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BALBOA CAPITAL CORPORATION

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County of Orange

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE — CENTRAL JUSTICE CENTER

BALBOA CAPITAL CORPORATION

Plaintiff,

vs.

REGENTS CAPITAL CORPORATION;
DONALD HANSEN; DENNIS ODIORNE;
KIR STEN MERZA; CHELSA HAINES;
JAVIER ENRIQUEZ; KEVIN KUTTER;
TRAVIS POWER; DOES 1 through 25, inclusive,

Defendants.

CASE NO. 30-2014-00705733-CLI-BT-CJC
Judge Kirk Nakamura

BALBOA'S COMPLAINT FOR:

- (1) BREACH OF FIDUCIARY DUTY
- (2) UNFAIR COMPETITION
- (3) BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING
- (4) UNJUST ENRICHMENT
- (5) BREACH OF EMPLOYMENT AGREEMENT
- (6) MISAPPROPRIATION OF TRADE SECRETS
- (7) INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONSHIP
- (8) NEGLIGENT INTERFERENCE WITH CONTRACTUAL RELATIONSHIP
- (9) INTENTIONAL INTERFERENCE WITH ECONOMIC ADVANTAGE
COUNT I: BALBOA'S CUSTOMERS
COUNT II: BALBOA'S EMPLOYEES
- (10) NEGLIGENT INTERFERENCE WITH ECONOMIC ADVANTAGE
- (11) CONVERSION OF FILES AND RECORDS

DEMAND FOR JURY TRIAL

Plaintiff, BALBOA CAPITAL CORPORATION, ("Plaintiff" or "BALBOA") alleges the following against Defendants REGENTS CAPITAL CORPORATION ("RCC") which, on information and belief, is an independent commercial equipment finance firm and corporation, formed in California, with its registered address and principal place of business in Orange County, California; DONALD HANSEN ("Mr. HANSEN"), an individual conducting business on behalf of RCC in Orange County, California and an Officer and Director of RCC at the time of the acts alleged herein; DENNIS ODIORNE ("ODIORNE), an individual conducting business on behalf of RCC in Orange County, California and an Officer and Director of RCC at the time of the acts alleged herein; KIRSTEN MERZA ("MERZA) an individual conducting business on behalf of RCC in Orange County, California and a high level Manager of RCC at the time of the acts alleged herein; and DOES 1 through 25, inclusive ("Doe Defendants") (collectively referred to herein as "Defendants").

THE PARTIES. JURISDICTION. AND VENUE

1. BALBOA is, and at all relevant times was, an equipment financing corporation duly incorporated and existing under the laws of the State of California with its headquarters located in the State of California, County of Orange, with a registered address and principal place of business at 2010 Main Street, Suite 1100, Irvine, CA 92614 which, at all relevant times, was doing business in Orange County, California.

2. RCC is, and at all relevant times was, an equipment financing corporation, organized and existing under the laws of the State of California with its headquarters located in the State of California, County of Orange, with a registered address and principal place of business at 125 East Baker Street, Costa Mesa, CA 92626 which, at all relevant times, was doing and soliciting business in Orange County, California.

3. Mr. HANSEN is an individual who at all relevant times was acting in his capacity as RCC's, Officer, Director, Employee and/or authorized Agent. At all relevant times, HANSEN was and is a resident of Orange County, California. Prior to his resignation from BALBOA, HANSEN was BALBOA' s Vice President at the Commercial Finance Division who entered into a written employment agreement with BALBOA on August 25, 1994 in Orange County, California as further detailed herein.

4. Mr. ODIORNE is an individual who at all relevant times was acting in his capacity as RCC's Officer, Director, Employee and/or authorized Agent. At all relevant times, ODIORNE was and is a resident of Orange County, California. Prior to his resignation from BALBOA, ODIORNE was BALBOA's Sales Manager who entered into a written employment agreement with BALBOA on August 22, 2005 in Orange County, California as further detailed herein.

5. Ms. MERZA is an individual who at all relevant times was acting in her capacity as RCC's Officer, Director, Employee and/or authorized Agent. At all relevant times, MERZA was and is a resident of Orange County, California. Prior to her resignation from BALBOA, MERZA was BALBOA's Account Manger who entered into a written employment agreement with BALBOA on August 28, 2008 in Orange County, California as further detailed herein.

6. Ms. HAINES is an individual who at all relevant times was acting in her capacity as RCC's Employee and/or authorized Agent. At all relevant times, HAINES was and is a resident of Orange County, California. Prior to her resignation, HAINES was BALBOA's Account Executive who entered into a written employment agreement with BALBOA on July 2, 2012 in Orange County, California as further detailed herein.

7. Mr. ENRIQUEZ is an individual who at all relevant times was acting in his capacity as RCC's Employee and/or authorized Agent. At all relevant times, ENRIQUEZ is believed to be a resident of Austin, Texas. Prior to his resignation, ENRIQUEZ was BALBOA's Sales Manger and a resident of Orange County, California who entered into a written employment agreement with BALBOA on July 18, 2003 in Orange County, California as further detailed herein.

8. Mr. KUTTLER is an individual who at all relevant times was acting in his capacity as RCC's Employee and/or authorized Agent. At all relevant times, KUTTLER was and is a resident of Orange County, California. Prior to his resignation, KUTTLER was BALBOA's Account Executive who entered into a written employment agreement with BALBOA on September 19, 2011 in Orange County, California as further detailed herein.

9. Mr. POWER is an individual who at all relevant times was acting in his capacity as RCC's Employee and/or authorized Agent. At all relevant times, POWER was and is a resident of

Orange County, California. Prior to his resignation, POWER was BALBOA's Account Executive who entered into a written employment agreement with BALBOA on April 15, 2013 in Orange County, California as further detailed herein.

10. Plaintiff is informed, believes, and thereon alleges that in doing those acts and/or omissions detailed herein, Defendants were, at all relevant times, acting as RCC's Officers, Directors, Employees, and/or authorized Agents. Plaintiff further alleges that Defendants were, at all relevant times and while conducting business in Orange County, California, acting on RCC's behalf and in their capacities as RCC's authorized agents responsible for its management and business decisions. Defendants were, at all relevant times, acting within the course and scope of their employment with RCC, in their authority as Officers, Directors,, Employees, and/or Agents of RCC, with RCC's knowledge, consent, authorization, and ratification. On further information and belief, Plaintiff alleges, in doing those acts and/or omissions alleged herein, Defendants were also acting on their own behalf, as well as acting as the agents, servants, employees, representatives, partners, members or joint ventures of all other named Defendants. Defendants acted within the purpose, scope and authority of said agency, employment, representation, partnership, membership or venture, with the advance knowledge, consent, approval and ratification of the remaining Defendants, and each of them.

11. Plaintiff is presently ignorant of the true names, capacities and bases for liability of Doe Defendants, whether individual, corporate, associate, member or otherwise and therefore sues Doe Defendants by their fictitious names. Plaintiff is informed, believes, and thereon alleges that Doe Defendants, and each of them, are in some matmer liable to Plaintiff, were and are legally responsible for the damages or losses suffered by Plaintiff, or have, or claim to have, some right, title or interest in the money Plaintiff alleges is owed, the exact nature of which claims are presently unknown, but which are subject and subordinate to Plaintiffs claims. Plaintiff will seek leave to amend this Complaint to allege Doe Defendants true names, capacities, and bases for liability when ascertained.

12. Plaintiff is informed, believes, and thereon alleges that at all relevant times, Defendants and Doe Defendants and each of them, were acting on their own behalf and also as the agent, servant, employee, representative, partner, member or joint venturer, of each other and in doing the things alleged

herein, acted within the purpose, scope and authority of said agency, employment, representation, partnership, membership or venture, with the advance knowledge, consent, approval and ratification of the remaining defendants, and each of them.

13. Venue is appropriate in this Court inasmuch as (i) the transaction or occurrence or some part thereof, out of which this action arose took place, or is taking place within this County, (ii) the Defendants are licensed to do and have in fact conducted business in the State of California and the County of Orange.

GENERAL ALLEGATIONS

14. BALBOA has been a trusted financing resource in Southern California for many thousands of businesses since 1988. Over years of hard work, expense, and dedication, BALBOA researched and assessed the needs of its customers and potential customer base, developed a proprietary and confidential customer list, and provides a broad array of financing products, including equipment leasing, small business loans, commercial financing, vendor financing and franchise financing targeted to its customer base.

1 To protect BALBOA's efforts and expense in developing its proprietary and confidential customer lists and other business information, BALBOA has taken reasonable steps to ensure that its proprietary and confidential information is kept confidential, not disseminated to competitors and not used for the benefit of anyone or any company other than BALBOA. To that end,, each Defendant was advised by BALBOA of the importance, value, and confidential nature of its proprietary information, including its customer list, made available to Defendants during their employment with BALBOA via the "Comprehensive Agreement", attached hereto as ("Exhibit A"), that each employee, including Defendants, was required to sign prior to employment. The Comprehensive Agreement states in pertinent part:

Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.

Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information.

Return of Materials at Termination — In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him/her any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.

Business Relationships — Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.

16. On December 10, 2012, Defendants HANSEN and ODIORNE submitted their resignation to BALBOA, stating that their final date of employment would be December 13, 2012.

17. Defendants MERZA, HAINES, ENRIQUEZ, KUTTER, and POWER also submitted their resignations to BALBOA with an effective resignation date of January 10, 2014.

18. Prior to their last date of employment, BALBOA sent each of the Defendants a Resignation Acknowledgment letter, attached hereto as ("Exhibit B"), that required each Defendant to sign and acknowledge its contents. Each Resignation Acknowledgment letter reiterated the terms set forth in each Defendant's New-Hire Package, and, specifically, the relevant language from the Comprehensive Agreement set forth above.

19. Throughout their employment with BALBOA, Defendants were provided access to and acquired proprietary and confidential information belonging to BALBOA. This proprietary and confidential information was essential to BALBOA's business operations, and necessary for Defendants' performance of their employment with BALBOA. The confidential and proprietary information includes, BALBOA's confidential customer list and marketing strategies, which were compiled and developed through BALBOA's extensive and time consuming research, development, investigation, and marketing efforts, intended solely for the benefit of BALBOA in its sales and marketing efforts directed to its customer base.

20. Armed with the strategic, proprietary, and confidential information Defendants obtained during their employment with BALBOA, including its customer lists and customer files, Defendants HANSEN and ODIORNE resigned from BALBOA in order to form their own competing business, RCC. Defendants formed RCC on 12/26/2013, less than two weeks following Defendants HANSEN and ODIORNE's resignation from BALBOA.

21. While still employed by BALBOA and following their resignations, Defendants HANSEN and ODIORNE improperly solicited other BALBOA vital sales employees, including Defendants MERZA, HAINES, ENRIQUEZ, KUTTER, and POWER, all of whom subsequently resigned from BALBOA on the same date, January 10, 2014.

22. As a result of Defendants' breaches of fiduciary duties and breaches of their employment Agreements and, specifically, their Comprehensive Agreements, as alleged herein below, BALBOA incurred and continues to incur a substantial loss of business, profits, and customers. BALBOA is informed, believes, and based thereon alleges that RCC and Defendants are and will continue to improperly and unfairly use BALBOA's confidential and proprietary information, including its customer list, for their own financial gain and to the detriment of BALBOA, causing irreparable harm to BALBOA.

FIRST CAUSE OF ACTION
Breach of Fiduciary Duty
(Against Defendants HANSEN ODIORNE and MERZA)

23. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

24. As high level managers of BALBOA, Defendants HANSEN, ODIORNE, and MERZA owed Plaintiff a fiduciary duty of loyalty and candor. As high level managers they stand in a fiduciary relationship to their employer. As part of their duties owed to BALBOA, Defendants HANSEN, ODIORNE and MERZA had the duty to protect the interests of BALBOA and to refrain from doing anything that would cause injury to BALBOA or deprive it of business opportunities belonging to it. By reason of this fiduciary relationship, Defendants HANSEN, ODIORNE, and MERZA owed Plaintiff the highest obligation of good faith, loyalty, care, full disclosure, and fairness and required them to, at all times, act in Plaintiff's best interests.

25. Defendants HANSEN, ODIORNE and MERZA breached their fiduciary duties owed to Plaintiff in at least the following ways:

- (a) Secretly obtaining and misappropriating Plaintiffs trade secrets and confidential information, including but not limited to Plaintiffs customer list, without Plaintiffs knowledge, consent, and/or authorization and concealing their intent to establish a competing business with Plaintiff based on the proprietary and confidential information obtained from Plaintiff;
- (b) Diverting corporate opportunities from Plaintiff to their newly created competing business, RCC, that is identical in nature to BALBOA's business and breaching the Comprehensive Agreement that caused and is causing Plaintiff irreparable harm;
- (c) Improperly and unfairly soliciting Plaintiffs existing sales employees, causing six vital sales employees to tender their resignation in order to work at RCC;
- (d) Failing to properly maintain the confidentiality and secrecy of Plaintiffs proprietary and confidential information, including Plaintiffs customer lists, customer files, marketing techniques, and other business development strategies that were unique to BALBOA and concealing their intention to misappropriate all such information.

26. As a result of the acts and omissions alleged herein, and, specifically, Defendants' diversion, conversion and misappropriation of Plaintiffs trade secrets and confidential information, and the improper and unfair solicitation of BABLOA's employees, Defendants have been unjustly enriched to Plaintiffs detriment.

27. As a result of Defendants HANSEN, ODIORNE, and MERZA's breach of their fiduciary duties owed to Plaintiff, Plaintiff has been damaged in an amount to be proven at trial and is entitled to the maximum rate of prejudgment interest permitted under law.

SECOND CAUSE OF ACTION

Unfair Competition
(Against All Defendants)

28. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

29. Beginning in at least December 2013, and continuing thereafter, Defendants committed acts of unfair competition, as defined by Sections 17200, *et seq.*, of the California Business and Professions Code.

30. Defendants, and each of them, have engaged in conduct constituting unfair competition within the meaning of California Business and Professions Code, Section 17200, *et seq.*, including, but not limited to, the following:

- a. The misappropriation, conversion, and unauthorized and improper use of BALBOA' confidential and proprietary information, including its customer lists and customer files, for purposes of soliciting BALBOA's customers;
- b. Improper and unfair solicitation of BALBOA's key sales employees.

As a result of Defendants' unfair competition, Plaintiff has been damaged in an amount to be proven at trial and is entitled to the maximum rate of prejudgment interest permitted under law.

THIRD CAUSE OF ACTION

Breach Of The Implied Covenant Of Good Faith And Fair Dealing
(Against All Defendants)

31. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

32. The covenant of good faith and fair dealing is implied in every contract including the Comprehensive Agreement entered into between Defendants and BALBOA.

33. Defendants breached their duty of good faith and fair dealing owed to BALBOA in at least the following respects:

- a. By engaging in a pattern and a series of actions that breached BALBOA's confidentiality agreement;
- b. By soliciting BALBOA's key sales employees;

- c. By untruthfully and deceptively misrepresenting to BABLOA that Defendants would maintain the confidentiality of all BALBOA's confidential and proprietary information following their resignation;
- d. By interfering with, misappropriating, diverting and usurping BALBOA's business opportunities and customers through improper and unfair solicitation of those customers.

34. Defendants had a duty imposed by law and the employment agreements entered into between them and BALBOA to maintain the confidentiality and secrecy of all proprietary and confidential information obtained during their employment with Plaintiff. Defendants had a duty to immediately and vigorously protect BALBOA's interests.

35. Defendants' conduct described herein was intended to cause injury to BALBOA, was despicable conduct carried on with a willful and conscious disregard for BALBOA's rights, and was done with the intention of depriving Plaintiff of proprietary rights and to otherwise cause injury, constituting malice, oppression, and/or fraud under California Civil Code §3294, entitling Plaintiff to punitive damages.

36. As a proximate result of the conduct described herein, BALBOA has suffered and will continue to suffer damages, including loss of profits and business opportunities, in an amount to be proven at trial of this matter.

FOURTH CAUSE OF ACTION

Unjust Enrichment

(Against All Defendants and all Doe Defendants)

37. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

38. Defendants were unjustly enriched by misappropriating and converting BALBOA's trade secrets and confidential information, specifically its customer list and customer files, and by improperly soliciting its customers and key sales employees.

39. By their actions, Defendants have retained a benefit that they otherwise would not have achieved or been able to retain.

40. Defendants are required to make restitution to Plaintiff of all damages they caused Plaintiff, plus interest at the maximum rate of prejudgment interest permitted under law.

FIFTH CAUSE OF ACTION
Breach of Employment Agreement
(Against All Defendants, except RCC)

41. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

42. BALBOA had valid and enforceable contracts for employment with Defendants. BALBOA performed all the terms of those agreements required of it.

43. As a condition of employment, Defendants were required to sign the Comprehensive Agreement that addresses the nature of the confidential and proprietary information obtained during employment. Defendants acknowledged that the proprietary information is a special, valuable, and unique asset of BALBOA, and Defendants agreed at all times during the period of their employment and thereafter to keep in confidence all such information.

44. Defendants breached the terms and provisions of the Comprehensive Agreement by misappropriating and converting BALBOA's proprietary and confidential information and trade secrets, including BALBOA's customer list and customer files, and by improperly and unfairly using that proprietary and confidential trade secret information to solicit BALBOA's customers for their own financial gain, and to the detriment of BALBOA, and to promote the business of RCC, which is identical in nature to that of BALBOA.

45. As a result of Defendants' breach of their employment agreements, and specifically, the Comprehensive Agreements, BALBOA has suffered and continues to suffer damages in an amount to be determined according to proof at the time of trial.

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SIXTH CAUSE OF ACTION
Misappropriation of Trade Secrets
(Against All Defendants)

46. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

47. Defendants misappropriated BALBOA's trade secrets and confidential information, including its customer list and customer files. BALBOA's customer list and customer files constitute trade secrets in that they contain and are comprised of information that derives independent economic value from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use. BALBOA made reasonable efforts under the circumstances to maintain their secrecy by limiting circulation of its customer lists and customer files and by advising its employees, including Defendants, through their employment agreements that BALBOA considered the information valuable and confidential.

48. Through time, effort, expense and BALBOA's unique marketing techniques, it identified and compiled the names, addresses, and other pertinent information of targeted businesses identified through BALBOA's marketing efforts to have particular needs for the services BALBOA offers, contained within BALBOA's customer list

49. The information compiled by BALBOA and contained within its customer list is not generally available to the general public nor is it readily ascertainable through public resources, such as business directories. Through its many years of being in business, and since 1988, BALBOA has developed algorithms for identifying and thoroughly analyzing potential customer data (sometimes purchased from third party vendors) in order to ascertain business prospects that, based on BALBOA's experience, are more likely to be in need of BALBOA's services and are more likely to generate repeat or renewal business, and for scoring and ranking those prospects for use by BALBOA's sales employees in calling on those potential customers. Such information comprises BALBOA's customer list made available to Defendants for performance of their employment with BALBOA.

50. BALBOA has also expended time, effort and expense to maintain the secrecy of its customer list by taking the following steps: (i) BALBOA ensured that its confidential and proprietary

information is secured through password protections in order to restrict access to its data; (ii) BALBOA never published any of its customer's names publicly or to persons who are under no obligation to protect its confidentiality or in any advertisements or marketing materials; (iii) BALBOA included in all its employment agreements a requirement that employees return all notebooks, documents, software and the like upon termination of employment; (iv) BALBOA included in all its employment agreements the confidentiality provision contained within the "Comprehensive Agreement," that all employees were required to sign both at the time of employment and prior to termination, which expressly provides that the employees' duty of confidentiality extends beyond the duration of their employment, and which states in pertinent part:

Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information.

Return of Materials at Termination — In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him/her any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.

51. Defendants misappropriated BALBOA's trade secrets and confidential information, including its customer list, in order to obtain an unfair competitive advantage and, making use of that trade secret and confidential information, diverted BALBOA's customers to their own competing business, RCC. Defendants, by their nonconsensual disclosure and use of BALBOA's trade secret and confidential information have violated California Civil Code §3426.1 (b)(2).

52. BALBOA is infolied and believes, and based thereon alleges, that Defendants, or some of them, personally contacted at least 21 of BALBOA's existing customers and, improperly and unfairly, solicited the business of those customers in efforts to divert that business away from BALBOA and went well beyond merely announcing their disassociation from BALBOA. Due to the proprietary and

confidential nature of BALBOA's customer list, the names of said solicited customers will not listed in this Complaint.

53. As a proximate result of Defendants' misappropriation of Plaintiffs customer list, customer files, and confidential and propriety trade secret information in violation of the Uniform Trade Secrets Act, BALBOA has suffered and will continue to suffer damages, loss of profits, loss of prospective business, and other economic loss because those improperly diverted customers would have continued doing business with BALBOA despite the resignation of Defendants.

54. As a further proximate result of Defendants' improper conduct, BALBOA was compelled to retain legal counsel to protect its interest and proprietary information. Therefore, Defendants are liable to BALBOA for those attorneys' fees, witness fees, and costs of litigation reasonably necessary and incurred by BALBOA in order to obtain the relief sought in a sumn to be determined at trial.

55. As authorized under the UTSA and California Civil Code, §§ 3426.3, 3426.4, BALBOA seeks all remedies for misappropriation of its trade secrets as a result of Defendants' conduct, including but not limited to injunctive relief, damages, punitive damages, and attorney fees.

56. Unless and until enjoined by order of this Court, Defendants will continue their illegal efforts and schemes to exploit Plaintiffs confidential and propriety trade secret information. BALBOA has no adequate remedy at law for the irreparable injuries Defendants have caused and continue to cause, including, but not limited to, damage to BALBOA's confidential information, business, and profits. The continued misappropriation by Defendants of Plaintiffs confidential and propriety information would require BALBOA to maintain a multiplicity of judicial proceedings to protect its interests.

SEVENTH CAUSE OF ACTION

Intentional Interference With Contractual Relationship (Against All Defendants)

57. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

58. BALBOA had valid and enforceable contractual business relationship with its customers.

59. Defendants knew of such contractual relationships between BALBOA and its customers, who were included on BALBOA's customer list.

60. Defendants' wrongful and intentional acts, as alleged herein, were intended to induce a breach or disruption of these contractual relationship between BALBOA and its customers and to divert those customers and induce them to switch their business to RCC.

61. Defendants knew of BALBOA's interest in and efforts to protect its relationship with its customers yet Defendants improperly called upon and solicited BALBOA's customers in efforts to advance RCC's business by having those customers switch their business to Defendants.

62. As a direct and proximate result of Defendants' actions and their continuous efforts to disrupt BALBOA's business relationship with its customers through improper means, as set forth above, Plaintiff has incurred, and will continue to incur, economic detriment, including but not limited to, loss of earnings, lost of customer relations, attorneys' fees, continued cost of litigation, and other special and consequential damages in an amount not yet determined. These damages were entirely foreseeable, predictable, and the intended result of Defendants' conduct.

63. Plaintiff is info, nied and believes and herein alleges that the Defendants acted with intentional oppression, deception, and/or malice in taking the actions complained therein, and in conscious disregard of Plaintiff's rights, so as to justify an award of exemplary and punitive damages.

EIGHTH CAUSE OF ACTION

Negligent Interference With Contractual Relationship (Against All Defendants)

64. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

65. Plaintiff had valid and enforceable contractual business relationship with its customers.

66. Defendants knew of such contractual relationships between BALBOA and its customers, who were included on BALBOA's customer list.

67. Defendants' wrongful and negligent acts, as alleged herein, were intended to induce a breach or disruption of these contractual relationships between BALBOA and its customers and to divert those customers and induce them to switch their business to RCC.

68. Defendants knew of BALBOA's interest in and efforts to protect its relationship with its customers yet Defendants improperly called upon and solicited BALBOA's customers in efforts to advance RCC's business by having those customers switch their business to Defendants.

69. As a direct and proximate result of Defendants' actions and their continuous efforts to disrupt BALBOA's business relationship with its customers through improper means, as set forth above, Plaintiff has incurred, and will continue to incur, economic detriment, including but not limited to, loss of earnings, lost of customer relations, attorneys' fees, continued cost of litigation, and other special and consequential damages in an amount not yet determined. These damages were entirely foreseeable, predictable, and the intended result of Defendants' conduct.

NINTH CAUSE OF ACTION

Count I: Intentional Interference With Economic Advantage — BALBOA's Customers (Against All Defendants)

70. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

71. BALBOA and its customers had existing economic relationships which contained a highly probable future economic benefits or advantages to BALBOA.

72. Defendants knew of the existence of such economic relationships and were aware or should have been aware that if they did not act with due care, their actions would interfere with these relationships and cause Plaintiff to lose in whole or in part the probable future economic benefits or advantages of these relationships.

73. Defendants owed Plaintiff a duty of care to maintain the confidential and proprietary information obtained during employment including but not limited to BALBOA's customer list.

74. As a direct and proximate result of Defendants' actions and their continuous efforts to disrupt BALBOA's economic relationship with its customers through improper means, as set forth above, Plaintiffs relationship was disrupted, and Plaintiff has incurred, and will continue to incur, loss of economic benefits or advantages that were reasonably expected from the relationship, including but not limited to, loss of earnings, lost of customer relations, incurring significant attorneys' fees, continued cost

of litigation, and other special and consequential damages in an amount not yet determined. These damages were entirely foreseeable, predictable, and the intended result of Defendants' conduct.

Count H: Intentional Interference Economic Advantage — BALBOA's Employees
(Against HANSEN and ODIORNE)

75. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

76. Plaintiff and its employees had existing economic relationships which contained a highly probable future economic benefits or advantages to BALBOA from the continued services of its key and highly trained employees.

77. Defendants knew of the existence of such economic relationships and were aware or should have been aware that if they did not act with due care, their actions would interfere with these relationships and cause Plaintiff to lose in whole or in part the probable future economic benefit or advantage of these relationships.

78. Defendants breached that duty of care and intentionally solicited BALBOA's key sales employees (Defendants HAINES, MERZA, ENRIQUEZ, KUTTER, POWER) that had access to BALBOA's confidential and propriety information and induced them to terminate their employment with BALBOA, join RCC, and improperly solicit BALBOA's customers. Said key sales employees, in fact, terminated their employment with BALBOA on 1/10/2014. Such efforts by Defendants were designed to disrupt BALBOA's relations with its employees.

79. As a direct and proximate result of Defendants' actions and their continuous efforts to disrupt BALBOA's economic relationship with its employees through improper means, as set forth above, Plaintiff has incurred, and will continue to incur, loss of economic benefits or advantage that were reasonably expected from the continued employment of said key employees, including but not limited to, loss of earnings as a result of the loss of key employees productivity, lost of customer relations that were cultivated during said employees employment, the cost of recruiting and training replacement employees, incurring significant attorneys' fees, continued cost of litigation, and other special and consequential

damages in an amount not yet determined. These damages were entirely foreseeable, predictable, and the intended result of Defendants' conduct.

80. Plaintiffs, accordingly, seek the damages that result from all such actions and omission, costs incurred in replacing the "raided" employees, including interviewing and locating permanent replacements, and an order compelling disgorgement of all profits including but not limited to those resulting from the employee exodus, including costs arising from disruption of its business affairs, "reputational injury" from the sudden departure of a large group of key employees, injunctive relief, and any and all other benefits, and any other compensation wrongfully obtained by Defendants.

TENTH CAUSE OF ACTION

Negligent Interference With Economic Advantage
(Against All Defendants)

81. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

82. BALBOA and its customers had existing economic relationship which contained a highly probable future economic benefits or advantages to BALBOA.

83. Defendants knew or should have known of the existence of such an economic relationship and were aware or should have been aware that if they did not act with reasonable care their actions would interfere with these relationship and cause plaintiff to lose in whole or in part the probable future economic benefit or advantage of these relationships.

84. Defendants owed Plaintiff a duty of reasonable care to maintain the confidential and proprietary information obtained during employment, including but not limited to, BALBOA's customer list.

85. Defendants failed to act with reasonable care and negligently interfered with BALBOA's relationship with its customer that would have resulted in an economic benefits or advantages to BALBOA.

86. As a direct and proximate result of Defendants' negligent and wrongful conduct, and their continuous efforts to disrupt BALBOA's economic relationship with its customers through improper means, as set forth above, Plaintiff's relationship with its customers was disrupted.

87. As further result of Defendants' wrongful and negligent acts, Plaintiff was harmed and has incurred, and will continue to incur, loss of economic benefits or advantages that were reasonably expected from these relationships, including but not limited to, loss of earnings, loss of economic advantage or benefit of customer relations, incurring significant attorneys' fees, continued cost of litigation, and other special and consequential damages in an amount not yet determined. These damages were entirely foreseeable, predictable, and the intended result of Defendants' conduct.

ELEVENTH CAUSE OF ACTION

Conversion
(Against All Defendants)

88. BALBOA re-alleges and incorporates herein by reference each and every allegation contained in the preceding paragraphs as though fully set forth herein.

89. Defendants wrongfully exercised control over BALBOA's personal property including but limited to its customers' applications, files, and records and BALBOA's customer list.

90. BALBOA owned, possessed, and had a right to possess its customers' applications, files, and records, and its customer list.

91. Defendants intentionally and substantially interfered with BALBOA's property in the following aspects:

- a. By taking possession of BALBOA's customers' applications, files, and records and its customer list;
- b. By preventing BALBOA from having access to said applications, files and records;
- c. By breaching the Comprehensive Agreement that required return of all BALBOA's customers' applications, files and records and the customer list; and
- d. By refusing to return the said property after BALBOA demanded its return.

92. BALBOA did not consent to the Defendants' exercise of control of said property.

93. As a direct and proximate result of Defendants' actions and their continuous efforts to disrupt BALBOA's business through improper means, as set forth above, BALBOA was harmed by Defendants exercise of control of said property.

94. Plaintiff has incurred, and will continue to incur, loss of business, loss of earnings, incurring significant attorneys' fees, continued cost of litigation, and other special and consequential damages in an amount not yet determined. These damages were entirely foreseeable, predictable, and the intended result of Defendants' conduct.

PRAAYER

Based on the foregoing, BALBOA prays for the following judgment and relief:

- i) Compensatory damages according to proof at trial;
- ii) For consequential and incidental damages;
- iii) For exemplary and punitive damages;
- iv) For attorneys' fees and costs;
- v) Interests as provided by law;
- vi) A preliminary injunction, and a permanent injunction, all enjoining Defendants and all persons acting or claiming to act under, in concert with, or for Defendants, or any of them from:
 - (i) Engaging in any solicitation of BALBOA's customers;
 - (ii) Using, copying, dealing with, disclosing, trading, and otherwise exploiting or misappropriating BALBOA's confidential information in order to, including, but without limitation, communicate with BALBOA's customers;
 - (iii) Destroying any documents or files of any kind, actively or passively, whether in written or electronic form, that relate in any way to BALBOA's employment of Defendants, BALBOA's Confidential Information, and/or BALBOAs actual or prospective customers.
- vii) For a preliminary injunction, and a permanent injunction, all requiring Defendants and all persons acting or claiming to act under, in concert with, or for Defendants, or any of them to return all of BALBOA's confidential information in their custody, possession, or control to BALBOA; and

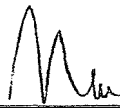
viii) Such other and further relief as the Court may deem proper on all causes of action.

DEMAND FOR JURY TRIAL

Plaintiff demands a trial of this action by jury.

Dated: February 19, 2014

HINES CARDER

By:  _____¹ NI _____

Marc S. Hines, Esq.
Nicole M. Hampton, Esq.
Natalie Mirzayan, Esq.
Attorneys for Plaintiff
BALBOA CAPITAL CORPORATION

EXHIBIT A

COMPREHENSIVE AGREEMENT
EMPLOYMENT AT-WILL, PROPRIETARY INFORMATION, AND ARBITRATION

It is hereby agreed by and between Chelsea 1_ Allen (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at any time, with or without cause and/or with or without notice, at the option of the Employer or the Employee. (Employee initials)

It is further agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contra to the foregoing. Oral representations made before or after you are hired do not alter this Agreement. (Employee initials)

3. Contribution - The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or ideas of value to the Employer and will be given access to the Employer's proprietary information. (Employee initials)

Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others. Employee represents that his/her employment will not require him/her to violate any obligations to or confidence with another. (Employee initials)

5. Definition of Proprietary Information As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas; data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors. (Employee initials)

6. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information, (Employee initials)

7. Other Employment - Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at such time engaged, or which would otherwise conflict with his/her employment obligations to the Employer. (Employee initials)

8. Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information. (Employee initials)

9. Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.
CA (Employee initials)
10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during his employment with Employer, Employee shall not:
a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity;
b) hire any employee for the benefit of a Competing Entity of which Employee is a principal, owner, employee, or agent; c) assist in the formation of a Competing Entity; d) accept commission, pro eeds, fees, salary, and/or any other consideration from a Competing Entity.
(Employee initials)
11. Arbitration - Employee also acknowledges that Employer promotes a voluntary system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between Employee and Employer (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the act's other mandatory and permissive 'rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.3. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of (" just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(h). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law and procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof, be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING
ARBITRATION PROVISION, BOTH EMPLOYEE AND EMPLOYER GIVE UP OUR
RIGHTS TO TRIAL BY JURY.

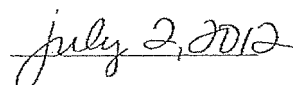
Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims.

12. Representations and Warranties—Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for funding are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been *duly* executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described *in* the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, *and* there is no meaningful information of which Employee is aware that has not been communicated to Employer, and Employee has not made any false or misleading statements in connection with any lease submitted for funding.
13. Remedies Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee Therefore, in addition to all remedies, legal and equitable, available to Employer for breach of this Agreement, Employee and Employer agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities for whose benefit Employee breaches this Agreement. With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable, less unearned income, plus any unamortized expenses and any applicable taxes. Following purchase by Employee, Employer shall assign all of its rights, duties and interests without any warranties whatsoever, express or implied. (Employee initials)
14. General - (a) To the extent that any of the agreements set forth herein, or any word, phrase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phrase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as - appropriate. (e) This Agreement represents the entire agreement between Employee and the Employer with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employer's employee handbook. This Agreement may be modified only by a duly authorized and executed in writing. (Employee initials).
15. This is the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.



Employee's Signature)



Date

COMPREHENSIVE AGREEMENT
EMPLOYMENT AT-WILL, PROPRIETARY INFORMATION, AND ARBITRATION

1. It is hereby agreed by and between Devlin: OI Q (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at "time with or without cause and/or with or without notice, at the option of the Employer or the Employee." _____ (Employee initials)
2. It is further agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after you are hired do not alter this Agreement. _____ (Employee initials)
3. Contribution - The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions a d/or Aleas of value to the Employer and will be given access to the Employer's proprietary information _____ (Employee initials)
4. Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others. Employee represents that his/her employment will not require him/her to violate any obligations to or confidence with another. _____ (Employee initials)
5. Definition of Proprietary Information As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development Or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors. _____ (Employee initials)
6. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information. _____ (Employee initials)
7. Other Employment - Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at some time engaged, or which would otherwise conflict with his/her employment obligations to the Employer. AI (Employee initials)
8. Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary information. "9-II (Employee initials)

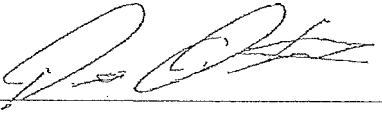
9. Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.
(Employee initials)
10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during his employment with Employer, and for a period of three (3) years following his termination of employment with Employer, he shall not: a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity; b) hire any employee for the benefit of a Competing Entity of which he is a principal, owner, employee, or agent; c) assist in the formation of a Competing Entity• d) accept commission, proceeds, fees, salary, and/or any other consideration from a Competing Entity. (Employee initials)
11. Arbitration - Employee also acknowledges that Employer promotes a voluntary system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between. Employee and Employer (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the act's other mandatory and permissive rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of ("just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and, at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law and procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof, be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING
ARBITRATION PROVISION, BOTH EMPLOYEE AND EMPLOYER GIVE UP OUR
RIGHTS TO TRIAL BY JURY_

Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims. [I

12. Representations and Warranties— Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for *funding* are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been duly executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described in the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, and there is no meaningful information of which Employee is aware that has not been communicated to Employer, and Employee has not made any false or misleading statements in connection with any lease submitted for funding.
13. Remedies — Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee Therefore, in addition to all remedies, legal and equitable, available to Employer for breach of this Agreement, Employee and Employer agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities for whose benefit Employee breaches this Agreement. With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable, less unearned income, plus any unamortized expenses and any applicable taxes_ Following purchase by Employee, Employer s a (assign all of its rights, duties and interests without any warranties whatsoever, express or implied. (Employee initials)
14. General - (a) To the extent that any of the agreements set forth herein, or any word, phrase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phrase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represents the entire agreement between Employee and the Employer with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employee m•1 yee handbook. This Agreement may be modified only by a duly authorized and executed in writing . (Employee initials).
15. This is the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.



A handwritten signature in black ink, appearing to be 'D. [unclear]', written over a horizontal line.

(Employee's Signature)

_____ S

Date



IT IS AGREED BETWEEN BALBOA CAPITAL CORPORATION (hereinafter the "Company") and _____ (hereinafter the "Employee"), as follows:

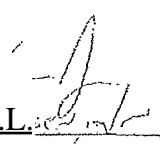
Employment - The Company has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or ideas of value to the Company and will be given access to the Company's proprietary information.

2. Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Company, or cause the Company to use, such documents or other confidential or proprietary information belonging to others. Employee represents that his/her employment will not require him/her to violate any obligations to or confidence with another.
3. Definition of Proprietary Information - As used herein, the term 'Proprietary Information' refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Company, (ii) the research and development or investigations of the Company, or (iii) the business of any customer of the Company. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code 43426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.
4. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Company, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he, will not directly or indirectly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Company and with the consent of the Company. Employee will abide by the Company's policies and regulations as established from time to time for the protection of its Proprietary Information.
5. Other Employment - Employee agrees that during the period of his/her employment by the Company, he will not, without the Company's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Company relating to any line of business in which the Company is now or at such time engaged, or which would otherwise conflict with his/her employment obligations to the Company.
6. Not Employment Contract - This is not an employment contract. Nothing in this agreement shall confer upon the Employee any right to continue in the employ of the Company or shall interfere with or restrict in any way the rights of the Employee or the Company, which are hereby expressly reserved. The Company reserves the right to terminate Employee's employment at any time for any reason whatsoever, with or without cause, subject to the provisions of applicable law.
7. Return of Materials at Termination - In the event of any termination of his/her employment, whether or not for cause and whatever the reason, Employee will promptly deliver to the Company all documents, data, records, and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.

business Relationship - Employee acknowledges that the Company's relationships with its employers (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Company.

9. General - (a) To the extent that any of the agreements set forth herein, or any word, phrase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, phrase, or sentence shall be modified in such a manner so as to make the agreement as modified legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Company and its subsidiaries, affiliates, successors, and assigns. (c) This Agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represents the entire agreement between Employee and the Company with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements. This Agreement may be modified only by a duly authorized and executed writing.

BAT BOA CAPITAL CORPORATION

EMPLOYEE: JOHN JOI / - 4'4" L. 

By

By: _____

Title: _____

Name: JOHN JOI f. 72-14; 1-; i

(enread)

Dare: _____

Date: _____

COMPREHENSIVE AGREEMENT
EMPLOYMENT AT-WILL, PROPRIETARY INFORMATION, AND ARBITRATION

1. It is hereby agreed by and between JOIE:gr (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at any time, with or without cause and/or with or without notice, at the option of the Employer or the Employee. iv (Employee initials)
2. It is further agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after you are hired do not alter this Agreement. ___ (Employee initials)
3. Contribution - The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or ideas of value to the Employer and will be given access to the Employer's proprietary information. _____ (Employee initials)
4. Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others. Employee represents that At his/her employment will not require him/her to violate any obligations to or confidence with another. _____ (Employee initials)
5. Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formul4, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.
(Employee initials)
6. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regul 'ons as established from time to time, for the protection of its Proprietary Information.
_____ (Employee initials)
7. Other Employment - Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at such time engaged, or which would otherwise conflict with his/her employment obligations to the Employer. J (Employee initials)
8. Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information. _____ (Employee initials)

9. Business Relationships Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.

_____ (Employee initials)

10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during his employment with Employer, and for a period of three (3) years following his termination of employment with Employer, he shall not: a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity; b) hire any employee for the benefit of a Competing Entity of which he is a principal, owner, employee, or agent; c) assist in the formation of a Competing Entity; d) accept commission, proceeds, fees, salary, and/or any other consideration from a Competing Entity. _____ (Employee initials)

11. Arbitration - Employee also acknowledges that Employer promotes a voluntary system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between Employee and Employer (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the act's other mandatory and permissive rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of ("just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and, at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law and procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof,

be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING ARBITRATION PROVISION, BOTH EMPLOYEE AND EMPLOYER GIVE UP OUR RIGHTS TO TRIAL BY JURY.

Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims. [

12. Representations and Warranties — Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for funding are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been duly executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described in the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, and there is no meaningful information of which Employee is aware that has not been communicated to Employer, and Employee has not made any false or misleading statements in connection with any lease submitted for funding.
13. Remedies — Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee Therefore, in addition to all remedies, legal and equitable, available to Employer for breach of this Agreement, Employee and Employer agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities for whose benefit Employee breaches this Agreement. With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable, less unearned income, plus any unamortized expenses and any applicable taxes. Following purchase by Employee, Employer shat assign all of its rights, duties and interests without any warranties whatsoever, express or implied. _____ (Employee initials)
14. General - (a) To the extent that any of the agreements set forth herein, or any word, phase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represents the entire agreement between Employee and the Employer with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employer's employee handbook. This Agreement may be modified only by a duly authorized and executed in writing. _____ (Employee initials).
15. This is the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.

177.Vilir

2-0 (>3

Signed at _____ California, this _____ day of _____.


(Employee) ME.

COMPREHENSIVE AGREEMENT
EMPLOYMENT AT-WILL, PROPRIETARY INFORMATION, AND ARBITRATION

It is hereby agreed by and between Kevin R. Kutter (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at any time, with or without cause and/or with or without notice, at the option of the Employer or the Employee. _____ (Employee initials)

2. It is further agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after you are hired do not alter this Agreement.7:ir (Employee initials)

Contribution - The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or ideas of value to the Employer and will be given access to the Employer's proprietary information. JK (Employee initials)

Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others. Employee represents that his/her employment will not require him/her to violate any obligations to or confidence with another. _____ (Employee initials)

5. Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code §3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors. _____ (Employee initials)

6. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information. NA (Employee initials)

7. Other Employment - Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at such time engaged, or which would otherwise conflict with his/her employment obligations to the Employer. _____ (Employee initials)

8. Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information. _____ (Employee initials)

9. Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.
(Employee initials)

10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during his employment with Employer, Employee shall not:
a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity;
b) hire any employee for the benefit of a Competing Entity of which Employee is a principal, owner, employee, or agent; c) assist in the formation of a Competing Entity; d) accept commission, proceeds, fees, salary, and/or any other consideration from a Competing Entity.
/s/ ci":(Employee initials)

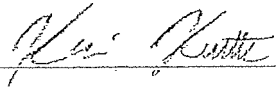
Arbitration - Employee also acknowledges that Employer promotes a voluntary system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between Employee and Employer (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the act's other mandatory and permissive rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of "just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and, at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law and procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof, be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING
ARBITRATION PROVISION, 130TH EMPLOYEE AND EMPLOYER GIVE UP OUR
RIGHTS TO TRIAL BY JURY.

Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims.

12. Representations and Warranties — Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for funding are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been duly executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described in the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, and there is no meaningful information of which Employee is aware that has not been communicated to Employer, and Employee has, not made any false or misleading statements in connection with any lease submitted for funding; (
13. Remedies — Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee. Therefore, in addition to all remedies, legal and equitable, available to Employer for breach of this Agreement, Employee and Employer agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities for whose benefit Employee breaches this Agreement; With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable, less unearned income, plus any unamortized expenses and any applicable taxes. Following purchase by Employee, Employer shall assign all of its rights, duties and interests without any warranties whatsoever, express or implied. [Signature] (Employee initials)
- I. General - (a) To the extent that any⁴ of the agreements set forth herein, or any word, phrase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California, (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represents the entire agreement between Employee and the Employer with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employer's employee handbook. This Agreement may be modified only by a duly authorized and executed in writing. [Signature] (Employee initials).
- 15_ This is the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues. FIVE

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.



(Employee's Signature)

— 4/2/21 —

Date

COMPREHENSIVE AGREEMENT
EMPLOYMENT AT-WILL, PROPRIETARY INFORMATION, AND ARBITRATION

1. It is hereby agreed by and between Kirsten P. Illerza (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at any time, with or without cause and/or with or without notice, at the option of the Employer or the Employee. _____ (Employee initials)
2. It is further agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after you are hired do not alter this Agreement _____ (Employee initials)
3. Contribution - The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or. idea of value to the Employer and will be given access to the Employer's proprietary information _____ (Employee initials)
4. Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others. Employee represents that his/her employment will not require him/her to violate any obligations to or confidence with another. _____ (Employee initials)
5. Definition of Proprietary Information As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors. _____ (Employee initials)
6. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information. _____ (Employee initials)
7. Other Employment Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at such time engaged, or which would otherwise conflict with his/her employment obligations to the Employer. _____ (Employee initials)
- t. Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information. _____ (Employee initials)

9. Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.
/r" (Employee)

10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during his employment with Employer, Employee shall not
a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity;
b) hire any employee for the benefit of a Competing Entity of which Employee is a principal, owner, employee, or agent; c) assist in the formation of a Competing Entity; d) accept commission, proceeds, fees, salary, and/or any other consideration from a Competing Entity.
lY" (Employee initials)

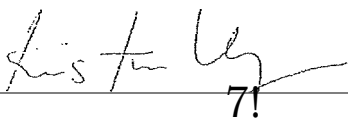
Arbitration - Employee also acknowledges that Employer promotes a voluntary system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between Employee and Employer (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the act's other mandatory and permissive rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of (just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communication or in connection with arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and, at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law and procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof, be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING
ARBITRATION PROVISION, BOTH EMPLOYEE AND EMPLOYER GIVE UP OUR
RIGHTS TO TRIAL BY JURY.

Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims. [

12. Representations and Warranties — Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for funding are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been duly executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described in the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, and there is no meaningful information of which Employee *is* aware that has not been communicated to Employer, and Employee has not made any false or misleading statements in connection with any lease submitted for funding.
13. Remedies — Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee. Therefore, in addition to all remedies, legal and equitable, available to Employer for breach of this Agreement, Employer and Employee agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities for whose benefit Employee breaches this Agreement. With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable, less unearned income, plus any unamortized expenses and any applicable taxes. Following purchase by Employee, Employer shall assign all of its rights, duties and interests without any warranties whatsoever, express or implied. k1T1-- (Employee initials)
14. General - (a) To the extent that any of the agreements set forth herein, or any word, phrase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phrase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represents the entire agreement between Employee and the Employer with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employer's employee handbook. This Agreement may be modified only by a duly authorized and executed in writing. k--11-- (Employee initials).
- IS. This is the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.



(Employee's Signature)

 _____ 0E5

Date

COMPREHENSIVE AGREEMENT
EMPLOYMENT AT-WILL, PROPRIETARY INFORMATION, AND ARBITRATION

It is hereby agreed by and between ILV is c₂ uJec (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at *any* time, with or without cause and/or with or without notice, at the option of the Employer or the Employee. IC (Employee initials)

2. It is further agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after you are hired do not alter this Agreement. IC (Employee initials)
3. **Contribution** - The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or ideas of value to the Employer and will be given access to the Employer's proprietary information. IC (Employee initials)
4. **Confidential Information of Others** - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others. Employee represents that his/her employment will not require him/her to violate any obligations to or confidence with another: IC (Employee initials)
5. **Definition of Proprietary Information** - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code 43420, processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors. IC (Employee initials)
6. **Proprietary Information to be Kept in Confidence** - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information. IC (Employee initials)
7. **Other Employment** - Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at such time engaged, or which would otherwise conflict with his/her employment obligations to the Employer. IC (Employee initials)
8. **Return of Materials at Termination** - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information. IC (Employee initials)

9. Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.
1 (Employee initials)
10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during *his* employment with Employer, Employee shall not:
a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity;
b) hire any employee for the benefit of a Competing Entity of which Employee is a principal, owner, employee, or agent; c) assist in the formation of a Competing Entity; d) accept commission, proceeds, fees, salary, and/or any other consideration from a Competing Entity.
1 (Employee initials)
11. Arbitration - Employee also acknowledges that Employer promotes a voluntary system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between Employee and Employer (Or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit *and* health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the act's other mandatory and permissive rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of ("just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and, at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law *and* procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof, be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING
ARBITRATION PROVISION, BOTH EMPLOYEE AND EMPLOYER GIVE UP OUR
RIGHTS TO TRIAL BY JURY.

Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims.

12. Representations and Warranties — Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for funding are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been duly executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described in the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, and there is no meaningful information of which Employee is aware that has not been communicated to Employer; and Employee has not made any false or misleading statements in connection with any lease submitted for funding.
13. Remedies — Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee. Therefore, in addition to all remedies, legal and equitable; available to Employer for breach of this Agreement, Employee and Employer agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities for whose benefit Employee breaches this Agreement. With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable, less unearned income, plus any unamortized expenses and any applicable taxes. Following purchase by Employee, Employer shall assign all of its rights, duties and interests without any warranties whatsoever, express or implied. _____ (Employee initials)
14. General - (a). To the extent that any of the agreements set forth herein, or any word, phrase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phrase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represents the entire agreement between Employee and the Employer with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employer's employee handbook. This Agreement may be modified only by a duly authorized and executed in writing. _____ (Employee initials).
15. This is the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.

11/6/10-- Polkrul

(Employee's Signature)

0--11

Date

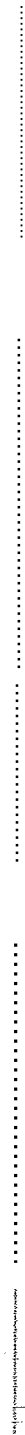


EXHIBIT R



BALBOA
CAPITAL

201, Main Street, Suite 1100 • Irvine, CA 92614

Phone (888) BALBOA1 - Fax (949) 756-0886

January 16, 2014

Via Federal Express

Chelsea Allen:Haines
752 North Orange Street
Orange, California 92867

Re: Comprehensive Agreement

Dear Ms. Allen-Haines:

Thank you for your service to Balboa Capital Corporation ("Balboa"). This is to acknowledge your resignation from your position as an Account Executive 1, effective January 10, 2014.

At this time, it is prudent to reiterate the terms set forth in your new-hire package, specifically your Comprehensive Agreement "Agreement" which as you may recall, provides in pertinent part:

Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.

Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information.

Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any

Chelsea Allen-Haines
January 16, 2014
Page 2

reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.

Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.

A copy of the Comprehensive Agreement you signed on July 2, 2012 is enclosed for your review.

Accordingly, pursuant to the terms of the Comprehensive Agreement, Balboa hereby demands that any and all confidential, proprietary information which may be in your possession be destroyed.

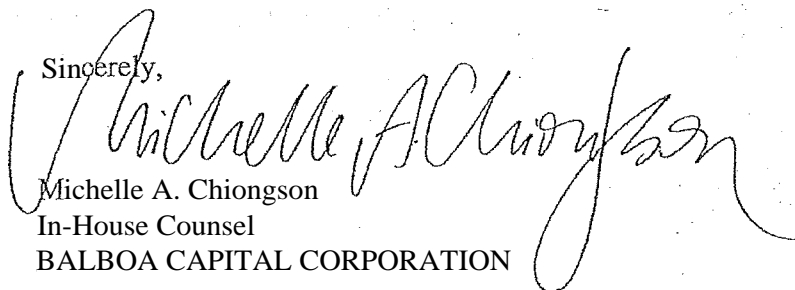
Balboa further demands that you do not distribute or disseminate to anyone any of Balboa's confidential, proprietary information which may be in your possession or any materials containing Balboa's intellectual property, including any marketing materials.

Balboa further demands that you refrain from contacting any of Balboa's customers or vendors.

In the event Balboa becomes aware that either 1.) any confidential, proprietary information or intellectual property has been distributed or disseminated by you to any third party and/or is being used for any unlawful, unfair or improper purpose, or 2.) you have been contacting any of Balboa's customers or vendors, be advised, Balboa will pursue all legal rights and remedies available to us.

Thank you for your anticipated cooperation. Should you have any questions or concerns regarding the foregoing, please do not hesitate to contact me.

Sincerely,



Michelle A. Chiongson
In-House Counsel
BALBOA CAPITAL CORPORATION

Enclosure

COMPREHENSIVE AGREEMENT
EMPLOYMENT AT-WILL, PROPRIETARY INFORMATION, AND ARBITRATION

It is hereby agreed by and between Chelsea L Allen (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at any time, with or without cause and/or with or without notice, at the option of the Employer or the Employee. (Employee initials)

2. It is further agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contra to the foregoing. Oral representations made before or after you are hired do not alter this Agreement. (Employee initials)
3. Contribution The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or ideas of value to the Employer and will be given access to the Employer's proprietary information. OS (Employee initials)
- t. Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others. Employee represents that his/her employment will not require him/her to violate any obligations to or confidence with another. (Employee initials)
5. Definition of Proprietary Information As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors. (Employee initials)
6. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information. (Employee initials)
7. Other Employment - Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at such time engaged, or which would otherwise conflict with his/her employment obligations to the Employer. (Employee initials)
8. Return of Materials at Termination In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information. (Employee initials)

9. Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.
(Employee initials)
10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during his employment with Employer, Employee shall not:
a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity;
b) hire any employee for the benefit of a Competing Entity of which Employee is a principal, owner, employee, or agent; c) assist in the formation of a Competing Entity; d) accept commission, proceeds, fees, salary, and/or any other consideration from a Competing Entity.
(Employee initials)
11. Arbitration - Employee also acknowledges that Employer promotes a voluntary system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between Employee and Employer (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the act's other mandatory and permissive rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of ("just cause")) other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or *in* connection with arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and, at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law and procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof, be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING
ARBITRATION PROVISION, BOTH EMPLOYEE AND EMPLOYER GIVE UP OUR
RIGHTS TO TRIAL BY JURY.

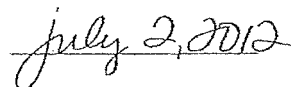
Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims.

12. Representations and Warranties — Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for funding are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been duly executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described in the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, and there is no meaningful information of which Employee is aware that has not been communicated to Employer, and Employee has not made any false or misleading statements in connection with any lease submitted for funding.
13. Remedies Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee. Therefore, in addition to all remedies, legal and equitable, available to Employer for breach of this Agreement, Employee and Employer agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities for whose benefit Employee breaches this Agreement. With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable; less unearned income, plus any unamortized expenses and any applicable taxes. Following purchase by Employee, Employer shall assign all of its rights, duties and interests without any warranties whatsoever, express or implied. (Employee initials)
14. General - (a) To the extent that any of the agreements set forth herein, or any word, phrase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phrase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represents the entire agreement between Employee and the Employer with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employer's employee handbook. This Agreement may be modified only by a *duly* authorized and executed in writing. (Employee initials).
15. This is the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW ATTESTS TO THE PAC! THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.

A handwritten signature in black ink, appearing to be "Michael", written over a horizontal line.

(Employee's Signature)

A handwritten date "July 2, 2012" in black ink, written over a horizontal line.

Date



BALBOA
CAPITAL

10 Main Street, Suite 1100 • Irvine, CA 92614

Phone (888) BALBOA1 - Fax (949) 756-0886

December 12, 2013

Via Hand Delivery

Dennis Odiome
19058 Delaware St
Huntington Beach, Ca 92648

Re: Comprehensive Agreement

Dear Mr. Odiome:

Thank you for your service to Balboa Capital Corporation ("Balboa"). This is to acknowledge your resignation from your position as a Sales Manager, effective December 13, 2013.

At this time, it is prudent to reiterate the terms set forth in your new-hire package, specifically your Comprehensive Agreement "Agreement" which as you may recall, provides in pertinent part:

Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary; or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.

Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information.

Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to

Dennis Odiome
December 12, 2013
Page 2

his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.

Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer_

A copy of the Comprehensive Agreement you signed on August 22, 2005 is enclosed for your review.

Accordingly, pursuant to the terms of the Comprehensive Agreement, Balboa hereby demands that any and all confidential, proprietary information which may be in your possession be destroyed.

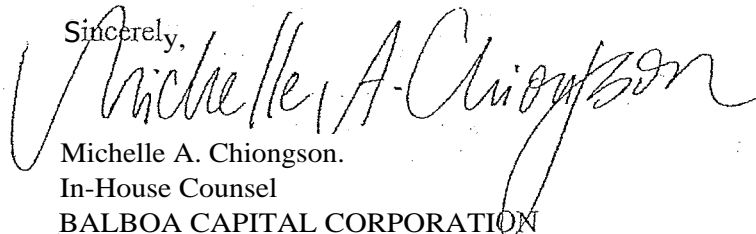
Balboa further demands that you do not distribute or disseminate to anyone any of Balboa's confidential, proprietary information which may be in your possession or any materials Containing Balboa's intellectual property, including any marketing materials.

Balboa further demands that you refrain from contacting any of Balboa's customers or vendors.

In the event Balboa becomes aware that either 1.) any confidential, proprietary information or intellectual property has been distributed or disseminated by you to any third party and/or is being used for any unlawful, unfair or improper purpose, or 2.) you have been contacting any of Balboa's customers or vendors, be advised, Balboa will pursue all legal rights and remedies available to us.

Thank you for your anticipated cooperation. Should you have any questions or concerns regarding the foregoing, please do not hesitate to contact me.

Sincerely,



Michelle A. Chiongson
In-House Counsel
BALBOA CAPITAL CORPORATION

Enclosure

COMPREHENSIVE AGREEMENT
EMPLOYMENT AT-WILL, PROPRIETARY INFORMATION, AND ARBITRATION

2. It is hereby agreed by and between Dem; (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at any time with or without cause and/or with or without notice, at the option of the Employer or the Employee. 3:___•(Employee initials)

2. It is further agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary ,to the foregoing. Oral representations made before or after you are hired do not alter this Agreement. U'(Employee initials)

3. Contribution - The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions acl/or,kleas of value to the Employer and will be given access to the Employer's proprietary informationi_ ! (Employee initials)

4. Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others, Employee representsthatpis/her employment will not require him/her to violate any obligations to or confidence with another. ')t (Employee initials)

5. Definition of Proprietary Information As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may he applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer, Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code P3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, ma ding, plans and strategies, and information concerning employees, customers, or vendors. _____ (Employee initials)

6. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and remlations as established from time to time, for the protection of *its* Proprietary Information. U (Employee initials)

7. Other Employment - Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at sue time,engaged, or which would otherwise conflict with his/her employment obligations to the Employer. (Employee initials)

8. Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him *any* documents or data, or any re rodAction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.\ r (Employee initials)

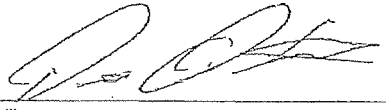
9. Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither *during* his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.
Employee initials)
10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during his employment with Employer, and for a period of three (3) years following his termination of employment with Employer, he shall not: a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity; b) hire any employee for the benefit of a Competing Entity of which he is a principal, owner, employee, or agent; c) assist in the formation of a Competing Entity' d) accept commission, proceeds, fees, salary, and/or any other consideration from a Competing Entity. ___ J (Employee initials)
11. Arbitration - Employee also acknowledges that Employer promotes a voluntary system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between. Employee and Employer (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising *under* the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the act's other mandatory and permissive rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of ("just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and, at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law and procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof, be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING
ARBITRATION PROVISION, BOTH EMPLOYEE AND EMPLOYER GIVE UP OUR
RIGHTS TO TRIAL BY JURY.

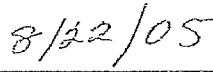
Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims. [

12. Representations and Warranties — Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for funding are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been duly executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described in the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, and there is no meaningful information of which Employee is aware that has not been communicated to Employer, and Employee has not made any false or misleading statements in connection with any lease submitted for funding.
13. Remedies — Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee Therefore, in addition to all remedies, legal and equitable, available to Employer for breach of this Agreement, Employee and Employer agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities fbr whose benefit Employee breaches this Agreement. With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable, less unearned income, plus any unamortized expenses and any applicable taxes. Following purchase by Employee, Employ s a I assign all of its rights, duties and interests without any warranties whatsoever, express or implied. (Employee initials)
14. General - (a) To the extent that any of the agreements set forth herein, or any word, phase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent_ (b) This Agreement shall be binding upon Employee and his/her heirs, executors; assigns, and administrators and shall inure fo the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural; as appropriate. (e) This Agreement represents the entire agreement between Employee and the Employer with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employe ' rn l.yee handbook. This Agreement may be modified only by a duly authorized and executed in writing. (Employee initials).
15. This is the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW A TESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.

A handwritten signature in black ink, appearing to be "D. C. [unclear]", written over a horizontal line.

(Employee's Signature)

A handwritten date "8/22/05" in black ink, written over a horizontal line.

Date



BALBOA
CAPITAL

December 12, 2013

2010 Main Street 11' Floor Irvine, CA 92614

Toll: (888) BALBOA! o Phone: (949) 7560800 FAX (949) 75&0886

Via hand Delivery

Donald Hansen
21042 Marino Lane
Huntington Beach, Ca 92646

Agreement

Dear Mr. Hansen:

Thank you for your service to Balboa Capital Corporation ("Balboa"). This is to acknowledge your resignation from your position as a Vice President - Commercial Finance Division, effective December 13, 2013.

At this time, it is prudent to reiterate the terms set forth in your new-hire package, specifically the agreement "Agreement" you signed on August 25, 1994 which as you may recall, provides in pertinent part:

Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Company, (ii) the research and development or investigations of the Company, or (iii) the business of any customer of the Company. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.

Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Company, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly or indirectly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Company and with the consent of the Company. Employee will abide by the Company's policies and regulations as established from time to time, for the protection of its Proprietary Information.

Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Company all documents, data, records and other information pertaining to

Donald Hansen
December 12, 2013
Page 2

his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.

Business Relationships - Employee acknowledges that the Company's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Company.

A copy of the Agreement is enclosed for your review.

Accordingly, pursuant to the terms of the Agreement, Balboa hereby demands that any and all confidential, proprietary information which may be in your possession be destroyed.

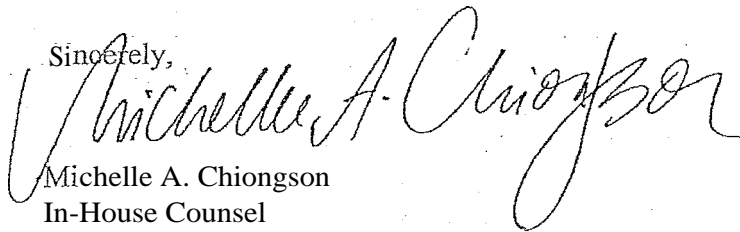
Balboa further demands that you do not distribute or disseminate to anyone any of Balboa's confidential, proprietary information which may be in your possession or any materials containing Balboa's intellectual property, including any marketing materials.

Balboa further demands that you refrain from contacting any of Balboa's customers or vendors.

In the event Balboa becomes aware that either 1.) any confidential, proprietary information or intellectual property has been distributed or disseminated by you to any third party and/or is being used for any unlawful, unfair or improper purpose, or 2.) you have been contacting any of Balboa's customers or vendors, be advised, Balboa will pursue all legal rights and remedies available to us.

Thank you for your anticipated cooperation. Should you have any questions or concerns regarding the foregoing, please do not hesitate to contact me.

Sincerely,



Michelle A. Chiongson
In-House Counsel
BALBOA CAPITAL CORPORATION

Enclosure

IT IS AGREED BETWEEN B.A.LBOA CAPITAL CORPORATION (hereinafter the 'Company') and _____ (hereinafter the 'Employee'), as follows:

1. Employment - The Company has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or ideas of value to the Company and will be given access to the Company's proprietary information.
2. Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Company, or cause the Company to use, such documents or other confidential or proprietary information belonging to others. Employee represents that his/her employment will not require him/her to violate any obligations to or confidence with another.
3. Definition of Proprietary Information - As used herein, the term 'Proprietary Information' refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Company, (ii) the research and development or investigations of the Company, or (iii) the business of any customer of the Company. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code 43426), processes, know-how, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.
4. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Company, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly or indirectly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Company and with the consent of the Company. Employee will abide by the Company's policies and regulations as established from time to time for the protection of its Proprietary Information.
5. Other Employment - Employee agrees that during the period of his/her employment by the Company, he will not, without the Company's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Company relating to any line of business in which the Company is now or at such time engaged, or which would otherwise conflict with his/her employment obligations to the Company.
6. Not Employment Contract - This is not an employment contract. Nothing in this agreement shall confer upon the Employee any right to continue in the employ of the Company or shall interfere with or restrict in any way the rights of the Employee or the Company, which are hereby expressly reserved, to terminate Employee's employment at any time for any reason whatsoever, with or without cause, subject to the provisions of applicable law,
7. Return of Materials at Termination In the event of any termination of his/her employment, whether or not for cause and whatever the reason, Employee will promptly deliver to the Company all documents, data, records, and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.

8. Business tips - Employee acknowledges that the Company's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Company.

9. General - (a) To the extent that any of the agreements set forth herein, or any word, *phrase*, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phrase, or sentence shall be modified in such a manner so as to make the agreement as modified legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall ~~For the affected~~ thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Company and its subsidiaries, affiliates, successors, and assigns. (c) This Agreement *shall* be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represents the entire agreement between Employee and the Company with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements. This Agreement may be modified only by a duly authorized and executed writing.

7=7 

BALISOA CAPITAL CORPORATION

EMPLOYEE:

By: _____

By: _____

Title: _____

Name: _____

Date: _____

Date: _____



BALBOA
CAPITAL

201_ ./lain Street, Suite 1100 • Irvine, CA 92614

Phone (888) BALBOA1 • Fax (949) 756-0886

January 16, 2014

Via Federal Express

Javier Enriquez
4512 Sharpshinned Hawk Cv
Austin, Texas 78738

Re: Comprehensive Agreement

Dear Mr. Enriquez:

Thank you for your service to Balboa Capital Corporation ("Balboa"). This is to acknowledge your resignation from your position as a Sales Manager, effective January 10, 2014.

At this time, it is prudent to reiterate the terms set forth in your new-hire package, specifically your Comprehensive Agreement "Agreement" which as you may recall, provides in pertinent part:

Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.

Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information.

Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any

www.barboacapital.com

IRVINE • SAN RAMON • SCOTTSDALE

Javier Enriquez
January 16, 2014
Page 2

reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.

Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.

A copy of the Comprehensive Agreement you signed on July 18, 2003 is enclosed for your review.

Accordingly, pursuant to the terms of the Comprehensive Agreement, Balboa hereby demands that any and all confidential, proprietary information which may be in your possession be destroyed.

Balboa further demands that you do not distribute or disseminate to anyone any of Balboa's confidential, proprietary information which may be in your possession or any materials containing Balboa's intellectual property, including any marketing materials.

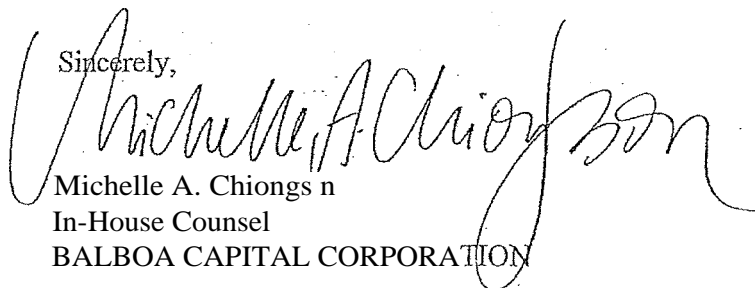
Balboa further demands that you refrain from contacting any of Balboa's customers or vendors.

In the event Balboa becomes aware that either 1.) any confidential, proprietary information or intellectual property has been distributed or disseminated by you to any third party and/or is being used for any unlawful, unfair or improper purpose, or 2.) you have been contacting any of Balboa's customers or vendors, be advised, Balboa will pursue all legal rights and remedies available to us.

Additionally, enclosed is Balboa's Check No. 500944 in the sum of \$2,829.74, which represents your final commission check for the period from January 1, 2014 through January 10, 2014.

Thank you for your anticipated cooperation. Should you have any questions or concerns regarding the foregoing, please do not hesitate to contact me.

Sincerely,



Michelle A. Chiongs n
In-House Counsel
BALBOA CAPITAL CORPORATION

Enclosures

COMPREHENSIVE AGREEMENT
EiVEBLOYIVLENT AT-WILL, PROPRIETARY NFORMATION, AND ARBITRATION

1. It is hereby agreed by and between JAI/ Egs (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at any time, with or without cause and/or with or without notice, at the option of the Employer or the Employee. GI/ (Employee initials)
2. It is farther agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after you are hired do not alter this Agreeaent. "Tz_ (Employee initials)
3. Contribution - The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or ideas of value to the Employer and will be given access to the Employer's proprietary information. ✓ (Employee initials)
4. Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others. Employee represents ~~to~~ his/her employment will not require him/her to violate any obligations to or confidence with another. _____ (Employee initials)
5. Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, fonnulak, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.
(Employee initials)
6. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer; and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulⁱons as established from time to time, for the protection of its Proprietary Information.
_____ (Employee initials)
7. Other Employment - Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at such time ngaged, or which would otherwise conflict with his/her employment obligations to the Employer. _____ (Employee initials)
8. Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reprodu on or excerpt of any documents or data, containing or pertaining to any Proprietary Information. _____ (Employee initials)

9. Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise_ This provision shall not affect • Employee's right to compete after termination of employment with the Employer.
V (Employee initials)

10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during his employment with Employer, and for a period of three (3) years following his termination of employment with Employer, he shall not: a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity; b) hire any employee for the benefit of a Competing Entity of which he is a principal, owner, employee, or agent; c) assist in the formation of a Competing Entity; d) a ept commission, proceeds, fees, salary, and/or any other consideration from a Competing Entity. ____ (Employee initials)

11. Arbitration - Employee also acknowledges that Employer promotes a voluntary system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between Employee and Employer (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the act's other mandatory and permissive rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of ("just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and, at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law and procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof,

be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING ARBITRATION PROVISION, BOTH EMPLOYEE AND EMPLOYER GIVE UP OUR RIGHTS TO TRIAL BY JURY.

Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims. [


12. **Representations and Warranties** — Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for funding are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been duly executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described in the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, and there is no meaningful information of which Employee is aware that has not been communicated to Employer, and Employee has not made any false or misleading statements in connection with any lease submitted for funding.
13. **Remedies** — Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee Therefore, in addition to all remedies, legal and equitable, available to Employer for breach of this Agreement, Employee and Employer agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities for whose benefit Employee breaches this Agreement. With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable, less unearned income, plus any unamortized expenses and any applicable taxes. Following purchase by Employee, Employer shall assign all of its rights, duties and interests without any warranties whatsoever, express or implied. _____ (Employee initials)
14. **General** - (a) To the extent that any of the agreements set forth herein, or any word, phrase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phrase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represents the entire agreement between Employee and the Employer with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employer's employee handbook. This Agreement may be modified only by a duly authorized and executed in writing. _____ (Employee initials).

This is, the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.

2-57 2-0 03

Signed at _____ California, this _____ day of



(Employee _____ tare)



201, ..Lain Street, Suite 1100 • Irvine, CA 92614

Phone (888) BALBOA1 • Fax (949) 756-0886

January 16, 2014

Via Federal Express

Kevin Kutter
28963 Canyon Oak Drive
Trabuco Canyon, California 92679

Re: Comprehensive Agreement

Dear Mr. Kutter:

Thank you for your service to Balboa Capital Corporation ("Balboa"). This is to acknowledge your resignation from your position as an Account Executive 1, effective January 10, 2014.

At this time, it is prudent to reiterate the terms set forth in your new-hire package, specifically your Comprehensive Agreement "Agreement" which as you may recall, provides in pertinent part:

Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, foimulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.

Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Infoimation is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of perfoiniing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information. •

Return of Materials at Telination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any

Kevin Kutter
January 16, 2014
Page 2

reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.

Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.

A copy of the Comprehensive Agreement you signed on September 19, 2011 is enclosed for your review.

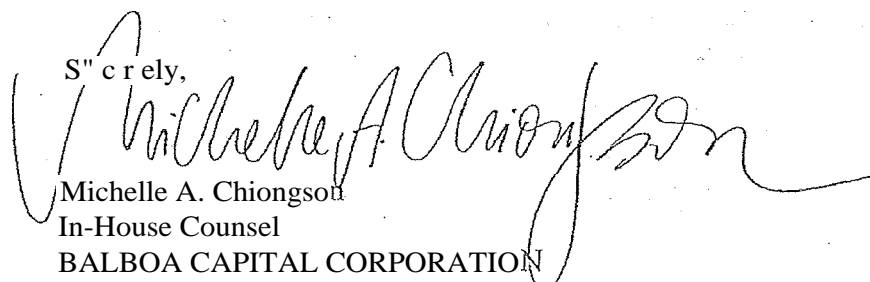
Accordingly, pursuant to the terms of the Comprehensive Agreement, Balboa hereby demands that any and all confidential, proprietary information which may be in your possession be destroyed.

Balboa further demands that you do not distribute or disseminate to anyone any of Balboa's confidential, proprietary information which may be in your possession or any materials containing Balboa's intellectual property, including any marketing materials.

Balboa further demands that you refrain from contacting any of Balboa's customers or vendors.

In the event Balboa becomes aware that either 1.) any confidential, proprietary information or intellectual property has been distributed or disseminated by you to any third party and/or is being used for any unlawful, unfair or improper purpose, or 2.) you have been contacting any of Balboa's customers or vendors, be advised, Balboa will pursue all legal rights and remedies available to us.

Thank you for your anticipated cooperation. Should you have any questions or concerns regarding the foregoing, please do not hesitate to contact me.

Sincerely,

Michelle A. Chiongson
In-House Counsel
BALBOA CAPITAL CORPORATION

Enclosure

COMPREHENSIVE AGREEMENT
EMPLOYMENT AT-WILL, PROPRIETARY INFORMATION, AND ARBITRATION

It is hereby agreed by and between Kevin R Kutter (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at any time, with or without cause and/or with or without notice, at the option of the Employer or the Employee. _____ (Employee initials)

It is further agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after you are hired do not alter this Agreement. _____ (Employee initials)

3. Contribution - The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or ideas of value to the Employer and will be given access to the Employer's proprietary information. Y./K. (Employee initials)

Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others. Employee represents that at his/her employment will not require him/her to violate any obligations to or confidence with another. ~~Y./K.~~ (Employee initials)

5. Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary information includes, for example and without limitations, trade secrets (as defined by California Civil Code 1/3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.

Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information.
4/ (Employee initials)

7. Other Employment - Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at such time engaged, or which would otherwise conflict with his/her employment obligations to the Employer. ~~Y./K.~~ (Employee initials)

8. Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information. Y./K. (Employee initials)

9. Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.
____ (Employee initials)

10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during his employment with Employer, Employee shall not:
a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity;
b) hire any employee for the benefit of a Competing Entity of which Employee is a principal, owner, employee, or agent; c) assist in the formation of a Competing Entity; d) accept commission, proceeds, fees, salary, and/or any other consideration from a Competing Entity.
1._-P:(Employee initials)

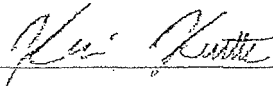
Arbitration - Employee also acknowledges that Employer promotes a voluntary system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between Employee and Employer (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the act's other mandatory and permissive rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of ("just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and, at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law and procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof, be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING
ARBITRATION PROVISION, BOTH EMPLOYEE AND EMPLOYER GIVE UP OUR
RIGHTS TO TRIAL BY JURY.

Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims.

12. Representations and Warranties — Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for funding are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been duly executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described in the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, and there is no meaningful information of which Employee is aware that has not been communicated to Employer, and Employee has, not made any false or misleading statements in connection with any lease submitted for funding.
13. Remedies — Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee. Therefore, in addition to all remedies, legal and equitable, available to Employer for breach of this Agreement, Employee and Employer agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities for whose benefit Employee breaches this Agreement. With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable, less unearned income, plus any unamortized expenses and any applicable taxes. Following purchase by Employee, Employer shall assign all of its rights, duties and interests without any warranties whatsoever, express or implied. Z (Employee initials)
14. General - (a) To the extent that any of the agreements set forth herein, or any word, phrase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phrase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represents the entire agreement between Employee and the Employer with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employer's employee handbook. This Agreement may be modified only by a duly authorized and executed in writing. Z (Employee initials).
15. This is the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.



(Employee's Signature)

19. 27. 11
b:ili

Date



**BALE OA
CAPITAL**

jla in Street, Suite 1100 - Irvine, CA 92614

Phone (888) BALBOA1 • Fax (949) 756-0886

January 16, 2014

Via Federal Express

Kirsten Merza
1204 W. Balboa Blvd.
Unit C
Newport Beach, California 92661

Re: Comprehensive Agreement

Dear Ms. Merza :

Thank you for your service to Balboa Capital Corporation ("Balboa"). This is to acknowledge your resignation from your position as an Account Manager, effective January 10, 2014.

At this time, it is prudent to reiterate the terms set forth in your new-hire package, specifically your Comprehensive Agreement "Agreement" which as you may recall, provides in pertinent part:

Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.

Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information.

Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to

www.balboacapital.com

Kirsten Ivlerza
January 16, 2014
Page 2

his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.

Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.

A copy of the Comprehensive Agreement you signed on August 22, 2008 is enclosed for your review.

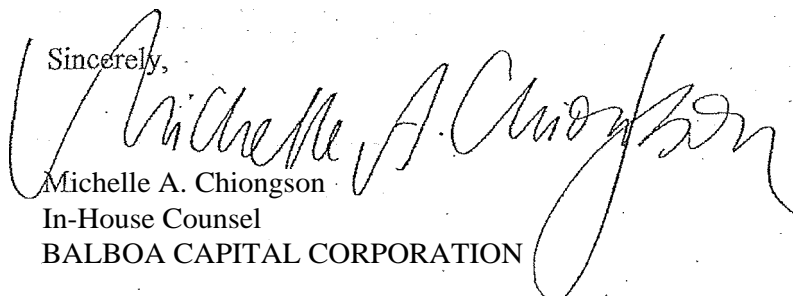
Accordingly, pursuant to the terms of the Comprehensive Agreement, Balboa hereby demands that any and all confidential, proprietary information which may be in your possession be destroyed.

Balboa further demands that you do not distribute or disseminate to anyone any of Balboa's confidential, proprietary information which may be in your possession or any materials containing Balboa's intellectual property, including any marketing materials.

Balboa further demands that you refrain from contacting any of Balboa's customers or vendors.

In the event Balboa becomes aware that either 1.) any confidential, proprietary information or intellectual property has been distributed or disseminated by you to any third party' and/or is being used for any unlawful, unfair or improper purpose, or 2.) you have been contacting any of Balboa's customers or vendors, be advised, Balboa will pursue all legal rights and remedies available to us.

Thank you for your anticipated cooperation. Should you have any questions or concerns regarding the foregoing, please do not hesitate to contact me.

Sincerely,

Michelle A. Chiongson
In-House Counsel
BALBOA CAPITAL CORPORATION

Enclosure

: COMPREHENSIVE AGREEMENT
EMPLOYMENT AT-WILL, PROPRIETARY INFORMATION AND ARBITRATION

It is hereby agreed by and between Kasten P. Merza (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at any time, with or without cause and/or with or without notice, at the option of the Employer or the Employee. kai (Employee initials)

It is further agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after Von are hired do not alter this Agreement ti (Employee initials)

3. Contribution - The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or idea, of value to the Employer and will be given access to the Employer's proprietary information. --- (Employee initials)

4. Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others. Employee represents that his/her employment will not require him/her to violate any obligations to or confidence with another. --- Employee initials)

Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, pioprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors. --- (Employee initials)

6. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and re"ulations as established from time to time, for the protection of its Proprietary Information. --- (Employee initials)

7. Other Employment - Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at such time engaged, or which would otherwise conflict with his/her employment obligations to the Employer. Kkl (Employee initials)

8. Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information. P (Employee initials)

9. Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.
Kru" (Employee)
10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during his employment with Employer, Employee shall not:
a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity;
b) hire any employee for the benefit of a Competing Entity of which Employee is a principal, owner, employee, or agent; c) assist in the formation of a Competing Entity; d) accept commission, proceeds, fees, salary, and/or any other consideration from a Competing Entity.
K IrV" (Employee initials)
11. Arbitration - Employee also acknowledges that Employer promotes a voluntary system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between Employee and Employer (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 at seq., including section 1283.05 and all of the act's other mandatory and permissive rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of "just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications or in connection with arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and, at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law and procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof, be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING
ARBITRATION PROVISION, BOTH EMPLOYEE AND EMPLOYER GIVE UP OUR
RIGHTS TO TRIAL BY JURY.

Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims. []

12. Representations and Warranties — Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for funding are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been duly executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described in the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, and there is no meaningful information of which Employee is aware that has not been communicated to Employer, and Employee has not made any false or misleading statements in connection with any lease submitted for funding.
13. Remedies — Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee Therefore, in addition to all remedies, legal and equitable, available to Employer for breach of this Agreement, Employee and Employer agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities for whose benefit Employee breaches this Agreement. With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable, less unearned income, plus any unamortized expenses and any applicable taxes. Following purchase by Employee, Employer shall assign all of its rights, duties and interests without any warranties whatsoever, express or implied. LIR/ (Employee initials)
14. General - (a) To the extent that any of the agreements set forth herein, or any word, phrase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phrase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represents the entire agreement between Employee and the Employer with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employer's employee handbook. This Agreement may be modified only by a duly authorized and executed in writing. k-1- (Employee initials).
15. This is the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.

r.

· **L**

8/22/2008

(Employee's Signature)

Date



BALBOA
CAPITAL

201 Main Street, Suite 1100 < Irvine, CA 92614

Phone (888) BALBOA1 - Fax (949) 756-0886

January 16, 2014

Via Federal Express

Travis Power
6193 Tonya Circle
Cypress, California 90630

Re: Comprehensive Agreement

Dear Mr. Power:

Thank you for your service to Balboa Capital Corporation ("Balboa"). This is to acknowledge your resignation from your position as an Account Executive 1, effective January 10, 2014.

At this time, it is prudent to reiterate the terms set forth in your new-hire package, specifically your Comprehensive Agreement "Agreement" which as you may recall, provides in pertinent part:

Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer, (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.

Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information.

Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any

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Travis Power
January 16, 2014
Page 2

reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information.

Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.

A copy of the Comprehensive Agreement you signed on April 15, 2013 is enclosed for your review.

Accordingly, pursuant to the terms of the Comprehensive Agreement, Balboa hereby demands that any and all confidential, proprietary information which may be in your possession be destroyed.

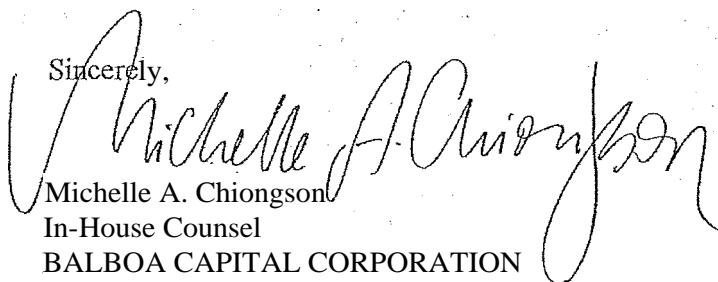
Balboa further demands that you do not distribute or disseminate to anyone any of Balboa's confidential, proprietary information which may be in your possession or any materials containing Balboa's intellectual property, including any marketing materials.

Balboa further demands that you refrain from contacting any of Balboa's customers or vendors.

In the event Balboa becomes aware that either 1.) any confidential, proprietary information or intellectual property has been distributed or disseminated by you to any third party and/or is being used for any unlawful, unfair or improper purpose, or 2.) you have been contacting any of Balboa's customers or vendors, be advised, Balboa will pursue all legal rights and remedies available to us.

Thank you for your anticipated cooperation. Should you have any questions or concerns regarding the foregoing, please do not hesitate to contact me.

Sincerely,



Michelle A. Chiongson
In-House Counsel
BALBOA CAPITAL CORPORATION

Enclosure

COMPREHENSIVE AGREEMENT
EMPLOYMENT AT-WILL, PROPRIETARY INFORMATION, AND ARBITRATION

It is hereby agreed by and between _____ (hereinafter "Employee") and BALBOA CAPITAL CORPORATION (hereinafter "Employer") that the employment and compensation of Employee can be terminated by the Employer or the Employee at any time, with or without cause and/or with or without notice, at the option of the Employer or the Employee. JP (Employee initials)

2. It is further agreed understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Employer. No supervisor or representative of the Employer, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after you are hired do not alter this Agreement 43 (Employee initials)
3. Contribution - The Employer has hired Employee. Employee acknowledges that, as part of his/her employment, he/she is expected to create inventions and/or ideas of value to the Employer and will be given access to the Employer's proprietary information. _____ (Employee initials)
4. Confidential Information of Others - Employee represents to Employer that he/she does not have in his/her possession any confidential or proprietary documents belonging to others, and represents and agrees that he/she will not use, disclose to the Employer, or cause the Employer to use, such documents or other confidential or proprietary information belonging to others. Employee represents that his/her employment will not require him/her to violate any obligations to or confidence with another. _____ (Employee initials)
5. Definition of Proprietary Information - As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary, or secret nature which is or may be applicable to or related in any way to (i) the business, present or future, of the Employer; (ii) the research and development or investigations of the Employer, or (iii) the business of any customer of the Employer. Proprietary Information includes, for example and without limitations, trade secrets (as defined by California Civil Code #3426), processes, formulas, data, inventions, technical and financial know-how, improvements, techniques, marketing plans and strategies, and information concerning employees, customers, or vendors.
JP (Employee initials)
6. Proprietary Information to be Kept in Confidence - Employee acknowledges that the Proprietary Information is a special, valuable, and unique asset of the Employer, and Employee agrees at all times during the period of his/her employment and thereafter to keep in confidence all Proprietary Information. Employee agrees that during the period of his employment and thereafter he will not directly use the Proprietary Information other than in the course of performing his/her duties as an employee of the Employer and with the consent of the Employer. Employee will abide by the Employer's policies and regulations as established from time to time, for the protection of its Proprietary Information.
_____ (Employee initials)
7. Other Employment - Employee agrees that during the period of his/her employment by the Employer, he will not, without the Employer's prior written consent, directly or indirectly engage in any employment, consulting, or activity other than for the Employer relating to any line of business in which the Employer is now or at such time engaged, or which would otherwise conflict with his/her employment obligations to the Employer. _____ (Employee initials)
8. Return of Materials at Termination - In the event of any termination of his/her employment whether or not for cause and whatever the reason, Employee will promptly deliver to the Employer all documents, data, records and other information pertaining to his/her employment, and Employee shall not take with him any documents or data, or any reproduction or excerpt of any documents or data, containing or pertaining to any Proprietary Information. _____ (Employee initials)

Business Relationships - Employee acknowledges that the Employer's relationships with its employees (including agents and representatives), customers, and vendors are valuable business assets. Employee agrees that neither during his/her employment nor thereafter will he/she disrupt, damage, impair, or interfere with those relationships, through solicitation or otherwise. This provision shall not affect Employee's right to compete after termination of employment with the Employer.

TV (Employee initials)

10. Non compete - Employee acknowledges that each employee is a special, valuable, and unique asset of Employer. Employee agrees that during his employment with Employer, Employee shall not:
- a) encourage, solicit, or discuss with any employee alternative employment with a Competing Entity;
 - b) hire any employee for the benefit of a Competing Entity of which Employee is a principal, owner, employee, or agent;
 - c) assist in the formation of a Competing Entity;
 - d) accept commission; proceeds, fees, salary, and/or any other consideration from a Competing Entity.
- (Employee initials)

11. Arbitration - Employee also acknowledges that Employer promotes a voluntary *system* of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Employer and Employee, Employee voluntarily agree that any claim, dispute, and/or controversy (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between Employee and Employer (cir its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with Employer, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers Compensation Act, and Employment Development Department claims), shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures ~~of~~ the California Arbitration Act (Cal_ Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the act's other mandatory and permissive rights to discovery). However in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8, Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of ("just cause")) other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with arbitration proceedings are privileged in accordance with Cal_ Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion and, at either party's written request within 10 days after issuance of the award, shall be subject to affirmation, reversal or modification following review of the record and arguments of the parties by a second arbitrator who shall, as far as practicable, proceed according to the law and procedures applicable to appellate review by the California Court of Appeal of a civil judgment following court trial. Should any term or provision, or portion thereof, be declared void or unenforceable, it shall be severed and the remainder of this agreement shall enforceable.

EMPLOYEE UNDERSTANDS BY VOLUNTARILY AGREEING TO THIS BINDING
ARBITRATION PROVISION, BOTH EMPLOYEE AND EMPLOYER GIVE UP OUR
RIGHTS TO TRIAL BY JURY.

Employee further understands that this voluntary alternative dispute resolution program covers claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended. By marking the box below, Employee elects to give up the benefits of arbitration of Title VII claims. kkj

12. Representations and Warranties —Employee represents and warrants that: (1) each lease and related agreements submitted to Employer for funding are genuine and represent a valid, binding and enforceable obligation of a bona fide lessee; (2) the lease and any guaranties and all other agreements provided in connection with any transaction Employee submits for funding shall have been duly executed by the appropriate parties and that all signatures are authentic and genuine; (3) all equipment described in the lease has been delivered to and accepted by the lessee, and Employer is the owner of the equipment, unless otherwise described in the lease; and (4) to the best of Employee's knowledge, there has been no change in the lessee's financial condition since Employee submitted the credit package, and there is no meaningful information of which Employee is aware that has not been communicated to Employer; and Employee has not made any false or misleading statements in connection with any lease submitted for funding.
13. Remedies — Employer and Employee acknowledge that it may be difficult to determine actual damages to Employer resulting from a breach of paragraphs 6-10 above by Employee Therefore, in addition to all remedies, legal and equitable, available to Employer for breach of this Agreement, Employee and Employer agree that said remedies shall include, but shall not be limited to, the present value of any and all payments that become due under any and all financing agreements, including the residual value thereof, if any, discounted by six percent (6%) that result from said breach, from any and all Competing Entities for whose benefit Employee breaches this Agreement. With respect to a breach of paragraph 12 above, Employee shall purchase the transaction from Employer for cash in an amount equal to Employer's gross lease receivable, less unearned income, plus any unamortized expenses and any applicable taxes. Following purchase by Employee, Employer shall assign all of its rights, duties and interests without any warranties whatsoever, express or implied. (Employee initials)
14. General - (a) To the extent that an if the agreements set forth herein, or any word, phase, clause, or sentence thereof shall be found to be illegal or unenforceable for any reason, such agreement, word, clause, phase, or sentence shall be modified to be legal and enforceable under applicable laws, and the balance of the agreements or parts thereof shall not be affected thereby, the balance being construed as severable and independent. (b) This Agreement shall be binding upon Employee and his/her heirs, executors, assigns, and administrators and shall inure to the benefit of the Employer and its subsidiaries, affiliates, successors, and assigns. (c) This agreement shall be governed by the laws of the State of California. (d) The use of the masculine gender in this Agreement includes the feminine, and the singular includes the plural, as appropriate. (e) This Agreement represeats the entire agreement between Employee and the Employer with respect to the subject matter hereof; superseding all previous oral or written communications, representations, or agreements, except as modified and/or augmented by Employer's employee handbook. This Agreement may be modified only by a duly authorized and executed in writing. ? (Employee initials).
15. This is the entire agreement between Employer and Employee regarding the length of employment and reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.

Travis Lowen

(Employee's Signature)

04/15/13

Date