing shall be returned to the party furnishing the same including to the extent reasonably practicable copies or reproductions thereof which may have been prepared, and neither party shall at any time thereafter disclose to third parties, or use, directly or indirectly for its own benefit, any such information, written or oral, about the business of the other party hereto.

6.3. Manner of Investigation. Any investigation by Buyer shall not be conducted in such manner as to interfere unreasonably with the operation of the business of the Company.

ARTICLE VIII - CONDUCT OF THE COMPANY PRIOR TO THE OPTION TERMINATION DATE; COVENANTS OF THE COMPANY AND SELLERS

The Company and Seller covenant and agree as follows:

7.1. Conduct of Business. Except as otherwise contemplated or permitted by this Agreement, from and after the execution and delivery of this Agreement and until December 31, 2001 (the "Option Termination Date"), (i) the Company will not engage in any activities or transactions which shall be outside the ordinary course of their business without the prior written consent of Buyer, (ii) the Company will not acquire any assets (other than in the ordinary course or business) having a value of more than \$1,000 or capital stock of any corporation or other entity, (iii) the Company will use its best efforts to preserve its existing licenses, franchises, rights, and privileges pertinent to its business and credit arrangements with banks and other financial institutions, and (iv) the Company will use its best effort to preserve intact its business organization and keep available its present employees, and to preserve its goodwill and relationships with suppliers, customers, and others with whom they deal and to continue to develop their business.

7.2. Notice of Certain Defaults or Claims. The Company will give prompt notice to Buyer of any notice of default received by it subsequent to the date of this Agreement and prior to the Option Termination Date under any instrument or agreement to which the Company is a party

or by which it is bound, and of the assertion of any claim which, if upheld, would render inaccurate any representation of the Company herein.

7.3. Action Needing Consent.

7.3. Except as otherwise contemplated or permitted by this Agreement, between the date hereof and the Option Termination Date, the Company will not, without the prior written consent of Buyer, (i) make any change in the Company's authorized capital stock, (ii) issue stock options or warrants or similar rights, (iii) declare or pay any stock dividend or make any reclassification in respect of the Company's outstanding shares of capital stock, (iv) issue or sell any shares of their capital stock (or securities convertible into or exchangeable for, with, or without additional consideration, such capital stock) except pursuant to the exercise of outstanding stock options and warrants, (v) purchase or otherwise acquire for consideration any outstanding shares of the Company's capital stock, or except in the ordinary course of business consistent with sound business judgement, any outstanding debt securities, (vi) declare, pay, or set apart any cash dividend or other distribution or payment in respect of the Company's capital stock, (vii) enter into any merger or consolidation, (viii) incur any obligations or liabilities (absolute or contingent) other than those incurred in the ordinary course of business, (ix) enter into any sales or service contract or agreement except in the ordinary course of business, (x) mortgage, pledge, or subject to lien or to any other encumbrance (other than a lien for taxes not yet payable), any of their assets, tangible or intangible, other than in the ordinary course of business, (xi) discharge or satisfy any lien or encumbrance or pay any obligation or liability, except current liabilities included on the Company Financial Statements and current liabilities incurred since that date in the ordinary course of business, (xii) sell or transfer any of the Company's assets or cancel any debts or claim, except in the ordinary course of business, (xiii) sell, assign, or transfer any trade secrets, patents, trademarks, trade names, copyrights, licenses or other intangible assets, (xiv) enter into or amend or cancel any contract or transaction, other than in the ordinary course of business, (xv) enter into any agreement or commitment other than in the ordinary course of business which, if entered into prior to the date of this Agreement, would be required to be listed on any Exhibit hereto, (xvi) amend the Company's Articles of Incorporation or Bylaws, or (xvii) agree to do any of the foregoing.

7.4. Implementation of Representations and Warranties. The Company and Seller will take all action to render accurate as of the Closing Date and as of the Option Termination Date the Company's and Seller's representations and warranties contained in this Agreement, and the Company and Seller will refrain from taking any action which would render inaccurate as of the Closing Date any such representations or warranties.

7.5. Communications. Between the date hereof and the Option Termination Date, the Company and Seller will not furnish any communications to the public generally if the subject matter thereof relates to Buyer or to the transactions contemplated by this Agreement without the prior approval of Buyer as to the content thereof.

7.6. Survival. The provisions of this Article VII shall survive the Closing.

ARTICLE VIII - COVENANTS OF BUYER

Buyer covenants and agrees as follows:

8.1. Implementation of Representations and Warranties. Buyer will take all action to render accurate as of the Closing Date Buyer's representations and warranties contained in this Agreement, and Buyer will refrain from taking any action which would render inaccurate as of the Closing Date any such representations or warranties.

ARTICLE IX - CONDITIONS TO OBLIGATIONS OF BUYER

The obligations of Buyer under this Agreement are, at the option of Buyer, subject to the satisfaction at and prior to the Closing Date of the following conditions:

9.1. Change of Name. Seller shall have caused the name of the Company to be changed to "Thomas Fletcher & Company, Inc." in accordance with applicable law and the National Association of Securities Dealers, Inc. (the "NASD") shall be notified of such change of name in accordance with the rules and regulations of the NASD.

9.2. Change of Principal Place of Business. Seller shall have caused the Company to relocate its principal place of business to 39 Broadway, New York, New York 10006 and the NASD shall be notified of such change of principal place of business in accordance with the rules and regulations of the NASD.

9.3. Fulfillment of Covenants. All the terms, covenants and conditions of this Agreement to be complied with and performed by the Company and Seller on or before the Closing Date shall have been duly complied with and performed, and there shall have been delivered to Buyer a certificate to such effect dated the Closing Date, signed by the Company's President and Secretary and by Seller. In such certificate, Seller shall also state all positions held with the Company and Seller's access to and receipt of information necessary for them to make each representation and warranty contained in Articles III and IV on an informed and reasonable basis.

9.4. Accuracy of Representations and Warranties. All of the representations and warranties made by the Company and Seller contained in this Agreement shall be true as of the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date, and the Company and Seller shall have delivered to Buyer a certificate to such effect, signed by the Company's President and Secretary and by Seller. In such certificate, Seller shall also state all positions held with the Company and Seller's access to and receipt of information necessary for them to make each representation and warranty contained in Articles III and IV on an informed and reasonable basis.

9.5. No Litigation. There shall be no action, proceeding, investigation or pending or actual litigation the purpose of which is to enjoin or may be to enjoin the transactions contemplated by this Agreement or which would have the effect, if successful, of imposing a

material liability upon Buyer, or any of the officers or directors of Buyer, because of or due to, in many respects, the consummation of the transactions contemplated by this Agreement. There shall be no action, proceeding, investigation or pending or actual litigation against or with respect to the Company, Seller, outstanding shares of Common Stock or the Shares which could, in any way, invalidate or damage this Agreement or value of the assets which Buyer is acquiring pursuant to this Agreement.

ARTICLE X - CONDITIONS TO OBLIGATIONS OF SELLER

The obligations of Seller under this Agreement are, at the option of Seller subject to the satisfaction at and prior to the Closing Date of the following conditions:

10.1. Fulfillment of Covenants. All the terms, covenants and conditions of this Agreement to be complied with and performed by Buyer on or before the Closing Date shall have been duly complied with and performed, and there shall have been delivered to Seller a certificate to such effect dated the Closing Date, signed by Buyer's managing member.

10.2. Accuracy of Representations and Warranties. All of the representations and warranties made by Buyer in this Agreement shall be true as of the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date, and Buyer shall have delivered to Seller a certificate to such effect dated the Closing Date, signed by Buyer's managing member.

10.3. No Litigation. There shall be no action, proceeding, investigation or pending or actual litigation the purpose of which is to enjoin or may be to enjoin the transactions contemplated by this Agreement or which would have the effect, if successful, of imposing a material liability upon Seller or the Company, or any of the officers or directors thereof, because of or due to, in many respects, the consummation of the transactions contemplated by this Agreement. There shall be no action, proceeding, investigation or pending or actual litigation against or with respect to the Company, Buyer, outstanding shares of Common Stock or the Shares which could, in any way, invalidate or damage this Agreement or value of the consideration.

10.4. Option to Repurchase. Buyer shall grant to Seller an option to repurchase 20% of the Company at a purchase price equal to 20% of the net worth of the Company at the time of such repurchase, such option to be evidenced by an Option Agreement (the "Repurchase Option Agreement") substantially in the form attached as Appendix B to this Agreement.

ARTICLE XI - CLOSING

11.1. Closing Date. The consummation of the sale of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Snow Becker Krauss P.C., located at 605 Third Avenue - 25th Floor, New York, New York 10158-0125, at 10:00 a.m., local time, on March 5, 2001 (the "Closing Date"), or such other date, time and/or place as shall be mutually agreed upon by the parties to this Agreement.

11.2. Deliveries at Closing.

11.2.1. At the Closing, Seller shall deliver to Buyer (a) one or more stock certificates evidencing Seller's ownership of the Initial Shares, duly endorsed by Seller for the transfer of the Shares evidenced thereby to Buyer, (b) the Option Agreement, duly executed by Seller, (c) the Repurchase Option Agreement, duly executed by Seller, and (d) the certificates of the Company's President and Secretary and of Seller required to be delivered pursuant to Sections 9.3 and 9.4 of this Agreement, duly executed by the Company's President and Secretary and Seller.

11.2.2. At the Closing, Buyer shall deliver to Seller (a) the Share Consideration in immediately available funds, (b) the Option Agreement, duly executed by Buyer, (c) the Repurchase Option Agreement, duly executed by Buyer, and (d) the certificates of Buyer required to be delivered pursuant to Sections 10.1 and 10.2 of this Agreement, duly executed by Buyer.

ARTICLE XII - INDEMNIFICATION

12.1. Indemnification

12.1.1. Seller agrees to indemnify Buyer against any and all damages, claims, losses, expenses, obligations and liabilities (including reasonable attorneys' fees) (each, a "Claim") which arise from any breach of or failure of Seller to perform any of Seller's respective warranties, commitments, covenants or other conditions hereunder; provided, however, that any indemnity hereunder by reason of Indemnification for damages, claims, losses, expenses, obligations and liabilities (including reasonable attorneys' fees) arising as a consequence of the matters set forth on Exhibit 3.16 shall not be indemnifiable hereunder except if in excess of \$10,000.

12.1.2. Buyer agrees to indemnify the Company and Seller against any and all Claims which arise from any breach of or failure of Buyer to perform any of Buyer's warranties, guarantees, commitments, covenants, or other conditions of this Agreement.

12.1.3. Buyer hereby agrees to indemnify Seller and hold Seller harmless against any and all losses, claims, damages, liabilities and costs (and all actions in respect thereof and any legal or other expenses in giving testimony or furnishing documents in response to a subpoena or otherwise), including, without limitation, the costs of investigating, preparing or defending any such action or claim, whether or not in connection with litigation in which Seller is a party, as and when incurred, directly or indirectly caused by, relating to, based upon or arising out of any services performed or actions taken or not taken on or after the Closing Date in the name or on behalf of the Company by Buyer or any employee of the Company other than Buyer.

12.1.4 Seller has deposited the Option Share Prepayment in Escrow with Snow Becker Krauss P.C. to secure the Sellers indemnity hereunder and shall disburse such sum as provided for in Section 12.1.1 hereof.

12.2. Claims of Indemnification. Any Claim for indemnification pursuant to this Agreement shall be made as follows:

12.2.1. The party seeking indemnification (the "Claimant") shall notify the indemnifying party (the "Indemnifying Party") in writing of any sums which are Claims subject to indemnification under Section 12.1. of this Agreement. The notice shall consist of the description of the Claim, the amount thereof and the Section or Sections of this Agreement upon which the Claim for indemnification is based.

12.2.2. Any Indemnifying Party may contest such Claim by giving Claimant written notice of such contest within 30 days after the giving of such Claim for indemnification in which case the Claim shall be deemed in "Dispute" as of the date such written notice is deemed given and such Dispute shall be settled by written agreement of the Claimant and the Indemnifying Party or, in absence thereof, by submission of the dispute to the arbitration before the National Association of Securities Dealers, Inc. in New York, New York for determination thereby.

12.2.3. Payment of any Claim for indemnification shall become due upon the occurrence of any one of the following events:

(i) The passing of the period provided in Paragraphs 12.1.1 and 12.2.2. for an Indemnifying Party to contest a Claim without such a contest being made or on the date of decision of the Arbitration Panel; or

(ii) If an Indemnifying Party contests the Claim by Claimant at the time of any settlement agreed to in writing by the parties hereto.

12.3. Survival of Representations and Warranties. Anything to the contrary in this Agreement notwithstanding all representation, warranties, and agreements made by the parties to this Agreement and all liabilities of the parties to this Agreement under the indemnity provided in Section 12.1. of this Agreement and the other provisions of this Agreement shall terminate three years from the Closing Date, except (i) Claims as to which specific written notice has been given pursuant to Section 12.2. of this Agreement on or prior to three years from the Closing Date, or (ii) any waiver pursuant to Section 13.7. hereof.

12.4. Opportunity to Defend Litigation. If any Claim is made against Buyer or the Company which, if sustained, would constitute a breach of warranty by Seller, Buyer shall cause written notice of such Claim to be mailed to Seller within ten days after Buyer or the Company receives a formal written demand for payment of such Claim. If Seller wishes to join in defending or compromising the Claim and so advises Buyer in writing within thirty days after receipt of the notice, Buyer shall afford Seller an opportunity to join therein at his sole expense and to undertake the sole defense thereof. If Seller does elect to join in the defense, Buyer or the Company shall in good faith defend the Claim or shall have the right to make any good faith settlement or compromise which Buyer or the Company deems reasonable (including payment in full of such Claim) and obtain indemnification for the full amount thereof. The claims set forth in Exhibit 3.16 shall be defended by the Seller, and at his sole cost.

ARTICLE XIII - GENERAL

13.1. Payment of Expenses. Each party shall bear its own expenses. In the event that any party brings legal action to enforce the terms and conditions of this Agreement, the prevailing party in such legal action shall be entitled to recover from the unsuccessful party all of his incidental costs and reasonable attorneys' fees, whether or not final judgement is entered in the action.

13.2. Representations and Warranties. Only statements contained in this Agreement, any Exhibit hereto, the Company Financial Statements or any other document referred to in this Agreement, shall be deemed to be representations and warranties under this Agreement. There are no implied warranties of any nature.

13.3. Notices. All requests, demands, notices and other communications required or otherwise given under this Agreement shall be sufficiently given if (a) delivered by hand against written receipt therefor, (b) forwarded by overnight courier requiring acknowledgment of receipt or (c) mailed by registered or certified mail, postage prepaid, addressed as follows:

If to Seller, to:	Meiyi Xia 39 Broadway New York, New York 10006
If to the Company, to:	Asia Pacific Securities, Inc. 39 Broadway New York, New York 10006
If to Buyer, to:	Thomas Fletcher Holdings, LLC 39 Broadway New York, New York 10006
with a copy to:	Snow Becker Krauss P.C. 605 Third Avenue New York, New York 10158-0125 Attention: Charles Snow, Esq.

or, in the case of any of the parties hereto, at such other address as such party shall have furnished in writing, in accordance with this paragraph 13.3, to the other parties hereto. Each such request, demand, notice or other communication shall be deemed given (a) on the date of delivery by hand, (b) on the first business day following the date of delivery to an overnight courier or (c) three business days following mailing by registered or certified mail.

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

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

13.6. Binding Nature. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement. Neither Buyer, the Company nor Seller may assign or transfer any rights under this Agreement.

13.7. Waiver. Any of the Company, Seller or Buyer may, by written notice to the other, (i) waive any of the conditions to its obligations hereunder or extend the time for the performance of any of the obligations or actions of the other, (ii) waive any inaccuracies in the representations of the other contained in this Agreement or in any documents delivered pursuant to this Agreement, (iii) waive compliance with any of the covenants of the other contained in this Agreement, and (iv) waive or modify performance of any of the obligations of the other. No action taken pursuant to this Agreement including, without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action or compliance with any representation, warranty, condition or agreement contained herein. Waiver of the breach of any one or more provisions of this Agreement shall not be deemed or construed to be a waiver of other breaches or subsequent breaches of the same provisions.

13.8. Entirety of Agreement. This Agreement, including all exhibits, attachments, and attachments to exhibits hereto and all certificates, letters, and opinions referenced or called for herein, constitutes the entire agreement among the parties and supersedes all prior oral or written proposals and communications.

13.9. Other Agreements. All oral or written agreements heretofore made between the parties hereto in contemplation of this Agreement are superseded by this Agreement and are hereby terminated in their entirety.

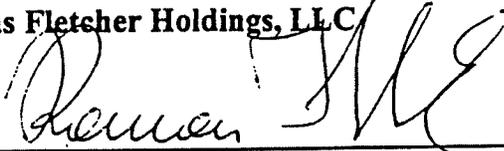
13.10. Good Faith. Each of the parties hereto agrees that it shall act in good faith in an attempt to cause all the conditions precedent and subsequent to their respective obligations to be satisfied.

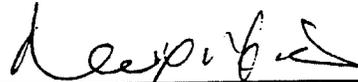
13.11. Amendment or Modification. The parties hereto may amend or modify this Agreement by a written instrument executed by such parties.

13.12. Applicable Law. This Agreement will be governed by, and construed and enforced in accordance with the laws of the State of New York without regard to the conflict of laws provisions thereof. The parties hereto do hereby consent and submit to the venue and jurisdiction of the state and federal courts sitting in the State of New York, County of New York, as the sole and exclusive forum for such matters of dispute, and further agree that, in the event of any action or suit as to any matters of dispute between the parties, service of any process may be made upon the other party in the same manner as the giving of notices under paragraph 13.3 of this Agreement.

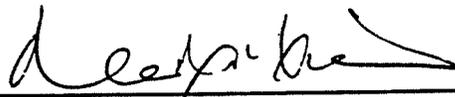
IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

Thomas Fletcher Holdings, LLC

By: 
Roman Thaker, Managing Director


Meiyi Xia

Asia Pacific Securities, Inc.

By: 
Meiyi Xia, President