

EXHIBIT A



LAW OFFICE OF
DARRYL CLEVELAND

May 11, 2017

Via Electronic Mail: cstokley@palterlaw.com

Craig Stokley, Receiver
OE Capital Partners
Palter Stokley Sims PLLC
8115 Preston Road, Suite 600
Dallas, Texas 75225

Re: Whrzt, Inc. Accounts Payable

Mr. Stokley,

This letter is to memorialize the proposal for disposal of accounts payable by my above-named client (“Whrzt”), to OE Capital Partners, over which you have been appointed Receiver in *Securities and Exchange Commission v. Patrick O. Howard, Howard Capital Holdings, LLC and Optimal Economics Capital Partners, LLC*, Cause No. 3:17-CV-420-L, pending in the United States District Court for the Northern District of Texas, Dallas Division (collectively, the “Receivership”). The terms that Whrzt proposes are as follows:

1. Simultaneously with the consummation of a \$500,000 convertible debt financing by Whrzt (the “**Closing**”), Whrzt and the Receivership shall enter an agreement obligating Whrzt to pay the Receivership the accounts payable currently due (the approximately \$172,000 used to purchase inventory). This shall be paid out of Whrzt’s operations within 180 days following the closing of Whrzt’s Series A offering.

Very truly yours,

/s/ Darryl Cleveland

Darryl Cleveland
clevelandlaw@gmail.com



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Craig Stokley, Receiver
OE Capital Partners
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8115 Preston Road, Suite 600
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Re: Whrzt, Inc. Debt Restructuring

Mr. Stokley,

This letter is to memorialize the proposal by my above-named client (“Whrzt”), to OE Capital Partners over which you have been appointed Receiver in *Securities and Exchange Commission v. Patrick O. Howard, Howard Capital Holdings, LLC and Optimal Economics Capital Partners, LLC*, Cause No. 3:17-CV-420-L, pending in the United States District Court for the Northern District of Texas, Dallas Division (collectively, the “Receivership”). The terms that Whrzt asks you to recommend to the Court are detailed in the attached Term Sheet for Debt Restructuring of Whrzt, Inc.

Very truly yours,

/s/ Darryl Cleveland

Darryl Cleveland
clevelandlaw@gmail.com

**TERM SHEET
FOR DEBT RESTRUCTURING OF WHRZT, INC.**

MAY 11, 2017

This Term Sheet summarizes the principal terms of the debt restructuring transaction of Whrzt, Inc., a Texas corporation (the “**Company**”). This Term Sheet is not a commitment to consummate the transaction, and is conditioned on the completion of legal review and documentation that is satisfactory to the Receiver (the “**Receiver**”) appointed in connection with the action entitled *Securities and Exchange Commission v. Patrick O. Howard, Howard Capital Holdings, LLC and Optimal Economics Capital Partners, LLC*, Cause No. 3:17-CV-420-L, pending in the United States District Court for the Northern District of Texas, Dallas Division (collectively, the “**Receivership**”). This Term Sheet shall be governed in all respects by the laws of Texas.

Terms of Restructuring

- Conversion Mechanics:* Simultaneously with the consummation of a \$500,000 convertible debt financing by the Company (the “**Closing**”) the Receivership would convert all outstanding indebtedness in the amount of \$1,893,720 into Common Stock of the Company (the “**Converted Common Stock**”).
- Conversion Amount:* At the Closing, the Converted Common Stock would represent such number of shares of Common Stock such that following a fully-subscribed Preferred Series A Offering in the amount of \$3.5MM, substantially on the terms provided to the Receiver (the “**Series A Offering**”), the Receivership would hold a 30% interest on a fully-diluted basis.
- Closing Transfer:* In the event that the Series A Offering is closed as fully-subscribed providing for the sale of \$3.5MM of Series A Preferred Stock at a post-closing valuation equal to or greater than \$10.5MM, the Receivership would transfer such number of shares of Common Stock representing a 7.5% interest on a fully-diluted basis (the “**Revertible Shares**”).
- If the Series A Offering is not fully subscribed, the Receivership shall retain all shares of the Revertible Shares of Common Stock.
- If the Series A Offering is consummated at a post-closing valuation that would result in the Receivership holding less than 22.5% on a fully-diluted basis, the Receivership shall retain such number of shares Revertible Shares of Common Stock as necessary to provide the Receivership a 22.5% interest on a fully-diluted basis upon such closing.
- Assignability:* The Converted Common Stock would be fully assignable to any Receivership investors or creditors.
- Board Approval Rights:* The Receivership shall have the right to appoint one board member until

the earlier of (i) its dissolution or (ii) its assignment of the Converted Common Stock.