OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN CANADA

Travel and Tourism

Canada does not have a federal tourism act, or travel agent legislation. Certain activities including visa issuance, aeronautics and aviation and border clearance are governed federally. Laws and regulations for tourism activities and travel agents are made at the provincial and territorial level.

License Requirements

Travel agents must hold licenses to carry on their business. The specific license requirements are set out in each province's travel agent related legislation.

In British Columbia, the license requirements are set out in the Business Practices and Consumer Protection Act (British Columbia). Travel agents in British Columbia require a license from Consumer Protection BC. Such a license is required for each location in which the travel agency conducts business. The travel agent's license is renewed annually and includes payment of an annual fee.

In Ontario, the license requirements are set out in the Travel Industry Act (Ontario). Travel Industry Council of Ontario (Ontario) is the provincial travel regulator. A TICO registration is required for each location in which the travel agent conducts business. The travel agent's license is renewed annually and the travel agent pays an annual renewal fee for each registration held. The quantum of the renewal fees is based on the reported gross sales proceeds in Ontario during the preceding fiscal year.

In Québec, the requirements are set out in the Travel Agents Act (Québec). Office de la protection du consommateur (Québec) oversees the grant of licenses pursuant to the Travel Agents Act (Québec). An OPC registration is required for each location in which the travel agent conducts business. The travel agent's license is renewed annually and the travel agent pays an annual fee.

In Alberta, there are no travel specific regulatory registrations or licenses required in order to operate a travel agent.

Trust Funds

Travel agents must hold licenses to carry on their business and must deposit into a trust account monies received from customers for travel services and products purchased. The law restricts the use of these funds.

In Ontario, a travel agent must establish and maintain a trust account with a licensed financial institution. The travel agent must hold all money received from customers for travel services in such trust account. Money can only be disbursed from the trust account for limited purposes, including to make payments to the suppliers of travel services, to refund customers, or to pay the travel agent's commission after the suppliers of the travel services have been paid.

In British Columbia, a travel agent must establish and maintain a trust account with a savings institution in British Columbia. The travel agent must deposit all money that is received in the

course of business for travel services into the trust account. Money can only be disbursed from the trust account for limited purposes, including for services to be rendered, for expenditures on behalf of the customer, for reimbursement of expenditures, to refund a customer and to provide travel services.

In Québec, a travel agent must establish and maintain a trust account with a chartered bank or a financial institution authorized under the laws of Canada or Québec. The travel agent must hold all money received from customers for travel services in such trust account. Money can only be disbursed from the trust account for limited purposes, including for services to be rendered, for expenditures on behalf of the customer, for reimbursement of expenditures, to refund a customer and to provide travel services.

Compensation Funds

Some provinces, such as British Columbia, Ontario and Québec, have established specific travel assurance funds to compensate consumers who do not receive their travel services and to protect them against fraud.

In Ontario, travel agents are responsible for financing travelers' financial protection through the Ontario Travel Industry Compensation Fund. Travel agents registered in Ontario may draw directly on the compensation fund with a view to be reimbursed for disbursements made to customers in the event of end supplier failures. The maximum amount that may be reimbursed out of the compensation fund to a customer or travel agent for a failure to provide travel services is CAD5,000 for each person whose travel services were paid for by the customer. The maximum amount that may be reimbursed for a failure to provide travel services with respect to all claims arising out of an event or a major event is capped at CAD5.0 million.

In British Columbia, similar to Ontario, the compensation fund is made up of travel agent contributions. The maximum amount that may be paid from the British Columbia's Travel Assurance Fund to a claimant in respect of a claim is CAD5,000 for each person covered by the claim, subject to a CAD2.0 million cap for all claims relating to a single event. Under the British Columbia legislation, there is a contribution holiday, applicable to licensees when the book value of the Travel Assurance Fund is at least CAD2.0 million and the travel agent has paid the required contributions for successive semi-annual periods totaling three years.

Québec is the only province where the Compensation Fund for Customers of Travel Agents (the "**Québec Compensation Fund**") is made up of customers' contributions. On April 1, 2014, the rate of contribution to the Québec Compensation Fund was reduced from 0.20% to 0.10% of the total cost of travel services purchased. Customers are able to claim directly from the Québec Compensation Fund in the event of an end supplier failure that is not attributable to a travel agent. The total compensation per event may not exceed 20% of the surplus accumulated in the fund as of March 31 of the previous year nor be less than CAD5.0 million.

Advertised Price for Travel Services

The Air Transportation Regulations adopted by the Canadian Transportation Agency pursuant to the Canada Transportation Act require that the price of air services represented in any

advertisement be the total price, inclusive of all taxes, fees and surcharges. The advertisement must also include a description of the air services offered and the customer must have access to the breakdown of the components of the price paid (taxes, fees and charges paid to a third party) and the fees for any optional services available. The provisions do not apply to air cargo services, sale of air services to businesses or the sale of package travel services where air services are sold with other features such as accommodations, tours, cruises or car rentals.

Additionally, provinces such as British Columbia, Ontario and Québec have adopted provisions regarding advertised price for travel services. To date, none of Alberta and/or the other Canadian provinces have adopted similar provisions.

Ontario's legislation requires that any representation that refers to the price of travel services shall show in a clear, comprehensible and prominent manner the total amount to be paid for travel services, either including all fees, levies, service charges and surcharges or excluding them and, in the latter case, to provide either an itemized list of the cost for each fee, levy, service charge and surcharge, or the total cost the customer will be required to pay for fees, levies, service charges or surcharges. Ontario's legislation permits price increase if the contract between the travel agent and the customer permits them, provided the customer has not paid the price of the travel services in full. If the cumulative price increase is more than 7% of the total price of the travel services, excluding any increase resulting from an increase in retail sales tax or federal goods and services tax, then the travel agent must offer the customer the choice between a full and immediate refund of the amount paid and comparable alternate travel services acceptable to the customer.

In British Columbia, all activities related to advertising and marketing of travel services must identify that advertising and marketing are being conducted on behalf of the licensed travel agent. Advertising and marketing must use only the registered operational name, marketing, or business identity of the licensed travel agent.

In Québec, in regards to advertising, the provincial legislation promotes full disclosure to enable the customer to make informed decisions, namely to ensure that pricing information is not misleading and that the total price is provided at the actual time of purchase. However, travel agents may exclude from the total cost of the services advertised the Québec sales tax, Canada's goods and services tax and the dollar amount payable as a contribution to the Québec Compensation Fund. A travel agent that wishes to unilaterally change the price of the travel services must insert a clause to that effect in the contract. The clause shall state that (i) the price may only be increased following the imposition of a fuel surcharge by the carrier or an increase in the exchange rate, insofar as the exchange rate has increased by more than 5% since the date of the purchase and 45 days prior to departure; (ii) no price increase may occur within 30 days prior to the date of departure; and (iii) if such price increase is equal to or greater than 7% of the price of the travel services, excluding the Québec sales tax or Canada's goods and services tax, the customer may choose between a full and immediate refund or the provision of similar services.

Consumer Protection

Each of the Canadian provinces and territories have consumer protection laws governing transactions with consumers. The legislation applies, subject to specified exemptions, to a variety of consumer transactions and agreements including credit agreements, lease agreements and

internet agreements. Though there are often many similarities, consumer protection legislation is not harmonized in Canada. Provincial consumer protection legislation include The Fair Trading Act (Alberta); Business Practices and Consumer Protection Act (British Columbia); Consumer Protection Act (Ontario); and Consumer Protection Act (Québec).

The consumer protection legislation sets out a list of disclosure required to be made to a consumer, in writing, under particular agreements. Disclosure must be made prior to the consumer entering into the agreement. Unfair practices (also referred to as deceptive acts or practices) are prohibited under Canadian consumer protection legislation. A consumer has no legal obligation to pay for unsolicited goods or services. Some provinces refer to this practice as negative option marketing or billing, which is a circumstance where a consumer is billed for a good or service that has not been requested, but, as the consumer has not explicitly rejected it, it is assumed that the consumer has accepted the good or service. In some provinces, the consumer protection legislation deems certain minimum statutory warranties (under provincial legislation in respect of sales of goods) as implied in every sales transaction. Deemed warranties include an implied warranty or condition as to the quality or fitness of any particular purpose of goods supplied or a warranty that the good is durable and fit for its intended use.

Most offences are related to general contraventions of, or failure to comply with, the consumer protection legislation.

Privacy and Personal Information

Canadian businesses, including tour operators, are subject to federal or provincial privacy protection legislation governing both customer and (with some exceptions) employee information. The federal Personal Information Protection and Electronic Documents Act (the "**PIPEDA**") applies to the commercial activities of all private sector organizations in Canada, except in provinces that have enacted "substantially similar" legislation.

Alberta, British Columbia and Québec all have private-sector legislation which has been declared to be "substantially similar" and will apply to private-sector businesses that collect, use and disclose personal information while carrying on business within those provinces. Alberta has the Personal Information Protection Act, British Columbia has the Personal Information Protection Act and Québec has the An Act Respecting the Protection of Personal Information in the Private Sector. Unlike PIPEDA, the privacy legislation in Alberta, British Columbia and Québec does apply to employee information of provincially-regulated employers.

PIPEDA governs the collection, use and disclosure of personal information in the course of commercial activities by a federally-regulated business. In addition, PIPEDA regulates the handling of employee personal information by federally-regulated employers. With certain exceptions, PIPEDA also applies to the collection, use or disclosure of personal information across provincial or Canadian international borders and within provinces without substantially similar private sector privacy legislation. PIPEDA requires informed implicit or explicit consent, as the case may be, by the individuals whose personal information is collected, used and/or disclosed. The personal information may then only be used and disclosed for the purposes for which it was originally collected or for other purposes specified in, or allowed by, PIPEDA. PIPEDA has been amended to provide for data breach notification and record keeping requirements, however, although these amendments have passed they have not yet come into force.

PIPEDA requires compliance with the "fair information management principles" of the Model Code for the Protection of Personal Information (the "**Model Code**") developed by the Canadian Standards Association. The Model Code requires organizations to notify individuals of the purposes of, and obtain their consent for, the collection, use or disclosure of their personal information (PIPEDA sets out limited exceptions to this notice and consent requirement) and to have reasonable and appropriate purposes for their collection, use or disclosure of personal information. Organizations also are required to limit the amount of personal information that the organization collects, uses, discloses or retains to that necessary for the purpose for which it was collected; are prohibited from tying the provision of goods or services to consent by individuals to a collateral collection, use or disclosure of personal information; and must meet standards for accuracy and the security of the personal information they hold. In addition, organizations must implement a privacy policy and appoint a privacy officer who will be responsible for representing the organization in privacy matters, provide individuals with access to their personal information (with limited exceptions) and correct inaccurate information at the request of individuals. Provincial privacy statutes in Alberta, British Columbia and Québec contain requirements and exceptions similar to PIPEDA.

The OPC oversees PIPEDA. The OPC may audit the privacy practices of organizations suspected of a breach of PIPEDA, and may receive and investigate complaints of non-compliance. Provincial privacy laws are enforced by provincial Information and Privacy Commissioners (the "**IPCs**") or Ombudsmen, who can investigate complaints and issue binding orders requiring compliance. In addition, individuals have a private right of action for privacy breaches in Alberta, British Columbia and Québec.

Additionally, Alberta's Personal Information Protection Act requires that businesses notify the Alberta IPC if there is a breach of personal information and empowers the IPC to order organizations to notify individuals of such data breaches, in both cases where the data breach represents a "real risk of significant harm" to individuals.

Electronic Messages and Software Updates

Canada's Anti-Spam Law contains restrictions on sending commercial electronic messages (including e-mail, text and instant messages), altering transmission data, and installing computer programs without express opt-in consent (subject to certain narrow exceptions). As well, it sets out prescriptive rules governing, among other things, unsubscribe mechanisms, sender identity and contact information.

Anti-Bribery

The Corruption of Foreign Public Officials Act (Canada) (the "**CFPOA**") prohibits giving or offering to give a benefit of any kind to a foreign public official, or any other person for the benefit of the foreign public official, where the ultimate purpose is to obtain or retain a business advantage. It is applicable both to individuals and corporations, whether acting directly or through an agent or third party. Violation of the CFPOA is a punishable offense, in the case of an individual, by imprisonment for up to five years. A company can receive an unlimited fine for failing to prevent bribery.

Employment and Labor

Legislative jurisdiction over labor and employment is divided between the Canadian provincial and federal governments, with each distinct in its own sphere. Most businesses fall under provincial jurisdiction, with the federal government having jurisdiction over certain limited specific federal works and undertakings. Labor and employment law at both the provincial or federal levels are also governed by the common law in Canada and, in the case of Québec, which is a civil law jurisdiction, the common law as codified in the Civil Code of Québec.

Under the applicable employment standards legislation, employees are guaranteed certain rights with respect to the terms and conditions of their employment such as minimum wages, hours of work, overtime pay, rest periods, vacation pay, statutory holidays, minimum periods of notice of termination and/or severance pay. Applicable provincial labor laws also recognize the right of employees to unionize, but do not impose a union on employers. Further, both federally regulated and provincially regulated employers in Canada are statutorily required to: (a) provide equal treatment in employment without discrimination on the basis of certain prohibited grounds of discrimination; (b) contribute premiums to a government-sponsored insurance fund to compensate workers that are injured due to occupational illness or injury; (c) provide a safe and healthy work environment for all employees; (d) ensure that there is equal pay for work of equal value between male-dominated and female-dominated jobs under Québec and Ontario's pay equity legislation; and (e) deduct a percentage of an employee's earnings and remit that amount to the government together with an equal amount contributed by the employer on account of Canada Pension Plan and Québec Pension Plan, as applicable.

Intellectual Property

Canada has a federal regime for intellectual property law, comprised of the Copyright Act (Canada), the Trade-marks Act (Canada) (the "**TMA**"), and the Patent Act (Canada). With respect to trade-mark rights, they are held pursuant to the TMA. Trade-mark licenses are held pursuant to contract and are addressed in the TMA. Under the TMA, a licensee has the right to exclusive use of the trade-mark pursuant to the terms of the license, and all rights that would be had by the owner of the trade-mark. Currently, a trademark registration lasts for fifteen years, and may be renewed for further fifteen-year periods upon payment of a fee. However, legislation has been passed (but is not yet in force) which would reduce both the initial term and any renewal terms to ten years.

Tax

The ITA and its regulations create the regime for both corporate and personal federal income taxation in Canada, while each province has its own corresponding income tax legislation. In addition, corporations may be subject to other taxes, including sales and commodity taxes. Corporations are required to file annual income tax returns and are subject to certain additional reporting requirements under the ITA and other relevant tax legislation. The ITA imposes income tax for each taxation year on the taxable worldwide income of every corporation resident in Canada. In contrast, corporations not resident in Canada are generally taxed only on income derived from Canadian sources.

Under the ITA, a corporation's income from a business for a year is generally the corporation's business profits for the taxation year, computed on an accrual basis in accordance with relevant accounting and ordinary commercial principles, and subject to specific adjustments, rules, and limitations under the ITA. Deductions from income are generally only permitted for expenses or outlays that are made or incurred for the purpose of earning income from the business, and are in an amount that is reasonable in the circumstances. Capital expenses are generally not directly deductible, but can often be amortized under special depreciation rules.

As described in the section headed "Certain Canadian Legal and Regulatory Considerations in Relation to the Share Offer — Certain Canadian Federal Income Tax Considerations" in this prospectus, so long as the "mind and management" of our Company remains in Canada, our Company remains a resident of Canada for purposes of the ITA notwithstanding its continuance under the laws of the Cayman Islands, and therefore remains taxable under the ITA on its worldwide income, in general terms in the same manner as a Canadian corporation. The same considerations apply to our Company's subsidiary, BVTEHU, so long as its "mind and management" also remain in Canada.

Please refer to the section headed "Certain Canadian Legal and Regulatory Considerations in Relation to the Share Offer — Certain Canadian Federal Income Tax Considerations" in this prospectus for details.

OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN THE U.S.

Travel and Tourism

Federal Laws and Regulations

Registration Requirements

There are no federal permits or licenses that a company must obtain to perform its role as an air ticket consolidator. Additionally, and in harmony with the deregulation of the sale of airline tickets, travel agent activities are not subject to federal license requirements.

Full Fare Advertising Rule

While the Airline Deregulation Act largely preempts any federal regulation over air travel and sales, the federal government has retained jurisdiction over the consumer transportation aspect of air travel sales, insuring that customers are truly getting what they pay for.

Commonly referred to as the "Full Fare Advertising Rule", 49 U.S. Code §41712 allows the Secretary of Transportation to investigate and decide whether an air carrier, foreign air carrier, or ticket agency has been or is engaged in an unfair method of competition in air transportation or the sale of air transportation. While the statutory scope of the Secretary's ability to deem something unfair competition is relatively broad, the statute, along with the accompanying regulations, provides numerous specific acts which are clearly deemed to be unfair or deceptive practices.

49 U.S. Code §41712(b) states that it shall be an unfair or deceptive practices for any air carrier, foreign air carrier, or ticket agency utilizing electronically transmitted tickets for air transportation to fail to notify the purchaser of such ticket of its expiration date.

Additionally, 49 U.S. Code §41712(c) provides that it shall be an unfair or deceptive practice for any ticket agency, air carrier, foreign air carrier, or other person offering to sell tickets for air transportation to fail to disclose, whether verbally in oral communication or in writing in written or electronic communication, prior to the purchase of the ticket: (1) the name of the air carrier providing the air transportation; and (2) if the flight has more than one flight segment, the name of each air carrier providing the air transportation for each such flight segment. In the case of an offer to sell tickets on the internet, the information required by this section shall be provided on the first display of the website following a search of a requested itinerary in a format that is easily visible to a viewer. The broad scope of this statute makes this disclosure requirement applicable to Tour East New York's business operations.

14 CFR §399.84 sets forth additional acts which are deemed to be a violation of §41712. Section 399.84(a) states that the Department of Transportation shall consider any advertisement or solicitation by any air carrier, agency of an air carrier, or ticket agency unfair and deceptive practice if such advertisement fails to state the total price to be paid for air transportation. Although separate charges included within the total price may be stated separately though links or pop ups which display the total price, such separate charges may not be false or misleading, may not be displayed prominently, may not be presented in the same or larger sizes as the total price, and must provide cost information on a per passenger basis that accurately reflects the cost of the item covered by the charge.

In the event that any provision of air transportation requires the purchase of a round trip ticket, Section 399.84(b) states that the Department of Transportation considers any advertisements to be unfair unless airfare is advertised as "each way" and in such a manner so the disclosure of a round trip purchase requirement is clearly and conspicuously noted in the advertisement and is stated prominently and proximately to the each-way fare amount. The Department of Transportation also considers it to be unfair and deceptive practice to advertise each-way fares contingent on a round-trip purchase requirement as "one-way" fares, even if accompanied by prominent and proximate disclosure of the round trip purchase requirement.

Section 399.84(c) additionally adds that when selling air transportation or tour services, an air carrier, agent, or ticket agent, may not offer additional services which are automatically added to the customer's purchase if the customer takes no action; i.e. the customer does not opt out. The customer must affirmatively "opt in" to such service and the fee for it before the fee is added to the purchase.

State Laws

New York does not require that those providing travel services register with the state. Although registration is not required, New York does regulate sales of travel, mostly in the form of certain disclosures and refund obligations. New York's Truth in Travel Act (the "**Act**") sets forth certain obligations of travel consultants and travel promoters.

The Act defines a "travel consultant" as any person, firm, corporation, partnership or association, other than a common carrier or employee of a common carrier, who as a principal or agent, sells or offers for sale any travel tickets or orders for transportation, or negotiates for or holds himself out by solicitation, advertisement or otherwise as one who sells, provides, furnishes contracts or arrangements for such travel tickets or orders transportation.

Additionally, the Act defines "travel promoter" as any person, firm, corporation, partnership or association, other than a common carrier or employee of a common carrier, who is primarily engaged in direct solicitation of persons, by mail or telephone, for the sale of any travel or vacation investments, goods, products or services, including, but not limited to travel or tour benefits. The Act does not define the term "persons", therefore making it unclear if the solicitation of entities would also trigger the classification as a travel promoter. It is unclear if Tour East New York would be classified as a travel promoter.

Section 157-a of the Act sets forth certain written disclosures which must be made when a person agrees, in response to a solicitation by a travel promoter which is directed to the person individually, to enter into travel services contract. The specifics of which disclosures must be made are set forth in the statute. Additionally, after the receipt of such disclosures, the purchaser must be given the option to cancel such agreement until midnight of the third business day after the disclosure is received by the purchaser. Such option to cancel must also be disclosed to the purchaser in the written disclosures.

Sections 158 and 158-a of the Act set forth prohibited practices by travel consultants and travel promoters. In sum, all of the prohibitions prevent travel consultants or travel promoters from knowingly misrepresenting facts about the travel services they are promoting.

Enforcement of the provisions of the Act may be brought about by an action filed by either an individual, a district attorney, or the attorney general. Pursuant to Section 157-a(6) an individual may file suit against a travel promoter for violation of Section 157-a or 158-a. When such an individual is successful in their action, Section 157-a(6) authorizes the court to award the purchaser and attorney's fees and costs in addition to any other remedy which may otherwise be available.

In addition to an individual's right to bring an action under Section 157-a(6), pursuant to Section 159(3) of the Act, the district attorney of any court may bring an action to restrain or prevent any violation of the Act. Additionally, when there has been a violation of section 157(a), 158 or 158-a, the attorney general may bring an action seeking to enjoin and restrain any further violation of the Act. In proceedings brought by the attorney general where the court determines that a violation of the Act has occurred, the court may issues a civil penalty of not more than US$500 for each violation. Section 159(a) and (b) also provides that in addition to the civil penalties, any travel consultant or travel promoter found to have violated Section 158 or 158-a of the Act shall also be guilty of a misdemeanor.

Data privacy laws, data security laws and breach notification laws

The U.S. does not have a single law that governs data privacy and data security. A body of related data privacy and data security laws that consist of federal laws, state laws, and federal and state regulations governs in this area. Related to data privacy laws and data security laws, state breach notification laws, which can be substantially different depending on the state, require entities that suffered a data breach to notify affected customers.

Data Privacy

Data privacy laws generally govern how data is collected and shared (e.g., customers must be on notice of an entity's collection of sensitive information such as location data). Often data privacy laws are sector specific (e.g., healthcare industry privacy laws). Industries that do not have sector-specific law generally govern by self-regulation and enforcement. Therefore, the relevant authority does not proscribe data privacy rules. Instead, the authority merely issues data privacy "best practices." The authority may initiate enforcement proceedings against entities that, in the authority's view, fall short of adequately protecting privacy. Privacy violations can result, for example, by failing to follow a posted privacy policy that contains data privacy representations related to Fair Information Practice Principles such as notice, consent, or control (e.g., the ability to update false information or opt out of third party data sharing).

Data Security

Data security laws generally govern how data should be safeguarded to prevent unauthorized access to or use of customer data. Similar to data privacy laws, data security laws are often sector-specific. Industries that do not have sector-specific laws generally govern by self-regulation and enforcement. Again, the relevant authority does not proscribe data security standards, but instead merely publishes data security "best practices." The authority may initiate enforcement proceedings against entities that, relative to other entities in similar industries, failed to implement reasonable data security – the standards develop based on the market's adoption of security

practices and changes in technology. Data security violations can result, for example, by failing to honor security representations related to data, or failing to implement widely-adopted security procedures such as encrypting customer's passwords or imposing password-strengthening rules.

Breach Notification Laws

Breach notification laws have been enacted in 48 states, including New York, and other U.S. territories and require entities to notify individuals of security breaches of information involving personally identifiable information. These breach notification laws govern how entities that suffer a data breach should respond.

Employment Laws

Federal Laws

Payment of Wages and Benefits

The Fair Labor Standards Act is the nation's main wage law. It sets the federal minimum wage (many states have higher minimums) and requires time-and-a-half overtime pay for hourly employees who work more than 40 hours in a workweek. The Equal Pay Act states employers cannot pay female employees less than male employees for equal work on jobs that require equal skill, effort and responsibility.

Pursuant to the Federal Income Tax Withholding laws under the tax code, employers must withhold and pay the federal government a set percentage of employee wages for the federal government. Under the Federal Insurance Contribution Act, employers must withhold and pay the federal government a set percentage of employee wages for Social Security and Medicare.

City and State Laws

Payment of Wages and Benefits

Article 6 of the New York Labor Law is the primary source of wage and hour laws. It sets the state minimum wage and requires time-and-a-half overtime pay for hourly employees who work more than 40 hours in a workweek. Effective December 31 2016, the minimum wage is USD9.70 per hour, except in New York City, where it increased to USD11.00 (unless the employer has 10 or fewer employees, in which case the minimum wage is USD10.50 per hour).

At-will Employment

New York is an at-will employment state. Employers may terminate an employee at any time, with or without cause, unless the term of employment is defined by contract and/or agreement.

However, New York employers must provide written notice to discharged employees stating the date of termination and the date that employee benefits, such as health and accident insurance, will be canceled. This notice must be given to the employee no later than five working days after the discharge. Failure to notify an employee of cancelation of accident or health insurance subjects the employer to a penalty.

Intellectual Property Laws

Intellectual property laws in the U.S. provide protection in the form of patents, trademarks, copyrights, and trade secrets and other tangible or intangible personal or property rights of third parties.

Trade Secrets

If we obtain trade secrets belonging to our U.S. customers and other business entities during the normal course of business and will have obligations to maintain the confidentiality of those trade secrets.

Copyrights

U.S. copyright law governs original works of authorship (including software, websites, designs, publications and other literary and visual works). These laws are directly applicable to software development, websites, and written and illustrative publications. If our websites, software or published materials contain contents created by other parties, although the other party may be the person primarily responsible for violation of copyright laws, we still have some exposure. We are the party primarily responsible for the contents that we create.

Trademarks and Trade Dress

U.S. trademark law governs names, symbols, slogans, designs or a combination of these items used to identify goods or services and to distinguish them from those manufacture, sold or serviced by others. Trade dress generally relates to the distinctive packaging or design of a product that promotes the product and distinguishes it from other products in the marketplace.

Tax

For Federal income tax purposes, Tour East New York is treated as a C corporation. A C corporation's taxable income is subject to two levels of tax. First, an entity-level tax is imposed on the corporation's taxable income at graduated marginal federal tax rates up to 35%. If a C corporation makes dividend distributions to its shareholders, shareholders pay tax on those distributions. As a general rule, U.S. source dividends paid to a non-U.S. individual or a non-U.S. corporation are subject to a 30% withholding tax. Tour East New York is held by Canadian entities and residents. As such, the withholding rate may be reduced in accordance with the U.S. Income Tax Treaty with Canada.

Under New York state law, as a New York corporation, Tour East New York is required to file Form CT-3, General Business Corporation Franchise Tax Return, on or before April 15 after the close of its taxable year. Since Tour East New York is located in the Metropolitan Commuter Transportation District, it is subject to the metropolitan transportation business tax surcharge. In addition, Tour East New York must file a New York City tax return on an annual basis.