ONLINE VACATION CENTER HOLDINGS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014 and 2013

ONLINE VACATION CENTER HOLDINGS CORP.
Fort Lauderdale, Florida

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
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, 2014 and 2013, and the related consolidated statements of operations, 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, 2014 and 2013, 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
April 7, 2015

ONLINE VACATION CENTER HOLDINGS CORP.

CONSOLIDATED BALANCE SHEETS

December 31, 2014 and 2013

ASSETS	2014	2013
Current Assets		
Cash and cash equivalents	$ 6,439,508	$ 4,977,246
Accounts receivable, net	1,349,160	2,126,561
Deposits and prepaid items	2,721,090	3,230,192
Deferred tax asset, net	192,441	155,175
Total current assets	10,702,199	10,489,174
Restricted cash	341,473	341,000
Property and equipment, net	1,105,049	307,485
Intangible assets, net	901,686	989,818
Goodwill	64,526	64,526
Total assets	$ 13,114,933	$ 12,192,003
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 6,078,264	$ 6,556,935
Deferred revenue	2,304,698	2,268,491
Capital lease obligations	558	7,147
Total current liabilities	8,383,520	8,832,573
Deferred tax liability	358,986	292,690
Deferred rent	617,229	-
Total liabilities	9,359,735	9,125,263
Commitments and contingencies (see 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; 11,837,398 and 12,087,398 shares issued and outstanding as of December 31, 2014 and December 31, 2013, respectively	1,184	1,209
Additional paid-in capital	2,511,927	2,624,402
Retained earnings	1,242,087	441,129
Total stockholders' equity	3,755,198	3,066,740
Total liabilities and stockholders' equity	$ 13,114,933	$ 12,192,003

See accompanying notes to consolidated financial statements.

ONLINE VACATION CENTER HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31, 2014 and 2013

	2014	2013
Net revenues	$ 14,102,940	$ 12,600,984
Operating expenses:		
Selling and marketing	4,932,879	4,807,710
General and administrative	6,639,466	6,087,276
Depreciation and amortization	795,352	727,677
Operating income	1,735,243	978,321
Interest income, net	795	482
Income before provision for income taxes	1,736,038	978,803
Provision for income taxes	698,332	387,621
Net Income	$ 1,037,706	$ 591,182
Earnings per share – basic and diluted	$ 0.087	$ 0.048
Weighted average shares outstanding – basic and diluted	11,956,576	12,343,287

See accompanying notes to consolidated financial statements.

ONLINE VACATION CENTER HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years ended December 31, 2014 and 2013

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock	Total
Balance, January 1, 2013	12,402,704	$1,240	$ 2,763,702	$ (150,053)	$ (851)	$2,614,038
Acquisition of treasury stock at cost	-	-	-	-	(138,480)	(138,480)
Retirement of treasury stock	(315,306)	(31)	(139,300)	-	139,331	-
Net income	-	-	-	591,182	-	591,182
Balance, December 31, 2013	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

See accompanying notes to consolidated financial statements.

ONLINE VACATION CENTER HOLDINGS CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Net income	$ 1,037,706	$ 591,182
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	795,352	727,677
Imputed interest expense	102	406
Deferred income tax expense	29,030	(31,662)
Loss on disposal of property and equipment	609	-
Disposal of software	-	4,100
Changes in operating assets and liabilities		
Decrease (Increase) in accounts receivable	569,929	(1,152,085)
Decrease (Increase) in deposits and prepaid items	509,102	(1,290,436)
(Decrease) Increase in accounts payable and accrued liabilities	(271,199)	3,875,645
Increase in deferred revenue	36,207	357,479
Increase in deferred rent	135,701	-
Net cash provided by operating activities	2,842,539	3,082,306
Cash flows from investing activities		
Capital expenditures	(567,331)	(320,365)
Acquisition of intangible assets	(456,535)	(461,907)
(Increase) in restricted cash	(473)	(290,000)
Net cash used in investing activities	(1,024,339)	(1,072,272)
Cash flows from financing activities		
Repurchase of common stock	(112,500)	(138,480)
Payments under capital lease obligations	(6,690)	(21,513)
Dividend payment	(236,748)	-
Net cash used in financing activities	(355,938)	(159,993)
Net change in cash and cash equivalents	1,462,262	1,850,041
Beginning cash and cash equivalents	4,977,246	3,127,205
Ending cash and cash equivalents	$ 6,439,508	$ 4,977,246
Supplemental cash flow information:		
Cash paid for taxes	$ 560,667	$ 417,100
Retirement of treasury stock	$ 112,500	$ 139,331

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".

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 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, costs 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 constantly 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 income, net income, earnings per share or cash flows.

Fair Value: The fair value of the Company’s financial instruments approximate their fair 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) up to $250,000 for interest-bearing accounts and to the account balance for non-interest bearing accounts in accordance with the FDIC's Transaction Guarantee Program. At December 31, 2014, the balances at various financial institutions over the FDIC insured limit relating to cash and cash equivalents and restricted cash were $5,445,297.

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, 2014 and 2013 was $2,236,015 and $2,175,153, 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, 2014 and 2013, the allowance for doubtful accounts was $26,521 and $20,279, 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, 2014 and 2013, certificates of deposit of $341,473 and $341,000, respectively, are collateral for outstanding letters of credit due to expire in 2015. The letters of credit are required by the Company's landlord, a supplier and industry regulations and will be renewed.

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 and Indefinite-Lived Intangible Assets: 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 and indefinite-lived intangible assets 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. The fair value of indefinite-lived purchased intangible assets is estimated and compared to the carrying value. The Company recognizes an impairment loss when the estimated fair value of the indefinite-lived purchased intangible assets is less than the carrying value.

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 purchased intangible 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 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 2010. 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 interest or penalties in the years ended December 31, 2014 and 2013.

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 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 Pronouncements: 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 is effective for the Company on January 1, 2017. Early application is not permitted. 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, 2014	December 31, 2013
Prepaid expenses	$ 1,808,263	$ 2,656,867
Prepaid commissions and employee advances	96,244	158,369
Refundable deposits with suppliers	816,583	414,956
Deposits and prepaid items	$ 2,721,090	$ 3,230,192

NOTE 4 – PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

	December 31, 2014	December 31, 2013
Office equipment	$ 711,674	$ 697,646
Furniture and fixtures	374,049	239,134
Leasehold improvements	789,689	79,056
	1,875,412	1,015,836
Less: Accumulated depreciation	(770,363)	(708,351)
Property and equipment, net	$ 1,105,049	$ 307,485

Depreciation expense for the years ended December 31, 2014 and 2013 was $250,212 and $135,360, respectively.

NOTE 5 – INTANGIBLE ASSETS, NET

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

The Company conducted annual tests for impairment during the fourth quarters of 2014 and 2013. The results of the impairment tests indicated that the intangibles were not impaired.

Intangible assets consist of the following:

	December 31, 2014	December 31, 2013
Customer lists	$ 3,912,280	$ 3,458,730
Trade names	201,307	198,322
Franchise fee and organizational costs	18,939	18,939
	4,132,526	3,675,991
Less accumulated amortization:		
Customer lists	3,056,065	2,534,757
Trade names	158,676	139,106
Franchise fee and organizational costs	16,099	12,310
	3,230,840	2,686,173
Intangible assets, net	$901,686	$989,818

Amortization expense for the years ended December 31, 2014 and 2013 was $545,140 and $592,317, respectively. The estimated aggregate amortization expense for the next five years is as follows:

Year	Estimated Annual Amortization Expense
2015	$ 452,398
2016	$ 268,926
2017	$ 128,685
2018	$ 50,809
2019	$ 868

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 2013 and 2014, 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, 2014 and 2013, the carrying amount of consolidated goodwill was $64,526.

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following:

	December 31, 2014	December 31, 2013
Customer deposits	$ 4,359,290	$ 5,021,825
Other accrued expenses	624,724	593,528
Accrued compensation	800,987	539,015
Accounts payable	293,263	402,567
Total	$ 6,078,264	$ 6,556,935

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 the future publications. The advance sales commission, administrative fees and publishing advertising revenue is considered unearned revenue and recorded as deferred revenue in the accompanying consolidated balance sheets. Deferred revenue is recognized in net revenues on the accompanying consolidated statements of operations when the passenger travel occurs or the publication is distributed. At December 31, 2014 and December 31, 2013, deferred revenue was $2,304,699 and $2,268,491, respectively.

NOTE 9 – CAPITAL LEASE OBLIGATIONS

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. At the conclusion of the lease, the Company may purchase the system at a bargain purchase price. As of December 31, 2014 and 2013, the carrying value of the system, net of accumulated depreciation of $25,038 and $18,646, respectively, was $533 and $6,925, respectively. The present value of future minimum lease payments under this capital lease as of December 31, 2014 consists of the following:

Year Ending December 31,:	
2015	$ 559
Less: amounts representing interest	1
Present value of minimum lease payments	$ 558

Interest expense for all capital leases for the years ended December 31, 2014 and 2013 was $102 and $406, respectively.

NOTE 10 - INCOME TAXES

The provision for income taxes for the years ended December 31, 2014 and 2013 consist of the following:

	December 31, 2014	December 31, 2013
Current:		
Federal	$ 552,426	$ 356,763
State	116,876	62,520
	669,302	419,283
Deferred:		
Federal	24,787	(27,034)
State	4,243	(4,628)
	29,030	(31,662)
Provision for income taxes, net	$ 698,332	$ 387,621

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, 2014	December 31, 2013
Statutory federal income tax rate	34.0%	34.0%
State income taxes	4.6	3.7
Tax effect of non-deductible items	1.2	2.3
Other	0.4	(0.4)
Effective tax rate	40.2%	39.6%

The effective tax rate exceeded the statutory in 2014 and 2013 primarily as a result of $56,180 related to non-deductible items for tax purposes in 2014 and $59,078 in 2013. 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, 2014	December 31, 2013
Capitalized list costs	$ (297,777)	$ (311,013)
Property and equipment basis difference	(179,956)	(111,962)
Amortization	118,747	130,285
Accruals and other	192,441	155,175
Net deferred income tax liability	$ (166,545)	$ (137,515)

NOTE 11 - EARNINGS PER SHARE

As of December 31, 2014 and 2013, 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. The information related to basic and diluted earnings per share is as follows:

	Year ended December 31, 2014	Year ended December 31, 2013
Numerator:		
Net income	$ 1,037,706	$ 591,182
Denominator:		
Weighted average number of shares outstanding – basic and diluted	11,956,576	12,343,287
EPS:		
Basic and Diluted:		
Net income/(loss)	$ 0.087	$ 0.048

NOTE 12 – TREASURY STOCK

On August 1, 2008, the Company announced that its Board of Directors had approved a program to repurchase of up to $200,000 of its common stock which would be funded from available working capital and subject to the rules and regulations of the SEC and other applicable legal requirements. The plan did not require the Company to acquire a specific number of shares and could be suspended from time to time or discontinued. As initially adopted, the program did not extend beyond June 30, 2009. The Company's Board of Directors had subsequently extended the program multiple times but did not renew the program at their November 2013 board meeting.

For the year ended December 31, 2013 the Company had repurchased 15,306 shares of its common stock at an aggregate cost of $4,331 under the program. No purchases were made in 2014 under the program. Additionally, the Company entered into agreements and purchased 250,000 and 300,000 shares of its common stock at an aggregate cost of $112,500 and $135,000 from various shareholders of the Company during the years ended December 31, 2014 and 2013, respectively.

No treasury stock was held by the Company as of December 31, 2014 or 2013.

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 CONTIGENCIES

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 year ended December 31, 2014 was $328,740. Total monthly lease payments going forward, which include an estimated proportionate share of building operating expenses, are $268,344 in year 2, $324,360 in year 3, $452,512 in year 4, $459,432 in year 5, $466,534 in year 6, $473,817 in year 7, and $481,283 in year 8. Such amounts aggregate to $2,926,282.

The Company had previously entered into a lease for approximately 10,500 square feet of corporate office space in Plantation, Florida. The lease expired at the end of 2013. The related rent expense for the year ended December 31, 2013 was $260,529.

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, 2014 and 2013, respectively.

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 2014 and 2013. The following selected quarterly information is unaudited and not subject to any review procedures, as defined under the guidance in Codification of Statements on Auditing Standards AU-C section 930, *Interim Financial Information*.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
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
For the year ended December 31, 2013:				
Net revenues	$ 3,122,663	$ 2,984,670	$ 2,435,917	$ 4,057,734
Operating income/(loss)	$ 74,000	$ 193,790	$ (468,748)	$ 1,179,279
Net income/(loss)	$ 35,884	$ 120,545	$ (297,429)	$ 732,182
Net income/(loss) per share:				
Basic	$ 0.003	$ 0.010	$ (0.024)	$ 0.059
Diluted	$ 0.003	$ 0.010	$ (0.024)	$ 0.059

NOTE 16 – SUBSEQUENT EVENTS

On February 17, 2015, the Company's Board of Directors voted to declare a regular annual cash dividend of $0.03 per share on its outstanding shares of Common Stock. This dividend will be payable on April 22, 2015 to stockholders of record at the close of business on March 4, 2015.

On April 2, 2015, the Company entered into an agreement to purchase 207,760 shares of its common stock at an aggregate cost of $124,656.

Management has evaluated subsequent events through April 7, 2015, which was the issue date of the consolidated financial statements.