

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

2019 JUN 14 PM 3:37

**DAVID JEFFS and RICHARD JEFFS,
derivatively on behalf of Live Current
Media, Inc.,**

Plaintiffs,

v.

**C. GEOFFREY HAMPSON, JAMES
TAYLOR, MARK BENHAM, and
BORIS WERTZ,**

Defendants,

and

LIVE CURRENT MEDIA, INC.,

Nominal Defendant.

Case No. _____

Handwritten notes and stamps

COMPLAINT IN CHANCERY

1. Shareholders of Live Current Media, Inc. bring this derivative action asserting Live Current's claims against its CEO Geoffrey Hampson for fraud, breach of contract, breach of fiduciary duties, and unjust enrichment, and against Hampson and Live Current's board of directors for breach of fiduciary duties through gross mismanagement, waste of corporate assets, and misappropriation of corporate opportunities. Hampson has neglected his position and duties as Live Current's CEO, focusing his time and energy instead on another business opportunity that he should have given to Live Current. As a result, Hampson and Live Current's board have diminished Live Current's stock value, damaged Live Current's reputation and goodwill, jeopardized Live Current's ability to continue operating and earn profits, and benefitted personally to the detriment of Live Current.

THE PARTIES

2. Live Current Media, Inc. (formerly Communicate.com Inc.) is a corporation organized and existing under Nevada law with its principal place of business in Chicago and is named as a nominal defendant solely in a derivative capacity. Live Current builds, owns, operates, and acquires content and e-commerce websites on the Internet conducting a broad range of business operations servicing Internet consumers and e-commerce applications. Live Current has amassed a business directory of 200,000 members, and hundreds of thousands of users visit its websites every month. Live Current's primary revenue-generating business is the online perfume retailer Perfume.com, which sells perfume to consumers in the United States.

3. David Jeffs and Richard Jeffs are Live Current shareholders. David Jeffs was Live Current's CEO until June 2007 and was its President and a director until September 2007.

4. David Jeffs and Richard Jeffs were owners of shares of the common stock of Live Current during all times relevant to Hampson's wrongful course of conduct alleged herein, and remain shareholders of the Company, and will adequately and fairly represent the interests of Live Current in enforcing and prosecuting its rights in this derivative action.

5. C. Geoffrey Hampson is the CEO of Live Current and a resident of Chicago, Illinois. Mr. Hampson is also the chairman of Live Current's four-person board of directors.

6. James Taylor has been a member of Live Current's board of directors since July 2007 and is a resident of Illinois. Taylor was the Chief Financial Officer of CoreLink Data Services, LLC until March 2010.

7. Marc Benham has been a member of Live Current's board of directors since September 2007. Benham is a friend and business associate of Hampson.

8. Boris Wertz has been a member of Live Current's board of directors since March 2008. Wertz is a friend of Hampson. Both Hampson and Wertz are principals in Techvibes Media, Inc.

9. This Court has jurisdiction over this present action under, among other things, subsections (a)(1), (a)(2), (a)(11), (b)(2), (b)(4) and (c) Section 2-209 of the Illinois Code of Civil Procedure. 735 ILCS 5/2-209.

DAVID JEFFS HIRES HAMPSON AS HIS SUCCESSOR

10. David Jeffs was the CEO of Live Current from 2002 until May 2007.

11. Under Mr. Jeffs's direction, Live Current increased its sales from \$3.5 million in 2004, to \$5.7 million in 2005, to \$8.4 million in 2006, and to \$9.08 million in 2007. Live Current was named one of the top 20 fastest-growing companies in Canada for three years in a row from 2006 through 2008. Live Current ended 2006 with \$2.4 million cash in the bank and was earning a profit.

12. David Jeffs wanted to take Live Current to the next level and began looking for a new CEO with suitable experience and the time and ability to dedicate all of his efforts and working energy towards continuing to build Live Current.

13. During David Jeffs's discussions with Hampson, Hampson represented that he was winding up his other business obligations and would devote all of his time to Live Current. Hampson failed to disclose that he would devote any time to new businesses that he would start for his own benefit.

14. David Jeffs hired Hampson to replace him as CEO. Jeffs and Hampson agreed on a plan to continue building Live Current through the development or acquisition of profitable,

revenue-generating companies. Hampson represented to Jeffs and others that he would spend 100 percent of his time working to make Live Current more successful.

15. On May 31, 2007, Hampson entered into an employment agreement with Live Current to become its chief executive officer and a director of the Company as of June 1, 2007 at a salary of \$300,000 per year (“the Employment Contract”). A copy of the Employment Contract is attached as Exhibit A.

16. Section 2.2 of the Employment Contract provides that Hampson will “devote all of his working time and attention to his employment hereunder and shall use his best efforts to promote the interests of the Company.”

17. On June 1, 2007, Live Current had approximately \$2 million in the bank. Live Current’s sales peaked in 2008 with \$9.3 million, and began to decline in 2009 with sales of \$7.6 million.

**HAMPSON FAILS TO DEVOTE ALL HIS
WORKING TIME TO LIVE CURRENT
AND INSTEAD STARTS AND RUNS A NEW BUSINESS**

18. In August 2007, fewer than three months after signing the Employment Contract, Hampson formed another company called CoreLink Data Services, LLC (“CoreLink”) to provide data technologies and web-hosting services on the Internet. Hampson failed to disclose to Live Current’s board his intent to form CoreLink. Hampson also failed to present Live Current’s board with the opportunity to provide data technologies and web-hosting services even though this would be a natural extension of Live Current’s business given its existing infrastructure.

19. Live Current could have capitalized on the CoreLink opportunity in myriad ways, as Live Current owns and operates websites that experience hundreds of thousands of monthly visitors, has 200,000 members in its business directory, and runs an online advertising division.

Among other things, a company such as CoreLink that provides web-hosting services could enable Live Current to expand its services and capabilities, streamline its operations, and realize greater profits.

20. Since at least November 2007, Hampson has served as CEO of CoreLink.

21. Throughout 2007, 2008, and 2009, Hampson spent substantial amounts of his time and Live Current's resources traveling for and working to build up CoreLink. During that time, CoreLink established data centers in Arizona, Nevada, Washington, and Chicago.

22. Hampson is also the CEO of two other companies, Techvibes Media, Inc. (since March 2007), and Fibros Technology Ltd. (since 1995).

23. In September 2007, Live Current raised \$5.1 million through a private-placement offering of shares at \$2.00 per share, increasing its cash position to approximately \$8 million.

24. As a result of Hampson's failure to devote all his working time to Live Current, Hampson has failed to spend sufficient time seeing to its affairs. Consequently, Live Current has incurred substantial expenses for management of its business that it would not have occurred if Hampson had devoted all his working time to Live Current. For example:

- (A) Hampson directed the Company to pay a bonus of \$1 million to Jonathan Ehrlich to become the president of the Company as of October 1, 2007.
- (B) In mid-to-late 2008, Hampson hired his girlfriend -- Teresa Findlay, who had little or no Internet experience -- to run Perfume.com, which at the time was Live Current's only business that generated revenues and an operating profit.
- (C) Hampson caused Live Current to incur unnecessary expense moving its corporate headquarters to Chicago from Vancouver so that it would be nearer to CoreLink's Chicago headquarters and more convenient to Hampson.

25. In addition, as a result of Hampson's inattention to Live Current, Live Current entered into a number of disastrous business transactions, such as:

- (A) In March 2008, Hampson engineered and approved Live Current's acquisition of an early-stage start-up called AUCTIONOMATIC for \$5 million. AUCTIONOMATIC had no revenue and was owned, operated, and staffed by four young and inexperienced individuals between the ages of 17 and 24. AUCTIONOMATIC never generated income for the Company, and was written off the books by the end of 2009.
- (B) In early 2008, Hampson bound the Company to a contract to pay \$50 million over ten years to the Indian Premier League, an Indian cricket league.

26. As a result of these and other actions, Live Current has accumulated losses of \$20 million and seen its market capitalization decrease from \$46 million when David Jeffs left the Company in 2007 to \$1.8 million today. Live Current is now unprofitable and has a working capital deficit.

27. Hampson, Taylor, Benham, and Wertz are the sole members of Live Current's board of directors. As a result, Plaintiffs have not demanded that the Live Current board institute this action because such a demand would be a futile, wasteful, and useless act, particularly for the following reasons:

- (A) Taylor lacks independence from Defendant Hampson, as both were top-level executives together in CoreLink and continue to have interests in CoreLink. This lack of independence renders Taylor incapable of impartially considering a demand to commence and vigorously prosecute this action.
- (B) Benham and Wertz lack independence from Defendant Hampson, as they are Hampson's friends, and Wertz and Hampson are principals in another business venture. This lack of independence renders Benham and Wertz incapable of impartially considering a demand to commence and vigorously prosecute this action.
- (C) Each director is a Defendant due to his individual failure to properly supervise Live Current's management, conduct due diligence, and otherwise prudently manage and oversee the operations of Live Current.

28. Thus, at least 50 percent of the Live Current board cannot exercise independent objective judgment in deciding whether to bring this action or whether to vigorously prosecute

this action because they are personally interested in the outcome and their personal interests conflict with Live Current's interests.

COUNT I
BREACH OF FIDUCIARY DUTIES
(ALL DEFENDANTS)

29. Hampson, by reason of his position as the CEO and a director of Live Current, and the other defendants, as directors, owed fiduciary obligations of trust, loyalty, good faith and due care to Live Current and its shareholders.

30. Hampson has breached his duties of trust, loyalty, good faith and due care by, among other things:

- (A) failing to devote all of his working time and attention to promote the interests of Live Current while instead devoting substantial time and attention to another business venture, namely CoreLink;
- (B) failing to present the CoreLink opportunity to Live Current and instead appropriating that business opportunity for himself;
- (C) diverting Live Current's resources to another business venture, namely CoreLink.

31. As a direct and proximate result of Hampson's failure to honor his fiduciary obligations, Live Current has suffered substantial damages.

32. Taylor, Benham, and Wertz breached their duties of trust, loyalty, good faith and due care by, among other things, failing to adequately supervise Hampson to ensure that he complied with his obligation to devote all his working time to Live Current and, instead, allowing Hampson to run another business; failing to properly oversee the management of Live Current to ensure that its officers exercised prudent business judgment; and failing to discover and prevent the diversion of corporate resources for the benefit of Hampson and CoreLink.

COUNT II
BREACH OF CONTRACT
(HAMPSON)

33. The Employment Contract is a valid and enforceable contract.

34. Hampson has breached the Employment Contract by failing to devote all of his working time and attention to promoting the best interests of Live Current as required by Section 2.2, and by failing to faithfully, honestly, and diligently serve the interests of Live Current.

35. Hampson's breach has caused substantial damage to Live Current in at least the following ways: (a) diminishing Live Current's cash and other assets; (b) diminishing the value of Live Current's stock; (c) causing Live Current to pay Hampson's salary for services and duties he did not perform; (d) causing Live Current to expend sums to pay others for services that Hampson should have performed; (e) jeopardizing Live Current's ability to continue as a going concern and to earn profits; and (f) damaging Live Current's reputation and goodwill.

COUNT III
FRAUD
(HAMPSON)

36. Hampson had a duty to disclose to Live Current's board of directors that he was starting another business and that he would devote substantial time to that venture. Additionally, at the time that he entered into the Employment Agreement, Hampson was also CEO of Techvibes Media, Inc. and Fibros Technology Ltds., but represented to David Jeffs and others that he was winding down those activities so that he could focus on Live Current. Hampson misrepresented or failed to disclose to those facts to Live Current's board, even though he knew that those activities would prevent him from devoting all his working time to Live Current.

37. Hampson's subsequent conduct demonstrates that his representation that he would devote all his working time to Live Current was false when made because he intended to found

and run CoreLink, and continue as CEO of Techvibes Media, Inc. and Fibros Technology Ltds. Moreover, Hampson devoted significant time, energy, and resources to starting another venture -- CoreLink -- that operates in the same commercial space as Live Current.

38. Hampson failed to disclose his role as CEO of Techvibes or Fibros to Live Current's board because he did not want the board to require him to resign from Techvibes or Fibros.

39. Hampson failed to disclose that he intended to start CoreLink because he did not want the board to stop him from doing so or to decide that Live Current should form the CoreLink business.

40. Hampson intended that Live Current should rely on his misrepresentations and omissions as he accepted the CEO position and as he purported to run Live Current and continue to draw his compensation.

41. If Hampson had disclosed these matters to Live Current's board, the information would have been material to the board in deciding Live Current's course of action.

42. Live Current and its shareholders, including the Plaintiffs, have been damaged as a result of Hampson's fraudulent misrepresentations and material omissions.

COUNT IV
UNJUST ENRICHMENT
(HAMPSON)

43. By devoting substantial time, energy, and resources to CoreLink, and by his other wrongful acts and omissions, Hampson was unjustly enriched at the expense of and to the detriment of Live Current and its shareholders.

44. Live Current is entitled to restitution from Hampson, and to disgorge all profits, compensation, benefits, and other gains obtained by Hampson from his wrongful conduct and fiduciary breaches.

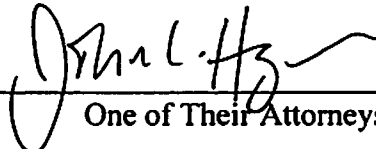
WHEREFORE, Plaintiffs respectfully request that the Court enter judgment in favor of Live Current and against C. Geoffrey Hampson, James Taylor, Mark Benham, and Boris Wertz, as follows:

- (a) Awarding compensatory damages as a result of the alleged breaches of fiduciary duties, contract, fraud, and unjust enrichment, in an amount to be determined at trial but which shall be at least \$50 million, and awarding punitive damages as appropriate, along with pre-judgment interest as allowed by law;
- (b) Awarding the attorneys' fees and costs incurred in bringing this action;
- (c) Allowing the Plaintiff-shareholders to recoup their costs and reasonable attorneys' fees from the proceeds of the judgment; and
- (d) Granting such other and further relief as the Court deems just and appropriate in the circumstances.

JURY DEMAND

Plaintiffs demand a trial by jury on all issues so triable.

DAVID JEFFS and RICHARD JEFFS,
derivatively on behalf of Live Current Media,
Inc., *Plaintiffs*

By:  _____
One of Their Attorneys

Charles A. Valente
John L. Hayes
KRASNOW SAUNDERS CORNBLATH, LLP
500 North Dearborn Street, 2nd Floor
Chicago, IL 60654
(312) 755-5700

EXHIBIT A

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made as of the 31st day of May, 2007,

B E T W E E N:

COMMUNICATE.COM INC. a corporation incorporated under the laws of State of Nevada, United States of America

(the "Company")

OF THE FIRST

PART

- and -

C. GEOFFREY HAMPSON,
of the City of Vancouver, in the Province of British Columbia,

(the "Executive")

OF THE SECOND

PART

WHEREAS the Company and the Executive wish to enter into this agreement to set forth the rights and obligations of each of them as regards the Executive's employment with the Company;

NOW THEREFORE this agreement witnesseth that in consideration of the premises and the terms and conditions herein contained, the parties hereto covenant and agree with each other as follows:

1.

Definitions

In this Agreement the following terms shall have the following meanings respectively:

"Affiliates" has the meaning attributed to such term in the *Business Corporations Act* (British Columbia) as the same is now constituted;

“Agreement” means this agreement as it may be amended or supplemented from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and unless otherwise indicated, references to sections are to sections in this Agreement;

- 2 -

“Benefits” has the meaning attributed to such term in section 3.5;

“Board” means the board of directors of the Company

“Business Day” means any day, other than Saturday, Sunday or any statutory holiday in the Province of British Columbia;

Change of Control of the Company” means a transaction or a series of transactions whereby directly or indirectly:

- (i) any Person or combination of Persons acting jointly and in concert (other than the Executive or a corporation controlled directly or indirectly by the Executive) acquires beneficially a sufficient number of securities of the Company to materially affect the control of the Company as provided below. For the purposes of this Agreement, a Person or combination of Persons acting jointly and in concert, holding shares or other securities in excess of the number which, directly or following the conversion or exercise thereof, would entitle the holders thereof to cast 35% or more of the votes attached to all shares of the Company which may be cast to elect directors of the Company, shall be deemed to affect materially the control of the Company, in which case the Change of Control of the Company shall be deemed to occur on the date that is the later of the date that the security representing one more than that required to cast 35% of the votes attached to all shares of the Company which may be cast to elect directors of the Company is acquired or the date on which the Persons acting jointly and in concert agree to so act;
- (ii) the Company shall consolidate or merge with or into, amalgamate with, or enter into a statutory arrangement or business combination with, any other Person (other than a corporation controlled directly or indirectly by the Executive) and in connection therewith, all or part of the outstanding shares of the Company which have voting rights attached thereto shall be changed in any way, reclassified or converted into, exchanged or otherwise acquired for shares or other securities of the Company or any other Person or for cash or any other property and control of the Company is thereby materially affected, as provided above in clause (i), in which case the Change of Control of the Company shall be deemed to occur on the date of closing of the consolidation, merger amalgamation, statutory arrangement or business combination, as the case may be; or
- (iii) the Company shall sell or otherwise transfer, including by way of the grant of a leasehold interest (or one or more subsidiaries of the Company shall sell or otherwise transfer,

including without limitation by way of the grant of a leasehold interest) property or assets aggregating more than 50% of the consolidated assets (measured by either book value or fair market value based on the most recent audited financial statements) of the Company and its subsidiaries as of the end of the most recently completed financial year to any other Person or Persons, in which case the Change of Control of the Company shall be deemed to occur on

- 3 -

the date of transfer of the assets representing one dollar more than 50% of the consolidated assets;

other than a transaction or series of transactions which involves a sale of assets of the Company with which the Executive is involved as a purchaser in any manner, whether directly or indirectly, and whether by way of participation in a corporation or partnership that is a purchaser or by provision of debt, equity or purchase leaseback financing (but excluding where the Executive's sole involvement with such a purchase is the ownership of an equity interest of less than 5% of the acquirer where the acquirer is a public company) and the Executive and Persons acting jointly and in concert with the Executive hold securities of the acquirer which, directly, or following the conversion or exercise thereof, would entitle the holders thereof to cast 5% or more of the votes attached to all shares or other interests of the acquirer which may be cast to elect directors or the management of the acquirer.

"Confidential Information" means all confidential or proprietary information, intellectual property (including trade secrets) and confidential facts relating to the business or affairs of the Company or any of its Affiliates;

"Disability" has the meaning attributed thereto in any disability insurance policy carried on the life of the Executive by the Company, provided that if the Company is not carrying such a disability policy, "Disability" means the mental or physical state of the Executive such that the Executive has been unable due to illness, disease or other mental or physical disability to fulfil his obligations as an employee or officer of the Company either for any consecutive 90 day period or for any period of 180 days (whether or not consecutively) in any consecutive 12 month period, or a court of a competent jurisdiction has declared the Executive to be mentally incompetent or incapable of managing his affairs;

"Effective Date" has the meaning attributed to such term in section 2.1;

"Employment Period" has the meaning attributed to such term in section 2.4;

"Just Cause" means the wilful failure of the Executive to properly carry out his duties after notice by the Company of the failure to do so and an opportunity for the Executive to correct the same within 60 days from the date of receipt of such notice, or theft, fraud, dishonesty or material misconduct by the Executive involving the property, business or affairs of the Company or the carrying out of the Executive's duties, or the conviction of the Executive for any criminal offence which the Board determines in good faith would adversely affect the Executive's ability to perform his duties hereunder, including a conviction for an offence which adversely reflects on the integrity or reputation of the Executive or the Company;

“Person” includes individuals, partnerships, associates, trusts, unincorporated organizations or a regulatory body or agency, government or governmental agency or authority or entity however designated or constituted;

“Termination Without Cause” or “Terminated Without Cause” have the meaning attributed to such terms in section 6.3;

- 4 -

2.

Employment of the Executive

2.1.

To Be Chief Executive Officer. The Company shall employ the Executive, and the Executive shall serve the Company, in the position of Chief Executive Officer and a director of the Company, effective as of and from June 1, 2007 (the “Effective Date”), on the terms and conditions and for the remuneration hereinafter set out. In such position, the Executive shall perform or fulfil such duties and responsibilities as the Company may designate from time to time and as are reasonably consistent with the position of a chief executive officer. In his capacity as an officer and employee of the Company, the Executive shall report to the Board.

2.2.

Performance of Duties. The Executive hereby agrees to be employed by the Company as herein provided, shall faithfully, honestly and diligently serve the Company and shall, subject to section 2.1 above, carry out such tasks as the Company may from time to time request. The Executive shall (except in the case of illness or accident) devote all of his working time and attention to his employment hereunder and shall use his best efforts to promote the interests of the Company.

2.3.

Annual Review of this Agreement. The terms and conditions contained in this Agreement shall be subject to annual review by the Board, representatives of whom shall consult with the Executive in the course of such review. The Board and Executive will negotiate in good faith any changes to the terms and conditions of this Agreement as are appropriate to reflect the value of the services of the Executive to the Company and the success of the Company in establishing and achieving business goals for the Company, provided however, that if the Board recommends an amendment that would constitute a material change in the remuneration or responsibilities of the Executive, with which the Executive does not agree and the Board persists in insisting on such amendment, the Executive will be entitled to treat such event as Termination Without Cause and the provisions of section 6.3 shall thereby apply effective as of the date of such amendment.

2.4.

Employment Period. The Executive’s employment hereunder, subject to section 6 hereof, shall be for a five-year term or any extension thereof, commencing from the Effective Date (the “Employment Period”).

3.

Remuneration

3.1.

Base Salary. During the period of the Executive's employment hereunder, the Company shall pay the Executive a gross base salary (the "Salary") in the amount of \$300,000 in respect of each year thereof, subject to section 3.2 below, payable in equal instalments on the closest Business Day to the middle and the end of each month during such year.

3.2.

Cost of Living Increase The Salary shall be increased in respect of each subsequent year during the Employment Period by a percentage equal to the percentage increase (if any) in the consumer price index, all items for Vancouver, as published by Statistics Canada under the authority of the *Statistics Act* (Canada) (the "CPI"), for the period from June 1, 2007 to June 1 of such subsequent year, less the percentage increase (if any) in the CPI for the period from June 1, 2007 to June 1 of the year in the Employment Period next preceding such subsequent year.

- 5 -

3.3.

Bonus Remuneration. The Executive may, in respect of each year of his employment hereunder, be entitled to a cash bonus of up to 60% of his Salary for such year of employment as determined by the Board in its sole discretion in accordance with the Company's ongoing programmes and objectives, which shall be paid within 30 days following the date as of when the audited financial statements for such year have been approved by the Board.

3.4.

Stock Options. The Board will consider each year during the Employment Period the grant of options to the Executive to purchase common shares of the Company which shall be solely within the discretion of the Board.

3.5.

Benefits. The Company shall provide to the Executive, in addition to the Salary and any bonus remuneration, all such benefits (the "Benefits") as it makes available from time to time to the management and other employees of the Company in accordance with and subject to the terms and conditions of the applicable fund, plan or arrangement relating thereto.

3.6.

Automobile. During the Employment Period, the Company will pay to the Executive a monthly car allowance to compensate the Executive for the use of his personal automobile.

3.7.

Statutory Deductions. The Company shall deduct from the Salary, any bonus remuneration and any other payments and allowances provided for herein, all such amounts as are required by law to be withheld and deducted at source and shall remit the same to the required governmental authority or agency.

4.

Expenses

The Company shall pay or reimburse the Executive for all travel (including business class flights) and out-of-pocket expenses reasonably incurred or paid by the Executive in the performance of his duties and responsibilities upon presentation of expense statements or receipts or such other supporting documentation as the Company may reasonably require.

5.

Vacation

The Executive shall be entitled during each year of his employment hereunder to vacation with pay of four weeks. Such vacation shall be taken by the Executive at such time as may be acceptable to the Company having regard to its operations. Notwithstanding the foregoing, in the event that the Executive's employment is terminated pursuant to section 6, the Executive shall not be entitled to receive any payment in lieu of any vacation to which he was entitled and which had not already been taken by him except to the extent, if any, of the payments in respect of vacation pay required under applicable law.

- 6 -

6.

Termination

6.1.

Termination for Just Cause. The Company may terminate the employment of the Executive hereunder at any time for Just Cause without notice and without further obligations to the Executive, including without payment of any kind of compensation either by way of anticipated earnings or damages of any kind.

6.2.

Termination by Death. The Executive's employment hereunder shall be terminated upon the death of the Executive, in which case the Company shall pay all Salary and vacation pay earned to the date of death but unpaid to the estate of the Executive, however, no other amounts either by way of bonus remuneration, anticipated earnings or damages of any kind shall be paid.

6.3.

Termination without Just Cause and without Notice. The Company may terminate the employment of the Executive hereunder, in its sole discretion, without notice and without Just Cause ("Termination Without Cause" or "Terminated Without Cause"),

effective immediately upon the date as of when the Executive is advised of such termination, and in such case the Company shall:

- (a) pay the Executive a severance allowance equivalent to the aggregate of:
 - (i) one year of the Executive's then current Salary; and
 - (ii) an amount equivalent to the Executive's annualized entitlement to bonus remuneration as provided below,
 - in a lump sum within two weeks following the date of such termination;
- (b) pay to the Executive all outstanding vacation pay and any earned but unpaid Salary up to the date of such termination within two weeks of the date of such termination;
- (c) reimburse the Executive for any business expenses incurred by him up to and including the date of such termination following provision by the Executive of applicable receipts; and
- (d) ensure that it has complied with all statutory obligations imposed by applicable law.

Unless otherwise agreed with the Company, all payments on account of Benefits shall cease and the Company shall be under no further obligation with respect thereto upon the termination of the Executive's employment hereunder. For the purpose of clause (ii) of subsection 6.3(a) above, annualized entitlement to bonus remuneration shall be equal to the arithmetic average of the annual bonuses paid to the Executive during the three completed years prior to the year in which his termination occurs, provided that if such termination occurs prior to the completion of three years of the Executive's employment hereunder, entitlement to bonus remuneration shall be calculated, mutatis mutandis, on the basis of the annual bonuses paid or

- 7 -

payable to the Executive in respect of the completed year or years, if any, prior to the year of such termination.

The payments referred to in clause (a) of this section 6.3 above shall be guaranteed and shall not be subject to set-off or deduction as a result of the Executive obtaining alternative employment following such termination or otherwise mitigating any damages arising from such termination. Further, such payments are inclusive of all statutory obligations, including statutory termination and severance payments, which may be owed to the Executive.

6.4.

Termination following a Change of Control. In the event of a Change of Control of the Company, the Executive may elect to resign his employment by giving written notice to the Company within 60 days following the date of occurrence of such Change of Control of the Company, in which event the Executive's employment hereunder shall be deemed to have been Terminated Without Cause by the Company and the provisions of section 6.3 shall thereby apply effective as of the date of such notice.

6.5.

Termination Without Cause upon Disability. If the employment of the Executive is terminated by the Company because of a Disability, the Executive shall be deemed to have been Terminated Without Cause and the provisions of section 6.3 hereof shall thereby apply effective as of the date of such termination, provided that the amount payable to the Executive under subsection 6.3(a) hereof shall be reduced by an amount equal to the aggregate amount of any disability benefits payable to the Executive under any disability insurance carried by the Company in respect of the year immediately following the date of such termination.

6.6.

Cessation of Duties and Obligations of the Company. Unless otherwise agreed, the Executive shall upon receiving any notice of termination of his employment hereunder, whether or not purported to constitute prior notice, forthwith cease to perform his duties and responsibilities and cease to attend the Company's premises. The Company's obligations pursuant to this section 6 with respect to the termination of the Executive's employment hereunder shall commence as of the date of receipt of such notice of termination except where otherwise provided herein.

6.7.

Resignation or Retirement of the Executive. The Executive shall provide the Company with three months prior written notice of his resignation or retirement from the Company, except in the case of Change of Control of the Company in respect of which section 6.4 hereof is applicable.

6.8.

Material Change in Duties and Responsibilities. If there has been a material change in the Executive's duties and responsibilities such as he is required to assume duties that are not consistent with, or to relinquish duties that are consistent with, those set out in section 2.1 or a material reduction in his annual remuneration, and such change is unacceptable to the Executive, the Company shall be considered for all purposes of this agreement to have delivered a notice of Termination Without Cause on the date of such change terminating the Executive's employment and section 6.3 hereof shall thereby apply effective as of such date.

6.9.

Deductions and Withholdings. All payments made to the Executive pursuant to this section 6 shall be subject to applicable deductions and withholdings.

6.10.

Complete Satisfaction. Compliance by the Company with its obligations pursuant to this section 6 hereof shall constitute full and final satisfaction of any entitlement which the Executive may have with respect to the termination of his employment hereunder, including without limitation, any entitlement to notice, pay in lieu of notice or severance, whether arising under contract, statute or otherwise, and the Executive shall have no action, cause of action, claim or demand, either under statutory or common law, against the Company or any other Person as a consequence of such termination.

6.11.

Return of Property. In the event of the termination of the Executive's employment hereunder for any reason, including resignation or retirement, the Executive will immediately return to the Company all property of the Company in his possession or under his control.

7.

Inventions, Etc.

7.1

The Executive agrees that any and all operational and scientific information, including but not limited to, marketing, business plans, formulae, processes, designs, computer software and programmes and inventions which the Executive may conceive or make or have conceived or made in the course or arising out of his employment with the Company (collectively, the "Works") shall be and are the sole and exclusive property of the Company and shall be disclosed by the Executive to the Company. The Executive shall, whenever requested to do so by the Company, and without any obligation on the part of the Company to pay any royalty or other compensation to the Executive, at the Company's expense execute and sign any and all applications, assignments or other instruments and do all other things which the Company may deem necessary or appropriate:

(i)

in order to apply for, obtain, maintain, enforce or defend letters patent in Canada or in any foreign country for any Works; or

(ii)

in order to assign, transfer, convey or otherwise made available to the Company the sole and exclusive rights, title and interest in and to any Works.

The Executive also agrees to waive in whole any moral rights which it may have in any Works or any part or parts thereof.

8.

Non-Competition

The Executive shall not during the Employment Period and the 12 months immediately thereafter (except in the event of a Change of Control of the Company), directly or indirectly, in any manner whatsoever including, without limitation, either individually, or in partnership, jointly or in conjunction with any other Person, or as an employee, principal, agent, director or shareholder:

- (i) be engaged in any undertaking;
- (ii) have any financial or other interest (including an interest by way of royalty or other compensation arrangements) in or in respect of the business of any Person; or

- 9 -

- (iii) advise, lend money to, guarantee the debts or obligations of any Person which carries on a business;

anywhere in Canada which is the same as or substantially similar to or competes with or would compete with the business carried on by the Company or any of its Affiliates during the Employment Period.

Notwithstanding the foregoing, nothing herein shall prevent the Executive from owning up to 5% of the issued shares of a corporation, the shares of which are listed on a recognized stock exchange or publicly traded on an over-the-counter market, which carries on a business which is the same as or substantially similar to or which competes with or would compete with the business of the Company or any of its Affiliates.

9.

No Solicitation of Customers

The Executive shall not, during the Employment Period and for the 12 months immediately thereafter (except in the event of a Change of Control of the Company), directly or indirectly, contact or solicit any designated customers of the Company or any of its Affiliates for the purpose of selling to the designated customers any services or products which are the same as or substantially similar to, or in any way competitive with, the services or products sold by the Company or any of its Affiliates during the Employment Period. For the purpose of this section, a designated customer means a Person who was a customer of the Company or of any of its Affiliates during some part of the Employment Period.

10.

No Solicitation of Employees

The Executive shall not, during the Employment Period and for the 12 months immediately thereafter (except in the event of a Change of Control of the Company), directly or indirectly, employ or retain as an independent contractor any employee of the Company or any of its Affiliates or induce or solicit, or attempt to induce, any such Person to leave his or her employment.

11.

Confidentiality

The Executive shall not, either during the Employment Period hereunder or at any time thereafter, directly or indirectly, use or disclose to any Person any Confidential Information provided, however, that nothing in this section shall preclude the Executive from disclosing or using Confidential Information, if:

11.1.

the Confidential Information is available to the public or in the public domain at the time of such disclosure or use, without breach of this Agreement;

11.2.

disclosure of the Confidential Information is required to be made by any law, regulation, governmental authority or court; or

11.3.

the Confidential Information was received by the Executive after termination of the Employment Period from a third party who had a lawful right to disclose it to the Executive.

- 10 -

12.

Remedies

The Executive acknowledges that a breach or threatened breach by the Executive of the provisions of sections 8 to 11, inclusive, may result in the Company and its shareholders suffering irreparable harm which is not capable of being calculated and which cannot be fully or adequately compensated by the recovery of damages alone. Accordingly, the Executive agrees that the Company shall be entitled to interim and permanent injunctive relief, specific performance and other equitable remedies, in addition to any other relief to which the Company may become entitled.

13.

Co-operation by Executive

The Executive shall co-operate in all respects with the Company if the question arises as to whether a Disability has occurred. Without limiting the generality of the foregoing, the Executive shall authorize the Executive's medical doctor or other health care specialist to discuss the condition of the Executive with the Company and shall submit to examination by a medical doctor or other health care specialist selected by the Company, acting reasonably.

14.

Representation of Executive

The Executive represents and warrants to the Company that he is not a party to, or bound by, any agreement or understanding with any other Person that precludes or restricts his ability and entitlement in any way to carry out his duties of employment with the

Company as contemplated herein, free and clear of any claims or liabilities of whatsoever nature.

15.

Arbitration

(a)

Any dispute between the parties hereto in respect of the interpretation of this Agreement or otherwise arising under this Agreement which cannot be resolved by the parties acting in good faith within a period of 30 days following the giving of a written notice by one party to the other party hereto (the "Notice Period") will be determined by arbitration.

(b)

If a dispute is not resolved within the Notice Period, either party hereto may thereafter by written notice delivered to the other party hereto demand arbitration of such dispute as herein provided.

(c)

Upon a demand for arbitration as set forth above, the parties hereto will within 10 days from the date on which notice of the demand is given, appoint a single arbitrator to resolve the dispute and, failing such appointment, either party may apply to have a single arbitrator appointed by the British Columbia International Commercial Arbitration Centre in which case the dispute shall be arbitrated in accordance with such Centre's Rules of Procedure.

(d)

The place of arbitration will be Vancouver, British Columbia and the decision of the arbitrator will be final and binding upon the parties hereto.

(e)

All costs of the arbitration, other than the costs of any counsel engaged by the Executive, will be for the account of the Company.

16.

Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by prepaid first-class mail, by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided, except that any notice of termination by the Company under section 6 shall be hand-delivered or given by registered mail. Any such notice or other communication, if mailed by prepaid first-class mail at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the fourth Business Day after the post-marked date thereof, or if mailed by registered mail, shall be deemed to have been received on the day such mail is delivered by the post office, or if sent by facsimile

or other means of electronic communication, shall be deemed to have been received on the Business Day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered in person to the Executive or to the Company at its address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the Company. Notice of change of address shall also be governed by this section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications shall be delivered by hand or sent by facsimile or other means of electronic communication and shall be deemed to have been received in accordance with this section. Notices and other communications shall be addressed as follows:

(a)

if to the Company:

Communicate.com Inc.
Suite 600
1100 Melville Street
Vancouver, British Columbia
V6E 4A6

(b)

if to the Executive:

C. Geoffrey Hampson
2476 West 5th Ave
Vancouver, British Columbia
V6K 1S8

17.

Headings

The inclusion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

- 12 -

18.

Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision thereof.

19.

Entire Agreement

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement. This Agreement supersedes and replaces all prior agreements if any, written or oral, with respect to the Executive's employment by the Company and any rights which the Executive may have by reason of any such prior agreement. There are no warranties, representations or agreements between the parties in connection with the subject matter of this Agreement except as specifically set forth or referred to in this Agreement. No reliance is placed on any representation, opinion, advice or assertion of fact made by the Company or its directors, officers and agents to the Executive, except to the extent that the same has been reduced to writing and included as a term of this Agreement. Accordingly, there shall be no liability, either in tort or in contract, assessed in relation to any such representation, opinion, advice or assertion of fact, except to the extent aforesaid.

20.

Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

21.

Currency

All amounts in this Agreement are stated and shall be paid in Canadian currency.

22.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

23.

Counterparts

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

24.

Acknowledgment

The Executive acknowledges that:

- 24.1. the Executive has had sufficient time to review and consider this Agreement thoroughly;
- 24.2. the Executive has read and understands the terms of this Agreement and the Executive's obligations hereunder; and
- 24.3. the Executive has been given an opportunity to obtain independent legal advice, or such other advice as the Executive may desire, concerning the interpretation and effect of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

COMMUNICATE.COM INC.

By: /s/ David M. Jeffs

Witness

 /s/ witness

)
)
)

 /s/ C. Geoffrey Hampson
C. GEOFFREY HAMPSON
