

## **INDEPENDENT CONTRACTOR AGREEMENT**

This Independent Contractor Agreement (this "Agreement") is executed on and made effective as of \_\_\_\_\_, 2009, by and between WebAlgorithm, LLC, a New York State Limited Liability Company ("WA") of \_\_\_\_\_, and John Anello ("Anello"), Independent Contractor ("IC"), of \_\_\_\_\_.

**1. SCOPE OF ENGAGEMENT and OBLIGATIONS OF IC .** Beginning on \_\_\_\_\_, Anello will act as an Independent Sales Representative for all WA Products and Services ("WA Products and Services"), including, but not limited to those listed on the WebAlgorithm.com web site. The services to be provided by Anello hereunder and the obligations of Anello in connection therewith, include, but are not limited to contacting prospective clients approved by WA; identifying and submitting potential prospective purchasers for approval by WA; utilizing only marketing and advertising strategies and materials developed by WA; submitting proposed marketing and advertising strategies and materials to WA for review prior to use; negotiating contracts with potential purchasers; submitting proposed purchase contracts to WA for approval; providing WA with documentation of all contacts and communications with prospective clients.

In the event that Anello submits a proposed purchase contract to WA that is rejected by WA, Anello shall be free to pursue fulfillment of that contract outside of the framework of this Agreement. The sales of any future WA products and services to that client shall be governed by the terms of this Agreement.

**2. PAYMENT FOR SERVICES.** WA will pay compensation to Anello for services as follows: monthly compensation of \$ 8,000 and a commission of 5% of the revenue received by WA that is attributable to contracts sold by Anello. All contracts for sale of WA Products and Services will be subject to the final approval of WA.

The compensation shall be payable monthly, on the 10<sup>th</sup> day of the month following the month in which the compensation is earned. The compensation will be deemed "earned" if, as and when payment is received by WA from the client. In the event that this Agreement is terminated for cause, only compensation that is "earned" prior to the date of the termination shall be payable to Anello and no compensation will be due to Anello after the effective date of the termination.

In the event that it is necessary or proper, in the sole discretion of WA, to refund to a client any money previously paid to WA by the client on the basis of which a compensation payment was made to Anello, then Anello shall, at the sole discretion of WA, forfeit such previously earned compensation and return such sum to WA upon demand or the forfeited amount shall be charged against future compensation earned by Anello.

**3. TERM/TERMINATION.** This Agreement shall terminate automatically on the one year anniversary of its execution (the "termination date"). So long as Anello is active, and not in breach of this Agreement, Anello shall have a conditional option to renew this Agreement, on the same terms or on mutually agreed upon different terms, for a period of one (1) year beginning on the termination date. In order to exercise this option, Anello must give WA written notice of Anello's intent to renew not later than thirty (10) days

prior to the termination date. WA shall have the right to accept or reject the renewal in writing at any time prior to the termination date. In the event that the renewal is not rejected in writing by WA prior to the termination date, it shall be deemed to have been approved.

This Agreement may be terminated by either party without cause upon thirty (10) days written notice.

WA may terminate this Agreement for cause, on written notice effective immediately, at any point during the term due to one of the following conditions:

- a. If Anello is unable to provide the services by reason of temporary or permanent illness, disability, incapacity or death.
- b. Breach or default of any obligation of Anello pursuant to Section 8, Confidentiality, or Section 11, Covenant Not to Compete, of this Agreement.
- c. Breach or default by Anello of any other material obligation in this Agreement, which breach or default is not cured within five (5) days of written notice from WA.
- d. Anello makes a material representation of any fact in connection with his performance under this agreement or engages in any act or omission to act that is, in the sole determination of WA, detrimental to WA and such misrepresentation, act or omission continues after WA demands that it cease.

**4. RELATIONSHIP OF PARTIES.** Anello is and throughout the term of this Agreement shall be an independent contractor and not an employee, partner, joint venturer or agent of WA. It is further agreed that WA shall not control the manner, method or details of the performance of Anello's services under the terms of this Agreement.

Anello shall not be entitled to nor receive any benefit normally provided to WA's employees such as, but not limited to, training, vacation payment, retirement, health care or sick pay. WA shall not be responsible for withholding income or other taxes from the payments made to Anello. Anello shall be solely responsible for filing all returns and paying any income, social security or other tax levied upon or determined with respect to the payments made to Anello pursuant to this Agreement.

WA will not provide Anello an office. Unless otherwise agreed to by WA in advance, Anello shall be solely responsible for procuring, paying for and maintaining any computer equipment, software, paper, tools or supplies necessary or appropriate for the performance of Anello's services hereunder.

**5. NON EXCLUSIVITY.** It is agreed and understood by and between WA and Anello that Anello's relationship with WA as defined herein, shall be non exclusive. Anello agrees and understands that WA may make similar Agreements with other persons regarding the marketing of WA Products and Services.

**6. USE OF WA NAME AND MATERIALS.** In connection with the Independent Contractor relationship created herein, WA grants to Anello the limited right to use WA's name and materials in furtherance of Anello's marketing of the designated WA Products and Services. It is agreed that WA shall have the sole right to review and approve any and all materials of any kind used by Anello in marketing the designated WA products.

**7. WORK PRODUCT OWNERSHIP.** Any copyrightable works, ideas, discoveries, inventions, patents, products, or other information (collectively, the "Work Product") developed in whole or in part by Anello

in connection with the Services shall be the exclusive property of WA. Upon request, Anello shall sign all documents necessary to confirm or perfect the exclusive ownership of WA to the Work Product.

**8. CONFIDENTIALITY.** Other than in the performance of duties under this Agreement, Anello agrees, both during the term of this Agreement and after its termination, not to disclose to any person, firm or corporation any information concerning the business affairs, the trade secrets, the customer lists or similar information of WA. Anello hereby agrees that all documents, reports, plans, proposals, marketing and sales plans, client lists, client files and materials made by Anello or by WA that are directly related to the Services are the property of WA and shall not be used by Anello in any way adverse to WA's interests. It is understood and agreed that the obligation to maintain the confidentiality and security of the WA's trade secrets remains with Anello even after the termination of this Agreement and continues for so long as such material remains a trade secret.

For purposes of this Agreement the term "trade secrets" means information or material that is commercially valuable to WA and not generally known in the industry. This includes, but is not limited to:

- a. any and all versions of WA's proprietary computer software (including source code and object code), hardware, firmware and documentation;
- b. technical information concerning WA's products and services, including product data and specifications, diagrams, flow charts, drawings, test results, know-how, processes, inventions, research projects and product development;
- c. information concerning WA's business, including cost information, profits, sales information, accounting and unpublished financial information, business plans, markets and marketing methods, customer lists and customer information, purchasing techniques, supplier lists and supplier information and advertising strategies;
- d. information concerning WA's employees, including their salaries, strengths, weaknesses and skills;
- e. information submitted by WA's customers, suppliers, employees, consultants or co-venturers with WA for study, evaluation or use; and
- f. any other information not generally known to the public which, if misused or disclosed, could reasonably be expected to adversely affect WA's business.

Trade Secrets shall not include any information that is disclosed by WA without restriction, becomes publicly available through no act of Anello or is rightfully received by Anello from a third party.

**9. INDEMNIFICATION.** Anello agrees to indemnify and hold harmless WA from all claims, losses, expenses, fees, including attorney fees, costs, and judgments that may be asserted against WA by any person as a result of the alleged acts or omissions of Anello, Anello 's employees, and Anello 's agents in the performance of this Agreement.

WA agrees to indemnify and hold harmless Anello from all claims, losses, expenses, fees, including attorney fees, costs, and judgments that may be asserted against Anello by any person as a result of the alleged acts or omissions of WA, WA's employees and WA's agents in the performance of this Agreement.

**10. NON-COMPETE AGREEMENT.** During the term of this Agreement and for a period of twelve (12) months thereafter, Anello shall not approach any WA client or any prospective WA client identified by WA, directly or indirectly, either for Anello's own account, or as a partner, shareholder, officer, director, employee, agent or otherwise; or own, manage, operate, control, be employed by, participate in, consult with, perform services for, or otherwise be connected with any person, entity or business that offers products or services similar to WA, including, but not limited to the products and services referenced on [www.webalgorithm.com](http://www.webalgorithm.com). Other than the products and services offered by WA, during the term of this Agreement, Anello shall not, without WA's consent, offer for sale or represent to any person or entity, including WA clients or identified potential clients, any product of any kind, specifically including, but not limited to, any product that is similar in scope, function or purpose to any WA product.

The provisions of this section shall not apply to any client that Anello has a existing relationship with at the time of the execution of this Agreement. For purposes of this section an "existing relationship" will be deemed to include any client to whom Anello has made a contract proposal prior to the execution of this Agreement.

In the event any of the provisions of this Section 10 are determined to be invalid by reason of their scope or duration, this Section 10 shall be deemed modified to the extent required to cure the invalidity. In the event of a breach, or a threatened breach, of this Section 10, WA shall be entitled to obtain an injunction restraining the conduct that constitutes the breach, as well as any other legal or equitable remedies permitted by law. Anello agrees that this non-compete provision will not adversely affect the livelihood of Anello.

**11. ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or written.

**12. SEVERABILITY.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**13. APPLICABLE LAW.** It is agreed that this Agreement shall be governed by and construed in accordance with the laws of the State of New York and any suit brought regarding enforcement or interpretation of any provision of this Agreement shall have as its mandatory place of venue the Supreme Court of New York in the borough of Manhattan.

**14. NOTICES.** Any notice required to be given or otherwise given pursuant to this Agreement shall be in writing and shall be effective if be hand delivered, mailed by certified mail, return receipt requested, e-mailed, faxed or sent by recognized overnight courier service as follows:

**If to WA:**

WebAlgorithm, LLC  
Attn.: Vitaly Veksler, President

**If to Anello:**

John Anello  
\_\_\_\_\_

1375 Broadway, 3rd Floor  
New York, NY 10018  
vitaly@veksler.com

\_\_\_\_\_  
\_\_\_\_\_  
johncexton@aol.com

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

WebAlgorithm, LLC

By: \_\_\_\_\_  
Vitaly Veksler  
President

\_\_\_\_\_  
John Anello