

**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): **August 28, 2017**

Vet Online Supply, Inc.

(Exact name of Company as specified in its charter)

| | | |
|---|--|---|
| Florida (State or other jurisdiction of Incorporation) | 000-55787 (Commission File Number) | 47-099750 (IRS Employer Identification Number) |
| 1041 Market St. – PMB 389 San Diego, CA 92101 (Address of principal executive offices) | | |
| Phone: (442) 222-4425 (Company's Telephone Number) | | |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company 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))

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Item 1.01 Entry into a Material Definitive Agreement

On August 28, 2017, Vet Online Supply Inc. ("the Company") entered into an Employment Agreement with Mr. Daniel Rushford with regard to being appointed as the new Chief Executive Officer, President, Secretary, Treasurer and Member of the Board of Directors for Vet Online Supply, Inc. Mr. Rushford will receive a monthly salary of \$2,000.00 to be paid at the end of each month. Amounts unpaid will accrue annual interest of 6%, and in addition will receive 25,000,000 shares of restricted common stock and 1,000 Preferred Series B Shares upon signing of this agreement. Further, at the end of the first 12 months the EMPLOYEE will receive \$75,000 of restricted common shares of the company at fair market value. The term of the Consulting Agreement is for two years; renewable upon mutual consent.

On August 28, 2017, the Company entered into a new Employment Agreement with Mr. Edward Aruda with regards to accepting the position to Direct all sales and marketing for the company, with a focus on product revenues. The Company and Mr. Aruda have agreed to cancel and return to treasury 138,750,000 restricted common shares and 20,000 Preferred Series B shares of the company. As of the period ending August 28, 2017, any accrued expenses, loans and salary for Mr. Aruda will be transferred to a Promissory Note. Further, Mr. Aruda will receive 3,750,000 shares of restricted common stock upon signing of this agreement, and at the end of the first 12 months he will receive \$75,000 of restricted common shares of the company at fair market value. Mr. Aruda currently holds 138,750,000 restricted common shares and 20,000 Preferred Series B shares. Any stock previously held by Mr. Aruda will be cancelled and returned to treasury, inclusive of 138,750,000 shares of Common Stock and 20,000 Preferred Series B Shares, in accordance with his Employment Agreement. Mr. Aruda will receive a monthly salary of \$3,000.00 to be paid at the end of each month. Amounts unpaid will accrue annual interest of 6%, and he will receive 5% of all revenue that is generated through the sale of products sold by the COMPANY.

Item 5.02 Departure of Directors of Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On August 28, 2017 the Board of Directors accepted the resignation of Mr. Edward Aruda as the Chief Executive Officer, President, Secretary and Treasurer. Mr. Aruda will remain as the Chairman of the Board. The resignations of Mr. Aruda were not due to any disagreements with the Company on any matter relating to its operations, policies or practices.

On August 28, 2017 the Board of Directors appointed Mr. Daniel Rushford as the Chief Executive Officer, President, Secretary, Treasurer, and a Member of the Board of Directors. For accepting the position of CEO and Director, Mr. Rushford will receive 25,000,000 Shares of the Company's Common Stock, valued at PAR per share, and 1,000 Preferred Series B shares valued at PAR per share. Additionally, Mr. Rushford will be paid \$500 for each board meeting of which he is physically present.

Mr. Daniel Rushford:

As a member of the Board of Directors for Vet Online Supply, Mr. Rushford is 47 years old, and will act as the new Chief Executive Office for Vet Online Supply, Inc.. Mr. Rushford graduated from Rosemount Senior High School in Rosemount, Minnesota in 1989. He attended Dakota County Technical College prior to serving our country for 6 years in the United States Marine Corps, where he spent 9 months in Saudi Arabia. After his honorable discharge from military service in 1994, Mr. Rushford began his long career in breeding some of California's finest Labrador Retrievers. He has been working with canine breeding and veterinary services for the past 15 years. His company, <https://rushfordsilverlabs.com/> is a successful breeding business where serious buyers can purchase certified silver Labradors and other Labradors. His company is based in Kelseyville, California near the Napa Valley region of northern California. Daniel brings 20 years of successful knowledge, resources and expertise to enhance Vet Online Supply's growth plan in delivering quality products and services to the veterinary industry in the USA.

Mr. Rushford has not held a directorship in any company with a class of securities registered pursuant to section 12 of the U.S. Securities Exchange Act of 1934 (the "Exchange Act") or subject to the requirements of section 15(d) of the Exchange Act.

(d) Exhibits.

The exhibits listed in the following Exhibit Index are filed as part of this Current Report on Form 8-K:

| Exhibit No. | Description | |
|-------------|---|----------------|
| 10.1 | Employment Agreement, Edward Aruda | Filed herewith |
| 10.2 | Employment Agreement, Daniel Rushford | Filed herewith |
| 10.3 | Director Appointment Agreement, Daniel Rushford | Filed herewith |

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FORWARD LOOKING STATEMENTS

Certain statements in this Current Report Form 8-K may contain forward-looking statements that involve numerous risks and uncertainties which may be difficult to predict. The statements contained in this Current Report Form 8-K that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Exchange Act, including, without limitation, the management of the Company and the Company's expectations, beliefs, strategies, objectives, plans, intentions and similar matters. All forward-looking statements included in this Current Report Form 8-K are based on information available to the Company on the date hereof. In some cases, you can identify forward-looking statements by terminology such as "may," "can," "will," "should," "could," "expects," "plans," "anticipates," "intends," "believes," "estimates," "predicts," "potential," "targets," "goals," "projects," "outlook," "continue," "preliminary," "guidance," or variations of such words, similar expressions, or the negative of these terms or other comparable terminology.

Forward-looking statements involve a number of risks and uncertainties, and actual results or events may differ materially from those projected or implied in those statements.

Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. We can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by the Company, or any person that the future events, plans, or expectations contemplated by our company will be achieved.

We caution against placing undue reliance on forward-looking statements, which contemplate our current beliefs and are based on information currently available to us as of the date a particular forward-looking statement is made. Any and all such forward-looking statements are as of the date of this Current Report Form 8-K. We undertake no obligation to revise such forward-looking statements to accommodate future events, changes in circumstances, or changes in beliefs, except as required by law. In the event that we do update any forward-looking statements, no inference should be made that we will make additional updates with respect to that particular forward-looking statement, related matters, or any other forward-looking statements. Any corrections or revisions and other important assumptions and factors that could cause actual results to differ materially from forward-looking statements may appear in the Company's public filings with the SEC, which are available to the public at the SEC's website at www.sec.gov

SIGNATURE

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

Vet Online Supply, Inc.

Date: August 30, 2017

By: /s/Edward J. Aruda
Edward J. Aruda
Chairman of the Board of Directors

Date: August 30, 2017

By: /s/Daniel Rushford
Daniel Rushford
CEO and Director

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EX-10.1 2 ex101.htm EMPLOYMENT AGREEMENT, EDWARD ARUDA

EMPLOYEE AGREEMENT

This Agreement is dated this 28th day of August, 2017 by and between Edward Aruda, (the "EMPLOYEE") whose principal address is located at 10 Prairie Villa Dr., Plains MO 95859, and Vet Online Supply, Inc. (the "Company"), a Florida company doing business in California, located at 1041 Market Street, San Diego CA 92101; and is hereinafter referred to as the ("Company").

I RECITALS

A. COMPANY desires to enter into a consulting agreement with EMPLOYEE wherein EMPLOYEE will accept to continue to be the position Chairman of the Board, and its new Director of Sales & Marketing for the COMPANY.

B. COMPANY and EMPLOYEE have reviewed this agreement and any documents delivered pursuant hereto, and have taken such additional steps and reviewed such additional documents and information as deemed necessary to make an informed decision to enter into this Agreement.

C. Each of the parties hereto desires to make certain representations, warranties and agreements in connection herewith and also to describe certain conditions hereto.

II AGREEMENT

Therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- Job Description:** The chairman of the board of directors will elect members of the board, and will focus on product revenues of the company. The chair will call the board meetings, sets the agenda, and follow designated procedures on discussion and voting. The chair will be part of all meeting

discussions to assure that all topics are fruitful so that the meeting runs efficiently. The chairman of the board will preside over stockholders' meetings. Pursuant with the rules of the board, the chair can use various duties and responsibilities in setting the course for the company, whether it is by postponing certain agenda items, calling special meetings or limiting discussion.

As the Director of Sales & Marketing, you will oversee our organization's sales and marketing programs, inclusive of developing strategic sales and marketing objectives. Duties include to establish sales territories and quotas, manages budgets and evaluate sales performance. Manage and develop marketing programs and materials such as advertising, event support and online promotions. Manage a departmental sub-function within a broader departmental function. Create functional strategies and specific objectives for the sub-function and develop budgets/policies/procedures to support the functional infrastructure. Deep knowledge of the managed sub-function and solid knowledge of the overall departmental function.

2. **Term:** The term of this agreement is for a period of two years; renewable with mutual consent.

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3. Compensation:

- a. **Fee/Commission:** EMPLOYEE will receive a monthly salary of \$3,000.00 to be paid at the end of each month. Amounts unpaid will accrue annual interest of 6%. Further, the EMPLOYEE will receive 5% of all revenue generated through the sale of products sold by the COMPANY.
- b. **Stock:** The EMPLOYEE will receive 3,750,000 shares of restricted common stock upon signing of this agreement, and at the end of the first 12 months the EMPLOYEE will receive \$75,000 of restricted common shares of the company at fair market value. Note: The EMPLOYEE currently holds 138,750,000 restricted common shares. Any stock previously held by the EMPLOYEE will be cancelled and returned to treasury, inclusive of 138,750,000 shares of Common Stock and 20,000 Preferred Series B Shares.
- c. **Expenses:** The COMPANY will pay the costs and expenses of EMPLOYEE directly related to his performance of his position or tasks herein for internet, Cellular and supplies. The Company agrees to lend one of its fleet vehicles at no cost, as well as pay for insurance and mileage.

4. Confidentiality:

- a. **This Agreement.** The provisions of this Agreement are confidential and private and are not to be disclosed to outside parties (except on a reasonable need to know basis only) without the express, advance consent of all parties hereto or by order of a court of competent jurisdiction.
- b. **Proprietary Information.** EMPLOYEE agrees and acknowledges that during the course of this agreement in the performance of his duties and responsibilities that he will come into possession or knowledge of information of a confidential nature and/or proprietary information of COMPANY.

Such confidential and/or proprietary information includes but is not limited to the following of COMPANY, its agents, contractors, EMPLOYEES and all affiliates: corporate and/or financial information and records of COMPANY or any client, customer or associate of COMPANY; information regarding artists or others under contract, or in contact with, COMPANY; customer information; client information; shareholder information; business contacts, investor leads and contacts; EMPLOYEE information; documents regarding COMPANY's website and any COMPANY product, including intellectual property.

EMPLOYEE represents and warrants to COMPANY that he will not divulge confidential, proprietary information of COMPANY to anyone or anything without the advance, express consent of COMPANY, and further will not use any proprietary information of COMPANY for his or anyone else's gain or advantage during and after the term of this agreement.

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5. Further Representations and Warranties: EMPLOYEE acknowledges that this is a consulting position and represents that he will perform his duties and functions herein in a timely, competent and professional manner. EMPLOYEE represents and warrants that he will be fair in his dealing with COMPANY and will not knowingly do anything against the interests of COMPANY.

6. Survival of Warranties and Representations: The parties hereto agree that all warranties and representations of the parties survive the closing of this transaction.

7. Termination: This agreement is expressly "at will" and can be terminated by COMPANY for any reason, after reasonable notice and opportunity to correct any alleged deficiencies. EMPLOYEE may request a hearing of the full Board of Directors to defend himself against any attempt of COMPANY to terminate this Agreement. Any final determination of termination must be made by majority vote of the COMPANY Board of Directors (after such a hearing, if requested). EMPLOYEE must give at least 30 days notice if he intends to resign.

III

MISCELLANEOUS PROVISIONS

1. Expenses: Each party shall bear its respective costs, fees and expenses associated with the entering into or carrying out its obligations under this Agreement.

2. Indemnification: Any party, when an offending party, agrees to indemnify and hold harmless the other non-offending parties from any claim of damage of any party or non-party arising out of any act or omission of the offending party arising from this Agreement.

3. Notices: All notices required or permitted hereunder shall be in writing and shall be deemed given and received when delivered in person or sent by confirmed facsimile, or ten (10) business days after being deposited in the United States mail, postage prepaid, return receipt requested, addressed to the applicable party as the address as follows:

COMPANY: Vet Online Supply Inc.
1041 Market Street
San Diego CA 92101

EMPLOYEE: Edward Aruda
10 Prairie Villa Dr.
Plains MO 95859

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4. Breach: In the event of a breach of this Agreement, ten (10) days written notice (from the date of receipt of the notice) shall be given. Upon notice so given, if the breach is not so corrected, the non-breaching party may take appropriate legal action per the terms of this Agreement.

5. Assignment: This Agreement is assignable only with the written permission of COMPANY.

6. Amendment: This Agreement is the full and complete, integrated agreement of the parties, merging and superseding all previous written and/or oral agreements and representations between and among the parties, and is amendable in writing upon the agreement of all concerned parties. All attachments hereto, if any, are deemed to be a part hereof.

7. Interpretation: This Agreement shall be interpreted as if jointly drafted by the parties. It shall be governed by the laws of the State of California applicable to contracts made to be performed entirely therein.

8. Enforcement: If the parties cannot settle a dispute between them in a timely fashion, either party may file for arbitration within California. Arbitration shall be governed by the rules of the American Arbitration Association. The arbitrator(s) may award reasonable attorneys fees and costs to the prevailing party. Either party may apply for injunctive relief or enforcement of an arbitration decision in a court of competent jurisdiction within California.

9. Counterparts: This Agreement may be executed in counterparts each of which shall be deemed an original and all of which together shall constitute one and the same agreement. Facsimile signatures shall be considered as valid and binding as original signatures.
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first written above.

/s/Edward Aruda
Edward Aruda, EMPLOYEE

August 28, 2017
Date

/s/Matthew C. Scott
Matthew C. Scott, DIRECTOR

August 28, 2017
Date

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EX-10.2 3 ex102.htm EMPLOYMENT AGREEMENT, DANIEL RUSHFORD

EMPLOYEE AGREEMENT

This Agreement is dated this 28th day of August, 2017 by and between Daniel Rushford, (the "EMPLOYEE") whose principal address is located at 6500 Live Oak Rd., Kelseyville CA 95451, and Vet Online Supply, Inc. (the "Company"), a Florida company doing business in California, located at 1041 Market Street, San Diego CA 92101; and is hereinafter referred to as the ("Company").

I RECITALS

A. COMPANY desires to enter into a consulting agreement with EMPLOYEE wherein EMPLOYEE will accept to be the Chief Executive Officer, President, Secretary, Treasurer and Member of the Board of Directors for the COMPANY.

B. COMPANY and EMPLOYEE have reviewed this agreement and any documents delivered pursuant hereto, and have taken such additional steps and reviewed such additional documents and information as deemed necessary to make an informed decision to enter into this Agreement.

C. Each of the parties hereto desires to make certain representations, warranties and agreements in connection herewith and also to describe certain conditions hereto.

II AGREEMENT

Therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Job Description:** The Chief Executive Officer ("CEO") is responsible for leading the development and execution of the Company's long term strategy with a view to creating shareholder value. The CEO's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long and short term plans. The CEO acts as a direct liaison between the Board and management of the Company and communicates to the Board on behalf of management. The CEO also communicates on behalf of the Company to shareholders, employees, Government authorities, other stakeholders and the public. More specifically, the duties and responsibilities of the CEO include the following: 1. to lead, in conjunction with the Board, the development of the Company's strategy; 2. to lead and oversee the implementation of the Company's long and short term plans in accordance with its strategy; 3. to ensure the Company is appropriately organized and staffed and to have the authority to hire and terminate staff as necessary to enable it to achieve the approved strategy; 4. to ensure that expenditures of the Company are within the authorized annual budget of the Company; 5. to assess the principal risks of the Company and to ensure that these risks are being monitored and managed; 6. to ensure effective internal controls and management information systems are in place; 7. to ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically; 8. to ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business; 9. to act as a liaison between management and the Board; 10. to communicate effectively with shareholders, employees, Government authorities, other stakeholders and the public;
2. **Term:** The term of this agreement is for a period of two years; renewable with mutual consent.

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3. Compensation:

- a. **Fee/Commission:** EMPLOYEE will receive a monthly salary of \$2,000.00 to be paid at the end of each month. Amounts unpaid will accrue annual interest of 6%.
- b. **Stock:** The EMPLOYEE will receive 25,000,000 shares of RESTRICTED common stock and 1,000 Preferred Series B Shares upon signing of this agreement. Further, at the end of the first 12 months the EMPLOYEE will receive \$75,000 of restricted common shares of the company at fair market value.
- c. **Expenses:** The COMPANY will pay the costs and expenses of EMPLOYEE directly related to his performance of his position or tasks herein for internet, Cellular and supplies. The Company agrees to lend one of its fleet vehicles at no cost, as well as pay for insurance and mileage.

4. Confidentiality:

- a. **This Agreement.** The provisions of this Agreement are confidential and private and are not to be disclosed to outside parties (except on a

- b. **Proprietary Information.** EMPLOYEE agrees and acknowledges that during the course of this agreement in the performance of his duties and responsibilities that he will come into possession or knowledge of information of a confidential nature and/or proprietary information of COMPANY.

Such confidential and/or proprietary information includes but is not limited to the following of COMPANY, its agents, contractors, EMPLOYEES and all affiliates: corporate and/or financial information and records of COMPANY or any client, customer or associate of COMPANY; information regarding artists or others under contract, or in contact with, COMPANY; customer information; client information; shareholder information; business contacts, investor leads and contacts; EMPLOYEE information; documents regarding COMPANY's website and any COMPANY product, including intellectual property.

EMPLOYEE represents and warrants to COMPANY that he will not divulge confidential, proprietary information of COMPANY to anyone or anything without the advance, express consent of COMPANY, and further will not use any proprietary information of COMPANY for his or anyone else's gain or advantage during and after the term of this agreement.

5. Further Representations and Warranties: EMPLOYEE acknowledges that this is a consulting position and represents that he will perform his duties and functions herein in a timely, competent and professional manner. EMPLOYEE represents and warrants that he will be fair in his dealing with COMPANY and will not knowingly do anything against the interests of COMPANY.

6. Survival of Warranties and Representations: The parties hereto agree that all warranties and representations of the parties survive the closing of this transaction.

7. Termination: This agreement is expressly "at will" and can be terminated by COMPANY for any reason, after reasonable notice and opportunity to correct any alleged deficiencies. EMPLOYEE may request a hearing of the full Board of Directors to defend himself against any attempt of COMPANY to terminate this Agreement. Any final determination of termination must be made by majority vote of the COMPANY Board of Directors (after such a hearing, if requested). EMPLOYEE must give at least 30 days notice if he intends to resign.

III
MISCELLANEOUS PROVISIONS

1. Expenses: Each party shall bear its respective costs, fees and expenses associated with the entering into or carrying out its obligations under this Agreement.

2. Indemnification: Any party, when an offending party, agrees to indemnify and hold harmless the other non-offending parties from any claim of damage of any party or non-party arising out of any act or omission of the offending party arising from this Agreement.

3. Notices: All notices required or permitted hereunder shall be in writing and shall be deemed given and received when delivered in person or sent by confirmed facsimile, or ten (10) business days after being deposited in the United States mail, postage prepaid, return receipt requested, addressed to the applicable party as the address as follows:

COMPANY: **Vet Online Supply Inc.**
 1041 Market Street
 San Diego CA 92101

EMPLOYEE: **Daniel Rushford**
 6500 Live Oak Rd.
 Kelseyville CA 95451

4. Breach: In the event of a breach of this Agreement, ten (10) days written notice (from the date of receipt of the notice) shall be given. Upon notice so given, if the breach is not so corrected, the non-breaching party may take appropriate legal action per the terms of this Agreement.

5. Assignment: This Agreement is assignable only with the written permission of COMPANY.

6. Amendment: This Agreement is the full and complete, integrated agreement of the parties, merging and superseding all previous written and/or oral agreements and representations between and among the parties, and is amendable in writing upon the agreement of all concerned parties. All attachments hereto, if any, are deemed to be a part hereof.

7. Interpretation: This Agreement shall be interpreted as if jointly drafted by the parties. It shall be governed by the laws of the State of California applicable to contracts made to be performed entirely therein.

8. Enforcement: If the parties cannot settle a dispute between them in a timely fashion, either party may file for arbitration within California. Arbitration shall be governed by the rules of the American Arbitration Association. The arbitrator(s) may award reasonable attorneys fees and costs to the prevailing party. Either party may apply for injunctive relief or enforcement of an arbitration decision in a court of competent jurisdiction within California.

9. Counterparts: This Agreement may be executed in counterparts each of which shall be deemed an original and all of which together shall constitute one and the same agreement. Facsimile signatures shall be considered as valid and binding as original signatures.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first written above.

/s/ Daniel Rushford
Daniel Rushford, EMPLOYEE

August 28, 2017
Date

/s/Edward Aruda
Edward Aruda, Chairman

August 28, 2017
Date

Vet Online Supply Inc. ("VTNL")
PROSPECTIVE DIRECTOR'S AGREEMENT
(for use with those being nominated for election or appointment
to the Board of Directors)

The undersigned Proposed Director ("the undersigned") agrees, if elected by shareholders (or appointed by the Board to fill a vacancy), to serve on the above company's Board of Directors from August 28, 2017 to the date of the Shareholders' Annual Meeting in the next calendar year .

In exchange for serving in this capacity, the undersigned is hereby granted restricted common shares of VTNL pursuant an Employment Agreement at a price of PAR Value per share. These shares are restricted and cannot be sold or otherwise transferred by the undersigned except as provided by law, and in no event, prior to the maturity date of six (6) months.

The undersigned agrees to remain a Director of the company for the time period above. If he or she does not serve as a Director for the first six (6) months from the time period above (unless due to an Act of God or his/her long-term incapacitation), then the undersigned agrees to return all of the shares listed above to the Company immediately upon his/her resignation or dismissal from the Board. The Company will not dismiss the undersigned without cause, and with notice and an opportunity for the undersigned to be heard by the Board first.

The undersigned is entitled to \$500.00 for each Directors meeting that he/she physically attends and as arranged for any tele-conference meeting, meeting-without-notice proceeding, or other official meeting or action of the Board (such as the consideration and passage of a Board Resolution) for which he/she signs a Waiver of Notice and Consent.

The undersigned pledges his best efforts and promises to conduct himself in a professional manner in carrying out the duties as a Director of the company. The undersigned promises not to divulge to others and will not use confidential or proprietary information of VTNL for his/her or anyone else's gain (during or after the time in which the undersigned is a company Director). Unless as otherwise approved in advance by the VTNL Board of Directors, the undersigned promises that he or she will not serve as a director, officer, employee, agent or consultant to any competing business enterprise of VTNL's during the time in which he or she is a Director of the company.

It is understood that the company does not have errors and omissions insurance for management as of the date of this Agreement, however, the company will obtain such insurance, upon reasonably adequate terms, as soon as it can afford it.

The company will pay the reasonable expenses of the undersigned in carrying out his duties as a Director; however, any expenses in excess of \$25.00 must be approved in advance by the company. Except to the extent not allowed by California law, the company hereby holds the undersigned harmless from liability to the company, its shareholders and any third parties for acts and omissions while a Director of the company and further agrees to indemnify and defend the undersigned in the event of any action taken by the company, its shareholders or third parties against the undersigned in his or her position as Director of the company.

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Any disputes arising from this Agreement not resolved by the parties in a good faith, timely manner shall be arbitrated within San Diego County, California under the rules and procedures of the American Arbitration Association. Attorney fees and costs are to be awarded to the prevailing party.

Dated this 28th day of August, 2017.

/s/Edward Aruda

Edward Aruda, Chairman

/s/Daniel Rushford

Proposed Director – Daniel Rushford

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