

APPLIQATE INC

FORM 1-A POS

(Post-qualification amendment to a 1-A offering statement)

Filed 05/23/16

| | |
|-------------|---|
| Address | 1250 E 200 S, STE 2F LEHI, UT, 84043 |
| Telephone | 385-429-2708 |
| CIK | 0001669778 |
| Symbol | APQT |
| SIC Code | 7311 - Services-Advertising Agencies |
| Fiscal Year | 01/31 |

UNITED STATE
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 1-A
REGULATION A OFFERING STATEMENT
UNDER THE SECURITIES ACT OF 1933

| |
|--|
| Form 1-A Issuer Information |
| FORM 1-A |
| OMB APPROVAL |
| OMB Number: ##### |
| Estimated average burden hours per response: ##. |

1-A: Filer Information

| | |
|---------------------------------|--|
| Issuer CIK | 0001669778 |
| Issuer CCC | XXXXXXXX |
| DOS File Number | |
| Offering File Number | 024-10540 |
| Is this a LIVE or TEST Filing? | <input checked="" type="checkbox"/> LIVE <input type="checkbox"/> TEST |
| Would you like a Return Copy? | <input checked="" type="checkbox"/> |
| Notify via Filing Website only? | <input type="checkbox"/> |
| Since Last Filing? | <input type="checkbox"/> |

Submission Contact Information

| |
|----------------|
| Name |
| Phone |
| E-Mail Address |

1-A: Item 1. Issuer Information

Issuer Infomation

| | |
|---|---|
| Exact name of issuer as specified in the issuer's charter | Appligate Inc |
| Jurisdiction of Incorporation / Organization | WYOMING |
| Year of Incorporation | 2015 |
| CIK | 0001669778 |
| Primary Standard Industrial Classification Code | SERVICES-ADVERTISING AGENCIES |
| I.R.S. Employer Identification Number | 81-0953022 |
| Total number of full-time employees | 2 |
| Total number of part-time employees | 2 |

Contact Infomation

Address of Principal Executive Offices

| | |
|--------------------------|---|
| Address 1 | 12465 South Fort Street |
| Address 2 | Suite 240 |
| City | Draper |
| State/Country | UTAH |
| Mailing Zip/ Postal Code | 84020 |
| Phone | 8012033978 |

Provide the following information for the person the Securities and Exchange Commission's staff should call in connection with any pre-qualification review of the offering statement.

| | |
|---------------|--|
| Name | John Brannelly, Attorney |
| Address 1 | |
| Address 2 | |
| City | |
| State/Country | |

Mailing Zip/ Postal Code

Phone

Provide up to two e-mail addresses to which the Securities and Exchange Commission's staff may send any comment letters relating to the offering statement. After qualification of the offering statement, such e-mail addresses are not required to remain active.

Financial Statements

Industry Group (select one)

☐ Banking

☐ Insurance

☒ Other

Use the financial statements for the most recent period contained in this offering statement to provide the following information about the issuer. The following table does not include all of the line items from the financial statements. Long Term Debt would include notes payable, bonds, mortgages, and similar obligations. To determine "Total Revenues" for all companies selecting "Other" for their industry group, refer to Article 5-03(b)(1) of Regulation S-X. For companies selecting "Insurance", refer to Article 7-04 of Regulation S-X for calculation of "Total Revenues" and paragraphs 5 and 7 of Article 7-04 for "Costs and Expenses Applicable to Revenues".

Balance Sheet Information

| | |
|--|---------------------|
| Cash and Cash Equivalents | <u>\$ 3574.00</u> |
| Investment Securities | <u>\$ 0.00</u> |
| Total Investments | <u>\$ -</u> |
| Accounts and Notes Receivable | <u>\$ 0.00</u> |
| Loans | <u>\$ -</u> |
| Property, Plant and Equipment (PP&E): | <u>\$ 0.00</u> |
| Property and Equipment | <u>\$ -</u> |
| Total Assets | <u>\$ 3574.00</u> |
| Accounts Payable and Accrued Liabilities | <u>\$ 139.00</u> |
| Policy Liabilities and Accruals | <u>\$ -</u> |
| Deposits | <u>\$ -</u> |
| Long Term Debt | <u>\$ 15000.00</u> |
| Total Liabilities | <u>\$ 15139.00</u> |
| Total Stockholders' Equity | <u>\$ -11565.00</u> |
| Total Liabilities and Equity | <u>\$ 3574.00</u> |

Income Statement Information

| | |
|---|--------------------------|
| Total Revenues | <u>\$ 176.00</u> |
| Total Interest Income | <u>\$ -</u> |
| Costs and Expenses Applicable to Revenues | <u>\$ 4992.00</u> |
| Total Interest Expenses | <u>\$ -</u> |
| Depreciation and Amortization | <u>\$ 0.00</u> |
| Net Income | <u>\$ -81965.00</u> |
| Earnings Per Share - Basic | <u>\$ 0.00</u> |
| Earnings Per Share - Diluted | <u>\$ 0.00</u> |
| Name of Auditor (if any) | <u>MaloneBailey, LLP</u> |

Outstanding Securities

Common Equity

| | |
|---|------------------|
| Name of Class (if any) Common Equity | <u>common</u> |
| Common Equity Units Outstanding | <u>60000000</u> |
| Common Equity CUSIP (if any): | <u>000000000</u> |
| Common Equity Units Name of Trading Center or Quotation Medium (if any) | <u>0 -</u> |

Preferred Equity

| | |
|--|------------------|
| Preferred Equity Name of Class (if any) | <u>Preferred</u> |
| Preferred Equity Units Outstanding | <u>0 -</u> |
| Preferred Equity CUSIP (if any) | <u>000000000</u> |
| Preferred Equity Name of Trading Center or Quotation Medium (if any) | <u>0 -</u> |

Debt Securities

| | |
|---|------------------|
| Debt Securities Name of Class (if any) | <u>Debt</u> |
| Debt Securities Units Outstanding | <u>0</u> |
| Debt Securities CUSIP (if any): | <u>000000000</u> |
| Debt Securities Name of Trading Center or Quotation Medium (if any) | <u>0</u> |

1-A: Item 2. Issuer Eligibility

Issuer Eligibility

Check this box to certify that all of the following statements are true for the issuer(s)

- ☒
- Organized under the laws of the United States or Canada, or any State, Province, Territory or possession thereof, or the District of Columbia.
 - Principal place of business is in the United States or Canada.
 - Not subject to section 13 or 15(d) of the Securities Exchange Act of 1934.
 - Not a development stage company that either (a) has no specific business plan or purpose, or (b) has indicated that its business plan is to merge with an unidentified company or companies.
 - Not an investment company registered or required to be registered under the Investment Company Act of 1940.
 - Not issuing fractional undivided interests in oil or gas rights, or a similar interest in other mineral rights.
 - Not issuing asset-backed securities as defined in Item 1101 (c) of Regulation AB.
 - Not, and has not been, subject to any order of the Commission entered pursuant to Section 12(j) of the Exchange Act (15 U.S.C. 78l(j)) within five years before the filing of this offering statement.
 - Has filed with the Commission all the reports it was required to file, if any, pursuant to Rule 257 during the two years immediately before the filing of the offering statement (or for such shorter period that the issuer was required to file such reports).

1-A: Item 3. Application of Rule 262

Application Rule 262

Check this box to certify that, as of the time of this filing, each person described in Rule 262 of Regulation A is either not disqualified under that rule or is disqualified but has received a waiver of such disqualification.

- ☒
- Check this box if "bad actor" disclosure under Rule 262(d) is provided in Part II of the offering statement.
- ☐

1-A: Item 4. Summary Information Regarding the Offering and Other Current or Proposed Offerings

Summary Infomation

| | |
|---|--|
| Check the appropriate box to indicate whether you are conducting a Tier 1 or Tier 2 offering | <input type="checkbox"/> Tier1 <input checked="" type="checkbox"/> Tier2 |
| Check the appropriate box to indicate whether the financial statements have been audited | <input type="checkbox"/> Unaudited <input checked="" type="checkbox"/> Audited |
| Types of Securities Offered in this Offering Statement (select all that apply) | |
| <input checked="" type="checkbox"/> Equity (common or preferred stock) | |
| Does the issuer intend to offer the securities on a delayed or continuous basis pursuant to Rule 251(d)(3)? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Does the issuer intend this offering to last more than one year? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Does the issuer intend to price this offering after qualification pursuant to Rule 253(b)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Will the issuer be conducting a best efforts offering? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Has the issuer used solicitation of interest communications in connection with the proposed offering? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Does the proposed offering involve the resale of securities by affiliates of the issuer? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Number of securities offered | <u>100000000</u> |
| Number of securities of that class outstanding | <u>60000000</u> |

The information called for by this item below may be omitted if undetermined at the time of filing or submission, except that if a price range has been included in the offering statement, the midpoint of that range must be used to respond. Please refer to Rule 251(a) for the definition of "aggregate offering price" or "aggregate sales" as used in this item. Please leave the field blank if undetermined at this time and include a zero if a particular item is not applicable to the offering.

| | |
|--|----------------|
| Price per security | <u>\$ 0.01</u> |
| The portion of the aggregate offering price attributable to securities being offered on behalf of the issuer | <u>\$ 0.00</u> |
| The portion of the aggregate offering price attributable to securities being offered on behalf of selling | <u>\$ 0.00</u> |

| | |
|---|--|
| securityholders | |
| The portion of the aggregate offering price attributable to all the securities of the issuer sold pursuant to a qualified offering statement within the 12 months before the qualification of this offering statement | <u>\$ 0.00</u> |
| The estimated portion of aggregate sales attributable to securities that may be sold pursuant to any other qualified offering statement concurrently with securities being sold under this offering statement | <u>\$ 0.00</u> |
| Total (the sum of the aggregate offering price and aggregate sales in the four preceding paragraphs) | <u>\$ 0.00</u> |
| Anticipated fees in connection with this offering and names of service providers | |
| Underwriters - Name of Service Provider | Underwriters - Fees |
| <u>\$</u> | |
| Sales Commissions - Name of Service Provider | (1) Sales Commissions - Fee |
| <u>\$ 0.00</u> | |
| Finders' Fees - Name of Service Provider | Finders' Fees - Fees |
| <u>\$</u> | |
| Audit - Name of Service Provider | MaloneBailey, LLP (2) Audit - Fees |
| <u>\$ 0.00</u> | |
| Legal - Name of Service Provider | BrannellyLaw, PLLC (2) Legal - Fees |
| <u>\$ 0.00</u> | |
| Promoters - Name of Service Provider | Promoters - Fees |
| <u>\$</u> | |
| Blue Sky Compliance - Name of Service Provider | Blue Sky Compliance - Fees |
| <u>\$</u> | |
| CRD Number of any broker or dealer listed: | |
| Estimated net proceeds to the issuer | <u>\$</u> |
| Clarification of responses (if necessary) | (1) The company may use registered broker-dealers to sell shares in the offering. As of the date hereof, the Company has not entered into sales agreements with any broker-dealers. (2) To be provided by amendment. |

1-A: Item 5. Jurisdictions in Which Securities are to be Offered

Jurisdictions in Which Securities are to be Offered

Using the list below, select the jurisdictions in which the issuer intends to offer the securities

| | |
|-----------------------------------|----------------------|
| Selected States and Jurisdictions | ALABAMA |
| | ALASKA |
| | ARIZONA |
| | ARKANSAS |
| | CALIFORNIA |
| | COLORADO |
| | CONNECTICUT |
| | DELAWARE |
| | DISTRICT OF COLUMBIA |
| | FLORIDA |
| | GEORGIA |
| | HAWAII |
| | IDAHO |
| | ILLINOIS |
| | INDIANA |
| | IOWA |
| | KANSAS |
| | KENTUCKY |
| | LOUISIANA |
| | MAINE |
| | MARYLAND |
| | MASSACHUSETTS |
| | MICHIGAN |
| | MINNESOTA |
| | MISSISSIPPI |

| |
|------------------------------|
| MISSOURI |
| MONTANA |
| NEBRASKA |
| NEVADA |
| NEW HAMPSHIRE |
| NEW JERSEY |
| NEW MEXICO |
| NEW YORK |
| NORTH CAROLINA |
| NORTH DAKOTA |
| OHIO |
| OKLAHOMA |
| OREGON |
| PENNSYLVANIA |
| PUERTO RICO |
| RHODE ISLAND |
| SOUTH CAROLINA |
| SOUTH DAKOTA |
| TENNESSEE |
| TEXAS |
| UTAH |
| VERMONT |
| VIRGINIA |
| WASHINGTON |
| WEST VIRGINIA |
| WISCONSIN |
| WYOMING |
| ALBERTA, CANADA |
| BRITISH COLUMBIA, CANADA |
| MANITOBA, CANADA |
| NEW BRUNSWICK, CANADA |
| NEWFOUNDLAND, CANADA |
| NOVA SCOTIA, CANADA |
| ONTARIO, CANADA |
| PRINCE EDWARD ISLAND, CANADA |
| QUEBEC, CANADA |
| SASKATCHEWAN, CANADA |
| YUKON, CANADA |
| CANADA (FEDERAL LEVEL) |

Using the list below, select the jurisdictions in which the securities are to be offered by underwriters, dealers or sales persons or check the appropriate box

| |
|---|
| None |
| Same as the jurisdictions in which the issuer intends to offer the securities |
| Selected States and Jurisdictions |

☐☒

| |
|----------------------|
| ALABAMA |
| ALASKA |
| ARIZONA |
| ARKANSAS |
| CALIFORNIA |
| COLORADO |
| CONNECTICUT |
| DELAWARE |
| DISTRICT OF COLUMBIA |
| FLORIDA |
| GEORGIA |
| HAWAII |
| IDAHO |
| ILLINOIS |
| INDIANA |
| IOWA |
| KANSAS |
| KENTUCKY |
| LOUISIANA |

| |
|------------------------------|
| MAINE |
| MARYLAND |
| MASSACHUSETTS |
| MICHIGAN |
| MINNESOTA |
| MISSISSIPPI |
| MISSOURI |
| MONTANA |
| NEBRASKA |
| NEVADA |
| NEW HAMPSHIRE |
| NEW JERSEY |
| NEW MEXICO |
| NEW YORK |
| NORTH CAROLINA |
| NORTH DAKOTA |
| OHIO |
| OKLAHOMA |
| OREGON |
| PENNSYLVANIA |
| PUERTO RICO |
| RHODE ISLAND |
| SOUTH CAROLINA |
| SOUTH DAKOTA |
| TENNESSEE |
| TEXAS |
| UTAH |
| VERMONT |
| VIRGINIA |
| WASHINGTON |
| WEST VIRGINIA |
| WISCONSIN |
| WYOMING |
| ALBERTA, CANADA |
| BRITISH COLUMBIA, CANADA |
| MANITOBA, CANADA |
| NEW BRUNSWICK, CANADA |
| NEWFOUNDLAND, CANADA |
| NOVA SCOTIA, CANADA |
| ONTARIO, CANADA |
| PRINCE EDWARD ISLAND, CANADA |
| QUEBEC, CANADA |
| SASKATCHEWAN, CANADA |
| YUKON, CANADA |
| CANADA (FEDERAL LEVEL) |

1-A: Item 6. Unregistered Securities Issued or Sold Within One Year

Unregistered Securities Issued or Sold Within One Year

None ☐

Unregistered Securities Issued

As to any unregistered securities issued by the issuer of any of its predecessors or affiliated issuers within one year before the filing of this Form 1-A, state:

| | |
|--|--|
| (a)Name of such issuer | APPLIQATE INC |
| (b)(1) Title of securities issued | Common Stock |
| (2) Total Amount of such securities issued | 60000000 |
| (3) Amount of such securities sold by or for the account of any person who at the time was a director, officer, promoter or principal securityholder of the issuer of such securities, or was an underwriter of any securities of such issuer. | 0 |
| (c)(1) Aggregate consideration for which the securities were issued and basis for computing the amount thereof. | Shares issued to founders for past and ongoing services services rendered. |

(2) Aggregate consideration for which the securities listed in (b)(3) of this item (if any) were issued and the basis for computing the amount thereof (if different from the basis described in (c)(1)).

Unregistered Securities Act

(e) Indicate the section of the Securities Act or Commission rule or regulation relied upon for exemption from the registration requirements of such Act and state briefly the facts relied upon for such exemption

[JOBS Act, Rule 506](#)

PART II
OFFERING CIRCULAR
Appliqate Inc

Dated: May 23, 2016

This Post-Qualification Offering Circular Amendment No. 01 (this "Offering Circular Amendment No. 01") amends the offering circular of Appliqate Inc, dated April 1, 2016, as qualified on May 17, 2016, and as may be amended and supplemented from time to time (the "Offering Circular"), to add, update and/or replace information contained in the Offering Circular. Unless otherwise defined below, capitalized terms used herein shall have the same meanings as set forth in the Offering Circular. See "Incorporation by Reference of Offering Circular" below.

NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED, OR RECOMMENDED THIS OFFERING. YOU SHOULD MAKE AN INDEPENDENT DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND FINANCIAL RISK TOLERANCE LEVEL. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS ILLEGAL.

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SOLICITATION MATERIALS. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.

Incorporation by Reference of Offering Circular

The Offering Circular, including this Offering Circular Amendment No. 01, is part of an offering statement (File No. 024-10540) that we filed with the Securities and Exchange Commission (the "Commission"). We hereby incorporate by reference into this Offering Circular Amendment No. 01 all of the information contained in Part II of the Offering Circular. Note that any statement that we make in this Offering Circular Amendment No. 01 (or have made in the Offering Circular) will be modified or superseded by any inconsistent statement made by us in a subsequent offering circular supplement or post-qualification amendment.

The Offering Circular is amended as follows:

The Escrow Agreement filed with the Offering Circular (identified on the SEC Edgar Archives as "EX1A-8 ESCW AGMT 4 escrow_agreement.htm") is superseded by a revised Escrow Agreement filed simultaneously with this Offering Circular Amendment No. 01. There are no other amendments at this time.

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form 1-A and has duly caused this amendment to Offering Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Draper, State of Utah on May 3, 2016.

APPLIQATE INC

By: /s/ David Anderson

David Anderson
President and Chief Executive Officer

This offering statement has been signed below by the following persons in the capacities and on the dates indicated:

| SIGNATURE | TITLE | DATE |
|---|---------------------------------------|--------------|
| <u>/s/ DAVID ANDERSON</u> David Anderson | President and Chief Executive Officer | May 23, 2016 |
| <u>/s/ JORDAN HEMMING</u> Jordan Hemming | Director and Executive Vice President | May 23, 2016 |

ESCROW AGREEMENT

(Subscription Proceeds)

This ESCROW AGREEMENT ("Agreement") is dated as of , 20 , by and between Appliqate Inc, a Wyoming corporation ("Issuer") and Escrow Specialists Inc as escrow agent ("Escrow Agent").

R E C I T A L S:

A. The Issuer intends to offer and sell ("Offering") up to 100,000,000 shares of common stock in Issuer ("Shares"). The offering will remain open until May 15, 2017 (the "Termination Date"). The minimum offering amount of 1,000,000 shares (the "Minimum Offering Amount") is being offered on an "all-or-nothing minimum" basis. Until the Minimum Offering Amount has been accepted by the Issuer, subscribers to the Offering shall deposit the funds for their respective subscriptions in the Subscription Proceeds Escrow (as defined below).

B. The terms of the Offering are set forth in that certain Appliqate Inc Offering Statement dated May 3, 2016, as may be supplemented or amended from time to time (the "Offering Statement").

C. The Shares will be sold pursuant to the Subscription Agreement (the "Subscription Agreement"), the form of which is attached to the Offering Statement, which will be (i) executed by investors and, (ii) if deemed appropriate by Issuer's management, accepted by the Issuer, along with the full amount of an investors subscription payable by check or wire transfer in immediately available funds in U.S. dollars.

D. In accordance with and subject to the terms and conditions of this Agreement, the Escrow Agent has agreed to accept and hold all subscription proceeds received directly or indirectly from investors pursuant to all Subscription Agreements that are received by Issuer from time to time prior to the Termination Date.

NOW, THEREFORE, the parties hereto agree as follows:

1. Appointment of Escrow Agent. The Issuer hereby appoints Escrow Agent, and Escrow Agent accepts such appointment, to act as Escrow Agent in accordance with this Agreement. All monies deposited in the Escrow Account are hereinafter referred to as the ("Escrowed Funds"). Upon receipt of the subscription proceeds, the duties and obligations of each of the parties to this Agreement will commence.

2. Subscription Proceeds to be Placed in Escrow.

(a) There is hereby created and ordered to be established in the custody of the Escrow Agent a special subscription proceeds escrow ("Subscription Proceeds Escrow"). The Subscription Proceeds Escrow account will be a segregated account and will be held in trust for each investor's benefit pending (i) release to the Issuer for investment or (ii) return to the investor in accordance with the terms hereof.

(b) All subscription proceeds received by the Issuer shall be delivered to the Escrow Agent (clearly identified as such to the Escrow Agent) as promptly as practicable, but in no event later than the end of the next business day. Each deposit of subscription proceeds with the Escrow Agent shall be accompanied by a copy of the executed Subscription Agreement with respect to each investor for whom subscription proceeds are being deposited. All subscription proceeds received by the Escrow Agent shall be deposited into the Subscription Proceeds Escrow.

(c) The subscription proceeds held in the Subscription Proceeds Escrow shall remain un-invested.

(d) The Escrowed Funds shall be held by the Escrow Agent in the Subscription Proceeds Escrow until distributed as provided in this Agreement.

(e) Based solely upon the information set forth in the Subscription Agreements delivered to Escrow Agent, the Escrow Agent shall keep and maintain a record of (i) the subscription proceeds deposited by or on behalf of each investor into the Subscription Proceeds Escrow from time to time and (ii) the total amounts of subscription proceeds held in the Subscription Proceeds Escrow for each investor until the distributions under paragraph 4 below are made. The registration books maintained by the Escrow Agent shall be the official record of the total amounts of subscription proceeds held in the Subscription Proceeds Escrow and each investor's share of such amounts.

(f) By the fifteenth day of each month during the term hereof, or upon request by the Issuer, the Escrow Agent shall provide to the Issuer a report that details the deposits and disbursements from the Subscription Proceeds Escrow during the preceding calendar month.

3. Identity of investors, Ownership of Proceeds. The Issuer shall furnish to the Escrow Agent, with each delivery of subscription proceeds as provided in paragraph 2, above, a copy of each Subscription Agreement (which shall set forth, among other things, the name and address of the investor and the amount subscribed) tendered by the investors and accepted by Issuer. The Escrow Agent shall not be required to accept any subscription proceeds that are not accompanied by said Subscription Agreement. Until released to the Issuer pursuant to the terms hereof, all subscription proceeds shall be and remain the property of the respective investors and shall not be subject to any liens or charges by the Issuer or against the Issuer, or to judgments or creditors' claims against the Issuer.

4. Disbursements from the Subscription Proceeds Escrow. Escrowed Funds in the Subscription Proceeds Escrow will be held and disbursed in accordance with the following:

(a) The Issuer will accept or reject subscriptions within thirty (30) days after the Issuer receives them. If an investor's Subscription Agreement is rejected, the Issuer will notify the Escrow Agent in writing and such investor's funds will be returned within ten business days after the receipt by the Escrow Agent of the written notice of such rejection and the necessary documentation of the Escrow Agent.

(b) If an investor's subscription is accepted, the Issuer will notify the Escrow Agent in writing and the amount delivered with such subscription will continue to be held in the Subscription Proceeds Escrow until the earlier to occur of the following: (i) the Issuer has received and accepted subscriptions for the Minimum Offering Amount or (ii) the Termination Date.

(c) Each investor's escrowed funds remaining in the Subscription Proceeds Escrow at the Termination Date will be returned to the investor within ten days after the Termination Date. No further deposits to the Subscription Proceeds Escrow will be accepted after the Termination Date.

(d) If subscriptions for the Minimum Offering Amount have been accepted by the Issuer on or before the Termination Date, Issuer shall notify the Escrow Agent of such fact in writing on the form set forth on Exhibit C hereto and the escrowed funds in the Subscription Proceeds Escrow will be disbursed to the Issuer within one business day of the Escrow Agent's receipt of such notification.

5. Term. This Agreement shall terminate upon the disbursement of all of the subscription proceeds and the final performance of all of the Escrow Agent's other duties hereunder.

6. Duties and Responsibilities of Escrow Agent.

(a) Escrow Agent, by signing this Agreement, agrees to accept, hold and dispose of the subscription proceeds in accordance with the terms hereof. The duties and responsibilities of Escrow Agent shall be limited to those expressly set forth in this Agreement, and no implied covenants or duties shall be read into this Agreement against the Escrow Agent, and the Escrow Agent shall not be subject to, nor obligated to comply with or to recognize, any other agreement between, or any direction or instruction of, any or all of the other parties thereto even though reference thereto may be made herein; provided, however, with the written consent of Escrow Agent, this Agreement may be amended at any time or times by an instrument in writing signed by the Issuer and the Escrow Agent.

(b) Escrow Agent is authorized, in its sole discretion, to disregard any and all notices or instructions given by any person, firm or corporation, except such notices and instructions as are herein specifically provided for and orders or process of any court duly entered. If any property subject hereto is at any time attached, garnished or levied upon under any court order or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, writ, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any of such events, Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel of its own choosing is binding upon it; and if Escrow Agent complies in good faith with any such order, writ, judgment or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated. Escrow Agent shall notify Issuer in the event Escrow Agent takes any action pursuant to this Section 6(b).

(c) Escrow Agent shall not be liable for any act taken or omitted hereunder if taken or omitted by Escrow Agent in good faith and in the exercise of its own reasonable judgment, and Escrow Agent shall not be liable under this Agreement except for its gross negligence, willful misconduct or breach of its obligations under this Agreement. Escrow Agent also shall be fully protected in relying upon any written notice (including specifically those provided for in paragraphs 4(a), 4(b) and 4(d), demand, certificate, waiver, opinion of counsel or other document which it in good faith reasonably believes to be genuine or what it purports to be.

(d) Escrow Agent acts hereunder as a depository only and shall not be responsible for the sufficiency or accuracy or the form, execution, validity or genuineness of this Agreement (except as to its own execution hereof and obligations hereunder, if this Agreement is otherwise valid) or of documents or securities now or hereafter deposited hereunder or of any endorsement thereon, or for lack of endorsement thereon, or for any description therein, or for the adequacy of the subscription proceeds for their intended purposes, nor shall it be responsible or liable in any respect on the account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such document, security or endorsement under this Agreement.

(e) Escrow Agent may consult with legal counsel (which may be counsel to the Issuer) in the event of any dispute or question as to the construction of any of the provisions hereof or its duties hereunder, and, to the extent it acts in good faith without gross negligence or willful misconduct it shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel.

(f) The Issuer agrees to indemnify and save Escrow Agent harmless from all losses, costs, liabilities, actual damages (which shall not include consequential, special or punitive damages), fees and expenses (including, but not limited to, reasonable attorney's fees and expenses) suffered or incurred by Escrow Agent arising from the performance of its obligations under this Agreement ("Acts"), except such Acts as arise from or attributable to the grossly negligent, willful misconduct or fraudulent acts or omissions of Escrow Agent or a breach otherwise by Escrow Agent of this Agreement. Notwithstanding the above, the Escrow Agent will have no right to withhold subscriber's funds deposited in the Subscription Escrow Account to pay Issuer obligations under this Section 6(f).

(g) In the event of any disagreement between the parties hereto (or any other persons) resulting in adverse claims and demands being made in connection with or for any portion of the subscription proceeds, Escrow Agent shall be entitled to refuse to comply with any demand or claim, as long as such disagreement shall continue, and in so refusing to make any delivery or other disposition of any portion of the subscription proceeds, Escrow Agent shall not be or become liable to any party hereto or to any other person for its refusal to comply with such conflicting or adverse demands, and Escrow Agent shall be entitled to refuse and refrain to act until:

(i) The rights of the adverse claimants shall have been fully and finally adjudicated in a court assuming and having jurisdiction in respect of the portion of the persons and the portion of the subscription proceeds involved; or

(ii) All differences shall have been resolved by agreement and Escrow Agent shall have been notified of such agreement in a writing signed by all the interested parties.

(h) Escrow Agent may resign at any time from its obligations under this Agreement by providing written notice to the Issuer. Such resignation shall be effective not less than thirty (30) days after such written notice has been delivered. Escrow Agent shall have no responsibility for the appointment of a successor escrow agent. Upon the effective date of such resignation or removal all cash and other payments and all other property then held by the Escrow Agent hereunder shall be delivered by it to such successor Escrow Agent as may be designated in writing by the Issuer, whereupon the Escrow Agent's obligations hereunder shall cease and terminate.

(i) In the event of resignation of Escrow Agent, a successor escrow agent shall be appointed as soon as practicable by the Issuer. Should such successor not be appointed within thirty (30) days after Escrow Agent shall have delivered notice of its resignation, the resigning Escrow Agent shall be entitled to petition a court of proper jurisdiction to appoint a successor.

7. Miscellaneous.

(a) Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto and supersedes all prior agreements or understandings, whether written or oral, with respect to the subject matter hereof. No amendments or modifications to this Agreement shall be binding unless made in writing and signed by the Issuer and the Escrow Agent.

(b) Notices. Any notices to be given hereunder by any party to any other party shall be in writing and shall be made either by personal delivery, certified, or registered mail (postage prepaid and return receipt requested) or private overnight courier service. Each notice shall be effective only upon receipt, and shall be addressed as follows:

To the Issuer:

Appliqate Inc
12465 South Fort Street, Suite240
Draper, UT 84020

To Escrow Agent:

Escrow Specialists Inc.
555 E 5300 S #3
Ogden, UT 84405

Any party may change its address for notice by giving notice in accordance with the terms of this paragraph 7.

(c) Fees. All Escrow Agent's fees and charges hereunder shall be as set forth in Exhibit "A" hereto and shall be promptly paid, along with the reasonable expenses of Escrow Agent (including, without limitation, reasonable attorney's fees and expenses), by the Issuer; provided, however, that Escrow Agent is not entitled to withhold or deduct any unpaid fees and expenses prior to the final disbursement of the subscription proceeds under paragraph 4. The fees and charges agreed to be paid are intended as full compensation for Escrow Agent's services as contemplated by this Agreement.

(d) Waiver. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not operate or be construed as a waiver of (a) a subsequent breach of the same provision by any party or (b) the breach of any other term or provision of this Agreement.

(e) Binding Effect. This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto, their respective heirs, representatives, successors and assigns. This Agreement may not be assigned.

(f) No Third Party Beneficiaries. Except for the investors, this Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

(g) Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added as a part of this Agreement a legal, valid, and enforceable provision, such as is approved by Issuer and Escrow Agent, as similar in terms to such illegal, invalid or unenforceable provision.

(h) Headings. The headings in this Agreement are solely for convenience of reference and shall be given no effect in construction or interpretation of this Agreement.

(i) Counterparts: Governing Law. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah without regard to its rules of conflicts of laws.

(j) Cooperation. No party shall unreasonably withhold or delay its consent, approval or signature when required to fulfill the purposes of this Agreement.

(k) Patriot Act Compliance. The Issuer agrees to provide the Escrow Agent completed Forms W-9 (or Forms W-8, in the case of non-U.S. Persons) and other forms and documents that the Escrow Agent may reasonably request at the time of execution of this Agreement, and any information reasonably requested by the Escrow Agent to comply with the USA Patriot Act of 2001, as amended from time to time.

8. Multiple Counterparts; Electronic Transaction. This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument. In addition, the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law

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

ISSUER:

Appliqate Inc, a Wyoming corporation

ESCROW AGENT:

ESCROW SPECIALISTS INC, solely as Escrow Agent

By:

David Anderson, CEO

By:

Name:
Title:

EXHIBIT “A”

Escrow Agent’s Fee Schedule

| | |
|------------------------------------|----------|
| Account Set Up and Maintenance Fee | \$525.00 |
|------------------------------------|----------|

Account Set Up and Maintenance Fee will be payable at the initiation of the escrow.

Fees specified are for the regular, routine services contemplated by the Agreement, and any additional or extraordinary services, including, but not limited to disbursements involving a dispute or arbitration, or administration while a dispute, controversy or adverse claim is in existence, will be charged based upon time required at the then standard hourly rate. In addition to the specified fees, all reasonable expenses related to the administration of the Agreement (other than normal overhead expenses of the regular staff) such as, but not limited to, travel, telephone, facsimile, supplies, legal fees, accounting fees, etc., will be reimbursable.

Exhibit B

Escrow Account Signing Authority

Authorized Representatives of the Issuer

The undersigned certifies that he/she is an authorized representative of the Issuers with respect to any instruction or other action to be taken in connection with the Escrow Agreement and Escrow Specialists Inc shall be entitled to rely on such list until a new list is furnished to Escrow Specialists Inc

Signature: _____
Print:
Title:
Phone:
Fax:
Email:

Signature: _____
Print:
Title:
Phone:
Fax:
Email:

The undersigned further certifies that he or she is duly authorized to sign this Escrow Account Signing Authority.

Signature: _____ **
Name:
Its:
Date:

** To be signed by corporate secretary/assistant secretary. When the secretary is among those authorized above, the president must sign in the additional signature space provided below. For entities other than corporations, an authorized signatory not signing above should sign this Escrow Account Signing Authority.

(Additional signature, if required)

Signature: _____
Print:
Title:
Phone:
Fax:
Email:

[, 20]

Escrow Specialists Inc
Attention: Corporate Trust Department
420 Montgomery Street
San Francisco, CA 941045

CLOSING LETTER

Ladies and Gentlemen:

We refer you to that certain agreement dated as of [], 20[], between Appliqate Inc, a Wyoming corporation (“Company”) and Wells Fargo Bank, National Association (“WF”) (the “Agreement”), a photocopy of which is attached hereto. Capitalized terms used but not defined in this letter shall have the meanings given them in the Agreement.

We hereby notify you, in accordance with the terms and provisions of Section 4(d) of the Agreement, that the Minimum Offering Amount has been raised and the Escrowed Funds should be released to the Company.

Very truly yours,

COMPANY:

Appliqate Inc, a Wyoming corporation

By:

Name:

Title:
