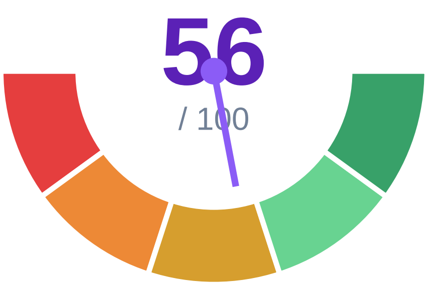
Contract Review Report

Generated July 31, 2026



Grade: D - Risky

LEGAL DISCLAIMER: This analysis is AI-generated and does not constitute legal advice. It is intended as a starting point for review. Always consult a licensed attorney before signing contracts or relying on generated legal documents.

Contract Details

Contract Type	Freelancer / Independent Contractor Agreement
Parties	Winmax Trading Group, Inc. <-> Beadros Asare
Effective Date	July 25, 2001
Term	Jul 25 - Dec 1, 2001 (~4 mo, no early exit)
Total Value	30,000 shares (Form S-8), no cash
Governing Law	Florida; AAA arbitration, Broward County

Executive Summary

> This is a Freelancer/Independent Contractor Consulting Agreement between Winmax Trading Group, Inc. (a Florida corporation) and independent consultant Beadros Asare, filed publicly as SEC EDGAR Exhibit 10.4 to Winmax's Form S-8 registration statement. The contract scores 56/100, a D (Risky) grade, meaning significant risks are present and strong negotiation is needed before signing. The single most significant concern is the complete absence of any indemnification clause: the Consultant is engaged to prepare and file SEC EDGAR documents on the Company's behalf, yet carries unbounded personal exposure if the Company's underlying information is inaccurate, with no contractual right to be defended or made whole. This is compounded by all-stock, no-cash compensation with no value floor and no protection if the Form S-8 registration is delayed. We recommend not signing without major revisions: add termination and pro-rata vesting terms, mutual limitation of liability and indemnification, and a stock-value protection mechanism before execution. Source contract: SEC EDGAR, Winmax Trading Group, Inc., Form S-8, Exhibit 10.4, filed 2001. Full text available at sec.gov/Archives/edgar/data/0001035517/000110801701500188/wmex104agrmt.htm

Risk Dashboard

High Risk: 4 Medium: 6 Low Risk: 7

Risk Level	Count	Clauses
HIGH RISK	4	Compensation, Disclosure, No Indemnification, No Liability Cap
MEDIUM RISK	6	Term, Duties, Entire Agreement, Arbitration, Binding Effect, No IP Clause
LOW RISK	7	Engagement, Carve-Out, Notices, Waiver, Severability, +2 more

Clause-by-Clause Analysis

HIGH RISK

Compensation - Section 4

What it says: As full and complete payment for all services, the Consultant receives a one-time grant of 30,000 shares of the Company's common stock, registered under Form S-8. There is no cash component.

Why it matters: 100% of compensation is illiquid, unpriced stock in a microcap company, with no minimum guaranteed value, no vesting schedule, and no protection if the stock is worthless, thinly traded, or the S-8 registration is delayed or denied.

Recommended change: Consultant shall receive 30,000 shares of Common Stock, plus a cash floor of $[X] payable regardless of stock performance. If the Form S-8 registration is not effective within 60 days of the Effective Date, Company shall either issue additional shares to restore the intended value or pay Consultant cash equal to the shortfall.

HIGH RISK

Disclosure of Information - Section 5

What it says: The Consultant must keep the Company's proprietary information confidential and cannot use it outside the engagement, with a standard carve-out for information that becomes public through no fault of the Consultant.

Why it matters: The obligation runs one way only. The Company has no reciprocal duty to protect the Consultant's own confidential information, and no time limit is stated, so the duty is arguably perpetual even though the engagement is only four months.

Recommended change: The confidentiality obligations of Section 5 shall apply mutually to both parties and shall survive termination of this Agreement for a period of two (2) years. Upon termination, each party shall promptly return or destroy all confidential materials belonging to the other party.

HIGH RISK

Missing Indemnification Clause - Section N/A

What it says: The Agreement contains no indemnification provision in either direction anywhere in its 13 sections.

Why it matters: The Consultant is engaged to prepare and file SEC EDGAR documents based on information the Company supplies. If that information is inaccurate or incomplete, the Consultant, as filer of record, faces potential SEC enforcement and third-party securities litigation exposure with no contractual right to be defended or made whole by the Company.

Recommended change: Company shall indemnify, defend, and hold harmless Consultant from any claims, liabilities, or expenses arising out of Consultant's good-faith reliance on information, data, or documents supplied by the Company for filing purposes, except in cases of Consultant's gross negligence or willful misconduct.

HIGH RISK

Missing Limitation of Liability - Section N/A

What it says: No clause anywhere in the Agreement caps either party's liability to the other.

Why it matters: The only performance standard is the vague 'deadlines shall be mutually agreed upon' and 'best efforts' language in Section 3, which creates open-ended breach exposure with no ceiling.

Recommended change: In no event shall either Party's aggregate liability under this Agreement exceed the fair market value of the shares issued as of the grant date. Neither party shall be liable for indirect, incidental, or consequential damages.

MEDIUM RISK

Term - Section 2

What it says: The Agreement runs from the date of execution until December 1, 2001, a fixed roughly four-month period.

Why it matters: There is no early-termination-for-convenience or termination-for-cause mechanism for either party, no notice period, and no kill fee or pro-rata compensation if the relationship ends early.

Recommended change: Either party may terminate this Agreement upon 15 days' written notice. If terminated other than for Consultant's uncured material breach, Consultant shall be entitled to a pro-rata portion of the 30,000 shares based on the number of full months elapsed since the Effective Date.

MEDIUM RISK

Duties of Consultant - Section 3

What it says: The Consultant must use 'best efforts to advance the business and welfare of the Company' and must not 'intentionally take any action adverse to the best interests of the Company.'

Why it matters: This is an undefined, subjective, fiduciary-like standard with no objective breach trigger, inviting disputes about what counts as 'adverse' or insufficient 'best efforts.'

Recommended change: Consultant shall perform the Services with reasonable care consistent with industry practice for SEC filing agents, limited specifically to the defined scope of Edgarizing services.

MEDIUM RISK

Entire Agreement - Section 10

What it says: No modification is binding unless in writing, signed by both parties, and approved by the Company's President specifically.

Why it matters: This elevates one individual as a gatekeeper for any amendment, even one the Company's own signing officer might otherwise agree to, with no equivalent approval right held by the Consultant.

Recommended change: No modifications shall be binding unless in writing and signed by both parties, removing the extra unilateral Company-President approval requirement.

MEDIUM RISK

Governing Law; Venue; Arbitration - Section 11

What it says: Florida law governs, and disputes go to binding arbitration in Broward County, Florida under AAA Commercial Arbitration Rules.

Why it matters: The clause is thin: no fee-allocation terms, no carve-out for injunctive relief relevant to the confidentiality clause, and AAA Commercial arbitration can carry filing and administrative fees disproportionate to a dispute over roughly 30,000 shares.

Recommended change: The Company shall bear all AAA filing and administrative fees in excess of the amount a claimant would pay to file in Broward County Circuit Court. The prevailing party shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing party.

MEDIUM RISK

Binding Effect - Section 8

What it says: The Agreement binds heirs, successors, and assigns, but the Consultant may not assign the Agreement without the Company's prior written consent. No corresponding restriction applies to the Company.

Why it matters: This is a one-sided control provision; the Company could assign the Agreement (for example in a merger or sale) without Consultant consent, while the Consultant cannot do the same.

Recommended change: Make assignment restrictions mutual, requiring consent from both parties before either may assign the Agreement.

MEDIUM RISK

Missing IP / Work-Product Assignment Clause - Section N/A

What it says: No clause anywhere clarifies who owns drafts, templates, correspondence, or filing methodologies the Consultant creates while performing the engagement.

Why it matters: This ambiguity could later trigger disputes if the Consultant reuses general processes for other clients or if the Company later claims exclusive ownership of everything produced.

Recommended change: Work product specifically prepared for and delivered to the Company under this Agreement is owned by the Company; Consultant retains all rights to general methods, know-how, and templates not specific to Company's confidential information.

LOW RISK

Engagement - Section 1

What it says: Standard mutual acceptance of the engagement. No concerns.

LOW RISK

Prohibited-Services Carve-Out - Section 3

What it says: The clause barring the Consultant from securities promotion, market-making, capital raising, marketing, and investor relations actually reduces the Consultant's own securities-law exposure. No concerns.

LOW RISK

Notices - Section 6

What it says: Standard notice-delivery mechanics (personal delivery or certified mail). No concerns, though the actual notice addresses are not filled in on the exhibit copy.

LOW RISK

Waiver - Section 7

What it says: Standard non-waiver language, though one-sided (addresses only Company waiving a Consultant breach). Minor asymmetry, not a material risk.

LOW RISK

Severability - Section 9

What it says: Standard severability clause. No concerns.

LOW RISK

Prior Agreements - Section 12

What it says: Standard integration language, overlapping with Section 10. No concerns.

LOW RISK

Counterparts - Section 13

What it says: Standard counterparts clause. No concerns.

Negotiation Priorities

1. Add termination and pro-rata vesting language for the stock grant. Propose: 'Either party may terminate this Agreement upon 15 days' written notice. If terminated other than for Consultant's uncured material breach, Consultant shall be entitled to a pro-rata portion of the 30,000 shares based on the number of full months elapsed since the Effective Date, rounded up, delivered within 30 days of termination.'

2. Add a mutual limitation of liability and indemnification clause. Propose: 'Neither party shall be liable to the other for indirect, incidental, or consequential damages. Each party shall indemnify the other only for third-party claims arising from that party's gross negligence or willful misconduct. Consultant's aggregate liability under this Agreement shall not exceed the fair market value of the shares issued as of the grant date.'

3. Add a stock valuation floor and registration-failure protection. Propose: 'If the Form S-8 registration is not effective within 60 days of the Effective Date, or if the shares are subject to trading restrictions inconsistent with S-8 registration, Company shall either (a) issue additional shares to restore the intended value, or (b) pay Consultant cash equal to the shortfall in value, calculated using the average closing price for the 10 trading days preceding December 1, 2001.'

4. Add arbitration cost allocation and fee-shifting. Propose: 'The Company shall bear all AAA filing and administrative fees in excess of the amount a claimant would pay to file in Broward County Circuit Court. The prevailing party in any arbitration shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing party.'

5. Add mutual confidentiality and a return-of-materials/survival clause. Propose: 'The confidentiality obligations of Section 5 shall apply mutually to both parties and shall survive termination of this Agreement for a period of two (2) years. Upon termination, each party shall promptly return or destroy all confidential materials and property belonging to the other party.'

Missing Protections

• Limitation of Liability / Indemnification (either direction): The Consultant has unlimited, uncapped exposure for any claim arising from SEC filing work, with no reciprocal protection if the Company's own errors cause harm.

• Termination-for-Convenience / Termination-for-Cause: The fixed Term has no early-exit right, no notice period, and no cure period for breach on either side.

• Kill Fee / Pro-Rata Compensation on Early Termination: Because compensation is a single lump stock grant tied to full performance, it is unclear whether the Consultant keeps, forfeits, or earns a pro-rated portion of the shares if the engagement ends early.

• Cash Floor / Stock-Value / Registration-Failure Protection: 100% of compensation is stock with no floor value and no adjustment if the S-8 registration is delayed, denied, or the stock proves illiquid.

• IP / Work-Product Ownership Clause: Nothing assigns or licenses ownership of filings, drafts, or templates the Consultant creates during the engagement.

• Dispute-Resolution Cost Allocation: The AAA arbitration clause says nothing about who bears filing, administrative, or attorney's fees, exposing the smaller party to disproportionate cost.

• Confidentiality Reciprocity: Only the Consultant owes confidentiality duties; the Company has no matching obligation to protect the Consultant's information.

• Force Majeure Clause: No provision excuses performance for events outside either party's control, relevant given deadlines are tied to EDGAR filing windows.

• Return-of-Materials / Survival Clause: No requirement to return or destroy Company materials at engagement end, and no explicit statement of which clauses survive termination.

Recommended Next Steps

1. Request the Company add the termination-with-pro-rata-vesting clause (Priority 1) before signing.

2. Request written confirmation of the S-8 registration timeline and add the registration-failure protection (Priority 3).

3. Insist on mutual limitation of liability language (Priority 2); do not sign with one-sided exposure.

4. Clarify IP ownership of any work product created during the engagement.

5. Add mutual confidentiality and a defined survival period, plus a return-of-materials clause.

6. Negotiate arbitration cost allocation given the AAA Commercial Rules can impose steep filing fees on an individual consultant.

7. Consult a licensed attorney before signing.

Generated on July 31, 2026 at 09:18 PM