

Lucas Bruce  
Form 4  
November 08, 2018

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
See Instruction  
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF  
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

## OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Lucas Bruce

(Last) (First) (Middle)

C/O HERITAGE INSURANCE  
HOLDINGS, INC., 2600  
MCCORMICK DRIVE SUITE 300

(Street)

CLEARWATER, FL 33759

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol  
Heritage Insurance Holdings, Inc.  
[HRTG]

3. Date of Earliest Transaction  
(Month/Day/Year)  
11/07/2018

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner  
☒ Officer (give title below) ☐ Other (specify below)  
Chairman & CEO

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
☒ Form filed by One Reporting Person  
☐ Form filed by More than One Reporting  
Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D) Price			
Common Stock	11/07/2018		P		4,300	A \$ 15.97	931,173	D	
Common Stock	11/07/2018		P		5,000	A \$ 16.16	936,173	D	
Common Stock							67,600	I	See Footnote (1)
Common Stock							213,037	I	See Footnote

(2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following the Reported Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lucas Bruce C/O HERITAGE INSURANCE HOLDINGS, INC. 2600 MCCORMICK DRIVE SUITE 300 CLEARWATER, FL 33759	X		Chairman & CEO	

## Signatures

/s/ Bruce Lucas 11/08/2018

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Shares of common stock reported on this line are held by IIM Holdings, LLC and IIM Holdings II, LLC, entities controlled by Mr. Lucas.

(2) Shares of common stock reported on this line are held by the Alec Lucas Trust.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. et Cash Flows (Used) by Operating Activities (147,313) (198,781) (349,995) -----

----- CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets - (9,154)  
 (9,154) ----- Net Cash Flows (Used) by Investing Activities - (9,154) (9,154)  
 ----- CASH FLOWS FROM FINANCING ACTIVITIES Common stock issued for  
 cash 29,000 154,383 187,383 Stock offering costs - (12,600) (12,600) Proceeds from loans from related party 118,419  
 68,388 186,807 ----- Net Cash Flows Provided by Financing Activities 147,419  
 210,171 361,590 ----- NET INCREASE IN CASH 106 2,236 2,441 CASH AT  
 BEGINNING OF PERIOD 2,335 99 - ----- CASH AT END OF PERIOD \$ 2,441 \$  
 2,335 \$ 2,441 ===== CASH PAID DURING THE YEAR  
 FOR: Interest \$ - \$ - Income taxes \$ - \$ - NON-CASH TRANSACTIONS Common stock issued for assets \$ - \$  
 406,472 \$ 406,472 Common stock issued for services \$ 24,057 \$ 81,934 \$ 105,991 Conversion of debt to common  
 stock \$ 130,488 \$ 45,900 \$ 176,388 The accompanying notes are an integral part of these consolidated financial  
 statements. 8 19 AMERICAN STELLAR ENERGY, INC. AND SUBSIDIARIES (Formerly Merchantpark  
 Communications, Inc.) (A Development Stage Company) Notes to the Consolidated Financial Statements December  
 31, 2002 NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES a.  
 Organization The consolidated financial statements presented are those of American Stellar Energy, Inc. (Formerly  
 Merchantpark Communications, Inc.) and its wholly-owned subsidiaries (the "Company"). Merchantpark  
 Communications, Inc. (MPCI) was incorporated on December 5, 2000 under the laws of the State of Nevada. By  
 special resolution of the shareholders, the Company changed its name to American Stellar Energy, Inc. on November  
 30, 2003. The Company provides second-generation E-Business technologies to the small and medium enterprise  
 markets. During the year ended December 31, 2001, the Company started generating revenue from its website  
 development and hosting operations. On January 3, 2001, an agreement was authorized allowing the Company to  
 exchange 1,500,000 shares of common stock for 100% of the outstanding common stock of Merchantpark.com, Inc.  
 (MP.com). At the time of the agreement, MP.com was a start-up corporation with no operations and no assets. The  
 acquisition was accounted for as a purchase. This agreement made MP.com a wholly-owned subsidiary of the  
 Company. On January 30, 2001, MPCI acquired substantially all of the assets of Caged Iron Technologies, Inc. (CIT)  
 in exchange for 2,000,000 shares of the Company's common stock. The acquisition was accounted for as a purchase  
 between entities, with a common officer. The assets of CIT are recorded at their historical cost. CIT became a  
 wholly-owned subsidiary of the Company. Westnet Communications Group, Inc. (Westnet) was incorporated on  
 October 14, 1999 to engage in or transact any and all lawful activities or business permitted under the laws of the  
 State of Nevada. Westnet was exploring various business opportunities and had not yet commenced operations. On  
 April 1, 2001, Westnet and MPCI completed and Agreement and Plan of Reorganization whereby Westnet issued  
 14,285,400 shares of its common stock in exchange for all of the outstanding common stock of MPCI. Immediately  
 prior to the Agreement and Plan of Reorganization, Westnet had 3,500,000 shares of common stock issued and  
 outstanding. The acquisition was accounted for as a recapitalization of MPCI because the shareholders of MPCI  
 controlled Westnet after the acquisition. MPCI was treated as the acquiring entity for accounting and presentation  
 purposes and Westnet was the acquiring entity for legal purposes. Costs of approximately \$187,500 associated with  
 this transaction were expensed as incurred prior to the acquisition. The costs prior to the acquisition were paid by  
 issuing 375,000 shares of common stock. The costs associated with this acquisition were eliminated in the  
 recapitalization. On April 5, 2001, Westnet, the legal entity, changed its name to Merchantpark Communications, Inc.  
 b. Accounting Method The Company's consolidated financial statements are prepared using the accrual method of  
 accounting. The Company has elected a December 31 year end. c. Cash and Cash Equivalents Cash equivalents  
 include short-term, highly liquid investments with maturities of three months or less at the time of acquisition. 9 20  
 AMERICAN STELLAR ENERGY, INC. AND SUBSIDIARIES (Formerly Merchantpark Communications, Inc.) (A  
 Development Stage Company) Notes to the Consolidated Financial Statements December 31, 2002 NOTE 1 -  
 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) d. Basic Loss per  
 Share The computations of basic loss per share of common stock are based on the weighted average number of shares  
 outstanding during the period of the consolidated financial statements. Common stock equivalents have not been  
 included in the calculation as their effect is antidilutive for the period presented. e. Provision for Taxes At December  
 31, 2001, the Company had an accumulated deficit of approximately \$855,000 that may be offset against future  
 taxable income from the year 2002 through 2023. No tax benefit has been reported in the consolidated financial  
 statements as the Company believes there is a 50% or greater chance the net operating loss carryforwards will expire

unused. Accordingly, the potential tax benefits of the net operating loss carryforwards are offset by a valuation allowance of the same amount. Net deferred tax assets consist of the following components as of December 31, 2002 and 2001: For the Years Ended December 31, 2002 2001 ----- Deferred tax assets: NOL Carryover \$ 334,700 \$ 130,578 Accrued Interest 1,100 - Deferred tax liabilities - - Valuation allowance (334,700) (130,578) ----- Net deferred tax asset \$ - \$ - ===== The income tax provision differs from the amount of income tax determined by applying the U.S. Federal and state income tax rates of 39% to pretax income from continuing operations for the years ended December 31, 2002 and 2001 due to the following: For the Years Ended December 31, 2002 2001 ----- Book income \$ (206,775) \$ (133,960) Stock for services 9,385 - Other (6,732) - Valuation allowance 204,122 133,960 ----- \$ - \$ - ===== Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards may be limited as to use in the future. 10 21

AMERICAN STELLAR ENERGY, INC. AND SUBSIDIARIES (Formerly Merchantpark Communications, Inc.) (A Development Stage Company) Notes to the Consolidated Financial Statements December 31, 2002 NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) f. Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. g. Property and Equipment Property and equipment are stated at cost. Expenditures for small tools, ordinary maintenance and repairs are charged to operations as incurred. Major additions and improvements are capitalized. Depreciation is computed using the straight-line method over estimated useful lives as follows: Computer software 3 to 5 years Websites 3 to 5 years Computer equipment 3 to 5 years Office furniture and equipment 3 to 5 years Depreciation expense for the year ended December 31, 2002 and from inception on December 5, 2000 through December 31, 2002 was \$63,370 and \$196,790, respectively. h. Revenue Recognition The Company recognizes revenues services when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collection of the resulting receivable is probable. Amounts invoiced and collected in advance of product delivery are recorded as deferred revenue. The Company earns its revenues from different contracts with small and medium business customers. The Company recognizes the revenue when it is earned and the contract is complete. i. Other Comprehensive Income In March 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income." This statement establishes standards for reporting and display of comprehensive income and its components in a full set of general-purpose financial statements. This statement requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. This standard requires that an enterprise classify items of other comprehensive income by their nature in a financial statement and display the accumulated balances of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of a statement of financial position. j. Long Lived Assets The Company reviews long-lived assets and identifiable intangibles whenever events or circumstances indicate that the carrying amounts of such assets may not be fully recoverable. The Company evaluates the recoverability of long-lived assets by measuring the carrying amounts of the assets against the estimated undiscounted cash flows associated with these assets. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the assets' carrying value, the assets are adjusted to their fair values (based upon discounted cash flows). 11 22

AMERICAN STELLAR ENERGY, INC. AND SUBSIDIARIES (Formerly Merchantpark Communications, Inc.) (A Development Stage Company) Notes to the Consolidated Financial Statements December 31, 2002 NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) k. Newly Issued Accounting Pronouncements SFAS 141 and 142 - In June 2001, the Financial Accounting Standards Board (FASB) adopted Statement of Financial Accounting Standards SFAS No. 141 is effective as to any business combination occurring after June 30, 2001 and certain transition provisions that affect accounting for business combinations prior to June 30, 2001 are effective as of the date that SFAS No.142 is applied in its entirety, which was September 30, 2001. SFAS 141 provides standards for accounting for business combinations. Among other things, it requires that only the purchase method of accounting be used and that certain intangible assets acquired in a business combination (i.e. those

that result from contractual or other legal rights or are separable) be recorded as an asset apart from goodwill. The transition provisions require that an assessment be made of previous business combinations and, if appropriate, reclassifications be made to or from goodwill to adjust the recording of intangible assets such that the criteria for recording intangible assets apart from goodwill is applied to the previous business combinations. The adoption of this principle had no material effect on the company's financial statements. SFAS 142 provides, among other things, that goodwill and intangible assets with indeterminate lives shall not be amortized. Goodwill shall be assigned to a reporting unit and annually assessed for impairment. Intangible assets with determinate lives shall be amortized over their estimated useful lives, with the useful lives reassessed continuously, and shall be assessed for impairment under the provisions of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets to be Disposed of." Goodwill is also assessed for impairment on an interim basis when events and circumstances warrant. Upon adoption of SFAS No. 142, the Company will assess whether an impairment loss should be recognized and measured by comparing the fair value of the reporting unit to the carrying value, including goodwill. If the carrying value exceeds fair value, then the Company will compare the implied fair value of the goodwill (as defined in SFAS No. 142) to the carrying amount of the goodwill. If the carrying amount of the goodwill exceeds the implied fair value, then the goodwill will be adjusted to the implied fair value. SFAS 143 - On August 16, 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which is effective for fiscal years beginning after June 15, 2002. It requires that obligations associated with the retirement of a tangible long-lived asset be recorded as a liability when those obligations are incurred, with the amount of the liability initially measured at fair value. Upon initially recognizing for an accrued retirement obligation, an entity must capitalize the cost by recognizing an increase in the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. While the Company has not completed the process of determining the effect of this new accounting pronouncement on its consolidated financial statements, the Company currently expects that the effect of SFAS No. 143 on the Company's financial statements, when it becomes effective, will not be significant. SFAS 144 - In October 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 requires that those long-lived assets be measured at the lower of the carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. Therefore, discontinued operations will no longer be measured at net realizable value or include amounts for operating losses that have not yet occurred. SFAS No. 144 is effective for financial statements issued for fiscal years ending after December 15, 2002 and is generally to be applied prospectively. The implementation of this new standard is not expected to have a material effect on the Company's financial statements. SFAS 146 - Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" provides guidance on the recognition and measurement of liabilities for costs associated with exit or disposal activities. 12 23 AMERICAN STELLAR ENERGY, INC. AND SUBSIDIARIES (Formerly Merchantpark Communications, Inc.) (A Development Stage Company) Notes to the Consolidated Financial Statements December 31, 2002 NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) k. Newly Issued Accounting Pronouncements (Continued) The provisions of this statement are effective for exit or disposal activities that are initiated after December 31, 2002. The Company is currently reviewing SFAS 146 to determine the impact upon adoption. SFAS 147 - In October 2002, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 147, "Acquisitions of Certain Financial Institutions" which is effective for acquisitions on or after October 1, 2002. This Statement provides interpretive guidance on the application of the purchase method to acquisitions of financial institutions. Except for transactions between two or more mutual enterprises, this Statement removes acquisitions of financial institutions from the scope of both SFAS 72 and Interpretation 9 and requires that those transactions be accounted for in accordance with SFAS No. 141, "Business Combinations" and No. 142, "Goodwill and Other Intangible Assets". The adoptions of this principle had no material effect on the Company's financial statements. SFAS 148 - In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock Based Compensation-Transition and Disclosure-an amendment of FASB Statement No. 123" which is effective for financial statements issued for fiscal years ending after December 15, 2002. This Statement amends SFAS 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure

requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based compensation and the effect of the method used on reported results. The effect of the adoption of this new accounting pronouncement on the Company's financial statements has not been significant.

**SFAS 149** - In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" which is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. This statement amends and clarifies financial accounting for derivative instruments embedded in other contracts (collectively referred to as derivatives) and hedging activities under SFAS 133. The Company expects that the effect of adoption of SFAS 149 to the Company's financial statements will not be significant.

**SFAS 150** - In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" which is effective after May 31, 2003, and is otherwise effective into or modified after May 31, 2003, and is otherwise effective at the beginning of the first interim period beginning after June 15, 2003. This statement requires an issuer to classify financial instruments that have issued in the form of shares that is mandatorily redeemable; that embodies an obligation to repurchase the issuers equity shares, or is indexed to such an obligation, and that requires or may require the issuer to settle the obligation by transferring assets; and, that embodies an unconditional obligation, or a financial investment other than the issuer must or may settle by issuing a variable number of its equity shares as liabilities (or assets in some circumstances). The Company currently expects that the effect of SFAS 150 to the Company's financial statements will not be significant.

**1. Foreign Currency Translation** All transactions in currencies other than the United States dollar during the year are translated at the exchange rates on the transaction dates. Monetary assets and liabilities denominated in a foreign currency are translated at the prevailing year-end rates of exchange. Exchange gains or losses are included in the consolidated statements of income (loss) and retained earnings.

**13 24 AMERICAN STELLAR ENERGY, INC. AND SUBSIDIARIES (Formerly Merchantpark Communications, Inc.) (A Development Stage Company) Notes to the Consolidated Financial Statements December 31, 2002**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. Principles of Consolidation** The consolidated financial statements include those of American Stellar Energy, Inc. (MPCI) and its wholly-owned subsidiaries, Caged Iron Technologies, Inc. (CIT), Merchantpark.Com, Inc. (MP.Com), and Merchantpark Communications (MPC). All significant intercompany accounts and transactions have been eliminated.

**NOTE 2 - GOING CONCERN** The Company's consolidated financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has incurred losses since inception which has resulted in an accumulated deficit of approximately \$957,000 at December 31, 2002 which raises substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty. It is the intent of the management to seek additional financing through new stock issuances and lines of credit. The Company plans to continue generating revenues through sales of dedicated servers and professional services that include consulting web design, system architecture and server management. The Company also plans to generate recurring monthly subscription based revenue when it launches its white label ASP platform.

**NOTE 3 - PROPERTY AND EQUIPMENT** Property and Equipment consisted of the following:

December 31, 2001	-----	Computer software	\$ -	\$ 200,000
Websites	-----			36,250
Computer equipment	-----			90,876
Office furniture and equipment	-----			88,500
	-----			415,626
Accumulated depreciation	-----			(133,420)
	-----		\$ -	\$ 282,206

**NOTE 4 - NOTES PAYABLE - RELATED PARTY** Loans from shareholders are non-interest bearing and have no fixed terms of repayments. The total amount owed to shareholders at December 31, 2002 was \$10,419. The President and Executive Vice President of Novak Capital are also Directors of the Company and provide consulting services for the Company. The amount of consulting expense to these directors at December 31, 2002 was \$106,510.

**NOTE 5 - SOFTWARE DEVELOPMENT COSTS** The Company is in the process of developing software to be sold, leased, or otherwise marketed. According to FAS 86, the development stage of the software must be technologically feasible in order to meet the capitalization criteria. The technological feasibility of a computer software product is established when the Company has completed all the planning, designing, coding, and testing activities that are necessary to establish that the product can be produced to meet its design specifications including functions, features, and technical performance requirements. It was determined that the development stage of the software was not technologically

feasible at the year ended December 31, 2001. Therefore, the costs associated with the developing of the software were expensed. There were no software development costs for the year ended December 31, 2002. 14 25 AMERICAN STELLAR ENERGY, INC. AND SUBSIDIARIES (Formerly Merchantpark Communications, Inc.) (A Development Stage Company) Notes to the Consolidated Financial Statements December 31, 2002 NOTE 6 - SIGNIFICANT EVENTS Effective June 30, 2002, all shares of Caged Iron Technologies, Inc. (CIT) were transferred to a former officer and director of the Company at no cost. This inactive wholly owned subsidiary had no material operations. On October 1, 2002, the Company entered into an agreement with CIT, whereby the Company assigned all interest in the proprietary software and all related technology that it had developed. The Company transferred all property and equipment associated with the software and the development of the software per the terms of the agreement. As consideration for the transfer of these assets, CIT agreed to accept full responsibility for settlement of any past, present or future liabilities related to these assets. It is the intention of CIT to complete the beta testing of the software then license the completed program and systems to worldwide users. The parties also entered into a revenue split agreement, that for a 24 month period, CIT will pay the Company 15% of all revenue earned by the usage of the technology assigned. Such payment will be made on a quarterly basis and will be paid on gross revenue produced by the application of the software technology produced. As of December 31, 2002 no revenue had been earned. 15 26