UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): June 10, 2016

FlexShopper, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	0-52589	20-5456087
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2700 North Military Trail, Ste. 200 Boca Raton, FL	33431
(Address of Principal Executive Offices)	(Zip Code)

(Registrant's Telephone number, including area code) (561) 419-2923

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On June 10, 2016, FlexShopper, Inc. ("FlexShopper" or the "Company") entered into a Subscription Agreement with B2 FIE V LLC (the "Investor"), an entity affiliated with Pacific Investment Management Company LLC, providing for the issuance and sale of shares of Series 2 Convertible Preferred Stock for gross proceeds of $20.0 million. The Company may sell up to an additional $5.0 million of shares of Series 2 Convertible Preferred Stock at a subsequent closing (collectively, the "Offering").

Pursuant to the authority expressly granted to the Board of Directors of the Company (the "Board") by the provisions of the Company's Certificate of Incorporation, the Board created and designated 25,000 shares of Series 2 Convertible Preferred Stock, par value $0.001 per share ("Series 2 Preferred Shares"), by filing a Certificate of Designations with the Delaware Division of Corporations (the "Certificate of Designations"). The Series 2 Preferred Shares were sold for $1,000.00 per share (the "Stated Value") and accrue dividends on the Stated Value at an annual rate of 10%. Each Series 2 Preferred Share is convertible at a conversion price of $0.81 into approximately 1,235 shares of common stock; provided, the conversion price is subject to reduction pursuant a weighted average anti-dilution provision contained in the Certificate of Designations. Beginning 45 days following the first date of issuance of the Series 2 Preferred Shares (the "Initial Period"), the holders of the Series 2 Preferred Shares will have the option to convert such shares into shares of common stock and will have the right to vote with holders of common stock on an as converted basis. Upon a Liquidation Event or Deemed Liquidation Event (each as defined in the Certificate of Designations), holders of Series 2 Preferred Shares shall be entitled to receive out of the assets of the Company prior to and in preference to the common stock and Series 1 Convertible Preferred Stock an amount equal to the greater of (1) the Stated Value, plus any accrued and unpaid dividends thereon, and (2) the amount per share as would have been payable had all Series 2 Preferred Shares been converted to common stock immediately before the Liquidation Event or Deemed Liquidation Event.

In connection with the Offering, on June 10, 2016, FlexShopper entered into an Investor Rights Agreement with the Investor (the "Investor Rights Agreement"). The Investor Rights Agreement provides that, so long as the Investor and affiliate transferees' ownership percentage of FlexShopper's outstanding common stock determined on a fully-diluted basis taking into account the conversion of all outstanding shares of Series 1 Convertible Preferred Stock and Series 2 Preferred Shares ("Ownership Percentage") (without giving effect to the Initial Period) exceeds 22%, the Investor will have the right to nominate two directors to the Board, and that, so long as the Investor and affiliate transferees' Ownership Percentage (without giving effect to the Initial Period) exceeds 10%, the Investor will have the right to nominate one director to the Board. Pursuant to the Investor Rights Agreement, so long as the Investor's Ownership Percentage exceeds 20%, the Investor must approve any change of control transaction involving the Company at a valuation per share of the Series 2 Preferred Shares below $1,000.00 and any increase in the size of the Board beyond nine directors. The Investor Rights Agreement also entitles the Investor to certain demand registration rights, piggyback registration rights, and a right of first offer on future issuances of equity securities of FlexShopper.

The Company engaged a registered broker dealer to serve as placement agent for the Offering (the "Placement Agent") and the Placement Agent will receive (1) selling commissions equal to 6% of the first $20.0 million, and 2% of any amount exceeding $20.0 million, of gross proceeds of the Series 2 Preferred Shares sold in the Offering, and (2) seven-year warrants to purchase a number of Series 2 Preferred Shares equal to 2% of the total number of such shares sold in the Offering at an exercise price of $1250.00 per share.

The Company intends to use the net proceeds from the Offering for general corporate and working capital purposes.

A copy of each of the Certificate of Designations and the Investor Rights Agreement are filed with this Current Report on Form 8-K as Exhibits 4.1 and 10.1, respectively, and are hereby incorporated by reference herein. The foregoing summaries of the Investor Rights Agreement and the Certificate of Designations do not purport to be complete and are qualified in their entirety by reference to the full text of such documents.

All of the securities described above are being sold without registration under the Securities Act of 1933, as amended (the "Act"), or state securities laws, in reliance on the exemptions provided by Section 4(a)(2) of the Act and/or Rule 506 of Regulation D promulgated thereunder and in reliance on similar exemptions under applicable state laws. Since these securities have not been registered, they may not be offered or sold by the investors absent registration or an applicable exemption from registration requirements. This Current Report on Form 8-K does not constitute an offer to sell these securities or a solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Item 3.02. Unregistered Sales of Equity Securities.

The information included in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.02.

Item 3.03. Material Modification to Rights of Securityholders.

The information included in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.03.

Item 5.03. Amendments to Articles of Incorporation.

The information included in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 5.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

4.1	Certificate of Designations for Series 2 Convertible Preferred Stock, dated as of June 10, 2016.
10.1	Investor Rights Agreement, dated as of June 10, 2016, by and among FlexShopper, Inc., B2 FIE V LLC and the other parties thereto.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FlexShopper, Inc.

Date: June 13, 2016

By: /s/ Brad Bernstein

Name: Brad Bernstein,
Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
4.1	Certificate of Designations for Series 2 Convertible Preferred Stock, dated as of June 10, 2016.
10.1	Investor Rights Agreement, dated as of June 10, 2016, by and among FlexShopper, Inc., B2 FIE V LLC and the other parties thereto.

CERTIFICATE OF DESIGNATIONS
OF
FLEXSHOPPER, INC.

SERIES 2 CONVERTIBLE PREFERRED STOCK

THE UNDERSIGNED, the President and Chief Executive Officer of FlexShopper, Inc., a Delaware corporation (hereinafter called the "***Corporation***"), DOES HEREBY CERTIFY that the following resolution has been duly adopted by the Board of Directors of the Corporation on June 6, 2016:

RESOLVED, that pursuant to the authority expressly granted to and vested in the Board of Directors of the Corporation (the "***Board of Directors***") by the provisions of Article FOURTH of the Certificate of Incorporation of the Corporation, the Board of Directors hereby creates and designates a series of preferred stock, par value $0.001 per share, of the Corporation and authorizes the issuance thereof, and hereby fixes the designation and amount thereof and the powers, preferences, and relative rights thereof as follows:

1. Designation; Number of Shares.

The designation of said series of the Preferred Stock shall be "Series 2 Convertible Preferred Stock" (the "***Series 2 Preferred Stock***"). The number of shares of Series 2 Preferred Stock shall be limited to 25,000.

2. Dividend Rights.

The holders of Series 2 Preferred Stock shall be entitled to receive as, when, and if declared by the Board of Directors, out of funds legally available therefor, dividends at an annual rate equal to 10% of the Original Series 2 Issue Price per share for each of the then outstanding shares of Series 2 Preferred Stock, calculated on the basis of a 360-day year consisting of twelve 30-day months, compounding annually. Such dividends shall begin to accrue and shall accumulate (to the extent not otherwise declared and paid as set forth above) on each share of Series 2 Preferred Stock, from the date of issuance of such share of Series 2 Preferred Stock (the "***Original Issue Date***"), whether or not declared. So long as any shares of Series 2 Preferred Stock are outstanding, no dividends shall be paid or declared and set apart for payment upon the Junior Securities by the Corporation.

3. Liquidation Rights.

(a) In the event of any liquidation, dissolution, or winding up of the Corporation, either voluntary or involuntary (a "***Liquidation Event***"), or any Deemed Liquidation Event the holders of Series 2 Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of the Corporation's common stock, par value $0.001 per share ("***Common Stock***") or the Corporation's series 1 preferred stock, par value $0.001 per share ("***Series 1 Preferred Stock***", and together with the Common Stock, the "***Junior Securities***"), the greater of (i) an amount per share equal to $1,000 for each outstanding share of Series 2 Preferred Stock (the "***Original Series 2 Issue Price***"), plus all accrued but unpaid dividends thereon and (ii) such amount per share as would have been payable had all Shares of Series 2 Preferred Stock been converted into Common Stock pursuant to Section 5(a) hereof immediately prior to such Liquidation Event or Deemed Liquidation Event; provided, however, that the Series 2 Preferred Stock must be tendered for cancellation in connection with a payment pursuant to a Deemed Liquidation Event. If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series 2 Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series 2 Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(b) Upon the completion of the distribution required by subparagraph (a) of this Section 3 and any other distribution that may be required with respect to any other series of preferred stock that may from time to time come into existence, the remaining assets of the Corporation available for distribution to shareholders shall be distributed among the holders of Junior Securities.

(c) For purposes of this Section 3, each of the following shall be considered a "Deemed Liquidation Event":

(i) a reorganization, merger or consolidation in which

(A) the Corporation is a constituent party, or

(B) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such reorganization, merger or consolidation,

except any such reorganization, merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such reorganization, merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such reorganization, merger or consolidation, a majority, by voting power, of the capital stock entitled generally to elect the directors of the Corporation ("Voting Power") of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such reorganization, merger or consolidation, the parent corporation of such surviving or resulting corporation (provided that, for the purpose of this subsection 3(c)(i), all shares of Common Stock issuable upon exercise of Options (as defined below) outstanding immediately prior to such reorganization, merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such reorganization, merger or consolidation shall be deemed to be outstanding immediately prior to such reorganization, merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged);

(ii) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all of the assets of the Corporation and its subsidiaries taken as a whole or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation; or

(iii) issuance or transfer of shares of capital stock of the Corporation, in a single transaction or series of related transactions, representing more than fifty percent (50%) of the Voting Power of the Corporation to a single person or group of related persons.

provided, however, that any sale, transfer, other disposition, transaction or series of related transactions described in this Section 3(c) will not constitute a Deemed Liquidation Event if immediately prior to such Deemed Liquidation Event, holders of a majority of the outstanding shares of Series 2 Preferred Stock shall have waived such Deemed Liquidation Event.

4. Voting Rights.

From the Original Issue Date until the date that is 45 days after the Original Issue Date, the holders of Series 2 Preferred Stock shall not have any voting rights and from and after the date that is 45 days after the Original Issue date, the holders of shares of Series 2 Preferred Stock shall vote with holders of the Common Stock, and with any other shares of preferred stock that vote with the Common Stock, with each holder of Series 2 Preferred Stock being entitled to a number of votes equal to the number of shares of Common Stock to which such holder would be entitled upon the conversion of its Series 2 Preferred Stock. Fractional votes, however, shall not be permitted and any fractional voting rights resulting from the above with respect to any holder of Series 2 Preferred Stock shall be rounded upward to the nearest whole number. Notwithstanding the foregoing, the holders of shares of Series 2 Preferred Stock shall vote as a single class upon any action that would adversely alter, change or otherwise affect the powers, preferences or special rights of such holders and the affirmative vote of the holders of a majority of the then-outstanding shares of Series 2 Preferred Stock shall be required for the approval of any such action.

5. Conversion Rights.

The holders of the Series 2 Preferred Stock shall have conversion rights as follows (the "***Conversion Rights***"):

(a) *Optional*. Each share of Series 2 Preferred Stock shall be convertible, at the option of the holder thereof, at any time following the date that is 45 days after the Original Issue Date at the office of the Corporation or any transfer agent for the Series 2 Preferred Stock, into Common Stock. The number of shares of Common Stock to which a holder of Series 2 Preferred Stock shall be entitled upon conversion shall be the product obtained by multiplying the Conversion Rate of the Series 2 Preferred Stock (determined as provided in Subsection 5(c) below) by the number of shares of Series 2 Preferred Stock being converted (with any fractional shares being rounded up to the nearest whole share). Such conversion shall be deemed to have been made immediately prior to the close of business on the date of the surrender of the certificate or certificates representing the shares of Series 2 Preferred Stock to be converted in accordance with the procedures described in Subsection 5(d) below (the "***Conversion Date***").

(b) *Automatic*.

(i) If (i) during the two (2) year period commencing on the Original Issue Date (the "***Initial Automatic Conversion Period***"), (A) the average closing price during any 45 consecutive Trading Day period equals or exceeds $1.75 per share of Common Stock or (B) the Corporation is party to a merger or transaction described in Section 3(c) above (a "***Change of Control Transaction***") pursuant to which the Corporation's Common Stock is valued at a price of $1.75 or greater per share or (ii) at any point after the Initial Automatic Conversion Period, (A) the average closing price during any 45 consecutive Trading Day period equals or exceeds $2.30 per share of Common Stock or (B) the Corporation is party to a Change of Control Transaction pursuant to which the Corporation's Common Stock is valued at a price of $2.30 or greater per share, the Corporation shall, within three Trading Days of the occurrence of any of the events described in clause (i) or (ii) above, deliver a written notice to all holders of Series 2 Preferred Stock (an "***Automatic Conversion Notice***" and the date such notice is delivered to such holders, the "***Automatic Conversion Notice Date***") to cause each holder to convert all or part of such holder's Series 2 Preferred Stock (in accordance with the procedures described in the second sentence of Subsection 5(a) above and Subsection 5(d) below) pursuant to this Subsection 5(b), it being agreed that the "***Conversion Date***" for purposes of Subsection 5(b) shall be deemed to occur on the third Trading Day following the Automatic Conversion Notice Date.

(ii) The dollar amounts set forth in Subsection 5(b)(i) above shall be subject to adjustment in the same manner as the Conversion Price pursuant to Subsection 5(e)(iii) and Subsection 5(e)(iv) below .

(iii) "***Trading Day***" means a day on which the principal Trading Market is open for trading, or if the Common Stock is not listed or quoted on any Trading Market, "Trading Day" means a "Business Day".

(iv) ***"Trading Market"*** means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing).

(v) "***Closing Price***" means, for any date, the closing price for the Common Stock published by the principal Trading Market.

(c) *Conversion Rate*. Subject to the provisions of this Section 5, the conversion rate in effect at any time with respect to the Series 2 Preferred Stock (the "***Conversion Rate***") shall be the quotient obtained by dividing the Original Series 2 Issue Price by the Conversion Price. The "***Conversion Price***" shall initially be $0.81 and shall be subject to adjustments as set forth in this Section 5.

(d) *Mechanics of Conversion*. Before any holder of Series 2 Preferred Stock shall be entitled to receive certificates representing the shares of Common Stock into which shares of Series 2 Preferred Stock are converted in accordance with Subsection 5(a) or 5(b) above, such holder shall surrender the certificate or certificates for such shares of Series 2 Preferred Stock duly endorsed at (or in the case of any lost, mislaid, stolen or destroyed certificate(s) for such shares, deliver an affidavit as to the loss of such certificate(s), in such form as the Corporation may reasonably require) the office of the Corporation or of any transfer agent for the Series 2 Preferred Stock, and shall give written notice to the Corporation at such office of the name or names in which such holder wishes the certificate or certificates for shares of Common Stock to be issued, if different from the name shown on the books and records of the Corporation. Said conversion notice shall also contain such representations as may reasonably be required by the Corporation to the effect that the shares to be received upon conversion are not being acquired and will not be transferred in any way that might violate the then applicable securities laws. The Corporation shall, as soon as practicable thereafter and in no event later than three (3) business days after the delivery of said certificates, issue and deliver at such office to such holder of Series 2 Preferred Stock, or to the nominee or nominees of such holder as provided in such notice, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. The person or persons entitled to receive the shares of Common Stock issuable upon a conversion pursuant to Section 5(a) or 5(b) shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of the Conversion Date. For the avoidance of doubt, accumulated and unpaid dividends on shares of Series 2 Preferred Stock shall not be required to be paid upon conversion and upon such conversion any and all rights to such accumulated and unpaid dividends shall be cancelled and forfeited. All certificates issued upon the exercise or occurrence of the conversion shall contain a legend governing restrictions upon such shares imposed by law or agreement of the holder or his or its predecessors.

(e) *Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations*. The Conversion Price of the Series 2 Preferred Stock shall be subject to adjustment from time to time as follows:

(i) (A) If the Corporation shall issue, after the Original Issue Date, any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for the Series 2 Preferred Stock in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for the Series 2 Preferred Stock in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (including shares of Common Stock deemed to be issued pursuant to subsection 5(e)(i)(E)(1) or (2)) (but not including shares excluded from the definition of Additional Stock by Section 5(e)(ii)(C)) plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at such Conversion Price; and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (including shares of Common Stock deemed to be issued pursuant to subsection 5(e)(i)(E)(1) or (2)) (but not including shares excluded from the definition of Additional Stock by subsection 5(e)(ii)(C)) plus the number of shares of such Additional Stock. However, the foregoing calculation shall not take into account shares deemed issued pursuant to subsection 5(e)(i)(E) on account of options or rights except to the extent (i) such options or rights have been exercised or (ii) the consideration to be paid upon such exercise per share of underlying Common Stock is less than the per share consideration for the Additional Stock that has given rise to the Conversion Price adjustment being calculated.

(B) No adjustment of the Conversion Price for the Series 2 Preferred Stock shall be made in an amount less than one cent per share, provided that any adjustments that are not required to be made by reason of this sentence shall be carried forward and shall be taken into account in any subsequent adjustment made. Except to the limited extent provided for in subsections (E)(3) and (E)(4), no adjustment of such Conversion Price pursuant to this subsection 5(e)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(C) In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors irrespective of any accounting treatment. The holders of shares of Series 2 Preferred Stock shall have the right to require the value of such consideration to be determined by an independent valuation from a nationally recognized valuation firm if they disagree with the value determined by the Board of Directors and the value of this consideration could reasonably be determined to exceed $5 (five) million.

(E) In the case of the issuance (whether before, on or after the applicable Original Issue Date) of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for all purposes of this subsection 5(e)(i) and subsection 5(e)(ii):

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subsections 5(e)(i)(C) and 5(e)(i)(D)), if any, received by the Corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights (without taking into account potential antidilution adjustments) for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of, or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) for, any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Corporation (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subsections 5(e)(i)(C) and 5(e)(i)(D)).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof (unless such options or rights or convertible or exchangeable securities were merely deemed to be included in the numerator and denominator for purposes of determining the number of shares of Common Stock outstanding for purposes of subsection 5(e)(i)(A)), the Conversion Price of the Series 2 Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price of the Series 2 Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities (unless such options or rights were merely deemed to be included in the numerator and denominator for purposes of determining the number of shares of Common Stock outstanding for purposes of subsection 5(e)(i)(A)), shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities that remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to subsections 5(e)(i)(E)(1) and (2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either subsection 5(e)(i)(E)(3) or (4).

(ii) "***Additional Stock***" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to subsection 5(e)(i)(E)) by the Corporation after the Original Issue Date other than:

(A) Common Stock issued pursuant to a transaction described in subsection 5(e)(iii) hereof;

(B) Common Stock issued upon conversion of any shares of Series 1 Preferred Stock or upon exercise or conversion of any other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock outstanding as of the Original Issue Date (hereinafter referred to as "***Common Stock Equivalents***"); or

(C) Shares of Common Stock issuable or issued to employees, consultants, directors or vendors (if in transactions with primarily non-financing purposes) of the Corporation directly or pursuant to a stock option plan or restricted stock plan approved by the Board of Directors of the Corporation and ratified by stockholders.

(iii) In the event the Corporation should at any time or from time to time after the Original Issue Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or Common Stock Equivalents without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Series 2 Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in subsection 5(e)(i)(E).

(iv) If the number of shares of Common Stock outstanding at any time after the Original Issue Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price for the Series 2 Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(f) *Other Distributions*. In the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 5(e)(iii), then, in each such case for the purpose of this subsection 5(f), the holders of the Series 2 Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Series 2 Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

(g) *Recapitalizations and Mergers*. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, common stock dividend, combination or sale of assets transaction provided for elsewhere in this Section 5 or Section 3) or merger in which the Corporation is not the surviving corporation (a "***Transaction***"), provision shall be made so that the holders of the Series 2 Preferred Stock or the other shares into which such shares are converted shall thereafter be entitled to receive upon conversion of the Series 2 Preferred Stock or the other shares into which such shares are converted the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled in connection with such Transaction. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the holders of the Series 2 Preferred Stock after the Transaction to the end that the provisions of this Section 5 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of the Series 2 Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(h) *No Impairment*. The Corporation shall not, by amendment of its Certificate of Incorporation or Bylaws or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but shall at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series 2 Preferred Stock against impairment.

(i) *Certificate Regarding Adjustments*. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 5, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and cause the Corporation's independent public accountants to verify such computation and prepare and furnish to each holder of Series 2 Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series 2 Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price and the Conversion Rate at that time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property that at that time would be received upon the conversion of Series 2 Preferred Stock.

(j) *Notices of Record Date*. In the event of any taking by the Corporation of a record of the holders of any class of securities other than Series 2 Preferred Stock for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, any Common Stock Equivalents or any right to subscribe for, purchase, or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall mail to each holder of Series 2 Preferred Stock, at least twenty (20) and, in any event, no more than sixty (60) days before the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution, or rights, and the amount and character of such dividend, distribution, or rights.

(k) *Reservation of Stock Issuable Upon Conversion*. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Series 2 Preferred Stock such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series 2 Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall be insufficient to effect the conversion of all then outstanding shares of the Series 2 Preferred Stock, the Corporation shall take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

6. Notices.

Any notice required by the provisions hereof to be given to the holders of shares of Series 2 Preferred Stock shall be deemed given on the third business day following (and not including) the date on which such notice is deposited in the United States Mail first-class, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation. Notice by any other means shall not be deemed effective until actually received.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations to be made under the seal of the Corporation and signed and attested by its duly authorized officer on June 10, 2016.

FLEXSHOPPER, INC.

By: /s/ Brad Bernstein
Brad Bernstein
President & CEO

Exhibit 10.1

INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT, dated as of June 10, 2016 (this "Agreement"), by and among FlexShopper, Inc., a Delaware corporation (the "Company"), the Management Stockholder and the Investors listed on the signature pages hereto (each an "Investor", and together, the "Investors"). Each of the Investors, the Company and the Management Stockholder are from time to time referred to herein as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, B2 FIE V LLC ("B2 FIE") and the Company have entered into that certain Subscription Agreement, dated as of June 10, 2016 (the "Subscription Agreement"), pursuant to which B2 FIE has agreed to purchase 20,000 shares of newly issued Series 2 convertible preferred stock, par value $0.001 per share, of the Company (the "Preferred Stock"); and

WHEREAS, MCP-FS, L.P. and the Company may, within ten (10) Business Days of the date hereof, enter into a subscription agreement pursuant to which MCP-FS, L.P. may agree to purchase up to 5,000 shares of Preferred Stock (if executed, such agreement the "Middlemarch Subscription Agreement").

WHEREAS, it is a condition precedent to the Investors' obligation to purchase such Preferred Stock that the Company enter into this Agreement with the Investors to provide for certain rights and obligations of the Parties following the closing of the transactions contemplated by the Subscription Agreement (the "Closing").

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. Definitions. The following terms shall have the meanings ascribed to them below:

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For purposes of this definition, "control" when used with respect to any Person has the meaning specified in Rule 12b-2 under the Exchange Act; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" means this Agreement, as amended, modified or supplemented from time to time, in accordance with the terms hereof, together with any exhibits, schedules or other attachments hereto.

"Beneficially Own" with respect to any securities means having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act, including without limitation, the 60-day provision in paragraph (d)(1)(i) thereof). The terms "Beneficial Ownership" and "Beneficial Owner" have correlative meanings.

"Bravo Investor Parties" means B2 FIE and its Affiliate transferees.

"Business Day" means any day other than (i) any Saturday or Sunday or (ii) any other day on which banks located in New York, New York are authorized or required by Law to be closed.

"Capital Stock" means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (in each case however designated) stock issued by the Company.

"Closing" has the meaning ascribed thereto in the recitals of this Agreement.

"Common Stock" means the Company's common stock, par value $0.0001 per share.

"Company" has the meaning set forth in the preamble of this Agreement.

"Electronic Delivery" has the meaning set forth in Section 4.8.

"Equity Securities" means any Common Stock, Preferred Stock, Options or any securities convertible, exchangeable or exercisable for or into such securities.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"FINRA" means the U.S. Financial Industry Regulatory Authority.

"GAAP" means generally accepted accounting principles in the United States as in effect from time to time.

"Governmental Entity" means any domestic (federal, state, municipal or local) or foreign or multinational government or governmental, regulatory, political, judicial or quasi-judicial or administrative subdivision, department, authority, entity, agency, regulator, commission, board, bureau, court, or instrumentality.

"Indemnified Party" has the meaning set forth in Section 2.6(c).

"Indemnifying Party" has the meaning set forth in Section 2.6(c).

"Investor" has the meaning set forth in the preamble of this Agreement.

"Investor Director" has the meaning set forth in Section 3.3(a).

"Investor Parties" means the Investors and their Affiliate transferees.

"Investor Party Indemnitees" has the meaning set forth in Section 2.6(a).

"Law" means any applicable federal, state, local or foreign law, statute, ordinance, rule, guideline, regulation, order, writ, decree, agency requirement, license or permit of any Governmental Entity.

"Losses" has the meaning set forth in Section 2.6(a).

"Management Stockholder" means Brad Bernstein and his Affiliates.

"Middlemarch Investor Parties" means MCP-FS, L.P. and its Affiliate transferees.

"Notice and Questionnaire" means a written notice executed by the Investor Parties and delivered to the Company containing the information required by Item 507 of Regulation S-K to be included in any Shelf Registration Statement regarding the Investor Parties seeking to sell Preferred Stock (or the underlying Common Stock) pursuant thereto.

"Options" means any rights, warrants or options to subscribe for or purchase Common Stock or any securities convertible, exchangeable or exercisable for or into Common Stock.

"Other Securities" means the Common Stock or other securities of the Company which the Company is registering pursuant to a Registration Statement covered by Section 2.2.

"Ownership Percentage" has the meaning ascribed thereto in Section 3.3(a) of this Agreement.

"Parties" has the meaning ascribed thereto in the recitals of this Agreement.

"Permitted Issuance" means any issuance by the Company of Equity Securities (1) to the Company or a Subsidiary of the Company, (2) to officers, employees, directors or consultants of the Company and its Subsidiaries pursuant to the Company's Board-approved equity incentive plans and the securities issued upon exercise of such grants, (3) as consideration in a merger or acquisition of the stock or assets of another Person, (4) upon the occurrence of a stock split, stock dividend or any subdivision of the Common Stock, or any other reclassification, reorganization or other similar recapitalization, (5) pursuant to the conversion or exchange of any securities of the Company into Capital Stock, or the exercise of any warrants or other rights to acquire Capital Stock; (6) pursuant to a bona fide firm commitment underwritten public offering; (7) in connection with any private placement of warrants to purchase Capital Stock to lenders or other institutional investors (excluding the Company's stockholders) in any arm's length transaction approved by the Board in which such lenders or investors provide debt financing to the Company or any Company Subsidiary; (8) in connection with a joint venture, strategic alliance or other commercial relationship with any Person (including Persons that are customers, suppliers and strategic partners of the Company or any Subsidiary) relating to the operation of the Company's or any Subsidiary's business and for which a primary purpose thereof is not raising capital; or (9) in connection with any office lease or equipment lease or similar equipment financing transaction approved by the Board in which the Company or any Subsidiary obtains from a lessor or vendor the use of such office space or equipment for its business.

"Permitted Investor Transferee" has the meaning set forth in Section 4.2.

"Permitted Transferee" means any Affiliate or family member of a Management Stockholder.

"Person" means any individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, Governmental Entity or other entity.

"Piggyback Notice" has the meaning set forth in Section 2.2(a).

"Piggyback Registration" has the meaning set forth in Section 2.2(a).

"Pro Rata Share" means, for any Investor Party at any time of determination, the quotient of (i) the number of shares of (w) Common Stock issuable upon the conversion of the Preferred Stock plus (x) Common Stock issued upon the conversion of the Preferred Stock, each Beneficially Owned by such Investor Party, divided by, (ii) the number of shares of (y) Common Stock issuable upon the conversion of the Preferred Stock plus (z) Common Stock issued upon the conversion of the Preferred Stock, each Beneficially Owned by all Investor Parties at such time of determination.

"Proposed Transfer" has the meaning set forth in Section 3.5(a).

"Proposed Transferee" has the meaning set forth in Section 3.5(a).

"Prospectus" means the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into such prospectus.

"Purchase Rights" has the meaning set forth in Section 3.2.

"Registrable Securities" means shares of Preferred Stock issued by the Company at the Closing, as well as any shares of Common Stock issuable upon the conversion of the Preferred Stock and any shares of Common Stock or other securities issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange generally for, or in replacement generally of, such Preferred Stock or other Registrable Securities and any securities issued in exchange for such Preferred Stock or other Registrable Securities in any merger, reorganization, consolidation, share exchange, recapitalization, restructuring or other comparable transaction of the Company. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (a) a Registration Statement with respect to the sale by the Investor Parties holding such securities has been declared effective by the SEC and such securities have been disposed of pursuant to such effective Registration Statement, (b) such securities shall have been or could be sold by the holder, without being subject to any holding period or volume limitations pursuant to Rule 144, under circumstances in which all of the applicable conditions (including any holding period or volume limitations) of Rule 144 (or any similar provisions then in force) under the Securities Act are met, (c) such securities have been otherwise transferred and the Company has delivered a new certificate or other evidence of ownership for such securities not bearing a restrictive legend and not subject to any stop order, and such securities may be publicly resold by the Person receiving such certificate without restriction, or (d) such securities shall have ceased to be outstanding.

"Registration Statement" means any registration statement of the Company under the Securities Act which permits the public offering of any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Shelf Demand Notice" has the meaning set forth in Section 2.1(a).

"Shelf Filing Date" has the meaning set forth in Section 2.1(a).

"Shelf Registration Statement" has the meaning set forth in Section 2.1(a).

"Shelf Take-Down Notice" has the meaning set forth in Section 2.1(b).

"Subscription Agreement" has the meaning ascribed thereto in the recitals of this Agreement.

"Subsidiary" means, when used with respect to any Person, any other Person of which (a) in the case of a corporation, at least (i) a majority of the equity and (ii) a majority of the voting interests are owned or controlled, directly or indirectly, by such first Person, by any one or more of its Subsidiaries, or by any combination of such first Person and one or more of its Subsidiaries or (b) in the case of any Person other than a corporation, such first Person, one or more of its Subsidiaries, or such first Person and one or more of its Subsidiaries combined (i) owns a majority of the equity interests thereof and (ii) has the power to elect or direct the election of a majority of the members of the governing body thereof. As used in this Agreement, unless the context requires otherwise, references to a Subsidiary or Subsidiaries shall mean a Subsidiary or the Subsidiaries of the Company.

"Tag-Along Notice" has the meaning set forth in Section 3.5(b).

"Tagging Stockholder" has the meaning set forth in Section 3.5(a).

"Transaction Documents" means this Agreement together with any other documents referred to in this Agreement and any other agreements entered into or to be entered into between the Company on the one hand, and the Investor Parties on the other hand, on or after the effective date pursuant to or in connection with this Agreement.

"Transfer" means, with respect to any shares of Preferred Stock (or the underlying Common Stock), a direct or indirect transfer, sale, exchange, assignment, pledge, hypothecation or other encumbrance or other disposition of such shares, including the grant of an option or other right, whether directly or indirectly, whether voluntarily, involuntarily or by operation of Law; and "Transferred" shall have a correlative meaning.

"Transferring Stockholder" has the meaning set forth in Section 3.5(a).

"Voting Stock" means Capital Stock of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances (determined without regard to any classification of directors).

"Waterfall Rights Agreement" means that certain Investor Rights Agreement by and among the Company, Waterfall Asset Management, LLC and the other parties thereto, dated March 6, 2015.

SECTION 1.2. General Interpretive Principles. Unless the context otherwise requires: (i) words in the singular include the plural, and in the plural include the singular; (ii) "including" means including without limitation; (iii) references to any Section or clause refer to the corresponding Section or clause, respectively, of this Agreement; (iv) any reference to a day or number of days, unless expressly referred to as a business day shall mean the respective calendar day or number of calendar days; (v) references to Sections of or Rules under the Exchange Act shall be deemed to include substitute, replacement or successor Sections or Rules, and any term defined by reference to a Section of or Rule under the Exchange Act shall include SEC and judicial interpretations of such Section or Rule; and (vi) headings are for convenience of reference only.

ARTICLE II
REGISTRATION RIGHTS

SECTION 2.1. Shelf Registration.

(a) At any time following the six month anniversary of the date hereof , the Investor Parties holding a majority of the Registrable Securities held by all Investor Parties shall have the right, by delivering a written notice to the Company (a "Shelf Demand Notice"), to require the Company to file a registration statement to register for resale, on a continuous or delayed basis pursuant to Rule 415 under the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC, of all of the Registrable Securities (the "Shelf Registration Statement"). The Company shall use its reasonable best efforts to prepare and file with the SEC the Shelf Registration Statement within 60 days after receipt of the Shelf Demand Notice, if filing on Form S-1, and within 30 days after receipt of the Shelf Demand Notice if filing on Form S-3 (the "Shelf Filing Date"). The Shelf Registration Statement shall be on Form S-1 (or any comparable or successor form or forms) or, if eligible, on Form S-3 (or any comparable or successor form or forms) under the Securities Act. The Company shall use its reasonable best efforts to cause the Shelf Registration Statement to be declared effective under the Securities Act by the SEC within 45 days after the Shelf Filing Date. The Company shall use its reasonable best efforts to keep the Shelf Registration Statement (or any successor Shelf Registration Statement) continuously effective under the Securities Act until the earlier of (i) the date when all of the Registrable Securities covered by such Shelf Registration Statement have been sold and (ii) the date on which the Investor Parties cease to own any Registrable Securities.

(b) If any Investor Party wishes to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus, it will do so in accordance with this Section 2.1(b) and Section 2.4. Any Investor Party wishing to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus, whether in an underwritten offering or otherwise, shall notify the Company of such intent (a "Shelf Take-Down Notice") and shall deliver a Notice and Questionnaire to the Company at least five (5) Business Days prior to any intended distribution of Registrable Securities under the Shelf Registration Statement, it being agreed that if any such Investor Party intends to distribute any Registrable Securities by means of an underwritten offering it shall promptly so advise the Company and the Company shall take all reasonable steps to facilitate such distribution, including the actions required pursuant to Section 2.4(a)(vii). From and after the date the Shelf Registration Statement is declared effective, the Company shall, as promptly as practicable after the date a Notice and Questionnaire is delivered to it in connection with a Shelf Take-Down Notice:

(i) if required by applicable Law, file with the SEC a post-effective amendment to the Shelf Registration Statement or prepare and, if required by applicable Law, file a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file any other required document so that the Investor Parties are named as a selling security holder in the Shelf Registration Statement and the related Prospectus in such a manner as to permit the Investor Parties to deliver such Prospectus to purchasers of Registrable Securities in accordance with applicable Law and, if the Company shall file a post-effective amendment to the Shelf Registration Statement, use its reasonable best efforts to cause such post-effective amendment to be declared effective under the Securities Act as promptly as is practicable;

(ii) provide the Investor Parties copies of any documents to filed pursuant to Section 2.1(b)(i) a reasonable period of time prior to such filing and allow the Investor Parties to provide comments; and

(iii) notify the Investor Parties as promptly as practicable after the effectiveness under the Securities Act of any post-effective amendment filed pursuant to Section 2.1(b)(i).

Notwithstanding anything contained herein to the contrary, the Company shall be under no obligation to name any Investor Party as a selling security holder in any Shelf Registration Statement or related Prospectus if such Investor Party has not delivered a Notice and Questionnaire to the Company.

(c) If any of the Registrable Securities to be sold pursuant to a Shelf Registration Statement are to be sold in a firm commitment underwritten offering which underwritten offering was initially requested by any Investor Party pursuant to a Shelf Take-Down Notice, the Investor Party making the demand shall select the underwriters, who shall be reasonably acceptable to the Company. If the managing underwriter(s) of such underwritten offering advise the Investor Parties in writing that it is their good faith opinion that the total number or dollar amount of Registrable Securities proposed to be sold in such offering, together with any Other Securities proposed to be included by holders thereof which are entitled to include securities in such Registration Statement, exceeds the total number or dollar amount of such securities that can be sold without having an adverse effect on the price, timing or distribution of the Registrable Securities to be so included, together with all such Other Securities, then there shall be included in such firm commitment underwritten offering the number or dollar amount of Registrable Securities and such Other Securities that in the opinion of such managing underwriter(s) can be sold without so adversely affecting such offering, and such number of Registrable Securities and Other Securities shall be allocated for inclusion as follows:

(i) first, the Registrable Securities for which inclusion in such underwritten offering was requested by any Investor Party based on the number of Registrable Securities Beneficially Owned by such Investor Party; and

(ii) second, among any holders of Other Securities, pro rata, based on the number of Other Securities Beneficially Owned by each such holder of Other Securities.

SECTION 2.2. Piggyback Registration.

(a) At any time after the Closing if, other than pursuant to Sections 2.1, the Company proposes to file a registration statement under the Securities Act with respect to an offering by the Company for its own account (other than a registration statement (a) on Form S-4, Form S-8 or any successor forms thereto, (b) filed solely in connection with any employee benefit or dividend reinvestment plan or (c) for the purpose of effecting a rights offering relating to the Common Stock) or for the account of any of its security holders, the Company will give to the Investor Parties written notice of such filing at least fifteen (15) days prior to the anticipated filing date (the "Piggyback Notice"). The Piggyback Notice shall offer the Investor Parties the opportunity to include in such registration statement the number of Registrable Securities as it may request (a "Piggyback Registration"). Subject to Section 2.2(b), the Company shall include in each such Piggyback Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within seven (7) days after notice has been given to the Investor Parties. The Company shall be required to maintain the effectiveness of the Registration Statement for a Piggyback Registration for a period of 360 days after the effective date thereof or such shorter period in which all Registrable Securities included in such Registration Statement have actually been sold.

(b) If any of the securities to be registered pursuant to the registration giving rise to the Investor Parties' rights under this Section 2.2 are to be sold in an underwritten offering, the Investor Parties shall be permitted to include all Registrable Securities requested to be included in such registration in such offering on the same terms and conditions as any other shares of Capital Stock (other than terms and conditions that differ solely as a result of being a different class of Capital Stock) , if any, of the Company included therein; provided, however, that if such offering involves a firm commitment underwritten offering and the managing underwriter(s) of such underwritten offering advise the Investor Parties in writing that it is their good faith opinion that the total number or dollar amount of Registrable Securities proposed to be sold in such offering, together with all Other Securities that the Company and any other Persons having rights to participate in such registration intend to include in such offering, exceeds the total number or dollar amount of such securities that can be sold without having an adverse effect on the price, timing or distribution of the Registrable Securities to be so included together with all such Other Securities, then there shall be included in such firm commitment underwritten offering the number or dollar amount of Registrable Securities and such Other Securities that in the opinion of such managing underwriter(s) can be sold without so adversely affecting such offering, and such number of Registrable Securities and Other Securities shall be allocated for inclusion as follows:

(i) first, by any Person, if any, (other than the Investor Parties) exercising a contractual right to demand registration pursuant to which such registration statement was filed; and

(ii) second, all Other Securities being sold by the Company or by any other holders of Registrable Securities or Other Securities requesting such registration, pro rata, based on the aggregate number of Registrable Securities and Other Securities Beneficially Owned by each such holder.

(c) The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of the related Registration Statement and shall have no obligation to register any Registrable Securities in connection with such registration, except to the extent provided herein.

(d) Each Investor Party shall have the right to withdraw its request for inclusion of its Registrable Securities in any Piggyback Registration by giving written notice to the Company of its request to withdraw at least two (2) Business Days prior to the planned effective date of the related Registration Statement. Notwithstanding Section 2.3, the Company shall not be required to pay for the expenses of any Investor Party in connection with any registration proceeding begun pursuant to this Section 2.2 from which the Investor Parties has subsequently withdrawn pursuant to this Section 2.2(d), unless such Investor Party's withdrawal is based upon material adverse information concerning the Company that the Company had not publicly disclosed at least two (2) Business Days prior to the request for such withdrawal.

SECTION 2.3. Registration Expenses. In connection with registrations pursuant to Sections 2.1, and 2.2 (including any subsequently abandoned or withdrawn registration statement), the Company shall pay all of the registration expenses incurred in connection with the registration thereunder, including, without limitation, all: (a) registration and filing fees, (b) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (c) processing, duplicating and printing expenses, (d) internal expenses of the Company (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (e) fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or quotation system, (f) reasonable fees and disbursements of counsel for the Company, reasonable fees and expenses for independent certified public accountants retained by the Company (including the expenses of any comfort letters or costs associated with the delivery by any registered public accounting firms of a comfort letter or comfort letters requested but not the cost of any audit other than a year end audit) and reasonable fees and expenses of one counsel (and applicable local counsel as necessary) for the Investor Parties and (g) reasonable fees and expenses of any special experts retained by the Company in connection with such registration. Notwithstanding the foregoing, the Investor Parties shall be responsible for (i) any underwriting fees, discounts or commissions, (ii) any commissions of brokers and dealers, and (iii) capital gains, income and transfer taxes, if any, relating to the sale of Registrable Securities of the Investor Parties.

SECTION 2.4. Registration Procedures.

(a) In connection with the registration of any Registrable Securities pursuant to this Agreement:

(i) The Company shall prepare and file with the SEC a Registration Statement with respect to such Registrable Securities as provided herein, make all required filings with FINRA and use its reasonable best efforts to keep each Registration Statement continuously effective during the period such Registration Statement is required to remain effective pursuant to the terms of this Agreement; upon the occurrence of any event that would cause the Registration Statement or the Prospectus contained therein (A) to contain a material misstatement or omission or (B) not to be effective and usable for resale of Registrable Securities during the period such Registration Statement is required to remain effective pursuant to the terms of this Agreement, the Company shall file promptly an appropriate amendment to the Registration Statement, a supplement to the Prospectus or a report filed with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, in the case of clause (A), correcting any such misstatement or omission, and, in the case of either clause (A) or (B), the Company shall use its reasonable best efforts to cause such amendment to be declared effective and the Registration Statement and the related Prospectus to become usable for their intended purposes as soon as practicable thereafter.

(ii) The Company shall prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective during the periods provided herein.

(iii) The Company shall advise the Investor Parties promptly (which notice pursuant to clauses (B) through (D) below shall be accompanied by an instruction to suspend the use of the Prospectus until the Company shall have remedied the basis for such suspension):

(A) when the Prospectus or any Prospectus supplement or post-effective amendment is proposed to be or has been filed, and, with respect to the Registration Statement or any post-effective amendment thereto, when the same has become effective;

(B) of any request by the SEC or any other Governmental Entity for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto;

(C) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement under the Securities Act or of the suspension by any state securities commission of the qualification of the Registrable Securities for offering or sale in any jurisdiction, or the threatening or initiation of any proceeding for any of the preceding purposes;

(D) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose; or

(E) when the Company becomes aware of the happening of any event as a result of which the applicable Registration Statement or the Prospectus included in such Registration Statement (as then in effect) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of such Prospectus or any preliminary Prospectus, in light of the circumstances under which they were made) not misleading, when any Issuer Free Writing Prospectus includes information that may conflict with the information contained in the Registration Statement, or, if for any other reason it shall be necessary during such time period to amend or supplement such Registration Statement or Prospectus in order to comply with the Securities Act. The Company shall, unless any Registrable Securities shall be in book-entry form only, cooperate with the Investor Parties to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends (unless required by applicable securities Laws), and enable such Registrable Securities to be in such denominations and registered in such names as the Investor Parties may request at least two (2) Business Days before any sale of Registrable Securities. In connection therewith, if reasonably required by the Company's transfer agent, the Company shall promptly deliver any authorizations, certificates and directions required by the transfer agent which authorize and direct the transfer agent to issue such Registrable Securities without legend upon sale by the holder of such shares of Registrable Securities under the Registration Statement.

(iv) The Company shall use its reasonable best efforts to promptly register or qualify any Registrable Securities under such other securities or blue sky laws of such jurisdictions within the United States as any Investor Party reasonably requests and which may be reasonably necessary or advisable to enable such Investor Party to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Investor Parties, keep such registrations or qualifications in effect for so long as the Registration Statement remains in effect and do any and all other acts and things which may be reasonably necessary or advisable to enable such Investor Parties to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Investor Parties; provided, however, that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Agreement, (B) subject itself to taxation in any jurisdiction where it would not otherwise be subject to taxation but for this Agreement or (C) consent to general service of process in any jurisdiction where it would not otherwise be subject to such service but for this Agreement.

(v) The Company shall use its reasonable best efforts to promptly cause any Registrable Securities covered by a Registration Statement to be registered with or approved by such other Governmental Entity within the United States as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities in accordance with the intended methods of disposition set forth in such Registration Statement.

(vi) The Company shall, in the event that any Investor Party advises the Company that the Investor Party intends to distribute any Registrable Securities by means of an underwritten offering, whether pursuant to Sections 2.1, or 2.2, enter into an underwriting agreement in customary form, scope and substance and take all such other actions reasonably requested by such Investor Party or by the managing underwriter(s), if any, to expedite or facilitate the underwritten disposition of such Registrable Securities and deliver such documents and certificates as may be reasonably requested by such Investor Party, its counsel and the managing underwriter(s), if any.

(b) No Investor Party by acquisition of a Registrable Security shall be entitled to sell any of such Registrable Securities pursuant to a Registration Statement, or to receive a Prospectus relating thereto, unless it has furnished the Company with a Notice and Questionnaire (including the information required to be included in such Notice and Questionnaire) and the information set forth in the next sentence. The Company may require the Investor Parties selling Registrable Securities pursuant to a Registration Statement to furnish to the Company such information regarding the Investor Parties and the distribution of such Registrable Securities as the Company may from time to time reasonably require for inclusion in such Registration Statement. The Investor Parties shall promptly furnish to the Company all information required to be disclosed in order to make the information previously furnished to the Company by the Investor Parties not misleading. Any sale of any Registrable Securities by such Investor Parties shall constitute a representation and warranty by such Investor Party that the information relating to the Investor Party and its plan of distribution is as set forth in the Prospectus delivered in connection with such disposition, that such Prospectus does not as of the time of such sale contain any untrue statement of a material fact relating to or provided by such Investor Party or its plan of distribution and that such Prospectus does not as of the time of such sale omit to state any material fact relating to or provided by the Investor Party or its plan of distribution necessary to make the statements in such Prospectus, in light of the circumstances under which they were made, not misleading. The Company may exclude from such Registration Statement the Registrable Securities of any Investor Party that fails to furnish such information within a reasonable time after receiving such request. The Company shall not include in any Registration Statement any information regarding, relating to or referring to such Investor Party or its plan of distribution without the approval of such Investor Party in writing.

(c) No Investor Party shall use any free writing prospectus (as defined in Rule 405 under the Securities Act) in connection with the sale of Registrable Securities without the prior written consent of the Company (which consent shall not be unreasonably withheld, conditioned or delayed).

SECTION 2.5. Lock-Up Agreement. In connection with each registration or sale of Registrable Securities pursuant to Section 2.1 or 2.2 conducted as an underwritten offering, each Management Stockholder agrees, if requested, to become bound by and to execute and deliver a lock-up agreement with the underwriter(s) of such underwritten offering restricting such Management Stockholder's right to (a) Transfer, directly or indirectly, any equity securities of the Company held by such Management Stockholder and (b) enter into any swap or other arrangement that transfers to another any of the economic consequences of ownership of such securities during the period commencing on the date of the final Prospectus relating to the underwritten offering and ending on the date specified by the underwriters (such period not to exceed one hundred twenty (120) days plus, in each case, such additional period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on the publication or other distribution of research reports and analyst recommendations and opinions, if applicable).

SECTION 2.6. Indemnification.

(a) The Company shall indemnify and hold harmless, to the fullest extent permitted by Law, the Investor Parties, the officers, directors, partners (limited and general), members, managers, representatives, agents and employees of the Investor Parties, each Person who could be deemed to control (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Investor Parties, each underwriter (including the Investor Parties if they are deemed to be an underwriter pursuant to any SEC comments or policies), if any, and each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) such underwriter (collectively, the "Investor Party Indemnitees"), from and against all losses, claims, damages, liabilities and expenses (collectively, "Losses") in connection with any sale of Registrable Securities pursuant to a Registration Statement arising out of or based upon (i) any violation or alleged violation of the Securities Act or any rule or regulation promulgated thereunder by the Company or any of its Affiliates, employees, officers, directors or agents or (ii) any untrue or alleged untrue statement of a material fact contained in any Registration Statement or preliminary or final Prospectus relating to the registration of such Registrable Securities or any amendment or supplement thereto or any document incorporated by reference therein or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; provided, however, that the Company shall not be liable to such Investor Party Indemnitee in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon (A) an untrue statement or alleged untrue statement or omission or alleged omission made in such Registration Statement, including any such preliminary or final Prospectus contained therein or any such amendments or supplements thereto, or contained in any free writing prospectus (as such term is defined in Rule 405 under the Securities Act) prepared by the Company or authorized by it in writing for use by such Investor Party Indemnitee (or any amendment or supplement thereto), in reliance upon and in conformity with information regarding such Investor Party Indemnitee or its plan of distribution or ownership interests which was furnished in writing to the Company by the Investor Party expressly for inclusion in such Registration Statement, including any such preliminary or final Prospectus contained therein or any such amendments or supplements thereto, unless the Company failed to correct such information to make it not misleading following notification by the Investor Party prior to the filing of such Registration Statement or Prospectus, (B) offers or sales effected by or on behalf of such Investor Party Indemnitee "by means of" (as defined in Rule 159A under the Securities Act) a "free writing prospectus" (as defined in Rule 405 under the Securities Act) that was not authorized in writing by the Company or (C) the failure of any Investor Party Indemnitee to deliver or make available to a purchaser of Registrable Securities a copy of any Registration Statement, including any preliminary or final Prospectus contained therein or any amendments or supplements thereto (if the same was required by applicable Law to be delivered or made available); provided that the Company shall have delivered to such Investor Party Indemnitee such Registration Statement, including such preliminary or final Prospectus contained therein and any amendments or supplements thereto.

(b) In connection with any Registration Statement in which an Investor Party is participating by registering Registrable Securities, such Investor Party shall indemnify and hold harmless, to the fullest extent permitted by Law, severally and not jointly, the Company, the officers, directors, agents, representatives or other employees of the Company, each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Company, each underwriter, if any, and each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) such underwriter, from and against all Losses, as incurred, arising out of or based on any untrue or alleged untrue statement of a material fact contained in any such Registration Statement or preliminary or final Prospectus relating to the registration of such Registrable Securities or any amendment or supplement thereto or any document incorporated by reference therein, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, in each case solely to the extent that such untrue or alleged untrue statement or omission or alleged omission is made in such Registration Statement or in any preliminary or final Prospectus contained therein or any such amendments or supplements thereto or contained in any free writing prospectus (as such term is defined in Rule 405 under the Securities Act) in reliance upon and in conformity with written information furnished to the Company by the Investor Parties expressly for inclusion in such document, provided, that that this Section 2.6(c) will not apply to any untrue statements or omissions that the Investor Party gave notice of such fact to the Company prior to filing of such Registration Statement or Prospectus.

(c) If any Person shall be entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall give prompt notice to the party from which such indemnity is sought (the "Indemnifying Party") of any claim or of the commencement of any action with respect to which such Indemnified Party seeks indemnification or contribution pursuant hereto; provided, however, that the delay or failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party from any obligation or liability except to the extent that the Indemnifying Party has been actually prejudiced by such delay or failure. The Indemnifying Party shall have the right, exercisable by giving written notice to an Indemnified Party promptly after the receipt of written notice from such Indemnified Party of such claim or action, to assume, at the Indemnifying Party's expense, the defense of any such action, with counsel reasonably satisfactory to such Indemnified Party; provided, however, that an Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless: (i) the Indemnifying Party agrees to pay such fees and expenses; (ii) the Indemnifying Party fails promptly to assume, or in the event of a conflict of interest cannot assume, the defense of such action or fails to employ counsel reasonably satisfactory to such Indemnified Party, in which case the Indemnified Party shall also have the right to employ counsel and to assume the defense of such action or (iii) in the Indemnified Party's reasonable judgment a conflict or potential conflict of interest between such Indemnified Party and Indemnifying Party may exist in respect of such action; provided, further, that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction, arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one firm of attorneys (together with appropriate local counsel) at any time for all of the Indemnified Parties. Whether or not such defense is assumed by the Indemnifying Party, neither the Indemnifying Party nor the Indemnified Party will be subject to any liability for, or otherwise effect, any settlement made without the consent of the other (but such consent shall not be unreasonably withheld, conditioned or delayed).

(d) Neither Party shall settle, compromise, discharge or consent to an entry of judgment with respect to a claim or liability subject to indemnification under this Section 2.5 without the other Parties' prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed); provided that the Indemnifying Party may agree without the prior written consent of the Indemnified Party to any settlement, compromise, discharge or consent to an entry of judgment, in each case that relates only to money damages and by its terms obligates the Indemnifying Party to pay the full amount of the liability in connection with such claim and which unconditionally releases the Indemnified Party from all liability in connection with such claim.

(e) If the indemnification provided for in this Section 2.5 is unavailable to hold harmless each of the Indemnified Parties against any losses, claims, damages, liabilities and expenses to which such parties may become subject under the Securities Act, then the Indemnifying Party shall, in lieu of indemnifying each party entitled to indemnification hereunder, contribute to the amount paid or payable by such party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and such Indemnified Parties on the other in connection with the statements or omissions or alleged statements or omissions that resulted in such losses, claims, damages, liabilities or expenses. The relative fault of such parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact, or omission or alleged omission to state a material fact, relates to information supplied by or concerning the Indemnifying Party on the one hand, or by such Indemnified Party on the other, and such party's relative intent, knowledge, access to information and opportunity to have corrected or prevented such statement or omission. No Person guilty of fraudulent misrepresentation (within the meaning of the Securities Act) shall be entitled to contribution from any Person that is not guilty of such fraudulent misrepresentation.

SECTION 2.7. Miscellaneous.

(a) With a view to making available the benefits of certain rules and regulations of the SEC which may at any time permit the sale of the Registrable Securities to the public without registration, the Company agrees, so long as there are outstanding Registrable Securities, to use its reasonable best efforts to:

(i) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of this Agreement;

(ii) file with the SEC in a timely manner all reports and other documents as the SEC may prescribe under the Exchange Act at any time while the Company is subject to such reporting requirements of the Exchange Act; and

(iii) furnish to the Investor Parties upon a reasonable request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of the Exchange Act; a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as any Investor Party may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such Registrable Securities without registration.

(b) Subject to the provisions hereof, in the event the Company proposes to enter into an underwritten public offering, the Investor Parties shall enter into a customary agreement with the managing underwriters not to effect any sale or distribution of equity securities of the Company, or any securities convertible, exchangeable or exercisable for or into such securities, during the period beginning up to two (2) days prior to the date of such offering and extending for up to 180 days following the effective date of such offering if so requested by the underwriters. The Company may impose stop-transfer restrictions with respect to the securities subject to the foregoing restriction until the end of the required stand-off period and shall lift such stop-transfer restrictions immediately upon the end of such period.

ARTICLE III
OTHER RIGHTS

SECTION 3.1. Board Observation Rights.

(a) For so long as the Ownership Percentage (calculated as described in Section 3.3(a) below) of the Bravo Investor Parties equals or exceeds five percent (5%), and provided that the Bravo Investor Parties shall not have two nominees serving on the Company's Board of Directors, the Bravo Investor Parties shall be entitled to designate a representative who the Company shall permit to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest.

(b) For so long as the Ownership Percentage (calculated as described below) of the Middlemarch Investor Parties equals or exceeds two and one-quarter percent (2.25%) and the Bravo Investor Parties retain the right to appoint an observer under Section 3.1(a), the Middlemarch Investor Parties shall be entitled to designate a representative who the Company shall permit to attend all meetings of its Board of Directors in a nonvoting, nonparticipating observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest or otherwise be detrimental to the Company. For purposes of this Agreement, "Ownership Percentage" of the Middlemarch Investor Parties shall mean, at any time of determination, the percentage equal to (i) the number of shares of (w) Common Stock issuable upon the conversion of the Preferred Stock plus (x) Common Stock issued upon the conversion of the Preferred Stock, each that the Middlemarch Investor Parties Beneficially Own, divided by (ii) the total number of shares of (x) Common Stock issued and outstanding plus (y) Common Stock issuable upon the conversion of the Preferred Stock then outstanding plus (z) Common Stock issuable upon the conversion of the Series 1 Preferred Stock then outstanding.

SECTION 3.2. Right of First Offer; Certain Approval Rights. If at any time the Company proposes to grant, issue or sell any Equity Securities (in each case, other than any Permitted Issuances) to any Person (the "Purchase Rights") then it shall give the Investor Parties written notice of its intention to do so, describing the Equity Securities and the price and the terms and conditions upon which the Company proposes to issue the same. Each Investor Party shall be entitled to acquire, upon the terms applicable to such Purchase Rights and subject to the preemptive rights of Waterfall Asset Management LLC set forth in the Waterfall Rights Agreement, its Pro Rata Share of the Equity Securities proposed to be granted, issued or sold by the Company triggering the Purchase Rights. Each Investor Party shall have fifteen (15) Business Days from the giving of such notice to agree to purchase its Pro Rata Share of the Equity Securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of such Equity Securities to be purchased. If not all of the Investor Parties elect to purchase their Pro Rata Share of the Equity Securities subject to the Purchase Rights, then the Company shall promptly notify in writing the Investor Parties who have elected to purchase their full Pro Rata Share of such Equity Securities and shall offer such Investor Parties the right to acquire such unsubscribed shares on a pro rata basis (based on Pro Rata Shares). The Investor Parties shall have five (5) Business Days after receipt of such notice to notify the Company of their election to purchase all or a portion thereof of the unsubscribed shares. If the Investor Parties have, in the aggregate elected to purchase more than the number of unsubscribed shares being offered in such notice, then the unsubscribed shares shall be allocated according to each Investor Party's Pro Rata Share up to the number of unsubscribed shares set forth in the notice to the Investor Parties. If the Investor Parties fail to exercise in full the Purchase Rights, the Company shall have no obligation to sell the Equity Securities subject to Purchase Rights to the Investor Parties and shall have ninety (90) days thereafter to sell the Equity Securities subject to Purchase Rights at a price and upon terms and conditions no more favorable to the purchasers thereof than specified in the Company's notice to the Investor Parties pursuant to this Section 3.2. If the Company has not sold such Equity Securities subject to Purchase Rights within such ninety (90) days, the Company shall not thereafter issue or sell any Equity Securities (other than Permitted Issuances) without first again complying with this Section 3.2. The provisions of this Section 3.2 shall terminate if the Ownership Percentage of the Bravo Investor Parties falls below twenty percent (20%).

SECTION 3.3. Investor Director.

(a) Investor Party Nomination. For so long as the Ownership Percentage of the Bravo Investor Parties equals or exceeds ten percent (10%), the Bravo Investor Parties shall be entitled to nominate one (1) director to the Board (the "Investor Director"). For purposes of this Agreement, "Ownership Percentage" of the Bravo Investor Parties shall mean, at any time of determination, the percentage equal to (i) the number of shares of (w) Common Stock issuable upon the conversion of the Preferred Stock plus (x) Common Stock issued upon the conversion of the Preferred Stock, each that the Bravo Investor Parties Beneficially Own, divided by (ii) the total number of shares of (x) Common Stock issued and outstanding plus (y) Common Stock issuable upon the conversion of the Preferred Stock then outstanding plus (z) Common Stock issuable upon the conversion of the Series 1 Preferred Stock then outstanding. For the avoidance of doubt, the calculation of "Ownership Percentage" for the purposes of this Agreement shall be made without regard to the 45 day delay in the grant of voting rights and conversion rights set forth in Sections 4 and 5, respectively, of the Certificate of Designations of the Preferred Stock. For so long as the Ownership Percentage of the Bravo Investor Parties equals or exceeds twenty two percent (22%), the Bravo Investor Parties shall be entitled to nominate a second director to the Board, so long as such nomination is consistent with the independence and other applicable requirements of the principal trading market of the Company's Common Stock or under applicable Law. The Company will use commercially reasonable efforts to ensure that the Board has a sufficient number of independent directors such that the Bravo Investor Parties' nomination of a second director to the Board is not inconsistent with the independence and other applicable requirements of the principal trading market of the Company's Common Stock or under applicable Law.

(b) Company Nomination. In accordance with the provisions of Section 3.3(a), at each meeting of the Company's stockholders at which the election of directors is to be considered, the Company shall nominate the Investor Director(s) designated by the Bravo Investor Parties for election to the Board by the holders of Voting Stock and solicit proxies from the Company's stockholders in favor of the election of the Investor Director(s). The Company shall use reasonable best efforts to cause each Investor Director to be elected to the Board (including voting all unrestricted proxies in favor of the election of such the Investor Director and including recommending approval to the stockholders of the Company of such Investor Director's appointment to the Board) and shall not take any action designed to diminish the prospects of such Investor Director of being elected to the Board.

(c) Removal. Each Investor Director appointed pursuant to this Section 3.3 shall continue to hold office until the next annual meeting of the stockholders of the Company and until his or her successor is elected and qualified in accordance with this Section 3.3 and the Bylaws, unless such Investor Director is earlier removed from office or at such time as such Investor Director's death, resignation, retirement or disqualification. The Company shall use reasonable best efforts to ensure that an Investor Director is removed only if so directed in writing by the Bravo Investor Parties, unless otherwise required by this Section 3.3 or applicable Law.

(d) Vacancies. In the event of a vacancy on the Board resulting from the death, disqualification, resignation, retirement or termination of the term of office of an Investor Director, the Company shall use reasonable best efforts to cause the Board to fill such vacancy or new directorship with a representative designated by the Bravo Investor Parties as provided hereunder, in either case, to serve until the next annual or special meeting of the stockholders (and at such meeting, such representative, or another representative designated by such holders, will be nominated to be elected to the Board in the manner set forth in Section 3.3(b)). If the Bravo Investor Parties fail or decline to fill the vacancy, then the directorship shall remain open until such time as the Bravo Investor Parties elect to fill it with a representative designated hereunder.

SECTION 3.4. Director Fees and Expenses. Each Investor Director shall be entitled to reimbursement of expenses incurred in such capacities on the same basis as the Company provides such reimbursement to the other non-management members of its Board but such Investor Directors shall not otherwise be entitled to compensation for their service on the Board.

SECTION 3.5. Tag-Along Rights.

(a) Subject to the tag-along rights set forth in Section 3.5 of the Waterfall Rights Agreement, if a Management Stockholder (the "Transferring Stockholder") proposes to Transfer all or any portion of its shares of Common Stock (a "Proposed Transfer") (other than (i) to a Permitted Transferee, (ii) pursuant to Rule 144, or (iii) pursuant to a offering registered under the Securities Act), each Investor Party shall have the right to participate in the Transferring Stockholder's Transfer by Transferring up to a pro rata portion of its shares (determined by multiplying (a) the number of shares owned by such Tagging Stockholder (as defined below) plus (b) the number of shares of Common Stock issuable upon conversion of the Preferred Stock owned by such Tagging Stockholder by a fraction, the numerator of which is the number of shares proposed to be sold by the Transferring Stockholder and the denominator of which is the total number of shares owned by the Transferring Stockholders and the Investor Parties) to the proposed transferee (the "Proposed Transferee") (each Investor Party that exercises its rights under this Section 3.5, a "Tagging Stockholder").

(b) The Transferring Stockholder shall give written notice (a "Tag-Along Notice") to each Investor Party of a Proposed Transfer, setting forth the number of shares of Common Stock proposed to be so Transferred, the name and address of the Proposed Transferee, the proposed amount and form of consideration and other terms and conditions of payment offered by the Proposed Transferee. The Transferring Stockholder shall deliver or cause to be delivered to each Investor Party copies of all Transaction Documents relating to the Proposed Transfer as the same become available. The tag-along rights provided by this Section 3.5 must be exercised by an Investor Party within a period of ten (10) days from the date of the Tag-Along Notice, by delivery of a written notice to the Transferring Stockholder indicating its desire to exercise its rights and specifying the number of shares of Common Stock it desires to Transfer. If the Transferring Stockholder is unable to cause the Proposed Transferee to purchase all the shares of Common Stock proposed to be Transferred by the Transferring Stockholder and the Tagging Stockholders, then the number of shares of Common Stock that each such stockholder is permitted to sell in such Proposed Transfer shall be reduced pro rata based on the number of shares of Common Stock proposed to be Transferred by such stockholder relative to the aggregate number of shares of Common Stock proposed to be Transferred by all stockholders participating in such Proposed Transfer. The Transferring Stockholder shall have a period of ninety (90) days following the expiration of the three (3) Business Day period mentioned above to enter into a definitive agreement to sell all the shares of Common Stock agreed to be purchased by the Proposed Transferee on the terms specified in the notice required by the first sentence of this Section 3.5(b). If the Proposed Transferee agrees to purchase more shares of Common Stock than specified in the Tag-Along Notice in the Proposed Transfer, the Investor Parties shall also have the same right to participate in the Transfer of such shares of Common Stock that are in excess of the amount set forth on the Tag-Along Notice in accordance with this Section 3.5.

(c) Any Transfer of shares of Common Stock by a Tagging Stockholder to a Proposed Transferee pursuant to this Section 3.5 shall be on the same terms and conditions (including, without limitation, price, time of payment and form of consideration) as to be paid to the Transferring Stockholder; provided that in order to be entitled to exercise its tag-along right pursuant to this Section 3.5, each Tagging Stockholder must agree to make to the Proposed Transferee representations, warranties, covenants, indemnities and agreements the same *mutatis mutandis* as those made by the Transferring Stockholder in connection with the Proposed Transfer (other than any non-competition, non-solicitation or similar agreements or covenants that would bind the Tagging Stockholder or its Affiliates), and agree to the same conditions to the Proposed Transfer as the Transferring Stockholder agrees, it being understood that all such representations, warranties, covenants, indemnities and agreements shall be made by the Transferring Stockholder and each Tagging Stockholder severally and not jointly and that the aggregate amount of the liability of the Tagging Stockholder shall not exceed, except with respect to individual representations, warranties, covenants, indemnities and other agreements of the Tagging Stockholder as to the unencumbered title to its shares of Common Stock and the power, authority and legal right to Transfer such Common Stock, such Tagging Stockholder's pro rata share of any such liability to be determined in accordance with such Tagging Stockholder's portion of the total number of shares of Common Stock included in such Transfer; provided that, in any event the amount of liability of any Tagging Stockholder shall not exceed the proceeds such Tagging Stockholder received in connection with such Transfer. Each Tagging Stockholder shall be responsible for its proportionate share of the costs of the Proposed Transfer to the extent not paid or reimbursed by the Proposed Transferee or the Company.

SECTION 3.6. Matters Requiring Investor Party Approval. For so long as the Ownership Percentage (calculated as described above) of the Bravo Investor Parties equals or exceeds twenty percent (20%), the Company hereby covenants and agrees that it shall not, without prior written approval of the Bravo Investor Parties holding at least a majority of the number of shares of (i) Common Stock issuable upon the conversion of the Preferred Stock plus (ii) Common Stock issued upon the conversion of the Preferred Stock, Beneficially Owned by all Bravo Investor Parties, take any of the following actions:

(a) Sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company to another Person at a valuation below the per share valuation paid by the Investors for the Preferred Stock pursuant to the Subscription Agreement;

(b) Consummate a stock purchase, merger, consolidation or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than fifty percent (50%) of the of the total voting power or economic interests of the Common Stock on a fully diluted basis at a valuation below the per share valuation paid by the Investors for the Preferred Stock pursuant to the Subscription Agreement; and

(c) Increase the size of the Board beyond nine (9) members.

SECTION 3.7. Insurance. The Company has in place as of the date hereof, with financially sound and reputable insurers, Directors and Officers liability insurance and will use commercially reasonable efforts to cause such insurance policies to be maintained, in an amount and on terms and conditions satisfactory to the Board of Directors until such time as the Board of Directors determines that such insurance should be discontinued.

ARTICLE IV
MISCELLANEOUS

SECTION 4.1. Amendment and Modification. No term of this Agreement may be amended or modified without the prior written consent of the Company and Investor Parties holding a majority of the Registrable Securities held by all Investor Parties. No provision of this Agreement may be waived except in a writing executed and delivered by the Party against whom such waiver is sought to be enforced. Any amendment or waiver effected in accordance with this Section 4.1 shall be binding upon the Investor Parties and the Company.

SECTION 4.2. Successors and Assigns; Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the Investor Parties and their respective successors and assigns. This Agreement may not be assigned by any Party hereto without the prior written consent of the Company and the Investor Parties, except that (1) in connection with the transfer of its shares of Preferred Stock (or underlying Common Stock) to an Affiliate any Investor Party may transfer or assign, its rights hereunder to such Permitted Investor Transferee and (2) in connection with the sale of its shares of Preferred Stock (or underlying Common Stock) to a Person that together with its Affiliates is acquiring from the Investor Parties Registrable Securities which together represent at least five percent (5%) of the total voting power of the Company, any Investor Party may transfer or assign its rights with respect to such Registrable Securities under Article II hereof to such purchaser (any such transferees under the forgoing clause (1) or (2), a "Permitted Investor Transferee"); provided that (a) such Investor Party complies with all Laws applicable thereto and provides written notice of assignment to the Company promptly after such assignment is effected, and (b) the transferee agrees in writing to be bound by this Agreement as if it were a party hereto and an Investor Party hereunder. For the avoidance of doubt, the rights set forth herein applicable to any Investor Party shall, as contemplated by this Section 4.2, inure to any Permitted Investor Transferee of an Investor Party.

SECTION 4.3. Confidential Information; Public Announcements.

(a) No public announcement or disclosure (including any general announcements) will be made by any member of the Company or its Affiliates or the Investor Parties with respect to this Agreement, the subject matter of this Agreement, or otherwise communicate with any news media regarding this Agreement or the subject matter of this Agreement without the prior written consent of the Company and the Bravo Investor Parties. The Company agrees that no member of the Company or its Affiliates may, directly or indirectly, use in advertising, publicity or otherwise the name of the Bravo Investor Parties, any partner or employee of the Bravo Investor Parties or any member of the Bravo Investor Parties without the prior written consent of Bravo Investor Parties in each instance.

(b) Each of the parties shall treat as strictly confidential this Agreement and not disclose or use any information received or obtained as a result of entering into or performing this Agreement or any Transaction Document which relates to: (i) the provisions or subject matter of any Transaction Document or any document referred to therein; (ii) the negotiations relating to any Transaction Document; and (iii) the business, financial or other affairs (including future plans and targets) of any member of the Company or its Affiliates or the Investor Parties.

(c) Nothing in this Section 4.3 shall restrict or prohibit any disclosure by the Investor Parties or the Company (i) to their respective representatives, (ii) if required to do so by any law, court, regulation, subpoena or other legal process, (iii) if its attorneys advise it that it has a legal obligation to do so under Applicable Law or (iv) to implement or enforce this Agreement; provided, that in the event of any disclosure contemplated by (ii) or (iii) above, to the extent permitted by Applicable Law, the disclosing or announcing party will give the non-disclosing party reasonable prior notice and the opportunity to review and comment upon such disclosure, to the extent practicable, in advance of making any such disclosure or announcement. In addition, this Section 4.3 shall not restrict or prohibit any disclosure by any member of the Investor Parties to its or its Affiliates' actual or prospective investors who are bound by confidentiality undertakings restricting disclosure regarding this Agreement or the transactions contemplated hereby.

SECTION 4.4. Severability. If any provision of this Agreement or the application of any such provision to any Person or circumstance shall be declared by any court of competent jurisdiction to be invalid, illegal, void or unenforceable in any respect, all other provisions of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it has been held invalid, illegal, void or unenforceable, shall nevertheless remain in full force and effect and will in no way be affected, impaired or invalidated thereby. Upon such determination that any provision, or the application of any such provision, is invalid, illegal, void or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by Law in an acceptable manner.

SECTION 4.5. Notices and Addresses. Unless otherwise provided, any notice or request required or permitted to be delivered under this Agreement shall be given in writing and shall be deemed effectively given as hereinafter described (a) if given by personal or Electronic Delivery, upon delivery provided that no undeliverable message is promptly received back, (b) if given by facsimile, upon receipt of confirmation of a completed transmittal, (c) if given by mail, upon the earlier of (i) actual receipt of such notice by the intended recipient or (ii) three (3) Business Days after such notice is deposited in first class mail, postage prepaid, and (d) if by an internationally recognized overnight air courier, one (1) Business Day after delivery to such carrier. All notices shall be addressed to the Party to be notified at the address as follows, or at such other address as such Party may designate by ten (10) days' advance written notice to the other Party:

If to the Company or the Management Stockholder:

FlexShopper, Inc.
2700 North Military Trail, Ste. 200
Boca Raton, FL 33431
Attention: Chief Executive Officer
Email: brad.bernstein@flexshopper.com

With a copy to (which shall not constitute notice to the Company):

K&L Gates, LLP
214 N. Tryon Street, 47th Floor
Charlotte, NC 28202
Attention: Mark Busch
Email: mark.busch@klgates.com
Facsimile: 704-353-3694

If to the Investor Parties:

BRAVO Strategies II LLC
650 Newport Center Drive
Newport Beach, CA 92660

Attention: Elena Branzburg
Email: Elena.Branzburg@pimco.com
and:

Attention: Daniel Ballen
Email: Daniel.Ballen@pimco.com

and:

MCP-FS, L.P.
c/o Middlemarch Partners
125 Park Avenue, Suite 1700
New York, NY, 10017
Attention: Demetris Papademetriou
Email: dpapademetriou@middlemarchllc.com

With a copy to (which shall not constitute notice to the Investor Parties):

Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036
Attention: Robb Tretter
Email: robb.tretter@ropesgray.com
Facsimile: 646-728-2679

SECTION 4.6. Governing Law; Consent to Jurisdiction. This Agreement and any action or dispute arising under or related in any way to this Agreement, the relationship of the Parties, the transactions leading to this Agreement or contemplated hereby and/or the interpretation and enforcement of the rights and duties of the Parties hereunder or related in any way to the foregoing, shall be governed by and construed in accordance with the internal, substantive Laws of the State of New York applicable to agreements entered into and to be performed solely within such state without giving effect to the principles of conflict of Laws thereof. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY AGREES THAT JURISDICTION AND VENUE IN ANY SUIT, ACTION OR PROCEEDING BROUGHT BY AY PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT (INCLUDING ANY SUIT, ACTION OR PROCEEDING SEEKING EQUITABLE RELIEF) SHALL PROPERLY AND EXCLUSIVELY LIE IN THE COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY OR, TO THE EXTENT THE COURTS OF NEW YORK DO NOT HAVE SUBJECT MATTER JURISDICTION, THE UNITED STATES DISTRICT COURT LOCATED IN NEW YORK CITY. EACH PARTY HERETO FURTHER AGREES NOT TO BRING ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY COURT OTHER THAN THE COURTS IDENTIFIED IN THE FOREGOING SENTENCE. BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS IN NEW YORK CITY FOR ITSELF AND IN RESPECT OF ITS PROPERTY WITH RESPECT TO SUCH SUIT, ACTION OR PROCEEDING. THE PARTIES HERETO IRREVOCABLY AGREE THAT VENUE WOULD BE PROPER IN EACH OF THE FOREGOING COURTS, AND HEREBY WAIVE ANY OBJECTION THAT ANY SUCH COURT IS AN IMPROPER OR INCONVENIENT FORUM FOR THE RESOLUTION OF SUCH SUIT, ACTION OR PROCEEDING.

SECTION 4.7. WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTIES HERETO THAT THIS SECTION 4.9 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 4.9 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

SECTION 4.8. Headings. The headings in this Agreement are for convenience of reference only and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

SECTION 4.9. Counterparts; Electronic Delivery. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent delivered by means of a telecopy machine or electronic mail (any such delivery, an "Electronic Delivery"), shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise (a) the use of Electronic Delivery to deliver a signature or (b) the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery, as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense related to lack of authenticity.

SECTION 4.10. Further Assurances. Each Party shall cooperate and take such action as may be reasonably requested by another Party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

SECTION 4.11. Remedies. Each Party hereby acknowledges and agrees that the failure of the other Party to perform its respective agreements and covenants hereunder, including any failure to take all actions as are necessary by such Party to consummate the transactions contemplated hereby (to the extent required to be taken by such Party under this Agreement), will cause irreparable injury to the other Party, for which damages, even if available, will not be an adequate remedy. Accordingly, each Party hereby agrees that any other Party is entitled to equitable relief by any court of competent jurisdiction to compel performance of such Party's obligations without the need to prove actual damages or post a bond or other security.

SECTION 4.12.No Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of each party hereto and to their respective successors and permitted assigns, and, except as provided in Section 2.5 and Section 4.5, nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any other right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 4.13.Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

SECTION 4.14 Middlemarch Effectiveness. Middlemarch shall become a party to this Agreement upon MCP-FS, L.P.'s execution of the Middlemarch Subscription Agreement, the consummation of the transactions therein and the execution by MCP-FS, L.P. of a counterpoint signature page hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

FLEXSHOPPER, INC.

By: /s/ Brad Bernstein
Name: Brad Bernstein
Title: Chief Executive Officer

The undersigned hereby execute this Agreement solely to agree to be bound by the provisions of Sections 2.5 and 3.5 hereof.

MANAGEMENT STOCKHOLDER

/s/ Brad Bernstein
Name: Brad Bernstein

Signature Page to the Investor Rights Agreement

Investor:

B2 FIE V LLC

By: /s/ Harin De Silva
Name: Harin De Silva
Title: Authorized Signatory

Signature Page to the Investor Rights Agreement