ONLINE VACATION CENTER HOLDINGS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2015 and 2014

ONLINE VACATION CENTER HOLDINGS CORP.
Fort Lauderdale, Florida

CONSOLIDATED FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
Online Vacation Center Holdings Corp.
Fort Lauderdale, Florida

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Online Vacation Center Holdings Corp., which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Online Vacation Center Holdings Corp. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Crowe Horwath LLP

Crowe Horwath LLP

Miami, Florida
March 31, 2016

ONLINE VACATION CENTER HOLDINGS CORP.

CONSOLIDATED BALANCE SHEETS

December 31, 2015 and 2014

	2015	2014
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,690,565	$ 6,439,508
Accounts receivable, net	1,074,375	1,349,160
Deposits and prepaid items	3,271,324	2,721,090
Deferred tax asset, net	318,555	192,441
Total current assets	11,354,819	10,702,199
Restricted cash	341,788	341,473
Property and equipment, net	901,590	1,105,049
Intangible assets, net	947,395	901,686
Goodwill	64,526	64,526
Total assets	$ 13,610,118	$ 13,114,933
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 6,204,192	$ 6,078,264
Deferred revenue	2,766,406	2,304,698
Capital lease obligation	-	598
Total current liabilities	8,970,598	8,383,520
Deferred tax liability	60,823	358,986
Deferred rent	803,840	617,229
Total liabilities	9,835,261	9,359,735
Commitments and contingencies – Note 14		
Stockholders' equity		
Preferred stock, 1,000,000 shares authorized at $.0001 par value; 0 shares issued and outstanding	-	-
Common stock, 80,000,000 shares authorized at $.0001 par value; 11,421,878 and 11,837,398 shares issued and outstanding as of December 31, 2015 and 2014, respectively	1,142	1,184
Additional paid-in capital	2,262,651	2,511,927
Retained earnings	1,511,064	1,242,087
Total stockholders' equity	3,774,857	3,755,198
Total liabilities and stockholders' equity	$ 13,610,118	$ 13,114,933

See accompanying notes to consolidated financial statements.

ONLINE VACATION CENTER HOLDINGS CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31, 2015 and 2014

	2015	2014
Net revenues	$ 14,263,466	$ 14,102,940
Operating expenses		
Selling and marketing	5,253,472	4,932,879
General and administrative	7,125,167	6,639,466
Depreciation and amortization	853,025	795,352
Operating income	1,031,802	1,735,243
Interest income, net	566	795
Income before provision for income taxes	1,032,368	1,736,038
Provision for income taxes	408,269	698,332
Net Income	$ 624,099	$ 1,037,706
Earnings per share – basic and diluted	$ 0.054	$ 0.087
Weighted average shares outstanding – basic and diluted	11,582,963	11,956,576

See accompanying notes to consolidated financial statements.

ONLINE VACATION CENTER HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Years ended December 31, 2015 and 2014

	Common Stock					
	Shares	Amount	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total
Balance, January 1, 2014	12,087,398	$ 1,209	$ 2,624,402	$ 441,129	$ -	$ 3,066,740
Acquisition of treasury stock at cost	-	-	-	-	(112,500)	(112,500)
Retirement of treasury stock	(250,000)	(25)	(112,475)	-	112,500	-
Dividend	-	-	-	(236,748)	-	(236,748)
Net income	-	-	-	1,037,706	-	1,037,706
Balance, December 31, 2014	11,837,398	1,184	2,511,927	1,242,087	-	3,755,198
Acquisition of treasury stock at cost	-	-	-	-	(249,318)	(249,318)
Retirement of treasury stock	(415,520)	(42)	(249,276)	-	249,318	-
Dividend	-	-	-	(355,122)	-	(355,122)
Net income	-	-	-	624,099	-	624,099
Balance, December 31, 2015	11,421,878	$ 1,142	$ 2,262,651	$ 1,511,064	$ -	$ 3,774,857

See accompanying notes to consolidated financial statements.

ONLINE VACATION CENTER HOLDINGS CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Net income	$ 624,099	$ 1,037,706
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	853,025	795,352
Imputed interest expense	2	102
Deferred income tax benefit	(424,277)	29,030
Loss on disposal of property and equipment	-	609
Changes in operating assets and liabilities		
Decrease in accounts receivable	274,785	569,929
Increase (decrease) in deposits and prepaid items	(550,234)	509,102
Increase (decrease) in accounts payable and accrued liabilities	179,282	(271,199)
Increase in deferred revenue	461,708	36,207
Increase in deferred rent	133,257	135,701
Net cash provided by operating activities	1,551,647	2,842,539
Cash flows from investing activities		
Capital expenditures	(43,023)	(567,331)
Acquisition of intangible assets	(652,253)	(456,535)
Increase in restricted cash	(315)	(473)
Net cash used in investing activities	(695,591)	(1,024,339)
Cash flows from financing activities		
Repurchase of common stock	(249,318)	(112,500)
Payments under capital lease obligation	(559)	(6,690)
Dividend payment	(355,122)	(236,748)
Net cash used in financing activities	(604,999)	(355,938)
Net change in cash and cash equivalents	251,057	1,462,262
Beginning cash and cash equivalents	6,439,508	4,977,246
Ending cash and cash equivalents	$ 6,690,565	$ 6,439,508
Supplemental cash flow information		
Cash paid for taxes	$ 717,560	$ 560,667
Retirement of treasury stock	$ 249,318	$ 112,500

See accompanying notes to consolidated financial statements.

NOTE 1 – BACKGROUND

Overview: Online Vacation Center Holdings Corp. (the “Company”) is a Florida holding company, focused on internally growing and developing its group of diversified vacation marketers with a range of products that can be cross-sold to an extensive database.

The Company provides vacation travel and marketing services through its wholly owned subsidiaries. Its portfolio of travel companies include:

Online Vacation Center, Inc. ("Online Vacation Center"), a full service vacation seller focused on serving the affluent retiree market.

Enrichment Journeys, LLC (“EJ”), a developer and seller of unique river, ocean, and land vacation packages.

Dunhill Vacations, Inc. ("Dunhill"), the publisher of three travel newsletters, "Top Travel Deals", "Spotlight", and "TravelFlash".

Luxury Link, LLC (“Luxury Link”), is a website connecting travelers with websites to purchase hotel, resort, and vacation experiences.

Home Based Travel Experts, LLC (“Expedia CruiseShipCenters, OVC”), an Expedia CruiseShipCenters franchise focused on travel sales through a team of mobile agents.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of Online Vacation Center Holdings Corp. and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated. The Company makes operating decisions, assesses performance and manages the business as one reportable segment.

Use of Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. These estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting periods. Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates.

Revenue Recognition: The Company recognizes revenue when it is realized or realizable and earned when all of the following criteria are met: persuasive evidence of an arrangement exists, services have been rendered, the seller’s price to the buyer is fixed or determinable, and collectability is reasonably assured. Vacation travel sales transactions are billed to customers at the time of booking; however, commission revenue is not recognized in the accompanying consolidated financial statements until the customers’ travel occurs. Advertising revenue is recognized upon distribution of the marketing publication. Override (volume incentive) revenue is recognized when the agreed-upon goal is achieved as specified in the override agreement.

After considering and weighing relevant qualitative factors regarding the Company’s status as a primary obligor, the extent of the pricing latitude of the Company’s vacation travel sales transactions and in accordance with the various indicators, the Company’s vacation travel suppliers assume the majority of the business risks such as providing the service and the risk of unsold travel packages. As such, all vacation travel sales transactions are recorded at the net amount, which is the amount charged to the customer less the amount to be paid to the supplier. The Company frequently reviews its product offerings to determine whether the vacation package falls into gross revenue reporting. The method of net revenue presentation does not impact operating profit, net income, earnings per share or cash flows.

Fair Value: The fair value of the Company's financial instruments approximate their carrying value due to their short-term nature.

Concentration of Credit Risk: The Company's business is subject to certain risks and concentrations, including dependence on relationships with travel suppliers (primarily cruise lines), and to a lesser extent, exposure to risks associated with online commerce security and credit card fraud. The Company is highly dependent on its relationships with five major cruise lines: Celebrity Cruises, Norwegian Cruise Line, Royal Caribbean Cruise Line, Oceania Cruises and Viking River Cruises. The Company also depends on third party service providers for processing certain fulfillment services.

Concentrations of credit risk with respect to client accounts receivable are limited because of the Company's policy to require deposits from customers, the number of customers comprising the client base and their dispersion across geographical locations.

Financial instruments, which potentially subject the Company to concentration of credit risk, consist primarily of cash and bank certificates of deposit. These accounts are maintained with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) for balances up to $250,000. At December 31, 2015 and 2014, the balances at various financial institutions over the FDIC insured limit relating to cash and cash equivalents and restricted cash were $5,553,516 and $5,445,297, respectively.

Marketing Costs: Substantially all marketing costs are charged to expense as incurred and principally represent production, printing, direct mail costs, and online advertising. Marketing expense for the years ended December 31, 2015 and 2014 was $2,510,981 and $2,236,015, respectively.

Cash and Cash Equivalents: The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents included cash in the bank, cash on hand and highly liquid investments.

Accounts Receivable: Accounts receivable is stated at the amounts invoiced to suppliers, commissions earned on travel that has commenced, or override income that has been earned, less an allowance for doubtful accounts. Travel suppliers generally pay commissions between 60 days before to 90 days after travel has commenced, overrides in the first quarter following the period earned, and marketing and advertising invoices between 30 days to 90 days after invoice date. The Company determines its allowance by considering a number of factors, including the length of time trade accounts receivable are past due, the Company's previous loss history, the specific supplier's current ability to pay its obligation to the Company and the condition of the general economy and the industry as a whole. The Company writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are recognized as revenue in the period received. At December 31, 2015 and 2014, the allowance for doubtful accounts was $26,605 and $26,521, respectively.

Restricted Cash: Cash which is restricted as to withdrawal is considered a noncurrent asset. Restricted cash consists of collateral for three letters of credit. At December 31, 2015 and 2014, certificates of deposit of $341,788 and $341,473, respectively, are collateral for outstanding letters of credit. The letters of credit are required by the Company's landlord, a supplier and industry regulations and will be renewed upon expiration.

Property and Equipment: Property and equipment are recorded at cost. Repairs and maintenance and any gains or losses on dispositions are recognized as incurred. Depreciation and amortization are provided for on a straight-line basis to allocate the cost of depreciable assets to operations over their estimated service lives.

Asset Category	Depreciation/ Amortization Period
Office equipment	1 to 5 Years
Furniture and fixtures	5 to 8 Years
Leasehold Improvements	8 Years

Goodwill: Goodwill represents the excess of the purchase price over the fair value assigned to net tangible and identifiable intangible assets of businesses acquired and accounted for under the purchase method. Goodwill acquired in business combinations is assigned to reporting units that are expected to benefit from the synergies of the combination as of the acquisition date. The Company assesses goodwill for impairment annually during the fourth quarter, or more frequently if events and circumstances indicate impairment may have occurred. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference.

Long-Lived Assets: The Company's accounting policy regarding the assessment of the recoverability of the carrying value of long-lived assets, including property and equipment and assets with finite lives, is to review the carrying value of the assets, annually, during the fourth quarter, or whenever events or changes in circumstances indicate that they may be impaired. If this review indicates that the carrying value will not be recoverable, as determined based on the projected undiscounted future cash flows, the carrying value is reduced to its estimated fair value.

Deferred Rent: Deferred rent represents the difference between actual rental payments and the amount of such payments recognized on a straight-line basis over the terms of the operating leases, as well as landlord incentives that are deferred and amortized over the operating lease terms.

Income Taxes: The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

The Company applies the guidance issued by the Financial Accounting Standards Board (the "FASB") with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Company files income tax returns in the U.S. federal jurisdiction and various states. It is subject to U.S. federal and certain state tax examinations for years after 2011. To the Company's knowledge, none of its federal or state income tax returns are currently under examination.

The Company's policy is to account for interest and penalties in income tax expense. There was no interest and $1,655 and $0 in penalties during the years ended December 31, 2015 and 2014, respectively.

Earnings Per Share: Basic earnings per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if stock options and other commitments to issue common stock were exercised or equity awards vested resulting in the issuance of common stock or the conversion of notes into shares of common stock that could share in the earnings of the Company. This calculation is not done for periods in a loss position as this would be antidilutive.

Stock-Based Compensation: Compensation costs related to share-based payment transactions are recognized in the consolidated statements of operations. With limited exceptions, the amount of compensation cost will be measured based on the grant-date fair value of the equity or liability instruments issued. In addition, liability awards will be remeasured each reporting period. Compensation cost will be recognized over the period that an employee provides service in exchange for the award.

Recent Accounting Pronouncement: In May, 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers”, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most of the existing revenue recognition guidance in U.S. GAAP when it becomes effective. This new accounting standard was initially effective for the Company on January 1, 2017 but was subsequently deferred by one year to January 1, 2018. Early application is permitted only as of the Company’s fiscal year beginning January 1, 2017. This new accounting standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

NOTE 3 – DEPOSITS AND PREPAID ITEMS

Deposits and prepaid items consist of the following:

	December 31, 2015	December 31, 2014
Prepaid expenses	$ 2,811,198	$ 1,808,263
Prepaid commissions and employee advances	38,969	96,244
Refundable deposits with suppliers	421,157	816,583
Deposits and prepaid items	$ 3,271,324	$ 2,721,090

NOTE 4 – PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

	December 31, 2015	December 31, 2014
Office equipment	$ 466,528	$ 711,674
Furniture and fixtures	374,049	374,049
Leasehold improvements	806,299	789,689
	1,646,876	1,875,412
Less: Accumulated depreciation	(745,286)	(770,363)
Property and equipment, net	$ 901,590	$ 1,105,049

Depreciation expense for the years ended December 31, 2015 and 2014 was $246,481 and $250,212, respectively.

NOTE 5 – INTANGIBLE ASSETS, NET

Intangible assets other than goodwill are capitalized at their respective fair values and are amortized over their estimated useful lives ranging from four to fifteen years.

The Company conducted annual tests for impairment during the fourth quarters of 2015 and 2014. The results of the impairment tests indicated that the intangibles were not impaired.

Intangible assets consist of the following:

	December 31, 2015	December 31, 2014
Customer lists	$ 4,559,533	$ 3,912,280
Trade names	201,307	201,307
Franchise fee and organizational costs	23,939	18,939
	4,784,779	4,132,526
Less: Accumulated amortization	(3,837,384)	(3,230,840)
Intangible assets, net	$ 947,395	$ 901,686

Amortization expense for the years ended December 31, 2015 and 2014 was $606,544 and $545,140, respectively. The estimated aggregate amortization expense for the next five years is as follows:

Year	Estimated Annual Amortization Expense
2016	$ 456,278
2017	$ 259,135
2018	$ 176,857
2019	$ 54,002
2020	$ 1,123

NOTE 6 – GOODWILL

The Company recorded goodwill in conjunction with its acquisition of Dunhill and assets of Smart Traveler LLC in 2007. During the fourth quarter of 2010, the Company tested the carrying value of goodwill for impairment and determined that the goodwill related to the Smart Traveler LLC acquisition was impaired and it was written off. During the fourth quarters of 2014 and 2015, the Company tested the carrying value of the Dunhill goodwill for impairment. The results of the tests indicated that the carrying value of the goodwill was not impaired. At December 31, 2015 and 2014, the carrying amount of goodwill was $64,526.

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following:

	December 31, 2015	December 31, 2014
Customer deposits	$ 4,487,852	$ 4,359,290
Accrued compensation	1,079,786	800,987
Other accrued expenses	417,408	624,724
Accounts payable	219,146	293,263
Total	$ 6,204,192	$ 6,078,264

NOTE 8 – DEFERRED REVENUE

Deferred revenue consists of sales commission received from vacation travel suppliers net of cancellations, administrative fees received from passengers in advance of passenger travel dates and amounts invoiced for publishing advertising to be contained in future publications. The advance sales commission, administrative fees and publishing advertising revenue are considered unearned revenue and recorded as deferred revenue in the accompanying consolidated balance sheets. Deferred revenue is recognized in net revenues in the accompanying consolidated statements of operations when the passenger travel occurs or the publication is distributed. At December 31, 2015 and December 31, 2014, deferred revenue was $2,766,406 and $2,304,698, respectively.

NOTE 9 –CAPITAL LEASE OBLIGATION

In February 2011, the Company entered into a 48 month lease agreement for five servers at a cost of $25,571 requiring monthly payments of $559 and is responsible for all executory costs as defined by the agreement. As of December 31, 2015 and 2014, the carrying value of the system, net of accumulated depreciation of $25,571 and $25,038, respectively, was $0 and $533, respectively.

Interest expense for the capital lease for the years ended December 31, 2015 and 2014 was $1 and $102, respectively.

NOTE 10 - INCOME TAXES

The provision for income taxes for the years ended December 31, 2015 and 2014 consist of the following:

	December 31, 2015	December 31, 2014
Current		
Federal	$ 683,027	$ 552,426
State	146,454	116,876
	829,481	669,302
Deferred		
Federal	(359,648)	24,787
State	(61,564)	4,243
	(421,212)	29,030
Provision for income taxes, net	$ 408,269	$ 698,332

The difference between income tax expense computed by applying the federal statutory corporate tax rate and actual income tax expense is as follows:

	December 31, 2015	December 31, 2014
Statutory federal income tax rate	34.0%	34.0%
State income taxes	5.4	4.6
Tax effect of non-deductible items	2.0	1.2
Other	(1.8)	0.4
Effective tax rate	39.6%	40.2%

The effective tax rate exceeded the statutory rate in 2015 and 2014 primarily as a result of $55,384 related to nondeductible items for tax purposes in 2015 and $56,180 in 2014. Other includes tax rate differentials and the true-up of permanent tax differences from prior periods.

Deferred income taxes result from temporary differences in the recognition of income and expenses for financial reporting purposes and for tax purposes. The tax effect of these temporary differences representing deferred tax asset and liabilities result principally from the following:

	December 31, 2015	December 31, 2014
Capitalized list costs	$ (262,620)	$ (297,777)
Federal property and equipment basis difference	(202,621)	(179,956)
State property and equipment basis difference	40,036	-
Amortization	114,382	118,747
Accruals and other	568,555	192,441
Net deferred income tax asset (liability)	$ 257,732	$ (166,545)

NOTE 11 - EARNINGS PER SHARE

As of December 31, 2015 and 2014, there were no stock options or stock awards that would have been included in the computation of diluted earnings per share that could potentially dilute basic earnings per share in the future.

NOTE 12 – TREASURY STOCK

The Company entered into agreements and purchased 415,520 and 250,000 shares of its common stock at an aggregate cost of $249,318 and $112,500 from a shareholder of the Company during the years ended December 31, 2015 and 2014, respectively.

No treasury stock was held by the Company as of December 31, 2015 and 2014.

NOTE 13 – STOCK BASED COMPENSATION

The 2005 Management and Director Equity Incentive and Compensation Plan (the “Plan”) provides for the grants of stock options, restricted stock, performance-based and other equity-based incentive awards to directors, officers and key employees. Under the Plan, stock options must be granted at an option price that is greater than or equal to the market price of the stock on the date of the grant. If an employee owns 10% or more of the Company’s outstanding common stock, the option price must be at least 110% of the market price on the date of the grant. Options granted under the Plan become exercisable in accordance with the terms of the grant as determined by a committee of the Company’s Board of Directors. All options granted expire no more than 10 years following the date of grant. All stock option grants issued have expired without being exercised.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

The Company has entered into a lease which commenced in March 2014 and terminates in February 2022 for approximately 17,000 square feet of corporate office space in Fort Lauderdale, Florida. Rent expense for the years ended December 31, 2015 and 2014 was $407,084 and $328,740, respectively.

Total minimum lease payments going forward, which include an estimated proportionate share of building operating expenses, are:

Year	
2016	$ 383,992
2017	441,965
2018	458,278
2019	465,350
2020	472,603
2021 and thereafter	560,253
	$ 2,782,441

On March 16, 2006, the Company entered into an executive employment agreement with its President and Chief Executive Officer. The Company paid an initial annual base salary of $300,000, payable bi-weekly. The base salary is subject to annual automatic incremental increases of the greater of the percentage increase in the consumer price index or 6% of the previous year's base salary.

During the course of business, the Company enters into immaterial contracts for information technology services, internet, telephone and other related expenses.

The Company participates in a multi-employer 401 (k) plan managed by a professional employer organization the Company retains for administering payroll and employee benefits programs. Contributions to the plan are at the discretion of the Company's Board of Directors. No contributions were approved during the years ended December 31, 2015 and 2014.

The Company is involved from time to time in various legal claims and actions arising in the ordinary course of business. While from time to time claims are asserted that may make demands for sums of money, the Company does not believe that the resolution of any of these matters, either individually or in the aggregate, will materially affect its financial position, cash flows or the results of its operations.

NOTE 15 – QUARTERLY FINANCIAL DATA (UNAUDITED)

Select quarterly financial information is presented in the tables below for the quarterly periods of 2015 and 2014:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
For the year ended December 31, 2015:				
Net revenues	$ 3,654,578	$ 3,660,699	$ 2,873,278	$ 4,074,911
Operating income/(loss)	$ 189,641	$ 499,879	$ (399,086)	$ 741,934
Net income/(loss)	$ 103,219	$ 303,171	$ (242,262)	$ 459,971
Net income/(loss) per share:				
Basic	$ 0.009	$ 0.026	$ (0.021)	$ 0.040
Diluted	$ 0.009	$ 0.026	$ (0.021)	$ 0.040

For the year ended December 31, 2014:				
Net revenues	$ 3,680,977	$ 3,357,691	$ 2,933,287	$ 4,130,985
Operating income/(loss)	$ 446,293	$ 306,848	$ (57,830)	$ 1,039,932
Net income/(loss)	$ 268,546	$ 186,995	$ (61,936)	$ 644,101
Net income/(loss) per share:				
Basic	$ 0.022	$ 0.015	$ (0.005)	$ 0.054
Diluted	$ 0.022	$ 0.015	$ (0.005)	$ 0.054

NOTE 16 – SUBSEQUENT EVENTS

On February 24, 2016, the Company entered into an agreement to purchase 160,000 shares of its common stock at an aggregate cost of $112,000. On March 22, 2016, the Board of Directors declared dividends totaling $337,865 ($0.03 per share).

Management has evaluated subsequent events through March 31, 2016, which was the date the consolidated financial statements were available to be issued.