IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

BRIAN C. DEWEY,

Plaintiff,

vs.

GRANT JOHNSON; BENEVOLENT CAPITAL PARTNERS; and BURNLOUNGE, INC.,

Defendants.

_____/

CASE NO.
08-80344-CIV-RYSKAMP/VITUNAC

NOTICE OF REMOVAL

Defendants Grant Johnson ("Johnson"), Benevolent Capital Partners ("Benevolent"), and BurnLounge, Inc. ("BurnLounge") (collectively, "Defendants") pursuant to 28 U.S.C. §§ 1331, 1367, 1441 and 1446, hereby give notice of their removal of the above-captioned action from the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida in which court the action is pending as Case No. 50 2008 CA 0047 93XXXX MB, to the United States District Court for the Southern District of Florida. In support of this removal, Defendants state as follows:

1. On or about February 21, 2008, Plaintiff Brian Dewey ("Plaintiff") commenced a civil action in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida against the Defendants. Johnson and Benevolent were purportedly served with the Complaint in this action on March 5, 2008.[1] BurnLounge was purportedly served with the Complaint in this action on March 25, 2008.

[1] On April 1, 2008 a Motion for Enlargement of Time was filed in state court whereby Defendants requested an enlargement of time within which to file a response to the Complaint, through and including April 21, 2008. Defendants will file a memorandum in support of that motion in accordance with S.D. Fla. L.R. 7.2.

2. Pursuant to 28 U.S.C. § 1446(b), any notice of removal must be filed within 30 days of the moving party's receipt of service of the initial pleading setting forth the claim for relief upon which the action is based. This Notice of Removal is therefore timely under 28 U.S.C. § 1446(b) because it is being filed within 30 days of the date that any of the Defendants first received a copy of the Summons and Complaint.

3. The Complaint and Summons constitute all of the process, pleadings, and orders that have been served in this action. A true and correct copy of the Summons and Complaint are attached hereto at Exhibit A.

4. Removal is proper pursuant to 28 U.S.C. § 1331 and 28 U.S.C. § 1441(b), because the Complaint alleges a violation of the Securities Exchange Act of 1934 (the "1934 Act"). Pursuant to 15 U.S.C. § 78aa, federal courts have not only original, but exclusive jurisdiction over claims brought under the 1934 Act.

5. The other claims alleged in the Complaint are substantially related to Plaintiff's claim under the 1934 Act, and arise from the same operative facts. Accordingly, the Court has supplemental jurisdiction over these claims, pursuant to 28 U.S.C. § 1367.

6. In removing this action, Defendants expressly reserve any and all available defenses, including without limitations or waiver of defenses: lack of service of process, insufficiency of process, lack of personal jurisdiction, improper venue, failure to state a cause of action upon which relief may be granted, and statutes of limitations and repose.

7. Pursuant to 28 U.S.C § 1446(d), promptly after the filing of this Notice of Removal, Defendants will serve written notice thereof upon all other parties.

8. Pursuant to 28 U.S.C. § 1446(d), promptly after the filing of this Notice of Removal, a copy of this Notice of Removal will be filed with the Clerk of the Court for the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida.

9. As more specific grounds for removal, the Complaint arises under the original jurisdiction of this Court conferred by 28 U.S.C. § 1331, which provides: "The district courts shall have original jurisdiction of the civil actions arising under the Constitution, laws, or treaties of the United States." Specifically, Count II is a claim under Section 10(b) of the 1934 Act. Indeed, federal courts have *exclusive* jurisdiction over 1934 Act claims. *See* 15 U.S.C. § 78aa (federal courts "shall have exclusive jurisdiction of violations of this chapter or the rules and regulations thereunder"). Moreover, the Court has supplemental jurisdiction over the remaining counts, which "form part of the same case or controversy." 28 U.S.C. § 1367. Accordingly, this case is one which may be removed pursuant to 28 U.S.C. § 1441(b).

10. Plaintiff appears to have engaged in various forms of artful pleading in an attempt to avoid removal of this action to federal court. *See Federated Dep't Stores, Inc. v. Moitie*, 452 U.S. 394, 398 n.2 (1981) (admonishing the use of "artful pleading to close off [a] defendant's right to a federal forum," and noting the need "to determine whether the real nature of the claim is federal, regardless of plaintiff's characterization"). Specifically, Plaintiff appears to have added a claim under the Securities Act of 1933 (the "1933 Act") given the non-removal provision in the 1933 Act. *See* 15 U.S.C. § 77v(a).[2] Even if that claim may be non-removable in isolation, the non-removal provision in the 1933 Act does not prevent removal of a case including a 1934 Act claim over which the federal courts have exclusive jurisdiction. *See, e.g., Starkenstein v. Merrill Lynch, Pierce, Fenner & Smith*, 1982 WL 26560, *1 (M.D. Fla. Jan. 25, 1982) (denying

[2] In addition to the ploys discussed *infra*, Plaintiff has specified that his alleged damages "are less than $75,000" in an apparent attempt to avoid diversity jurisdiction. However, Plaintiff ignores that this Court has federal question jurisdiction - indeed, *exclusive* jurisdiction - by means of the 1934 Act claim.

motion to remand complaint containing both 1933 Act and 1934 Act claims, because "the language in 15 U.S.C. § 77v(a) would not prevent removal if the complaint also states a [1934 Act] claim"). Indeed, the non-removal provision applies only to a 1933 Act "case," not just a claim. 15 U.S.C. § 77v(a). *See Gallagher v. Donald*, 803 F. Supp. 899, 903 (S.D.N.Y. 1992) (denying motion to remand complaint containing 1933 Act claim and other federal question claims because the non-removal provision of the 1933 Act "bars only removal of a securities law 'case,' not a securities law claim embedded in a broader case, if the 'case' is one arising under other federal laws and thus removable"). This case comprises five counts only one of which relates to the 1933 Act, and thus is not a 1933 Act "case" potentially subject to non-removal.

11. Even if the non-removal provision of the 1933 Act had any applicability, Plaintiff's particular 1933 Act claim should be ignored for removal purposes under the fraudulent joinder doctrine. As noted by the Eleventh Circuit:

> The removal process was created by Congress to protect defendants. Congress did not extend such protection with one hand, and with the other give plaintiffs a bag of tricks to overcome it. As the Supreme Court long ago admonished, the Federal courts should not sanction devices intended to prevent a removal to a Federal court where one has that right, and should be equally vigilant to protect the right to proceed in the Federal court.

Legg v. Wyeth, 428 F.3d 1317, 1325 (11th Cir. 2005) (internal citations and quotation marks omitted). The fraudulent joinder doctrine serves this purpose by preliminarily assessing the merits of "otherwise non-removable claims" to ensure that they were not brought simply to foreclose removal. *B., Inc. v. Miller Brewing Co.*, 663 F.2d 545, 551 (5th Cir. 1981). *See also Hutton v. Consol. Grain & Barge Co.*, 170 F.Supp. 2d 844, 846 (C.D. Ill. 2001) ("When a plaintiff has alleged a claim that is not removable . . ., the Court can look beyond the pleadings to determine whether plaintiff has any chance of prevailing on the nonremovable claim.").

12. Fraudulent joinder:

> must be based upon the plaintiff's pleadings at the time of removal, supplemented by any affidavits and deposition transcripts submitted by the parties. The proceeding appropriate for resolving a claim of fraudulent joinder is similar to that used for ruling on a motion for summary judgment under Fed.R.Civ.P. 56(b). In such a proceeding, the district court must resolve all questions of fact in favor of the plaintiff. ***But there must be some question of fact before the district court can resolve that fact in the plaintiff's favor.***

Legg, 428 F.3d at 1322 (internal citations and quotation marks omitted) (emphasis added).

13. Here, Plaintiff's 1933 Act claim is for violation of Section 12(a)(1).[3] Such claim must be brought "within one year after the violation upon which it is based." 15 U.S.C. § 77m. The law is clear that the one-year limitations period applicable to claims under Section 12(a)(1) is triggered upon the alleged violation – not upon the injured party's discovery of the violation. *See Temple v. Gorman*, 201 F.Supp. 2d 1238, 1241-42 (S.D. Fla. 2002) (holding that "the discovery rule does not apply to section 12(a)(1) claims" because "non-registration violations are easily uncovered").

14. It is clear that Plaintiff was offered and purchased the securities in question more than one year before filing the Complaint on February 21, 2008. Plaintiff himself acknowledges that he was offered the securities "[i]n or around January 2007." Compl. ¶ 8. Plaintiff otherwise attempts to vaguely allege that he purchased the securities "in early 2007." *Id.* ¶ 9. However, the agreements sent to Plaintiff in connection with the purchase of the securities make clear that the securities were purchased on January 25, 2007. *See* Form of Registration Rights Agreement, attached hereto at Exhibit B. Therefore, it is undisputed that Plaintiff has no possibility of prevailing on his time-barred 1933 Act claim. Accordingly, this claim should be ignored for removal purposes.

[3] In perhaps yet another form of artful pleading, Plaintiff fails to specify whether Count I is for violation of Section 12(a)(1) or 12(a)(2) of the 1933 Act. However, Plaintiff attempts to state a claim for sale of unregistered securities which were not exempt from registration, as provided under Section 12(a)(1).

15. For the reasons stated above, the Complaint in its entirety falls within this Court's subject matter jurisdiction, and all procedural requisites for removal have been met. Accordingly, this Court should take jurisdiction over and conduct all further proceedings in this case.

Dated: April 4, 2008

Respectfully submitted,

AKERMAN SENTERFITT
One Southeast Third Avenue - 28th Floor
Miami, Florida 33131-1714
Tel: 305-374-5600
Fax: 305-374-5095

By: _____
Brian P. Miller, FBN 980633
brian.miller@akerman.com
Jeffrey T. Cook, FBN 0647578
jeffrey.cook@akerman.com
Michael O. Mena, FBN 010664
michael.mena@akerman.com

Attorneys for Defendants Grant Johnson, Benevolent Capital Partners, and BurnLounge, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was mailed this 4th day of April, 2008 to Rebecca Davis, Esq., Davis Griffey, 1245 Roycroft Ave., Celebration, Florida 34747 (Counsel for Brian C. Dewey).

_____
Attorney

IN THE CIRCUIT COURT OF THE FIFTHTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA
GENERAL CIVIL DIVISION

BRIAN C. DEWEY,

Plaintiff,

-vs-

GRANT JOHNSON, BENEVOLENT CAPITAL PARTNERS, and BURNLOUNGE, INC.,

Defendants.

Case No. 2008 _____

Division 50 2008 CA 004793 XXXX MB

AE

SUMMONS

STATE OF FLORIDA
TO: Mr. Grant Johnson
40 26th Street
Venice, CA 90291
Phone: 310-821-5554 or 310-500-6563

YOUR ARE COMMANDED to serve written defenses to the complaint on plaintiff's attorney, whose name and address is:

Rebecca Davis, Esq.
Davis Griffey Law Firm
1245 Roycroft Avenue
Celebration, FL 34747
(800) 897-8694

SHARON R. BOCK
Clerk & Comptroller
P.O. Box 4667
West Palm Beach, Florida
33402-4667

within twenty (20) days after service of this summons, exclusive of the day of service, and to file the original of the defenses with the Clerk of the Court in the Circuit Court of the Fifthteenth Judicial Circuit in and for Palm Beach County, Florida either before service on plaintiff's attorney or immediately thereafter. If you fail to do so, a default will be entered against you for the relief demanded in the complaint.

DATED on FEB 2 1 2008

CIRCUIT CIVIL
P.O. Box 4667
West Palm Beach, Florida 33402

SHARON R. BOCK
As Clerk of the Court
By: CATHERINE MAY
As Deputy Clerk

If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the Administrative Office of the Courts, Main Courthouse, 205 North Dixie Highway, West Palm Beach, Florida, 33401, at 561-355-4380 within two (2) working days of your receipt of this document; if you are hearing impaired or voice impaired, call 1-800-955-8771.

EXHIBIT
A

IN THE CIRCUIT COURT OF THE FIFTHTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA
GENERAL CIVIL DIVISION

3/21/08 2pm 11 Lic # 1244813

BRIAN C. DEWEY,

Plaintiff,

-vs-

GRANT JOHNSON, BENEVOLENT CAPITAL PARTNERS, and BURNLOUNGE, INC.,

Defendants.

Case No. 2008 50 2008 CA 004795 XXXX MB

Division

AE

SUMMONS

STATE OF FLORIDA

TO: Burnlounge, Inc.
304 Hudson Street, 7th Floor
New York, NY 10013

YOUR ARE COMMANDED to serve written defenses to the complaint on plaintiff's attorney, whose name and address is:

Rebecca Davis, Esq.
Davis Griffey Law Firm
1245 Roycroft Avenue
Celebration, FL 34747
(800) 897-8694

within twenty (20) days after service of this summons, exclusive of the day of service, and to file the original of the defenses with the Clerk of the Court in the Circuit Court of the Fifthteenth Judicial Circuit in and for Palm Beach County, Florida either before service on plaintiff's attorney or immediately thereafter. If you fail to do so, a default will be entered against you for the relief demanded in the complaint.

DATED on FEB 21 2008

CIRCUIT CIVIL
P.O. Box 4667
West Palm Beach, Florida 33402

SHARON R. BOCK
As Clerk of the Court

By: _____
As Deputy Clerk

If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the Administrative Office of the Courts, Main Courthouse, 205 North Dixie Highway, West Palm Beach, Florida, 33401, at 561-355-4380 within two (2) working days of your receipt of this document; if you are hearing impaired or voice impaired, call 1-800-955-8771.

IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA

BRIAN C. DEWEY,

Plaintiff,

-vs-

GRANT JOHNSON, BENEVOLENT CAPITAL PARTNERS, and BURNLOUNGE, INC.,

Defendants.

Case No. 2008 50 2008 CA 004793 XXXX MB

Division

AF

COPY
RECEIVED FOR FILING
FEB 21 2008
SHARON R. BOCK
CLERK & COMPTROLLER
CIRCUIT CIVIL DIVISION

COMPLAINT

Plaintiff, Brian C. Dewey, sues Grant Johnson, Benevolent Capital Partners, and BurnLounge, Inc. (collectively "Defendants"), and alleges as follows:

I. JURISDICTION AND PARTIES

1. This is an action for compensatory damages that exceed $15,000, but are less than $75,000.

2. Plaintiff Brian C. Dewey ("Dewey") is a resident of West Palm Beach, Florida, is over the age of eighteen years and is otherwise *sui juris*. At all times material hereto, Plaintiff Dewey was a resident of Palm Beach County, Florida.

3. Defendant Grant Johnson ("Johnson"), upon information and belief, is a resident of Venice, California, is over the age of eighteen years and is otherwise *sui juris*. Johnson is the founding, managing partner of Benevolent Capital Partners, and, at all times material hereto, Johnson was acting as an owner, agent and representative of Benevolent Capital

Partners. At the time at issue, Defendant Johnson also served on the Board of Directors of Defendant BurnLounge, Inc. As of the date of the filing of this Complaint, Defendant Johnson serves as the Chairman and CEO of BurnLounge, Inc. in addition to serving as the managing partner of Benevolent Capital Partners. All communications by Defendant Johnson with Plaintiff Dewey regarding the securities transaction that forms the basis for this Complaint were directed to Plaintiff Dewey in Florida where Plaintiff resides.

4. Defendant Benevolent Capital Partners is a private equity investment firm founded in January 1998 by Defendant Grant Johnson and maintains offices in Venice, California, New York, New York and Charlottesville, Virginia. At all times relevant and material hereto, Benevolent Capital Partners conducted its business with Plaintiff Dewey through its agent and representative Grant Johnson. Benevolent Capital Partners is vicariously liable for the acts and omissions of its partners, employees and its other agents and representatives, including Johnson, by virtue of the doctrine of respondeat superior and/or actual or apparent authority.

5. Defendant Burnlounge, Inc. is a Delaware corporation, conducts business activities throughout the country, and maintains its principal place of business at 304 Hudson Street, 7th Floor, New York, New York. All communications by Defendant BurnLounge with Plaintiff Dewey regarding the securities transaction that forms the basis for this Complaint were directed to Plaintiff Dewey in Florida where Plaintiff resides.

II. FACTS

6. In or around January 2007, Plaintiff Dewey was introduced to Grant Johnson with Benevolent Capital Partners through a mutual acquaintance Marcus Kanahele.

7. In or around January 2007, Defendants Johnson and Benevolent Capital Partners represented to Plaintiff Dewey that one of the principals and founders of BurnLounge was Christopher Sabec ("Sabec"). Sabec had been known to Plaintiff Dewey through family ties as a very high level music industry official with a long resume of successful ventures in the industry. However, in fact, Sabec was only being employed as a temporary contract worker for BurnLounge and had no ownership of or even a permanent job with BurnLounge. Misrepresenting Sabec's position with BurnLounge fraudulently lent credibility to the management of BurnLounge. Without such credibility, Plaintiff Dewey would have forgone any investment in BurnLounge.

8. In or around January 2007, Defendants Johnson and Benevolent Capital Partners advised Plaintiff Dewey that Defendant BurnLounge was engaged in a Series C Convertible Preferred Stock Offering and that Plaintiff Dewey could participate as an investor if he "act[ed] quickly". Defendants pressured Plaintiff Dewey to quickly invest, emphasizing that "time is of the essence", that the "Series C" round of financing was almost full, and that it would be closed soon. Defendant Johnson further represented to Plaintiff Dewey that he could take money out of the

investment once the round of financing was closed, but once it closed, Plaintiff Dewey would no longer be able to invest monies into the "Series C" round of financing. Defendants further represented to Plaintiff Dewey that the minimum investment was $50,000.

9. As a direct result of Plaintiff Dewey's communications with Defendant Johnson, acting in the capacity of a partner, agent and representative of Benevolent Capital Partners and soliciting purchasers for Defendant BurnLounge, Inc's stock offering, Plaintiff Dewey individually purchased $65,000 worth of preferred stock in BurnLounge's Series C offering in early 2007. Plaintiff Dewey also purchased $25,000 worth of stock for friends and relatives who could not meet the $50,000 minimum. This was paid through a line of credit and was returned by Defendants in or around the end of March 2007. It was at this time –the end of March 2007 -- that Plaintiff Dewey discovered that the Series C round of financing remained open, that Defendants continued to solicit investors to participate in the offering and were offering investors the opportunity to participate below the $50,000 level that was represented as a minimum requirement to Plaintiff Dewey.

10. The BurnLounge, Inc. preferred stock shares that Plaintiff Dewey purchased are securities within the meaning of the Securities Act of 1933, the Securities Exchange Act of 1934 and the Florida Securities and Investors Protection Act.

11. In the course of soliciting Plaintiff Dewey to invest in the BurnLounge, Inc.'s Series C Convertible Preferred Stock Offering, Defendants made material misstatements of fact and omitted material facts necessary to avoid misleading Plaintiff Dewey into investing in BurnLounge, Inc, including the following:

(A) Defendants Johnson, Benevolent Capital Partners and BurnLounge, Inc. represented to Plaintiff Dewey that the Series C Convertible Preferred Stock would be offered and sold without such offer and sale being registered under the Securities Act in reliance on the exemption provided in Section 4(2) of the Securities Act and Regulation D promulgated thereunder. However, Defendants failed to undertake necessary actions to ensure that the Offering qualified for a Section 4(2) exemption. For example, Defendants failed to ensure that Plaintiff Dewey had enough knowledge and experience in finance and business matters to evaluate the risks and merits of the investment or was a sophisticated investor or was able to bear the investment's economic risk nor did Defendants obtain any agreement from Plaintiff Dewey that he would not resell or distribute the securities to the public. Had Plaintiff Dewey known that the Defendants failed to undertake the necessary efforts to ensure that the offering qualified for an exemption from registration

under Section 4(2) of the Securities Act and Regulation D, Plaintiff Dewey would not have participated as an investor in the Offering.

(B) Defendants failed to disclose to Plaintiff Dewey that the profitability of BurnLounge Inc.'s business was based more on the sale of on-line music stores rather than on the retail sale of digital downloads themselves. Had Defendants disclosed this material fact, Plaintiff Dewey would not have participated as an investor in the Offering.

(C) Defendants failed to disclose to Plaintiff Dewey that BurnLounge, Inc. was operating what amounts to an illegal pyramid scheme and utilizing deceptive earnings claims to promote the sale of on-line stores. Plaintiff Dewey did not discover this material fact until sometime after June 2007 when the Federal Trade Commission filed a Complaint against BurnLounge, Inc. in the U.S. District Court for the Central District of California, seeking a halt to BurnLounge, Inc's illegal pyramid practices and other illegal practices. Had Plaintiff Dewey known this material information, Plaintiff Dewey never would have invested in BurnLounge Inc.'s Series C Convertible Preferred Stock Offering.

(D) Defendants Johnson and Benevolent Capital Partners falsely represented to Plaintiff Dewey that BurnLounge, Inc.

intended to expand into the Brazilian market. This served as a material basis for Plaintiff Dewey deciding to participate as an investor in the offering; however, to date, Plaintiff Dewey is not aware of any efforts undertaken by Defendant BurnLounge, Inc. to expand into the Brazilian market.

(E) Defendants Johnson and Benevolent Capital Partners also falsely represented to Plaintiff Dewey that if he invested in the Series C offering, an opportunity would be available to him to sell his shares in mid 2007. Grant Johnson indicated that a group of investors in Texas were offering to buy the entire D series of financing in May 2007 and that they wanted to purchase as many of the Series A, B and C shares that they could get. Defendant Johnson and Benevolent Capital Partners also advised Plaintiff Dewey that other shareholders, officer and directors of BurnLounge would buy back shares anytime anyone needed to sell them, thus providing liquidity.

(F) In making the decision to participate in the offering, Plaintiff Dewey relied heavily on Defendant Johnson's statement that he would have an opportunity to liquidate all or part of his investment in mid 2007; however, this opportunity was not made available to Plaintiff Dewey. In fact, in June 2007, Plaintiff Dewey advised Defendant Johnson that he wished to

sell at least $35,000 - $40,000 of his $65,000 investment in BurnLounge and was advised by Defendant Johnson that his investment was not "liquid" and that Plaintiff Dewey's request was "unrealistic".

12. Plaintiff Dewey invested in BurnLounge's Series C Convertible Preferred Stock Offering in reliance upon the representations of material facts by Defendants. Plaintiff Dewey did not know or have reason to know of the misrepresentations and omissions of material facts by Defendants until sometime after the end of March 2007.

13. Defendants Johnson, Benevolent Capital Partners and BurnLounge, Inc. acted as sellers of the BurnLounge, Inc. preferred stock to Plaintiff Dewey within the meaning of the Securities Act of 1933, the Securities Exchange Act of 1934 and the Florida Securities and Investors Protection Act.

14. On or about November 19, 2007, Plaintiff Dewey requested from Defendants rescission of the transaction at issue. As of the date of the filing of this Complaint, Plaintiff Dewey continues to own the BurnLounge, Inc. stock at issue and Defendants have failed to respond to Plaintiff's rescission request.

III. CAUSES OF ACTION

COUNT I – VIOLATION OF SECTION 12 of the SECURITIES ACT of 1933

15. Plaintiff adopts and incorporates by this reference the allegations of Paragraphs 1-14 above.

16. By reason of Defendants' actions as described above, each of them has violated Section 12 of the Securities Act of 1933 inasmuch as Defendants have participated in the offer and sale of unregistered securities that did not properly qualify for an exemption from registration.

17. By reason of Defendants' violations of Section 12 of the 1933 Act, Plaintiff is entitled to rescind the above-described transaction, have his $65,000 returned to him in exchange for a tendering of the BurnLounge, Inc. stock at issue and to recover interest, costs and attorney's fees.

COUNT II – VIOLATION OF SECTION 10(b) of the SECURITIES EXCHANGE ACT of 1934 and RULE 10b-5

18. Plaintiff adopts and incorporates by this reference the allegations of Paragraphs 1-14 above.

19. By reason of Defendants' actions as described above, each of them has violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

20. By reason of Defendants' violations of Section 10(b) of the 1934 Act and Rule 10b-5, Plaintiff is entitled to a return of his $65,000 in exchange for a tendering of the BurnLounge, Inc. stock at issue and to recover interest, costs and attorney's fees.

COUNT III– VIOLATION OF THE FLORIDA SECURITIES AND INVESTORS PROTECTION ACT

21. Plaintiff adopts and incorporates by this reference the allegations of Paragraphs 1-14 above.

22. By reason of Defendants' actions as described above, each of them has violated Chapter 517 of the Florida Statutes, specifically known as the Florida Securities and Investors Protection Act..

23. By reason of Defendants' violations of the Florida Securities and Investors Protection Act, Plaintiff is entitled to rescind the above-described transaction, have his $65,000 returned to him in exchange for a tendering of the BurnLounge, Inc. stock at issue and to recover interest, costs and attorney's fees.

COUNT IV – COMMON LAW FRAUD

24. Plaintiff adopts and incorporates by this reference the allegations of Paragraphs 1-14 above.

25. By reason of Defendants' actions as described above, Defendants have made misrepresentations or omissions of material facts, upon which Plaintiff justifiably relied, for the purpose of inducing Plaintiff to invest in BurnLounge, Inc.'s Series C Convertible Preferred Stock Offering.

26. As a result of Defendants' acts of fraud, Plaintiff has suffered damages in the amount of $65,000 plus lost interest on his investment as well as costs and attorney's fees in pursuing this action.

COUNT V – NEGLIGENT MISREPRESENTATION

27. Plaintiff adopts and incorporates by this reference the allegations of Paragraphs 1-14 above.

28. By reason of Defendants' actions as described above, Defendants made false statements to Plaintiff concerning BurnLounge, Inc. and

BurnLounge, Inc's Series C Convertible Preferred Stock Offering. Defendants were negligent in making the above-described statements because they should have known the statements were false. Defendants knew and/or intended that Plaintiff Dewey would rely on their false statements, which Plaintiff Dewey did to his detriment and incurred damages in the amount of $65,000 plus lost interest on his investment as well as costs and attorney's fees in pursuing this action.

WHEREFORE, based on the foregoing, Plaintiff respectfully requests that this Court enter an Order, awarding Plaintiff rescissionary damages in the amount of $65,000 together with interest, costs, attorney's fees and such other relief to which Plaintiff may be entitled.

Dated: February 1, 2008

By: _____

Rebecca Davis, Esq.
DAVIS GRIFFEY
1245 Royceroft Ave.
Celebration, FL 34747
Office: (800) 897-8694
Cell: (901) 570-0639
Fax: (321) 939-4961
FLA. BAR NO. 492671
Attorney for Plaintiff

JURY TRIAL DEMANDED

CERTIFICATE OF SERVICE

I hereby certify that on this 12 day of February, 2008, a true copy of the foregoing was furnished by facsimile and/or U.S. Mail to:

Mr. Grant Johnson
Principal
Benevolent Capital Partners
40 26th Street
Venice, CA 90291

Mr. Grant Johnson
Chief Executive Officer
Burnlounge, Inc.
304 Hudson Street, 7th Floor
New York, NY 10013

Mr. Richard Piemonte
Chief Financial Officer
Burnlounge, Inc.
1776 Broadway
Eighth Floor
New York, NY 10019

By: _____

Rebecca Davis, Esq.
DAVIS GRIFFEY
1245 Roycroft Ave.
Celebration, FL 34747
Office: (800) 897-8694
Cell: (901) 570-0639
Fax: (321) 939-4961
FLA. BAR NO. 492671

BURNLOUNGE, INC.

FORM OF REGISTRATION RIGHTS AGREEMENT

March 16, 2007

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FORM OF REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this "Agreement") is made as of the 25 day of January, 2007, by and among **BURNLOUNGE, INC.**, a Delaware corporation (the "Company"); the "Purchasers" named in that certain Subscription Agreement (the "Investors") by and among the Company and the Purchasers, of even date herewith (the "Subscription Agreement") and each other person, firm or corporation who hereafter executes a counterpart to this Agreement and becomes a Holder (as defined herein) in accordance with the terms of this Agreement.

RECITALS

WHEREAS, the Company and the Investors are parties to the Subscription Agreement whereby the Investors have agreed to purchase from the Company [500] shares of the Company's Series C Convertible Preferred Stock (the "Series C Preferred Stock"); and

WHEREAS, in order to induce the Investors to purchase the Series C Preferred Stock pursuant to the Subscription Agreement, the Investors and the Company hereby agree that this Agreement shall govern the rights of the Holders to cause the Company to register Registrable Securities (as defined below), all on the terms set forth herein.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Registration Rights. The Company and the Holders (including the Investors) covenant and agree as follows:

1.1 Definitions. Unless otherwise defined in this Agreement, all capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Subscription Agreement. For purposes of this Agreement:

(a) The term "Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(b) The term "Common Stock" means the Company's common stock, par value $0.0001 per share.

(c) The term "Form S-3" means such form under the Act as in effect on the date hereof or any registration form under the Act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(d) The term "Holder" means the Investors or any assignee of the Investors (pursuant to an assignment effected in accordance with Section 1.11 hereof) in each case while the owner of Registrable Securities (or holding a right to acquire Registrable Securities upon conversion of Series C Preferred Stock), and recorded as a stockholder on the books and records of the Company.

(e) The term "Initial Offering" means an initial public offering of the Common Stock by the Company under the Act.

(f) The term "1934 Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(g) The terms "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(h) The term "Registrable Securities" means all shares of Common Stock issuable or issued upon conversion of the Series C Preferred Stock (including any shares of Common Stock issued with respect to such shares of Common Stock in the form of a stock dividend or in connection with any stock split, recapitalization, or merger or exchange); provided, however, that shares of Common Stock that are Registrable Securities shall cease to be Registrable Securities (i) upon any sale pursuant to a registration statement under the Act, Section 4(1) of the Act, or Rule 144 or (ii) at such time as such shares are eligible for sale pursuant to Rule 144(k).

(i) The term "Rule 144" shall mean Rule 144 under the Act.

(j) The term "Rule 144(k)" shall mean subsection (k) of Rule 144 under the Act.

(k) The term "SEC" shall mean the Securities and Exchange Commission.

1.2 Company Registration.

(a) If (but without any obligation to do so) after an Initial Offering the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its securities under the Act in connection with either (i) a the public offering of such securities for the account of the Company (other than a registration relating solely to the sale of securities of participants in a Company stock or stock option plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities), or (ii) the future resale of shares of Common Stock issued to any selling security holders or issuable to such selling security holders upon conversion of any convertible securities or upon the exercise of any warrants, the Company shall, subject to any contractual restrictions or limitations at the time of such proposed registration, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within fifteen (15) days after mailing of such notice by the Company in accordance with Section 2.5, the Company shall, subject to the provisions of Section 1.2(c), use all commercially reasonable efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder requests to be registered. The rights under this Section 1.2 shall not apply to any registration of Common Stock in an Initial Offering and the Company shall not be required to effect more than three (3) registrations for Holders pursuant to this Section 1.2.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.2 prior to the effectiveness of such registration whether or not any Holder has elected to include Registrable Securities in such registration. The expenses of a withdrawn registration initiated by the Company shall be borne by the Company in accordance with Section 1.7 hereof.

(c) Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this Section 1.2 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by the Company (or by other persons entitled to select the underwriters) and enter into an underwriting agreement in customary form with such underwriters, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by stockholders to be included in such registration exceeds the amount of securities that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall only be required to include that number of Registrable Securities that the underwriters determine in their sole discretion will not jeopardize the success of the offering. In the event that the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such registration, then the Registrable Securities that are included shall be apportioned pro rata among the selling Holders based on the number of Registrable Securities held by all selling Holders or in such other proportions as shall mutually be agreed to by all such selling Holders.

1.3 Form S-3 Registration. Upon the Company becoming eligible for use of Form S-3, if the Company shall receive from Holders of at least a majority of the Registrable Securities (the "S-3 Initiating Holders"), a written request or requests that the Company effect a registration on Form S-3 with respect to all or a part of the Registrable Securities owned by the S-3 Initiating Holders, the Company shall:

(a) within 20 days of the Company's receipt of the written request from the S-3 Initiating Holders, give written notice of the proposed registration to all other Holders; and

(b) use all commercially reasonable efforts to effect, as soon as practicable, such registration on Form S-3 as would permit or facilitate the sale and distribution of all or such portion of such Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holders joining in such request as are specified in a written request given within fifteen (15) days after such Holders' receipt of such written notice from the Company, provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this section 1.3:

(i) if Form S-3 is not available for the offering proposed by the S-3 Initiating Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and

such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than $1,000,000;

(iii) if the Company shall furnish to S-3 Initiating Holders a certificate signed by the Company's Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than one hundred twenty (120) days after receipt of the request of the S-3 Initiating Holders, provided that such right shall be exercised by the Company not more than once during any 12 month period and provided further that the Company shall not register any securities for the account of itself or any other stockholder during such one hundred twenty (120) day period (other than a registration relating solely to the sale of securities of participants in a Company stock or stock option plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in Form S-3, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered);

(iv) if the Company has (A) within the 90 day period preceding the date of a request by the S-3 Initiating Holders, effected a registration of Common Stock, (B) within the six (6) month period preceding the date of such request, already effected one registration on Form S-3 for the Holders pursuant to this Section 1.3 or (C) already effected an aggregate of three (3) registrations on Form S-3 for the Holders pursuant to this Section 1.3; or

(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration.

(c) If the S-3 Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.3 and the Company shall include such information in the written notice referred to in Section 1.3(a). In the event the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting, the S-3 Initiating Holders shall cause all such Holders to enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by a majority in interest of the S-3 Initiating Holders (which underwriter or underwriters shall be subject to the approval of the Company). Notwithstanding any other provision of this Section 1.3, if the underwriter in a registration effected under this Section 1.3 advises the Company that marketing factors require a limitation on the number of securities underwritten, then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of Registrable Securities included in such underwriting shall be allocated among the Holders of such Registrable Securities pro rata based on the number of Registrable Securities held by all such Holders (including the S-3 Initiating Holders). Any Registrable Securities excluded from such underwriting shall be withdrawn from the registration effected pursuant to this Section 1.3.

(d) Subject to the foregoing, the Company shall file a registration statement on Form S-3 covering the Registrable Securities so requested to be registered as soon as practicable after the receipt of the request of the S-3 Initiating Holders and any requests of other Holders to be included in such registration.

1.4 Obligations of the Company. In connection with any registration hereunder, the Company shall use its commercially reasonable efforts to:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all commercially reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of at least 120 days or, if earlier, until the distribution contemplated in the Registration Statement has been completed;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of Registrable Securities covered by such registration statement;

(c) furnish to the Holders of Registrable Securities covered by a registration statement hereunder such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) use all commercially reasonable efforts to register and qualify the securities covered by a registration statement filed hereunder under the state securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;

(f) notify each Holder of Registrable Securities covered by a registration statement filed hereunder at any time when a prospectus relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which such statements are made;

(g) cause all such Registrable Securities registered pursuant to this Section 1 to be listed on each securities exchange and trading system on which similar securities issued by the Company are then listed; and

(h) provide a transfer agent and registrar for all Registrable Securities registered pursuant hereto and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

1.5 Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably requested to effect the registration of such Holder's Registrable Securities and each Holder hereby agrees to furnish such information to the Company.

1.6 Notice to Discontinue. Each Holder agrees that, upon receipt of any notice from the Company of any event described in Section 1.4(f), such Holder shall forthwith discontinue disposition of any Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Holder's receipt of a supplemented or amended prospectus and, if so directed by the Company, deliver to the Company all copies then in such Holder's possession of the prospectus covering such Registrable Securities which is current at the time of such Holder's receipt of any such notice.

1.7 Expenses of Registration. All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications under Sections 1.2 and 1.3 including (without limitation) all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the selling Holders (not to exceed $10,000) shall be borne by the Company. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration pursuant to Section 1.3 if the registration is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration).

1.8 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.9 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, officers and directors of each Holder, legal counsel and accountants for each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act or any state securities law, rule or regulation insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation"):

(i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state in such registration statement a material fact required to be stated therein, or necessary to make the statements therein not misleading under the circumstances such statements were made or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act or any state securities law, and the Company will reimburse each such Holder, underwriter, controlling person or other aforementioned person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the indemnity agreement contained in this subsection 1.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter, controlling person or other aforementioned person; provided, further, however, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Holder or underwriter or other aforementioned person, or any person controlling such Holder or underwriter, from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the most current prospectus was not sent or given by or on behalf of such Holder or underwriter or other aforementioned person to such person, if required by law to have been so delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(b) To the extent permitted by law, each Holder will indemnify and hold harmless the Company, each of its directors, each of its officers, each person, if any, who controls the Company within the meaning of the Act, legal counsel and accountants for the Company, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Act, the 1934 Act or any state securities law, rule or regulation insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any person intended to be indemnified pursuant to this subsection 1.9(b) for any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the indemnity agreement contained in this subsection 1.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, and provided that in no event shall any indemnity under this subsection 1.9(b) exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.9 of notice of the commencement of any action (including any governmental action), such

indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel chosen by it; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.9 to the extent of such prejudice, but the omission to so deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.9.

(d) If the indemnification provided for in this Section 1.9 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations; provided, however, that no contribution by any Holder, when combined with any amounts paid by such Holder pursuant to Section 1.9(b), shall exceed the net proceeds from the offering received by such Holder. The relative fault of the indemnifying party and the indemnified party shall be determined by reference to, among other things, whether an untrue or alleged untrue statement of a material fact or an omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in an underwriting agreement entered into in connection with an underwritten public offering are in conflict with the foregoing provisions, the provisions in such underwriting agreement shall control.

(f) The obligations of the Company and Holders under this Section 1.9 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1 and otherwise.

1.10 Reports Under the 1934 Act. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a

registration on Form S-3, the Company agrees that following consummation of the registration of the Common Stock under the 1934 Act, it shall use commercially reasonable efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the effective date of the Initial Offering; and

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the 1934 Act.

1.11 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of Registrable Securities that (i) is a subsidiary, parent, partner, limited partner, retired partner or stockholder of a Holder, (ii) is a Holder's family member or trust for the benefit of an individual Holder, or (iii) after such assignment or transfer, holds at least 50,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations or the like), provided: (a) the Company is, prior to any such transfer, furnished with written notice of the name and address of such transferee or assignee and the Registrable Securities with respect to which such registration rights are being assigned; (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including, without limitation, the provisions of Section 1.12 below, by executing a delivering a counterpart to this Agreement; and (c) such assignment shall be effective only if immediately following such transfer the further disposition of such Registrable Securities by the transferee or assignee is restricted under the Act.

1.12 "Market Stand-Off" Agreement.

(a) Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter or the Company's investment banker, during the period commencing on the date of the final prospectus relating to the Company's Initial Offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days) (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock held immediately prior to the effectiveness of the registration statement for such Initial Offering, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise. The foregoing provisions of this Section 1.12 shall apply only to the Company's Initial Offering. The Company's investment banker or underwriters in connection with the Company's Initial Offering are intended third-party beneficiaries of this Section 1.12 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in the Company's Initial Offering that are consistent with this Section 1.12 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the

underwriters shall apply to all Holders subject to such agreements pro rata based on the number of shares subject to such agreements. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

(b) Each Holder agrees that a legend reading substantially as follows shall be placed on all certificates representing all Registrable Securities of each Holder (and the shares or securities of every other person subject to the restriction contained in this Section 1.12):

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD OF UP TO 180 DAYS AFTER THE EFFECTIVE DATE OF THE ISSUER'S REGISTRATION STATEMENT FILED UNDER THE ACT, AS AMENDED, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER'S PRINCIPAL OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.

1.13 Termination of Registration Rights. No Holder shall be entitled to exercise any right provided for in this Section 1 (i) after three (3) years following the consummation of the Initial Offering, or (ii) as to any Holder, such earlier time after the Initial Offering at which time such Holder (a) holds one percent (1%) or less of the Company's outstanding Common Stock and (b) all Registrable Securities held by such Holder (together with any affiliate of the Holder with whom such Holder must aggregate its sales under Rule 144) can be sold in any three (3)-month period without registration in compliance with Rule 144.

1.14 Prospectus Delivery Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Act as applicable to it in connection with sales of Registrable Securities pursuant to any registration statement filed hereunder.

2. Miscellaneous.

2.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

2.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of New York as applied to agreements among New York residents entered into and to be performed entirely within New York.

2.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

2.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

2.5 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the respective parties at the addresses set forth on the signature pages attached hereto (or at such other addresses as shall be specified by notice given in accordance with this Section 2.5).

2.6 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

2.7 Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibits hereto, if any) constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and Holders of at least a majority of the Registrable Securities then outstanding. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Holder of any Registrable Securities, each future Holder of all such Registrable Securities, and the Company.

2.8 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

[*Remainder of Page Intentionally Blank, Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date so indicated.

BURNLOUNGE, INC.

By:_____
Name: Richard Piemonte
Title: Chief Financial Officer

Date: January 25, 2007

[Brian Curtis Dewey]
By: _____

By: _____
Signature
Print Name: _____

Address: _____

Date: _____, 2007

CIVIL COVER SHEET

FILED by ____ D.C.
ELECTRONIC
APR. 4, 2008
STEVEN M. LARIMORE
CLERK U.S. DIST. CT.
S.D. OF FLA. - MIAMI

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleading law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE SIDE OF THE FO

I(a) PLAINTIFF

BRIAN C. DEWEY

(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF (EXCEPT IN U.S. PLAINTIFF CASES)

PALM BEACH

(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)

Rebecca Davis, Esq.
Davis Griffey
1245 Roycroft Ave.
Celebration, FL 34747
Telephone: 800-897-8694

DEFENDANTS

GRANT JOHNSON, BENEVOLENT CAPITAL P/ INC.

COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED

ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)

Brian P. Miller, Esq.
Jeffrey T. Cook, Esq.
Akerman Senterfitt
One S.E. Third Ave., 25th Floor
Miami, FL 33131
Telephone: 305-374-5600

(d) CIRCLE COUNTY WHERE ACTION AROSE:
PALM BEACH

II. BASIS OF JURISDICTION

(PLACE AN X ONE BOX ONLY)

1. U.S. Government Plaintiff
2. U.S. Government Defendant
3. X Federal Question (U.S. Government Not a Party)
4. Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES

(PLACE AN X IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

(For Diversity Case Only)	PTF	DEF		PTF	DEF
Citizen of This State	1	1	Incorporated and Principal Place of Business in This State	4	4
Citizen of Another State	2	2	Incorporated and Principal Place of Business in Another State	5	5
Citizen or Subject of a Foreign Country	3	3	Foreign Nation	6	6

IV. CAUSE OF ACTION
15 U.S.C. § 78j – Securities Fraud

West Palm Beach 08-80344-CV-Ryskamp/Vitunac

IVa. _4_ days estimated (for both sides) to try entire case

V. NATURE OF SUIT (PLACE AN X IN ONE BOX ONLY)

A CONTRACT	A TORTS		B FORFEITURE PENALTY	A BANKRUPTCY	A OTHER STATUS
110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment & Enforcement of Judgment 151 Medicare Act 152 Recovery of Defaulted Student Loans (Excl Veterans) B 153 Recovery of Overpayment of Veteran's Benefits B 160 Stockholder's Suits 190 Other Contract 195 Contract Product Liability	PERSONAL INJURY 310 Airplane 315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle 355 Motor Vehicle Product Liability 360 Other Personal Injury 362 Personal Injury-Med Malpractice 365 Personal Injury-Product Liability 368 Asbestos Personnel Injury PERSONAL PROPERTY 370 Other Fraud 371 Truth in Lending B 380 Other Personal Property Damage 385 Property Damage Product Liability		610 Agriculture 620 Other Food & Drug 625 Drug Related Seizure of Property 21 USC 881 630 Liquor Laws 640 R.R. & Truck 650 Airline Regs 660 Occupational Safety/Health 690 Other	422 Appeal 28 USC 158 423 withdrawal 28 USC 157	400 States Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce/ICC Rates/etc B 460 Deportation 470 Racketeer Influenced and Corrupt Organizations 810 Selective Service X 850 Securities/Commodities/ Exchange 875 Customer Challenge 12 USC 3410 891 Agricultural Acts 892 Economic Stabilization Act 893 Environmental Matters 894 Energy Allocation Act 895 Freedom of Information Act 900 Appeal of Fee Determination Under Equal Access to Justice 950 Constitutionality of State Statutes 890 Other Statutory Actions* * A or B
A REAL PROPERTY	A CIVIL RIGHTS	B PRISONER PETITIONS	A LABOR	A PROPERTY RIGHTS 820 Copyrights 830 Patent 840 Trademark B SOCIAL SECURITY 861 HIA (1395f) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI RSI (405(g))	
210 Land Condemnation 220 Foreclosure B 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability 290 All Other Real Property	441 Voting 442 Employment 443 Housing/Accommodations 444 Welfare 440 Other Civil Rights	Motions to Vacate Sentence Habeas Corpus 530 General 535 Death Penalty 540 Mandamus and Other* 550 Civil Rights * A or B	710 Fair Labor Standards Act 720 Labor Management Relations B 730 Labor Management Reporting & Disclosure Act Railway Labor Act 790 Other Labor Litigation 791 Employee Ret. Inc. Security Act B	A FEDERAL TAX SUITS 870 Taxes (U.S. Plaintiff or Defendant) 871 IRS-Third Party 26 USC 7609	

VI. ORIGIN

Original Proceeding | X Removed from State Court | (PLACE AN X IN ONE BOX ONLY) Remanded from Appellate Court | Refiled | Transferred from another district (specify) | 6. Multidistrict Litigation | Appeal to District Judge from Magistrate Judgment

VII. REQUESTED IN COMPLAINT

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND $in excess of $15,000.00

Check YES only if demanded in complaint
JURY DEMAND: yes NO

VIII. RELATED CASE(S) IF ANY (See Instructions

JUDGE_____ JUDGE_____

DATE April 4, 2008

SIGNATURE OF ATTORNEY OF RECORD

UNITED STATES DISTRICT COURT

FOR OFFICE USE ONLY. Receipt No. 278118 Amount: 350 M/ifp:_____

(M2469330;1)