

# **BARON CAPITAL ENTERPRISE, INC.**

## **Company Information and Disclosure Statement For the period ending December 31, 2011**

### Part A: General Company Information

#### **Item I. The exact name of the issuer and its predecessor (if any).**

From November 2011 to Present	Baron Capital Enterprise, Inc.
From December 2006 to November 2011	247MGI, Inc.
From November 2003 to December 2006	Total Identity Corp.
From May 2002 to November 2003	TMI Holdings, Inc.
From July 1991 to May 2002	Thrift Management, Inc.

#### **Item II. The address of the issuer's principal executive offices.**

Baron Capital Enterprise, Inc.  
1500 W Cypress Creek Road  
Suite 414  
Fort Lauderdale, FL 33309  
(i) Phone: 954-623-3209  
Fax: none  
(ii) None  
(iii) Investor Relations: 247mgi@gmail.com

#### **Item III. The jurisdiction(s) and date of the issuer's incorporation or organization.**

The issuer is a Corporation organized under the laws of the State of Florida on or about July 1991.

### Part B: Share Structure

#### **Item IV. The exact title and class of securities outstanding.**

Classes of Stock Outstanding:	Common
CUSIP:	06827T104
Trading Symbol:	BCAP
Classes of Stock Outstanding:	Series AA Preferred Stock
CUSIP:	None
Trading Symbol:	None

The accompanying notes are an integral part of these consolidated financial statements.

**Item V. Par or stated value and description of the security.**

**A. Par or Stated Value.**

Common Stock: \$.0001

Preferred Stock: \$.01

**B. Common.**

1. Each share of Common Stock is entitled to one vote and does not have any pre-emptive rights. Dividends, if any, are declared at the discretion of the Board of Directors.
2. Material Rights of common stockholders: None.
3. Provision in charter or by-laws that would delay, defer or prevent a change in control of the issuer: None.

**C. Preferred**

1. Five million shares authorized of Preferred, 1,000,000 designated as Class AA Convertible Preferred stock, \$.01 par value, each share of Preferred stock converts in to 10,000 shares of Common Stock, the Preferred stock has voting rights.

**Item VI. The number of shares or total amount of the securities outstanding for each class of securities authorized.**

*Common Stock:*

(i) Common for the period ending December 31,:

	2010	2011
Shares Authorized:	100,000,000,000	2,400,000,000
Shares Outstanding:	499,022,614	2,132,355,947
Public Float:	230,000,000	2,132,355,947
Number of Shareholders of Record:	185	186
Number of Beneficial owners	1035	1035

(ii) Preferred Series AA for the year ending December 31,:

	2010	2011
Shares Authorized:	1,000,000	1,000,000
Shares Outstanding:	198,000	1,000,000
Public Float:		
Number of Shareholders of Record:	1	3

The accompanying notes are an integral part of these consolidated financial statements.

Part C: Business Information

**Item VII. The name and address of the transfer agent.**

Continental Stock Transfer & Trust Company  
Transfer Agent  
17 Battery Place  
New York, NY, 10004  
212-509-4000

Continental Stock Transfer & Trust Company is a Transfer Agent registered under the Securities Exchange Act of 1934.

**Item VIII. The nature of the issuer's business.**

A. Business Development.

1. Form of organization of the issuer: Florida Corporation.
2. Year organized: 1991
3. Fiscal year end date: 12/31
4. Whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding: No
5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets: The Company completed an acquisition on September 30, 2011 and acquired a Series of Convertible Notes totaling \$500,000 in a separate transaction on the same day. Either of these events resulted in a change of control or management.
6. Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments: None.
7. Any change of control: None
8. Any increase of 10% or more of the same class of outstanding equity securities: In October the Company increased its Common stock from 1.4 billion to 2.4 billion Authorized shares. The Company issued 758,333,333 shares of Common stock through a 504 offering and Conversion of Debt
9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization:
10. Any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board: None.
11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator: None.

B. Business of the Issuer.

1. Primary SIC: 7310
2. The issuer is presently conducting operations
3. The issuer has never been considered a "shell company."

The accompanying notes are an integral part of these consolidated financial statements.

- b. Names of any parent, subsidiary, or affiliate of the issuer: The Company currently has 4 wholly owned subsidiaries: Baron Capital Holdings, LLC, Baron Capital Clearing Agency, LLC, Baron Capital Securities, LLC, Baron Capital Transfer & Registrar, LLC.
- 1. Effect of existing or probable governmental regulations on the business: None
- 2. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers: approximately \$60,000 per year on research and development of which the Company bore direct responsibility for \$40,000.
- 3. Costs and effects of compliance with environmental laws: None
- 4. The issuer presently employs 1 full time employee.

**Item IX. The nature of products or services offered.**

Baron Capital Transfer & Registrar - Baron Capital Transfer & Registrar is a registered professional, full service stock transfer agency with the ability to offer a competitive cost savings structure. We are dedicated to providing the finest corporate services to clients nationwide.

Baron Capital also may loan money to entities in exchange for a convertible note that will allow the Issuer to convert the note into equity at a later date.

- A. Principal products or services and their markets: The Company offers transfer agent services and may loan money to public and private entities.
- B. Distribution methods of the products or services: The products are offered through various websites owned by the Company.
- C. The status of publicly announced new products or services are provided via news releases: The Issuer has created an Alternative Market place in concept, the flow chart for programming has been finalized, but the Issuer has not begun development as of yet.
- D. Competitive business conditions, the issuer's competitive position in the industry, and methods of competition: The Company offers transfer agent services in a highly competitive field. Other agencies have been around longer and have established clients, the advantage of switching transfer agents would require upfront costs to be absorbed by the Issuer and services made available to future clients they cannot get at their current transfer agent.
- E. Availability of raw materials: N/A
- F. The issuer is not dependent on one or a few major customers. No
- G. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration: None
- H. The need for any governmental approval of principal products or services and the status of any requested government approvals: None.

**Item X. The nature and extent of the issuer's facilities.**

The issuer presently uses office space supplied to the Company by the CEO in Fort Lauderdale, FL.

The accompanying notes are an integral part of these consolidated financial statements.

Part D: Management Structure and Financial Information.

**Item XI. The name of the chief executive officer, members of the board of directors, as well as control persons.**

A. Officers and Directors.

1. President, Treasurer, Secretary and Director:

- i. Matthew P. Dwyer
- ii. 1500 W Cypress Creek Rd, Suite 414, Fort Lauderdale, FL 33309
- iii. Employment history:

Baron Capital Enterprise, Inc - 1/2004 to present  
Business Development Manger – 247 Media  
Responsibilities included but not limited to:  
International Sourcing  
Sales & Support Team Development  
Direct worldwide R&D efforts  
Open Americas Market to 247 Media solutions

FundTech Solutions, LLC - 10/2008 – 3/2011  
Managing Member

Responsibilities included but not limited to  
Building a client base  
Negotiating and structuring all transactions  
Generated over \$7,000,000 in Gross revenue  
Helped fund several million dollars for Small Cap Companies, both private and public

- iv. Board memberships and other affiliations: None
- v. Compensation by issuer: \$400,000
- vi. Number and class of issuer's securities beneficially owned. 1,198,000 shares of Preferred Series AA

B. Legal/Disciplinary History.

1. Matthew P. Dwyer:

- i. Conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding: None
- ii. Entry of an order, judgment or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities: None
- iii. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading

The accompanying notes are an integral part of these consolidated financial statements.

Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated: None

- iv. Entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities: None.

- C. Disclosure of Family Relationships. None.
- D. Disclosure of Related Party Transactions. None
- E. Disclosure of Conflicts of Interest. None.

**Item XII: Financial information for issuer's most recent fiscal period.**

The accompanying notes are an integral part of these consolidated financial statements.

**BARON CAPITAL ENTERPRISE, INC. AND SUBSIDIARIES**

## Consolidated Balance Sheets

(Unaudited)

ASSETS

	December 31, 2011	December 31, 2010
CURRENT ASSETS		
Cash	\$ 7,361	\$ -
Prepaid expenses	646	646
Loans receivable	34,917	
Total Current Assets	42,924	646
FIXED ASSETS	52,076	44,076
Notes receivable & accrued interest receivable	723,110	
TOTAL ASSETS	\$ 818,110	\$ 44,722

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

## CURRENT LIABILITIES

Accounts payable	\$ 148,758	\$ 147,106
Accounts payable-- related party (Note 4)		955
Accrued expenses	201,810	140,991
Convertible debenture	125,000	125,000
Notes payable	101,610	406,683
Notes payable-- related party (Note 4)	-	950,749
Total Current Liabilities	577,178	1,771,484
TOTAL LIABILITIES	577,178	1,771,484

## STOCKHOLDERS' EQUITY (DEFICIT)

Preferred stock, Series "AA" \$0.01 par value, 5,000,000 shares authorized; 1,000,000 and 298,000 shares issued and outstanding, respectively	10,000	2,980
Common stock, \$0.0001 par value, 2,400,000,000 and 100,000,000,000 shares authorized, 2,132,355,947 and 499,022,614 issued and outstanding	213,236	4,990
Additional paid-in capital	14,142,660	12,529,926
Accumulated deficit	(14,124,964)	(14,264,657)
Total Stockholders' Equity (Deficit)	230,932	(1,726,761)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 818,110	\$ 44,722

The accompanying notes are an integral part of these consolidated financial statements.

**BARON CAPITAL ENTERPRISE, INC. AND SUBSIDIARIES**  
**(FKA 247MGI AND SUBSIDIARIES)**  
Consolidated Statements of Operations  
(Unaudited)

	For Years Ended <u>December 31,</u>	
	2011	2010
REVENUE		\$ -
COST OF SALES		-
GROSS MARGIN		-
EXPENSES		
Consulting and professional fees	5,282	-
Salaries and wages	428,339	374,000
Selling, general and administrative	50,666	-
Total Expenses	484,287	374,000
Income (LOSS) FROM OPERATIONS	(484,287)	(374,000)
OTHER INCOME (EXPENSE)		
Gain (loss) on sale/disposition of assets	-	(45,000)
Forgiveness of debt & liabilities	577,575	
Gain on sale of securities	50,000	
Interest expense	(27,234)	(47,343)
Interest income	23,639	
Total Other Income (Expense)	623,980	(92,343)
NET INCOME (LOSS)	139,693	(466,343)

The accompanying notes are an integral part of these consolidated financial statements.



**BARON CAPITAL ENTERPRISE, INC. AND SUBSIDIARIES**  
**(FKA 247MGI AND SUBSIDIARIES)**  
Consolidated Statements of Operations (Continued)  
(Unaudited)

	For Years Ended <u>December 31,</u>	
	2011	2010
BASIC LOSS PER SHARE		
NET LOSS PER SHARE	\$ -	\$ -
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	1,214,355,712	499,022,614

The accompanying notes are an integral part of these consolidated financial statements.

**BARON CAPITAL ENTERPRISE, INC. AND SUBSIDIARIES**  
Consolidated Statements of Stockholders' Equity (Deficit)

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit
Balance, December 31, 2010 (unaudited)	298,000	2,980	499,022,614	4,990,226	7,544,690	(14,264,657)
Change in Par Value of Common stock From \$.01 to \$.001				(4,940,324)	4,940,324	
Exchange of \$13,200 debt for 220,000,000 Shares of common stock			220,000,000	22,000	(8,800)	
Exchange of \$1,000,000 in accrued payroll for 1,000,000 shares of AA preferred stock	1,000,000	10,0000			990,000	
Exchange of \$49,500 debt for 675,000,000 Shares of common stock			675,000	67,500	(18,000)	
\$500,000 notes purchased for 62,500 shares Of Series AA preferred stock	62,500	625			499,375	
800,000 shares of preferred stock purchased For 18,750 series AA preferred stock	18,750	188			149,812	
Adjust exchange of accrued payroll for 620,750 shares rather than 1,000,000.	(379,250)	(3,793)			3,793	
Return of 120,000,000 common shares			(120,000,000)	(12,000)	4,800	
Correction			200,000,000	20,000		
504 Sales of 658,333,333, shares common stock			658,333,333	65,834	36,667	
Net Income for year ending 12-31-2011						139,693
Balance December 31, 2011 (unaudited)	1,000,000	10,000	2,132,355,947	213,236	14,142,660	(14,124,964)

The accompanying notes are an integral part of these consolidated financial statements.

## **BARON CAPITAL ENTERPRISE, INC. AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

December 31, 2011 and 2010

### **NOTE 1 BASIS OF FINANCIAL STATEMENT PRESENTATION**

The condensed financial statements presented are those of Baron Capital Enterprise, Inc., and Subsidiaries (the "Company"). The accompanying unaudited condensed financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted in accordance with such rules and regulations. The information furnished in the interim condensed financial statements includes normal recurring adjustments and reflects all adjustments, which, in the opinion of management, are necessary for a fair presentation of such financial statements. Although management believes the disclosures and information presented are adequate to make the information not misleading, it is suggested that these interim condensed financial statements be read in conjunction with the Company's most recent audited financial statements.

### **NOTE 2 COMMITMENTS AND CONTINGENCIES**

#### Litigation

During February 2005, a lawsuit was commenced in the Supreme Court of the State of New York, County of Monroe, under the caption Stephen E. Webster v. Richard Dwyer, Matthew P. Dwyer, Phillip Mistretta, Total Digital Displays, Inc., Leslie W. Kernan, Jr., Lacy Katzen LLP, et al. The plaintiff, Stephen E. Webster, previously purchased a \$125,000 debenture from Total Identity Corporation and is seeking payment of the convertible debenture by alleging that he was fraudulently induced to purchase the debenture. The Company has filed various motions in its defense and in September 2005 a judgment was grant against the Company and other parties for \$125,000 plus 9% interest per annum. In February of 2006 the judgment was vacated. In March of 2006 the Company's attorneys filed a motion to withdraw as counsel, which was granted. On August 2, 2006 the Supreme Court granted a judgment against the Company for \$125,000 and post judgment interest at 9%. The judgment is recorded as a current liability as of September 30, 2006.

On or about September 17, 2007, we accepted service of process by stipulation in a lawsuit commenced under the caption Dr. Martin Peskin, Plaintiff v. Matthew P. Dwyer, 247MGI, Inc., a Florida corporation f/k/a Total Identity Corp.; Fantastic Fun, Inc. f/k/a 247 Media Group, Inc.; and YSDO, Inc. a Florida corporation. Dr. Peskin is a former officer and director of the Company and has asserted allegations arising out of loans and investments made by Dr. Peskin in the Company and other companies currently or formerly affiliated with Mr. Dwyer, our Chief Executive Officer. In August of 2011 all parties entered into a settlement agreement with Dr. Peskin which called for a series of payments totaling \$110,000 from Matthew Dwyer. In exchange all parties entered into a General Release and Hold Harmless Agreement and a Release of Lien has been filed with the Clerk of the Courts in Broward County, FL.

## **BARON CAPITAL ENTERPRISE, INC. AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

December 31, 2011 and 2010

### **NOTE 3 RELATED PARTY TRANSACTIONS**

The Company issued 620,750 shares of its Series AA Convertible Preferred in exchange for \$1,000,000 of accrued salary for its sole Officer and Director.

### **NOTE 4 COMMON STOCK AND EQUITY INSTRUMENTS**

During fiscal year 2011 the Company through multiple transactions issued 975,000,000 million shares of Common stock in exchange for the cancellation of various debts totaling \$82,700 in accrued debt.

During the fourth quarter of fiscal 2011 the Company negotiated the return of 120,000,000 shares of Common stock and the forgiveness of the debt.

During the fourth quarter the Company issued 675,000,000 shares of its Common stock is a series of 4 transactions to Fairhills Capital under rule 504 for a total of \$102,500

### **NOTE 5 SIGNIFICANT EVENTS**

In April the Company filed reinstatement documents with the State of Florida bringing the corporation back to an active status.

In April the Company paid the filing fee with Pinksheets.com to allow the Company to post current information.

In June the Company amended its Articles of Incorporation to reduce the number of Authorized shares of its Common stock from 100 billion to 5 billion and changed the Par value from \$.00001 to \$.0001.

In June the Company announced it was planning on completing a merger in a multi billion dollar industry.

In July the Company amended its Articles of Incorporation to reduce the number of Authorized shares of its Common stock from 5 billion to 3.5 billion shares.

In September the Company amended its Articles of Incorporation to reduce the number of Authorized shares of its Common stock from 3.5 billion to 1.6 billion shares.

In September the Company amended its Articles of Incorporation to enact a name change to Baron Capital Enterprise, Inc., to go effective November 1, 2011.

In September the Company announced it would be creating a Non Convertible Preferred stock, which it will use to raise funds for the Company.

In September the Company achieved a Current Information status “PK” on [www.otcmarket.com](http://www.otcmarket.com)

## **BARON CAPITAL ENTERPRISE, INC. AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

December 31, 2011 and 2010

In September the Company formed a new wholly owned subsidiary Baron Capital Holdings, LLC, which is the Managing Member for two other wholly owned subsidiaries; Baron Capital Securities, LLC, Baron Capital Clearing Agency, LLC

In September the Company reached an agreement with the majority of Note holders whereby the Note holders forgave the balance of the debt owed to them including any accrued interest.

In September the Company entered into an agreement to acquire \$500,000 worth of convertible debt in two separate public companies in exchange for 62,500 shares of its Series AA Preferred stock.

In September the Company acquired Baron Capital Transfer and Registrar, LLC a startup transfer agency.

In October the Company amended its Articles of Incorporation to reduce the number of Authorized shares of its Common stock from 1.6 billion to 1.4 billion shares.

In October the Company sold its control block of 800,000 shares of Series A Preferred stock in RightSmile, Inc, back to the Company for \$200,000. The terms of the transaction state; all payments and interest have been deferred until July of 2012 at which time RightSmile can either pay the Company cash or elect to pay off the Note in equity.

In October the Company amended its Articles of Incorporation to increase the number of Authorized shares of its Common stock from 1.4 billion to 2.4 billion shares.

In November the Company filed with the State of Florida to change the name of the Company from 247MGI, Inc. to Baron Capital Enterprise, Inc.

In December the Company received notice from FINRA that the name of the Company would be officially changed within the public markets to reflect the amendment made with the State of Florida in November and a new ticker would be assigned ("BCAP").

In December Baron Capital Transfer and Registrar licensed software from TS Partners, Inc to run and operate Baron Capital Transfer and Registrar the software was installed in late December.

In December the Company worked with programmers to design the functionality of an "ATS" an Alternative Trading System which would be the first of its kind for debt instruments. The Company has not begun development since it does not have a broker dealer, which would be needed to successfully launch the system.

### **Note 6 SUBSEQUENT EVENTS**

In January the Company issued 230,000,000 shares of its Common stock under rule 504 to Fairhills Capital for \$25,000.

## **BARON CAPITAL ENTERPRISE, INC. AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

December 31, 2011 and 2010

In January the Company began working with two private companies and has made a few small loans to one company.

In January Baron Capital Transfer and Registrar paid KFS Technologies \$800 for an Annual subscription fee for the Medallion Program.

In February Baron Capital Transfer and Registrar became a member of the Securities Transfer Association (STAI.ORG).

In February Baron Capital Transfer and Registrar obtained insurance coverage from Crump Insurance Services, Inc.

In February Baron Capital Transfer and Registrar purchased a Medallion Stamp Reader from Hampton Technologies.

In late March the Company was able to obtain a brokerage account and has begun liquidating a small portion of its investments within this account.

### **NOTE 7 GOING CONCERN**

When additional funds are raised through the issuance of equity securities, the percentage ownership of the Company's then-current stockholders would be diluted.

If additional funds are raised through the issuance of debt securities, the Company will incur interest charges until the related debt is paid off.

There can be no assurance that the Company will be able to raise any required capital necessary to achieve its current operating plan.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plan described in the preceding paragraph and eventually attain profitable operations. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

### ***Results of Operations***

#### ***Fiscal year ended December 31, 2011 as compared to fiscal year ended 2010***

	FISCAL YEAR Ended 2011	2010	Increase/ (Decrease) \$ 2011 vs. 2010	Increase/ (Decrease) % 2011 vs. 2010
Revenue		\$-		
Cost of sales		-		
Gross margin		-		

Expenses				
Consulting and professional fees	5,282	-	5,282	n/a
Salaries and wages	428,439	374,000	54,439	14.5%
Selling, general and administrative	50,666	-	50,666	n/a
Total expenses	484,387	374,000	110,387	29.5%
Loss from operations	484,387	(374,000)	(110,387)	29.5%
Other income (expense)				
Gain on sales of securities	50,000		50,000	n/a
Forgiveness of debt and liabilities	577,575		577,575	n/a
Interest expense	(27,234)	(47,343)	(20,109)	(42%)
Interest income	23,110		23,110	n/a
Fixed asset write-down		<u>(45,000)</u>	(45,000)	(100%)
Total other income (expense)	623,450	(92,343)	642,664	(695.9%)
Net income (loss)	139,063	(466,343)	(605,406)	(129.8%)

### **Total expenses**

Our total expenses for fiscal year ended 2011 were \$ 484,387, an increase of \$110,387 or approximately 29.5%, from our total expenses of \$374,000 for fiscal year ended 2010. Included in this balance were the following:

- Salaries and wages increased \$54,439, or 14.5%, to \$ 484,387 for fiscal year ended 2011 from \$374,000 for fiscal year ended 2010. This increase is primarily attributable to the difference in the adjusted amount of higher annual salary for our CEO, and
- Selling, general and administrative expense increased \$50,666 compared to \$0 for fiscal year ended 2010 from \$0 for fiscal year ended 2010.

### **Liquidity and Capital Resources**

	December 31, 2011	December 31, 2010	\$ Change 2011 vs. 2010	% Change 2011 vs. 2010
Working capital	(534,254)	(1,770,838)	1,236,584	(69.8)
Cash	7,360		7,360	n/a
Current assets	42,924	646	42,278	+6544%
Total assets	818,110	44,722	773,388	+1729%
Accounts payable	148,758	147,106	1,652	1%
Accounts payable - related party	-	955	-955	100%
Accrued expenses	201,810	140,991	60,819	(43%)
Convertible debenture	125,000	125,000	-	-
Notes payable	101,610	406,683	(305,073)	(25%)
Notes payable - related party	-	950,749	(950,749)	(100%)
Total current liabilities	577,178	1,771,484	1,194,306	(67%)
Total liabilities	577,178	1,771,484	1,194,306	(67%)

## BARON CAPITAL ENTERPRISE, INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

December 31, 2011 and 2010

At fiscal year ended, 2011 we had total assets of \$818,110 which consisted of \$7,360 of cash, \$646 of prepaid expenses, \$52,075 of fixed assets, notes receivable and accrued interest of \$723,110. Our total liabilities at fiscal year ended 2011 were \$577,178, which included \$148,758 of accounts payable, \$201,810 of accrued expenses, an aggregate of \$326,610 in convertible debentures and notes payable, we do not have sufficient working capital to satisfy these obligations.

At fiscal year ended 2011, after giving effect to the various conversions of liabilities to equity as described in the accompanying financial statements, we owe approximately \$250,368 under payables and notes, as well as approximately \$142,950 in accrued wages and approximately \$57,000 in accrued interest. We do not have the cash necessary to satisfy these obligations. At fiscal year ended 2011, we had approximately \$7,360 of cash, a working capital deficit of \$534,254 and an accumulated deficit of \$14,124,964.

We have no commitments from any party to provide such funds to us. We have established a trading account and have begun liquidating our holdings, but cannot state what the market conditions will be in the future. If we are unable to obtain additional capital as necessary, we will be unable to satisfy our obligations or continue with building the Company as proposed in our business plan.

#### ***Critical Accounting Policies***

Our financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are affected by management's applications of accounting policies.

#### FINANCIAL STATEMENTS

These financial statements have not been audited but have prepared in accordance with generally accepted accounting principles. 247MGI, Inc. has no reason to believe that the financial statements cannot be audited in accordance with generally accepted accounting principles.

#### **Item XIV. Beneficial Owners.**

The following persons beneficially own more than 5% of the issuer's equity securities:

Name	Address
Matthew P. Dwyer	1500 W Cypress Creek Rd, Suite 414, Fort Lauderdale, FL 33309
Michael Herman	1500 W Cypress Creek Rd, Suite 414, Fort Lauderdale, FL 33309
Richard Houraney	43 S Pompano Pkwy, St 277, Pompano Bch, FL 33069



**Item XV. The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:**

1. Investment Banker: The issuer has not presently engaged an investment banker.
2. Promoters: The issuer has not presently engaged any promoters.
3. Counsel: Steven L. Weinberger, ESQ  
Schneider Weinberger & Beilly LLP  
2200 Corporate Blvd, NW  
Boca Raton, FL 33431  
561-362-9595  
[steve@swblaw.net](mailto:steve@swblaw.net)
4. Accountant or Auditor: The issuer auditor of record is still HJ & Associates, LLC the auditors have not performed any service for the Company since the September report was filed in 2007. The Company plans to engage the auditors to audit fiscal years 2009 and 2010.
5. Public Relations Consultant(s): The issuer has not presently engaged public relations consultant(s).
6. Investor Relations Consultant: The issuer has not presently engaged an investor relations consultant
7. Other advisor(s): N/A

**Item XVI. Management's Discussion and Analysis or Plan of Operation.**

For 2011 the Issuer has made tremendous strides in reducing its Capital Share Structure and its reducing its liabilities as reported within its financials.

In September the Issuer acquired Baron Capital Transfer and Registrar, LLC through its wholly owned subsidiary Baron Capital Holdings, LLC. The acquisition combined together with a new business model and website [www.baroncapitalenterprise.com](http://www.baroncapitalenterprise.com) will help mold the Issuer for the future.

Baron Capital Holdings, LLC is made up of several subsidiary companies:

Baron Capital Transfer & Registrar - Baron Capital Transfer & Registrar is a registered professional, full service stock transfer agency with the ability to offer a competitive cost savings structure. We are dedicated to providing the finest corporate services to clients nationwide.

Baron Capital Clearing Agency - Baron Capital Clearing Agency (BCCA) once created will seek to provide an efficient means of clearing and settlement of securities primarily focusing on the small-cap marketplace. Baron Capital Clearing Agency will look to register itself as a clearing agent to service the small-cap market. There are over 6,000 companies within this marketplace and new companies are looking to enter every day. BCCA will implement a streamlined model that will approve the majority of penny stocks for transfer through a centralized, automated system similar to the electronic system they are being locked out of today.

Baron Capital Securities – Plans to operate two separate brokerage firms, one a self clearing trading firm to execute and clear trades for its own trading and provide clearing services to other firms. The second

firm would enable small cap investors to open accounts and buy/sell small cap securities online even deposit securities. Currently, there are no operating brokerage firms inside of the Issuer nor does the Issuer dispense investment advice.

Baron Capital Market Place - Plans to create an alternative market place offering companies the ability to list and trade without being labeled for whether or not they pay a fee. As long as the company makes current information available to the public and certifies the information to be true and accurate, placing the burden on the company to insure it is not misleading the public is the best, self-governing option.

Baron Capital Bank – Once registered with the appropriate governing regulators, will work with existing clients to further meet the needs of the small-cap market. If a company at the cusp of readiness to go public had sufficient capital it could increase revenue to achieve a higher valuation. Baron Capital Bank wishes to fulfill the desires of all clients by servicing their needs appropriately. Currently there is no bank in place or plans to purchase or operate a bank at this time.

The Issuer realizes it will take some time if ever to completely bring every aspect of its business plan to market due to financial requirement and regulations it will need to meet for some of the subsidiaries. The Issuer also knows that it could operate some parts during this time frame and look for acquisitions along the way to expedite the process.

In March the Issuer was able to open a brokerage account and begin liquidating its holdings. The goal of the Company is to liquidate a portion of its holdings each month to help finance other parts of the overall business plan.

It should also be known that without proper funding the Issuer will likely not succeed in achieving its business plan and may have to amend the plan as the Issuer moves forward. The Issuer will seek funding through all means possible to try to achieve all of its goals and cannot state whether that will be enough to effectively reach its full plan.

#### **Off- Balance Sheet Arrangements.**

1. Issuer's off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the financial condition. None.

#### **Part E: Issuance History**

##### **Item XVII. List of securities offerings and shares issued for services in the past two years.**

From January 1, 2009 to December 31, 2010 - None

From January 1, 2010 to December 31, 2011 - None

#### **Part F: Exhibits**

##### **Item XVIII. Material Contracts.**

Attached are copies of the documents pertaining to the software, insurance, associations, and equipment obtained by Baron Capital Transfer and Registrar to operate.

## Mike Herman

---

**From:** Ron Gallagher [rgallagher@hamptontech.net]  
**Sent:** Monday, February 06, 2012 11:47 AM  
**To:** Mike Herman  
**Subject:** RE: STAMP 2000 Transfer Agent Equipment

That's all we need.

Thanks for your order.

Ron

---

**From:** Mike Herman [mailto:Mike@bcapent.com]  
**Sent:** Monday, February 06, 2012 10:40 AM  
**To:** Ron Gallagher  
**Subject:** RE: STAMP 2000 Transfer Agent Equipment

My apologies Ron, the attachment did not send with the last email. I am trying a second time. Please let me know if you may need anything further.

Thanks  
Mike

---

**From:** Ron Gallagher [mailto:rgallagher@hamptontech.net]  
**Sent:** Friday, February 03, 2012 5:31 PM  
**To:** Mike Herman  
**Subject:** RE: STAMP 2000 Transfer Agent Equipment

Hi Mike,

I think you forgot to attach the form?

Have a great weekend.

Ron

**Ron Gallagher**

### Hampton Technologies LLC

19 Industrial Blvd.

Medford | New York 11763

☎ 631-924-1335 ext. 211 | ☎ 516-521-6592

@ [RGallagher@hamptontech.net](mailto:RGallagher@hamptontech.net) |  **Skype:** rongallagher

[www.HamptonTech.net](http://www.HamptonTech.net) | [www.ulmprint.com](http://www.ulmprint.com) | [www.PromoStamp.com](http://www.PromoStamp.com)

[www.PongUniversity.com](http://www.PongUniversity.com) | [www.HamptonSecurity.com](http://www.HamptonSecurity.com) | [www.CertFiler.com](http://www.CertFiler.com)

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**From:** Mike Herman [mailto:Mike@bcapent.com]  
**Sent:** Friday, February 03, 2012 10:15 AM  
**To:** Ron Gallagher  
**Subject:** RE: STAMP 2000 Transfer Agent Equipment

3/21/2012

Good Morning Ron,

Attached is the completed order form. Please let me know if you may need anything further to process the order.

Thank You  
Mike Herman  
Baron Capital

---

**From:** Ron Gallagher [<mailto:rgallagher@hamptontech.net>]

**Sent:** Monday, January 09, 2012 1:26 PM

**To:** [mike@bcapent.com](mailto:mike@bcapent.com)

**Subject:** STAMP 2000 Transfer Agent Equipment

Hi Mike,

It was a pleasure speaking with you, attached are the documents I spoke about.

1. Equipment Brochure
2. Order Form – if you want to just start with the Document Reader, as I said the bar code information can be keypunched manually
3. FES Service Agreement – optional service agreement


Let me know if you have any questions.


Best Regards,


Ron


**Ron Gallagher**


-----  
Hampton Technologies LLC  
Financial Equipment Division

 **Street :** 19 Industrial Blvd.  
Medford, NY 11763


 **Email :** [rgallagher@hamptontech.net](mailto:rgallagher@hamptontech.net)


 **Office :** 631-924-1335 Ext-211

 **Mobile :** 516-521-6592

 **Skype :** rongallagher

 **www :** [www.hamptontech.net](http://www.hamptontech.net)

 **www :** [www.hamptonsecurity.com/stamp2000](http://www.hamptonsecurity.com/stamp2000)

 **www :** [www.vstamp.com](http://www.vstamp.com)



H A M P T O N



STAMP PAPERLESS PROCESSING

**Crump Insurance Services, Inc.**  
725 Cool Springs Blvd., Suite 160, Franklin, TN 37067  
Telephone (615) 885-0146  
Facsimile (615) 885-0230



.....  
**INSURANCE BINDER**

**Date of Issuance:** February 10, 2012

**Binder Number:** 5377311

**Binder Period:** From: 2/8/2012 12:01 A.M. To: 4/8/2012 12:01 A.M.  
Standard Time at the address of the named insured stated herein. This binder will be terminated upon delivery of formal policy(ies) or Certificate(s).

In accordance with your instructions and in reliance upon the statements made in your application, insurance is effective as follows:

**Insurer(s):** Executive Risk Indemnity Inc.

**Assigned Policy(ies) or  
Certificate(s) Number(s):** 82249985

**Insured Name:** Baron Capital Transfer & Registrar, LLC

**Mailing Address:** 1500 West Cypress Cree Road  
Suite 414  
Fort Lauderdale FL 33309

**Policy Period:** From: 2/8/2012 12:01 A.M. To: 2/8/2013 12:01 A.M.  
Standard Time at the address of the named insured stated herein. This binder will be terminated upon delivery of formal policy(ies) or Certificate(s).

<b>Coverage Type</b>	<b>Premium</b>
Professional Liability	\$5,568.00

**Total fees & taxes**

(Fully Earned)  
FL State Tax @ 1.3000% \$72.38

\*\*Due to Non-Admitted & Reinsurance Reform Act (NRRA) please be advised that we may have to revise taxes resulting in additional or return tax dollars\*\*

**Conditions and/or exclusions:**

**Limit:** \$1,000,000

**Deductible:** \$10,000

**Policy Form:** Chubb ProE&O Form C33192 (7/2003 ed)

**Retroactive Date:** Inception

**Optional Extended Reporting Period:** 12 months at 100% of annual premium

**Professional Services:** Stock Transfer Agent

**Endorsements:**

1. 14-02-17542 Stock Transfer Agent Endorsement
2. 10-02-1295 Important Notice to Policyholders
3. 14-02-13305 Pro E&O Conditions Enhancement Endorsement
4. 14-02-14051 FTC, SPAM, TCPA and Information Distribution Laws Endorsement
5. 14-02-8718 Important Notice to Florida Insureds
6. 14-02-8719 Florida Amendatory Endorsement
7. D33522 Compliance with Applicable Trade Sanctions Laws

**Subject to payment of Premium**

**Tax Filing Responsibility:** Market

**Producer:** E-Surety Brokerage, Inc.  
301 Walnut Street  
Hollywood FL 33019

BY: \_\_\_\_\_

*Joseph B. [Signature]*

Cancellation: This binder may be cancelled by the insured by surrender thereof to Crump Insurance Services, Inc. or any of its authorized representatives, or by mailing to Crump Insurance Services, Inc. written notice stating when thereafter the cancellation shall be effective. **THE INSURANCE UNDER THIS BINDER CANNOT BE CANCELLED FLAT;** earned premium must be paid for the time that insurance has been in force. This binder may be cancelled by Crump Insurance Services, Inc. by mailing to the insured at the address stated on this binder, written notice stating when not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. Delivery of such written notice either by the insured or by Crump Insurance Services, Inc. shall be equivalent to mailing. In the event of cancellation by the insured, the earned premium will be computed short-rate in accordance with the company's customary short-rate table, subject to a minimum premium if applicable, and if cancelled by the insurer(s), the earned premium will be computed pro-rata.

The insurance provided is controlled by the terms, conditions, and limitations of the policy(ies) or certificate(s) in current use by the Insurer(s) unless otherwise specified.

This binder is based upon fax and/or mail and/or telephone and/or e-mail advices from the insurer(s) and is issued by the undersigned shown above without any liability whatsoever as an insurer.

Terms of this binder which are in conflict with the statutes of any State, Province or Territory wherein this binder is issued are hereby amended to conform to such statutes.

KFS Technologies, LLC  
One Blue Hill Plaza, 11th Floor  
P.O. Box 1686  
Pearl River, NY 10965



An Affiliate of Kemark Financial Services, Inc.

# Invoice

Date	Invoice #
1/13/2012	2748

<b>Bill To</b>
Baron Capital Transfer & Registrar Michael Herman 1500 West Cypress Creek Road 414 Fort Lauderdale, Florida 33309

Account	Due Date	P.O. No.
Baroncapital	Upon Receipt	

Description	Amount
Annual MedallionPrograms.com Subscription Fee - Access Period Beginning: (01/05/2012)	800.00
<b>Total</b>	
<b>\$800.00</b>	

**REMITTANCE COPY**

**Company:**

Baron Capital Transfer & Registrar  
Michael Herman  
1500 West Cypress Creek Road 414  
Fort Lauderdale, Florida 33309

Account	Due Date	Invoice #
Baroncapital	Upon Receipt	2748
<b>Amount Due</b>		<b>\$800.00</b>

**Please make check payable and remit to:**

KFS Technologies, LLC  
One Blue Hill Plaza, 11th Floor  
P.O. Box 1686  
Pearl River, NY 10965  
Tax ID: 03-0446831

Please remember to write your account and invoice number on your check. Return this portion in the enclosed envelope provided. If payment in full is not received within sixty (60) days from the invoice date, your account access will be suspended. For billing questions, please feel free to contact us at 845.620.9300. Thank you.

## Mike Herman

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**From:** Cynthia Jones [cjones@stai.org]  
**Sent:** Wednesday, February 15, 2012 3:17 PM  
**To:** info@bcapent.com  
**Subject:** Welcome to the Securities Transfer Association!

Mr. Herman: I wanted to take this time to personally welcome you as a new member of the Securities Transfer Association and point out a few features of our website and other benefits of membership that you might not be aware of.

First of all, let me tell you that as a member, you or staff members can join any of the free Training Webinars that the STA holds periodically. The next one, on changes to the DTCC Operational Arrangements, as promulgated by their recent Rule Filing, will be held tomorrow, Feb, 16 at 2 p.m. Eastern time. I will send you a link to it under separate cover.

As to our website, in our Members Only Section, (you will need to use your username and password to access) you can find copies of current and past STA Newsletters, as well as meeting notes from some of our standing committees.

I would recommend looking at notes from the Operations, Unclaimed Property, and Small Agents Committees in particular, as these are the most active. Also, if you wish to join one of these Committees, please let me know. (Many of our new members find the calls held by the Small Agents Committee most valuable). Most of our committees hold periodic conference calls of one hour every other month or as needed to discuss issues that concern them.

The Committee members are also very good about sharing information with each other on operational questions; it is a good way to develop a network of contacts. Also in the Members Only Section, under Presentations, you will find the slides from presentations that have been given at our STA Quarterly luncheons in New York and from our free training webinars. They are often recorded (although not always, depending on permission from the speaker), but the slides are generally there.

On the public portion of our website, under Cost Basis Reporting, you will find a great deal of information on this recent regulation. I would call your attention in particular to the regulation itself, ( which does apply to transfer agents), the STA Cost Basis Guidelines, that gives examples of how to move basis for transfers between accounts on your own books, the Broker/Agent Scenarios which does the same thing for share movements to and from brokers through DTC, as well as the various IRS Notices that have been released on this subject.

Please let me know if I can be of any help to you in getting acclimated to the STA, or if you have any questions.

Cynthia Jones  
Executive Director  
Securities Transfer Association, Inc.

(904)683-5158 (bus)  
(509)277-2134 (fax)  
cjones@stai.org



**Mike Herman**

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**From:** Carol Gaffney [cgaffney@stai.org]**Sent:** Thursday, February 09, 2012 10:08 AM**To:** Baron Capital**Subject:** The Securities Transfer Association Customer Receipt/Purchase Confirmation

The Securities Transfer Association, Inc. RECEIPT

**Thank you for your order!**

Order Information

**Merchant:** The Securities Transfer Association**Description:** Membership Application

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**Billing Information**

Baron Capital  
Baron Capital Transfer & Registrar  
1500 West Cypress Creek Road Suite #414  
Fort Lauderdale, FL 33309  
Info@bcapent.com  
954-514-9799

**Shipping Information**

Baron Capital  
Baron Capital Transfer & Registrar  
1500 West Cypress Creek Road Suite #414  
Fort Lauderdale, FL 33309

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**Total: US \$500.00**

Visa

**Date/Time:** 09-Feb-2012 10:07:50 AM ET**Transaction ID:** 4166275959

P.O. Box 5220 - Hazlet, NJ 07730 - 732-888-6040

3/21/2012

## LICENSE AGREEMENT

This License Agreement (this "Agreement") is made and entered into as of November 1, 2011 by and between **BARON CAPITAL TRANSFER & REGISTRAR** ("Client") and **T S PARTNERS, INC.** a Pennsylvania corporation ("TSP").

### WITNESSETH:

WHEREAS, Client wishes to obtain and TSP is willing to grant a license to use certain computer software owned by TSP and identified in Appendix A attached hereto (the "Software");


NOW THEREFORE, in consideration of the premises, covenants, and agreements contained herein, and intending to be legally bound hereby, the parties agree as follows:

1. License.

(a) TSP hereby grants to Client a non-exclusive, non-transferable, single data base license to use the Software in accordance with the terms of this Agreement. Client acknowledges that the Software is owned by TSP and that payment of the fees, as provided herein, is solely for the right to use the Software, as provided herein, and does not constitute the purchase of the Software or of any title or other right therein. Client may use the Software solely for its own client accounts. Client may not: (i) use the Software to provide any timesharing service to or for any person or unaffiliated organization; (ii) market, sublicense, install, or service the Software to, or for the benefit of, any person or organization; or (iii) otherwise make the Software available in any manner to any person or organization for any such purpose.

(b) Client may use the Software on the single computer system or network ("Hardware"), described in Appendix B attached hereto. Client may transfer the Software to another computer system, provided that TSP agrees in advance that such computer system is technically capable of operating the Software and Client provides a notice of such transfer to TSP describing the equipment equivalent to that provided in Appendix B, together with a certificate stating that the Software has been removed from the Hardware. Client may move the Hardware to a different business location after providing a notice to TSP of the expected date of such backup computer system during emergencies or periods when remedial maintenance is being performed on the Hardware after providing a

**BARON CAPITAL TRANSFER & REGISTRAR** 1 10/31/2011



notice to TSP of such temporary transfer, its duration and the location of the backup computer system.

2. Hardware.

(a) If Client elects to use a hardware configuration for the Hardware other than that specified by TSP, Client must obtain TSP's written agreement, that such hardware configuration is technically capable of operating the Software.

(b) If at any time Client elects to add hardware to the Hardware, or replace any of the Hardware, Client must first notify TSP of its intention to do so.

(c) If Client and TSP agree that Client may purchase additional or replacement hardware from TSP, TSP will, at Client's election and expense, either install, test, and provide Client the necessary information to operate the hardware, or provide the necessary information to Client so that Client may install, test, and operate the hardware. Client shall, at its own expense, prepare the installation in accordance with instructions provided by TSP. TSP shall provide the instructions at least seven (7) days prior to the scheduled hardware installation date. Client shall pay all expenses arising from Client's inability or unwillingness to accept delivery of the hardware as scheduled. If TSP installs and tests the hardware, TSP shall have access to the installation site and the hardware at such times as are required by TSP to successfully install and test the hardware. Client shall pay any additional expenses incurred by TSP if such access is denied.

(d) TSP shall have no responsibility for installing, testing, operating, or maintaining any hardware not purchased from TSP. In addition, Client shall pay for any expenses incurred by TSP in supporting the Software due to improper installation, testing, or maintenance of the hardware not performed by TSP.

3. Software Delivery and Installation.

TSP shall deliver, or cause to be delivered to Client, one copy of the machine-readable object code for the Software and a complete set of available user documentation. TSP will help Client install the Software on the Hardware.

4. Conversion Services and Training.

(a) Subject to the terms of this Agreement, Client shall begin conversion preparations promptly upon notification by TSP to commence such activities. Conversion and implementation of Client's operations

to the Software will follow the general schedule set forth in Appendix C. "Conversion" is defined as the transfer of Client's client accounts to the Software in a balanced condition suitable for production processing.

(b) TSP shall provide Client with appropriate conversion services and appropriate training of Client's employees in the operation and use of the Software during the implementation period specified in Appendix C. Any additional training and consultation in the operation of the Software shall be paid for by Client at the rates set forth in Appendix D.

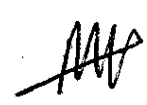
5. Maintenance.

(a) Client shall enter into and maintain arrangements for maintenance and service of the Hardware with a manufacturer or other service organization acceptable to TSP and Client on terms reasonably satisfactory to TSP and Client. Client shall be responsible for keeping the Hardware in good working order.

(b) TSP shall provide maintenance of the Software commencing upon Conversion. Maintenance is defined as (i) diagnosis of errors in the Software; (ii) provision of releases and fixes between releases to correct errors or provide greater ease of operation; and (iii) on a best-efforts basis, of modifications in a timely fashion to conform the Software and its data output to changes in applicable regulations or law of the United States. TSP reserves the right to make changes in the rules of operation of the Software, or make other changes necessary to improve the quality of service to Client. Telephone support shall be available to Client on normal business days of TSP from 8:30 A.M. to 5:00 P.M. Eastern Time. No support will be provided outside of these standard business hours, unless the disaster recovery option has been elected and paid for in advance. TSP shall respond and service the Software within 24 hours of receipt of notice of any production-impending failure of the Software in order to comply with the warranty set forth in Paragraph 11(a).

(c) Following expiration of the first year of the maintenance period, until and unless terminated by either party six (6) months prior to the end of the initial license period described in Subparagraph 7(a) hereof, TSP will continue to provide maintenance at TSP's then current rates, such rates not to be increased annually by more than changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers for the Philadelphia Metropolitan Area, as published by the Bureau of Labor Statistics of the Department of Labor, or successor index (the "CPI") plus 5% for subsequent one-(1) year periods. If the Software is modified or altered by anyone other than TSP,

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or Client fails to maintain a Hardware maintenance agreement as specified above, or Client uses any additional attachment, feature, or device on or with the Hardware without the prior written consent of TSP, then TSP shall have the option to reasonably increase its software fees or terminate the Software maintenance upon the giving of written notice to Client in accordance with paragraph 17 hereof.

(d) TSP shall have the right, during normal business hours or at other reasonably necessary times, upon 24 hours prior notice to Client, to enter the premises of Client for the purpose of fulfilling its Software maintenance responsibilities as described above. Client shall be liable for any additional expenses incurred by TSP if such access is denied.

(e) TSP may charge, and Client agrees to pay for, additional reasonable programming or maintenance services necessitated by Client's failure to use current releases of the Software.

6. Fees.

Client shall pay the following fees:

(a) An annual Software Base Fee in the amount and payable as set forth in Appendix E hereof.


(b) A Conversion services and training fee, in an amount and payable as set forth in Appendix D hereof, together with reimbursement of the reasonable out-pocket expenses of TSP's employees performing conversion services and training, and an additional fee at rates specified in Appendix D for each manday after the number of mandays specified therein on which TSP's employees perform conversion services or training.

(c) An annual Software Support Fee, as set forth in Appendix E. The first payment shall be made upon Conversion. Subsequent payments of applicable fees shall be paid on or about the same date of each subsequent year. The fee for any period of less than one calendar year shall be prorated. Client shall reimburse TSP for reasonable out-of-pocket expenses of TSP's employees who perform maintenance services at Client's place of business.

(d) A fee, as agreed to by TSP and the Client, for any customer modification or custom improvement of the Software requested by Client as described in Paragraph 9 hereof.

(e) All taxes associated with (i) the sale of any hardware purchased from TSP; (ii) the license and use of the Software and, (iii) the provision of Software maintenance; unless Client furnishes evidence of

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exemption. Also all shipping, handling, and insurance charges for any Hardware purchased from TSP.

(f) All actual costs, plus shipping and handling, as specified in Appendix E, of magnetic media used by TSP in distributing Software releases to Client.

(g) Any special work efforts required by TSP to restore the software system to normal operating condition at rates listed in Appendix E, when such actions are required due to inadvertent or untimely actions by Client. Such situations result when: (i) software not purchased from TSP is used by Client, is incompatible with the software environment provided by TSP and causes the software to malfunction or become inaccessible to Client; or (ii) unauthorized system actions by Client require remedial actions by TSP to restore the Software or Hardware to prior working condition. Such remedial actions shall be taken on a best-efforts basis that will cure the severity of the situation.

(h) Except as provided elsewhere herein, all fees and charges for services provided shall be payable no later than thirty (30) days after presentation of invoice.

(i) All amounts owed to TSP by Client that are not paid when due shall bear interest from the invoiced date at an annual interest rate equal to the lesser of eighteen percent (18%) per annum or the maximum interest rate permitted by law.

(j) In the event Client defaults on its obligations hereunder, TSP may at its option and in addition to any other remedies it may have at law, in equity or otherwise, at any time declare the entire amount of unpaid License and Maintenance Fees due hereunder for the balance of the Term immediately due and payable and proceed to recover the same. TSP and Client acknowledge the difficulty of establishing a value to TSP for the unexpired Term and agree that the provisions of the preceding sentence represent an agreed measure of liquidated damages therefore and are not to be deemed a penalty. Upon termination for cause, Client will also be liable for and will pay to TSP all expenses incurred in connection with the enforcement of any remedies (including without limitation reasonable attorney fees and expenses) and interest, payable on demand on all sums due and unpaid from the date of default until paid.

(k) All payments must be made in US Dollars from a financial institution whose payments are considered United States domestic funds. Wire payments will be accepted but Client shall be responsible

**BARON CAPITAL TRANSFER & REGISTRAR**      5      10/31/2011



for all applicable wire processing fees both at initiating and receiving bank organizations. Other same day payment methods may be used provided net proceeds satisfy contractual obligations.

7. Term.

(a) The license granted pursuant to this Agreement shall be for five (5) years, shall be effective immediately after successful conversion, and shall remain in force for the term of this Agreement and subsequent renewal terms thereafter, unless sooner terminated in accordance with Paragraph 14 hereof.

(b) Following expiration of the initial license term set forth in Subparagraph 7(a); this Agreement, and the license granted hereby shall renew automatically for additional five- (5) year periods unless sooner terminated by either party by delivery of written notice at least six (6) months prior to the end of the initial or subsequent term.

8. Copies, Access to Software.

(a) Client may make copies of the object code for the Software only as reasonably necessary for its archival and back-up purposes.

(b) Client will permit access to and use of the Software only by (i) employees of Client requiring access to or use of the Software in connection with the uses of the Software permitted by this Agreement, and (ii) personnel of TSP or its duly authorized agents.

9. Modifications and Improvements.

Client, itself or through others, is not authorized to modify the Software. TSP may provide custom modifications to the Software at the request of Client upon agreement between Client and TSP of the fee for such custom modification or custom improvement.

10. Confidentiality.

(a) Client acknowledges that the Software, and any modifications or improvements thereto, contain proprietary trade secrets of TSP, and hereby agrees to maintain the confidentiality of the Software, and any modifications or improvements thereto, with at least as great a degree of care as it employs in maintaining the confidentiality of Client's own most confidential information. Client acknowledges that its obligation hereunder to maintain the confidentiality of the Software, and any modifications or improvements thereto, includes, without

limitation, the obligation to protect the Software, and any modifications or improvements thereto, from unauthorized disclosure by its employees (including temporary employees). Client shall make reasonable efforts to prevent, and will assist TSP in identifying and preventing, any unauthorized use or disclosure of the Software, or any modification or improvements thereto, or any of the algorithms or logic contained therein. Client shall immediately advise TSP in the event that Client learns, or has reason to believe, that any employee of Client who has had access to the Software, or any modification or improvement thereto, has violated or intends to violate the terms of this Agreement. Client will, at Client's expense, cooperate with TSP in seeking injunctive or other equitable relief against such person.

(b) Client acknowledges that any disclosure with respect to the Software, or any modification or improvement thereto, or any of the algorithms or logic contained therein, will give rise to irreparable injury to TSP and TSP cannot be adequately compensated. Accordingly, TSP may seek and obtain injunctive relief against the breach or threatened breach of this Paragraph 10, in addition to any other remedies available to it at law or in equity.

(c) The obligations contained in this Paragraph 10 shall not extend to any Software, or any modification or improvement thereto, which is now, or hereafter may be, in the public domain by acts not attributable to Client. The existence of a copyright notice on or in the Software shall not cause, or be construed as causing, the Software to be a published copyrighted work or to be in the public domain. The provisions of this Paragraph 10 shall survive any termination of this Agreement.

(d) TSP will not disclose information to third parties about clients customers, shareholders, accounts or payments they make except: Where it is necessary, and upon written approval of Client, for completing the transaction; In order to comply with a governmental agency or court order; If Client gives their written permission to TSP.

11. Warranty: Limits on Liability.

(a) TSP represents and warrants that (i) TSP has the right to grant Client a license to use the Software, and (ii) for the term of this Agreement the Software, as described in Paragraph 3 hereof, will, following the date of Conversion, and when properly installed and operated according to TSP's or manufacturer's instructions on the Hardware recommended by TSP, perform the functions listed in Appendix A. The extent of TSP's

**BARON CAPITAL TRANSFER & REGISTRAR**      7      10/31/2011





liability for any failure of the Software to operate in accordance with such specifications shall be limited to the prompt correction by TSP of such failure, and at the expense of TSP. Notice of any warranty claim must be given by Client within the warranty period described above. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

(b) Except as otherwise provided in Paragraph 12 hereof, in no event whatsoever shall TSP's liability, under this Paragraph 11 or otherwise, exceed the sum paid by Client to TSP pursuant to Paragraph 6(a) and 6(c) hereof.

(c) TSP SHALL NOT BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOST PROFITS), RELATING TO THIS AGREEMENT OR TSP'S OBLIGATIONS HEREUNDER, INCLUDING THOSE WHICH MAY ARISE OUT OF (A) WARRANTY, EXPRESS OR IMPLIED (OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE), WHETHER CONTAINED IN THE TERMS AND CONDITIONS OF THIS AGREEMENT, ARISING PURSUANT TO A SUBSEQUENT AGREEMENT OF THE PARTIES HERETO OR BY OPERATION OF LAW, OR OTHERWISE; (B) CONTRACT; (C) NEGLIGENCE; (D) STRICT LIABILITY; OR (E) ANY OTHER LAW, REGULATION, PROVISION OR COURT DECISION, OR OTHERWISE. IN PARTICULAR, BUT WITHOUT LIMITATION OF THE FOREGOING, TSP SHALL NOT BE LIABLE FOR LOSS OR DAMAGE CAUSED BY DELAY IN FURNISHING THE SOFTWARE OR ANY OTHER DELAY IN THE PERFORMANCE HEREUNDER. CLIENT'S REMEDIES ARE AS EXPRESSLY SET FORTH IN THIS AGREEMENT.

12. Indemnification.

(a) TSP shall indemnify and hold Client harmless from and against any claim that any part of the Software, and the documentation therefore, infringes any copyright or patent or violates any trade secret or other proprietary right of any third party, and shall pay any costs, damages, and attorneys' fees incurred by Client in connection with such claim; provided that Client gives TSP prompt notice of such claim upon learning of the same; and, provided further, that Client permits TSP to compromise or defend such claim, and gives TSP all available information,

reasonable assistance, and authority to enable TSP to do so. If Client's use of the Software is conclusively enjoined, TSP will, within ninety (90) days of such injunction, modify the Software to make it non-infringing. The modifications shall be made in such a way as to eliminate or minimize any loss of functionality or capability of the Software. If TSP cannot modify the Software to become non-infringing, TSP shall return all Software license fees paid to TSP by Client pursuant hereto, prorated based upon the time Software was used by Client during the term of this Agreement. The limitation on the liability of TSP set forth in Paragraph 11(b) hereof shall not apply to any indemnification by TSP pursuant to this Paragraph, but TSP shall be liable only for costs, damages, and attorneys' fees as described in this Paragraph.

(b) Client will indemnify, defend, and hold TSP harmless from any liability to any customer (or former customer or related party) of Client for any loss resulting from, or occasioned by, the provision of the Software to Client (except that Client will not be obligated to indemnify TSP for any loss or damage if TSP would be liable directly to Client for such loss or damage). If a claim is asserted against TSP by a customer of Client, TSP will promptly notify Client, and Client will have the right to defend against such claim in the name of TSP by counsel chosen by Client who is satisfactory to TSP. Client may direct any such proceeding, and TSP shall not settle any claim without the consent of Client.

13. Transferability.

Neither this Agreement nor the Software may be assigned, transferred or encumbered by Client without the permission of TSP, except for the transfer to wholly-owned subsidiaries or affiliates of Client. Any assignment, transfer, or encumbrance by Client without such permission shall be void for all purposes.

14. Termination.

(a) This Agreement may be terminated by TSP in whole or in part, without giving up any other rights TSP may have at law or in equity, if any amount due TSP remains unpaid in excess of thirty (30) days after the date when due, unless Client disputes or denies the amount due and is taking reasonable steps to resolve such dispute or denial, or if Client violates any other term or condition hereof. This Agreement may be terminated by Client without giving up any other rights Client may have at law or in equity if TSP violates any term or condition hereof. Notwithstanding the foregoing, except with respect to a violation by Client of Paragraph 8(b) or 10 hereof, no termination by either party of this Agreement shall become effective unless the party intending to terminate gives notice

to the other party in accordance with Paragraph 17 hereof, and the other party fails to cure the violation within thirty (30) days of the receipt of the notice.

(b) Before Client's obligations under this Agreement terminate, Client shall return to TSP, or shall destroy all copies of the object code of the Software, the documentation for the Software, and any other materials related to the Software in the possession or control of Client, whether originally delivered to Client by TSP or made by Client. Within thirty (30) days following the date of termination, Client shall certify in writing to TSP that Client has complied with the terms of this Paragraph 14(b).

(c) Client's obligation to pay all fees which shall have accrued at the time of termination shall survive any termination of this Agreement.

15. Access.

TSP may, during normal business hours, with at least 24 hours notice, and under Client's reasonable security conditions, enter Client's premises for the purpose of inspecting the Hardware and Software to ensure compliance by Client of its obligations hereunder.

16. No Conflict.

Each party hereto represents that the execution, delivery, and performance of this Agreement does not conflict with, or result in a violation of, its certificate of incorporation or by-laws, or any agreement, instrument, order, writ, judgment, or decree to which it is a party, or by which it is bound, and that the individual signing this Agreement on its behalf is authorized to do so.

17. Notices.

Any notice made under or pursuant to this Agreement shall be in writing and shall be sufficiently given if it is either (i) delivered by hand, or (ii) sent by Federal Express, or registered or certified mail, postage prepaid, addressed to the address set forth below the signature of the party to whom notice is being given. The date of receipt shall be the effective date of notice. Either party may change its address for notices by giving written notice of such change to the other party.

18. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the  
**BARON CAPITAL TRANSFER & REGISTRAR**      **10**      **10/31/2011**



Commonwealth of Pennsylvania.

19. Jurisdiction.

The parties hereto agree that in the event either party elects to pursue legal action against the other for default or any obligation under this Agreement, such legal action shall be exclusively brought in Montgomery County, Pennsylvania and at no other place.

20. Severability.

Should any portion of this Agreement be determined to be unenforceable or invalid, such portion shall be deemed inoperative, and the remainder of this Agreement shall continue in full force and effect. The parties agree to replace any provision found to be unenforceable with a new provision which has the most nearly similar permissible economic effect.

21. Amendments.

This Agreement shall not be deemed or construed to be modified, amended, rescinded, cancelled, or waived, in whole or in part, except by written amendment expressly referring to this Agreement and signed by both parties hereto.

22. Complete Agreement.

This Agreement, together with its Appendices, is the complete and exclusive statement of the parties with respect to the subject matter hereof, and supersedes all proposals, oral or written, and all negotiations, conversations, or discussions heretofore between the parties related to the subject matter hereof.

23. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

24. Force Majeure.

Notwithstanding anything contained to the contrary in this Agreement, all time periods shall be extended by the period of, and none of the parties hereto shall be responsible for any damages or penalty from, and delay caused by the elements, act of God, act of civil or military authority, force, flood, epidemic, quarantine restriction, war, riot, strike, lock out, or any other cause beyond the reasonable control of the party claiming the benefit of this

Paragraph 24, including, without limitation, any act or failure to act by either of the other parties.

25. Headings.

Headings are used herein for convenience only and shall not be used in interpreting this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement the day and year first above written.

T S PARTNERS, INC.

By: 

Title: PRESIDENT & CEO  
ATTENTION: BENJAMIN GOLDFIELD  
500 N GULPH RD #500  
KING OF PRUSSIA, PA 19406

BARON CAPITAL TRANSFER & REGISTRAR

By: 

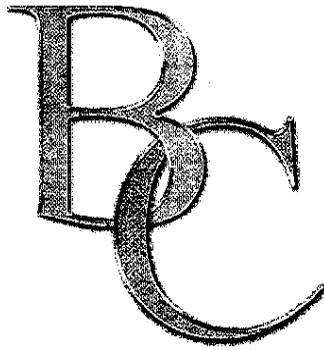
Michael Herman  
Title: President

**Item XIX. Articles of Incorporation and Bylaws.**

See attached copies of Articles of Incorporation and Bylaws of the Issuer.

**Item XX. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.**

No purchases of equity securities by the issuer or affiliated purchasers have occurred.



**BARONCAPITAL**

I, Matthew Dwyer, certify that:

1. I have reviewed this Initial Company Information and Disclosure Statement of Baron Capital Enterprise, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: 03-28-12

Baron Capital Enterprise, Inc.

By: 

**Matthew Dwyer, CEO, CFO**