United States

# Securities and Exchange Commission

Washington, D. C. 20549

# FORM 10-K

(Mark One)

[x] Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2010.

[ ] Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Commission file number: 0-24344**

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| --- |
| Citizens Capital Corp. |
| (Name of Small Business Issuer as specified in its charter) |
|  |
| Texas | 75-2368452 |
| (State or other jurisdiction of incorporation organization) | (IRS Employer Identification No.) |
|  |
| 1223 E. Beltline Rd., Suite 1223, DeSoto, Texas 75115 \* Mailing Address: P. O. Box 670406, Dallas, Texas 75367 |
| (Address of principal executive offices) |
|  |
| Issuer’s telephone number, including area code: (972) 960-2643 |
|  |

|  |
| --- |
| Securities registered pursuant to Section 12(b) of the Act:None |
| Securities registered pursuant to Section 12(g) of the Act:Class A; no par; common stock |

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [x] No [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes [x] No [ ]

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [ ] No [x]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ] No [x]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to Form 10-K. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting Registrant. See the definition of “large accelerated filer,” “accelerated filer” and “smaller reporting Registrant” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] Smaller reporting Registrant [x]

Indicate by check mark whether the registrant is a shell Registrant (as defined in Rule 12b-2 of the Act). Yes [ ] No [x]

On March 30, 2010, based on the closing price of the registrant’s common stock on the OTC Pink Sheets, the aggregate market value of the registrant’s common equity was **$xxx**.

The number of shares outstanding for the registrant’s common stock as of December 31, 2010 was: 48,022,500

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PART I

 Item 1. Business

General

Citizens Capital Corp. (the "Registrant") is a development stage holding company which seeks to acquire and/or develop those operating entities, assets and/or marketing rights which may provide the Registrant with an entrance into new market segments or serve as a complimentary addition to existing operations, assets, products or services.

For the purpose of entering into the residential mortgage loan market segment; the Registrant organized a subsidiary, Landrush Realty Corporation on August 15, 1995. Also on August 15, 1995, the Registrant sold the trademarks and exclusive marketing rights to two of its residential home equity brands, The Texas Home Equity ReFund® and The Cash-Out Mortgage ReFinancer® to Landrush in exchange for 19,000,000 shares of Landrush common stock. On June 13,1997, the Registrant sold the trademark and exclusive marketing rights to its third residential home equity brand: The Home Equity Cashier® to Landrush in exchange for 333,334 shares of Landrush common stock.

As of December 31, 2010, the Registrant continues to hold the exclusive marketing rights to both the Texas Home Equity ReFund® and the Cash-Out Mortgage ReFinancer® products. However, the Registrant is not actively marketing, licensing or operating either of its Texas Home Equity ReFund® or Cash-Out Mortgage ReFinancer® products in the consumer market place.

For the purpose of entering into the print media market segment, the Registrant organized a subsidiary, Media Force Sports & Entertainment Inc. on June 13, 1997. Also, on June 13, 1997, the Registrant sold the trademark, publishing and exclusive marketing rights to its Black Financial Newsâ print publication to Media Force in exchange for 19,333,334 shares of Media Force common stock.

For the purpose of entering into the athletic footwear and apparel market segment, the Registrant organized a subsidiary, SCOR Brands Inc. on June 13, 1997. On November 20, 1997, the Registrant sold the trademark and exclusive marketing rights to its SCOR® brand athletic shoe and apparel logo to SCOR in exchange for 19,333,334 shares of SCOR common stock.

On March 19, 1999, pursuant to the Exchange Act of 1934, as amended, the Registrant filed a Form 10 registration statement and thereby registered with the United States Securities and Exchange Commission, 39,500,000 shares of its Class A; common stock for secondary market trading. Said Form 10 registration statement became effective on or about May 16, 1999. The 39,500,000 common shares included 15,000,000 common shares initially held by the Registrant’s ESOP Trust.

In 2000, the Registrant acquired the assets of a printing business for integration into its Media Force unit and the Registrant primarily through this unit began to generate revenues.

On January 5, 2001, the Registrant finalized a joint venture, research and development agreement with Far Reach Technologies Inc. (the “JV Group”) for the research and development of broadband video broadcast technologies and the development of a multi-channel, direct to home, broadcast TV platform to be deployed over existing internet protocol (IP) based broadband networks.

In order to facilitate its growth and working capital requirements, the Registrant entered into a funding agreement with SCOR on August 1, 2001. Pursuant to said agreement, the Registrant agreed to issue 5,000,000 shares of its common stock to SCOR in exchange for 10,000,000 shares of SCOR common stock. To facilitate private placement, pre-registration and pre-public market movement of SCOR shares between and amongst qualified institutional investors, 30,000,000 aggregate shares of the Registrant’s SCOR unit common stock outstanding were reclassified as a 144A security (CUSIP #784026106) and received a portal designation on November 8, 2001.

Facilitated by China based contract footwear manufacturers, the Registrant moved its SCOR brand athletic footwear into full production on January 24, 2002 with the production of 2,928 pairs of SCOR branded footwear in the basketball and running shoe categories to be sold at its SCOR online store at: http://scorbrands.com. Effective August 15, 2002, the Registrant elected to temporarily suspend all SCOR brand footwear marketing and production due to difficulties in securing sufficient working capital. As of December 31, 2009, the Registrant continues to own the exclusive marketing and distribution rights to the SCOR brand footwear and apparel products, as well as, the scorbrands.com domain. The Registrant holds 29,233,334 shares of SCOR 144A common stock or 97.4% of said common stock outstanding.

Due to a general decline in the commercial printing business specifically, and a decline in the United States economy generally, precipitated by the closing of the United States stock market for three (3) consecutive days subsequent to the terrorist attacks on the United States on September 11, 2001; combined with the introduction of new, self service consumer, as well as, new, in house business printing technologies, the Registrant’s commercial printing operation experienced multiple quarters of un-profitability. As such, the Registrant made the strategic decision to re-deploy its resources and discontinue its Media Force unit’s commercial printing operation effective the period ended December 31, 2003.

On January 1, 2008, the Registrant’s Media Force unit completed transformation and conversion of its Black Financial News® magazine publication into the Black Financial News® Network (BFNN) video based website, a digital, financial and general news, information and advertising platform located at the following Registrant owned, internet domain: bfnnetwork.com.

On February 5, 2008, the Registrant officially completed the internal development of the Dream League Football Association (DLFA), to include the design of its Dream League Football Association, league seal, the league brand and team logos for each of its twenty (20) initial teams.

The Registrant, through each of its twenty (20) DLFA teams, holds the exclusive television and radio broadcast rights, product manufacturing, product marketing, product merchandising and product distribution rights for each of its twenty (20) uniquely branded teams and team logos. Each the Registrant’s named DLFA teams as they pertain to their team brands and current cities of operation, respectively, are listed as follows:

Stampede (Austin, TX); Rustlers (Dallas, TX); Drillers (Houston, TX); Warriors (Oklahoma City, OK); River Wranglers (San Antonio, TX); Blackjacks (Las Vegas, NV); Stars (Los Angeles, CA); Mountaineers (Salt Lake City, UT); Pioneers (Portland, OR); Silicons (San Jose, CA); Gamblers (Newark, NJ); Gotham Gladiators (New York, NY); Liberty (Philadelphia, PA); Rhinos (Toronto, CN); Vultures (Richmond, VA); Bulldogs (Chicago, IL); Condors (Columbus, OH); Roaddoggs (Detroit, MI); Stallions (Louisville, KY); Cheezheads (Milwaukee, WI).

On March 15, 2009, the Registrant’s Media Force unit completed the internal development of its Black Financial News TV Network®, a CNN (Cable News Network) styled, 24/7, daily, broadband video delivered, financial, business and general news broadcast center whose content is targeted towards the global, black consumer market. Black Financial News TV Network® content is delivered both direct to home, via television set top box and to the personal computer (PC) and transmitted over traditional digital terrestrial, as well as, next generation Internet Protocol (IP) networks through Over the top (OTT) video service providers, and to the subscribers of various multi-channel video, pay-television distribution system operators.

On December 28, 2009, the Registrant entered into a Sell/Purchase Agreement (the “Purchase Agreement”) with DLFA Industries Inc. (“Industries”), a newly formed entity organized under the Laws of the State of Texas. Pursuant to the terms of the Purchase Agreement, the Registrant agreed to sale, to Industries, all of the tangible and intangible assets (the “Assets”) of the Dream League Football Association, professional football league (the “League”) in exchange for the issuance of an aggregate of 250,000,000 shares of Industries’ common stock to the Registrant @ $0.20 per share or an aggregate common stock share value of $50,000,000, as payment in full, thereby causing Industries to hold 250,100,000 Industries common shares and thence become a 100% percent, wholly-owned subsidiary of the Registrant as of December 31, 2009. Pursuant to a Form D; Notice of Securities Sales filed on January 7, 2010 with the Securities and Exchange Commission (File Number: 021-137524), Industries common stock, issued to the Registrant, were allocated in the following amounts and price per share pursuant to Regulation D; Rule 230.504 and 230.506 respectively, of the Securities Act of 1933, as amended.

1) 5,000,000 shares of DLFA Industries Inc. common stock @ $0.20 per share pursuant to Rule 230.504.

2) 245,000,000 shares of DLFA Industries Inc. common stock @ $0.20 per share pursuant to Rule 230.506.

For the period ended December 31, 2009, there was no public market value for Industries’ common stock. As such, the Registrant accounted for its aggregate 250,100,000 common share equity interest in Industries on the basis of the $0.0001 par value of Industries’ common stock at the close of the December 28, 2009 transaction between the Registrant and Industries. Thereby, for the period ended December 31, 2009, the Registrant recorded a value of $25,010 under the “Other Assets – Investments” section of its balance sheet representing its common stock, equity interest investment in Industries.

On Oct 21, 2010, the Registrant’s Black Financial News TV Network entered into a 10 year content licensing and distribution agreement with Memphis, Tennessee based Vivicast Media, LLC. (“Vivicast”). Vivicast is in the business of licensing television networks to third-party, multi-channel video pay-television distribution system owners that use CATV, SMATV, MMDS and alternative technology systems for distribution of television networks to their respective subscribers.

On Oct 21, 2010, the Registrant’s DLFA Industries Inc. unit’s Dream League TV Network entered into a 10 year content licensing and distribution agreement with Memphis, Tennessee based Vivicast Media, LLC. (“Vivicast”). Vivicast is in the business of licensing television networks to third-party, multi-channel video pay-television distribution system owners that use CATV, SMATV, MMDS and alternative technology systems for distribution of television networks to their respective subscribers.

As of the Registrant’s fiscal period ended December 31, 2010, the Registrant’s plans contemplate operating in the following four market segments: 1) commercial and multi-family residential real estate investment and development; 2) specialty news, broadband television broadcasting; 3) the design, marketing and distribution of branded athletic shoes and apparel and 4) professional sports entertainment and broadcasting, through its four wholly owned subsidiaries: Landrush Realty Corporation (“Landrush” - 97%); Media Force Sports & Entertainment, Inc. (“Media Force”- 97%); SCOR Brands, Inc. (“SCOR” - 97% ) and DLFA Industries, Inc. (“Industries”- 100%). Operations since inception have primarily included expenditures related to development of the Registrant’s proposed business ventures.

 Bankruptcy, Receivership or Similar Proceeding

Neither the Registrant nor any of its subsidiary units are nor have bee subject to any bankruptcy, receivership or similar proceeds for the Registrant’s fiscal years ended December 31, 2008; 2009 or 2010 respectively.

 Material Re-classification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets

For the Registrant’s fiscal years ended December 31, 2008; 2009 or 2010 respectively, the Registrant was not subject to any re-classification, merger or consolidation transactions or proceedings.

On December 28, 2009, the Registrant entered into a Sell/Purchase Agreement (the “Purchase Agreement”) with DLFA Industries Inc. (“Industries”), a newly formed entity organized under the Laws of the State of Texas. Pursuant to the terms of the Purchase Agreement, the Registrant agreed to sale, to Industries, all of the tangible and intangible assets (the “Assets”) of the Dream League Football Association, professional football league (the “League”) in exchange for the issuance of an aggregate of 250,000,000 shares of Industries’ common stock to the Registrant @ $0.20 per share or an aggregate common stock share value of $50,000,000, as payment in full, thereby causing Industries to hold 250,100,000 Industries common shares and thence become a 100% percent, wholly-owned subsidiary of the Registrant as of December 31, 2009. Pursuant to a Form D; Notice of Securities Sales filed on January 7, 2010 with the Securities and Exchange Commission (File Number: 021-137524), Industries common stock, issued to the Registrant, were allocated in the following amounts and price per share pursuant to Regulation D; Rule 230.504 and 230.506 respectively, of the Securities Act of 1933, as amended.

1) 5,000,000 shares of DLFA Industries Inc. common stock @ $0.20 per share pursuant to Rule 230.504.

2) 245,000,000 shares of DLFA Industries Inc. common stock @ $0.20 per share pursuant to Rule 230.506.

For the period ended December 31, 2009, there was no public market value for Industries’ common stock. As such, the Registrant accounted for its aggregate 250,100,000 common share equity interest in Industries on the basis of the $0.0001 par value of Industries’ common stock at the close of the December 28, 2009 transaction between the Registrant and Industries.

Principal Products and Services

For the Registrant’s 2010 fiscal year ended December 31, 2010, the principal products and/or services engaged by the Registrant, separately and/or in conjunction with and/or on behalf of its Landrush; Media Force; SCOR and Industries’ subsidiaries are as follows:

The Registrant’s is engaged primarily in the research, evaluation and pursuit of: a) suitable merger and/or acquisition of existing corporate operating entities; b) the internal development and/or acquisition of those assets and/or product marketing and distribution rights which may provide an entry into new markets or serve as a complimentary addition to existing operations, assets, products and/or services. The principal market for the Registrant’s products and services are: 1) its own current and future subsidiary units; 2) the corporate parent companies seeking to divest certain operating subsidiaries; divisions and/or operating assets; 3) M&A oriented investment banks, representing corporate parent companies seeking to divest certain operating subsidiaries; division and/or assets.

Landrush completed the internal development of the Texas Home Equity ReFund®, Cash-Out Mortgage ReFinancer® and Home Equity Cashier® home equity brands. Landrush has the exclusive marketing rights for each of the brands and each brand may be marketed and/or licensed to the public at the discretion and timing of Landrush. For the Registrant’s fiscal year ended December 31, 2010, neither of the Texas Home Equity ReFund®, the Cash-Out Mortgage ReFinancer® nor the Home Equity Cashier® home equity brand products are actively being marketed or licensed for use by the Registrant.

Further, Landrush is engaged in the research, evaluation and pursuit of suitable merger and/or asset acquisition opportunities in the commercial, hotel and/or multi-family residential real estate market in order to operate and/or lease said assets.

The principal market for Landrush's contemplated residential real estate development ventures are current apartment residents who seek high quality, alternative housing solutions which are conveniently located and affordably priced. Landrush may utilize local and/or regional real estate professionals or hotel brand franchisors to market its proposed residential housing and/or hotel products and/or services.

The principal market for Landrush's contemplated commercial real estate developments are businesses whose principal activities involve the sale of retail products and/or services directly to the public; point to point distribution warehousing or light manufacturing businesses. In order to market its contemplated commercial real estate projects, Landrush may work directly with potential tenants, as well as, with commercial real estate brokers to market its proposed commercial real estate properties and/or developments.

The principal products and/or services engaged in by Media Force are: a) its Black Financial News; video based specialty news, information and advertising based website located at the domain of; bfnnetwork.com; b) its contemplated Black Financial News; a broadband and digital terrestrial distributed TV network c) its contemplated 100+ channels; subscriber based; pay TV; sports and entertainment programming and distribution platform.

The principal market for Media Force's Black Financial News video based website and its contemplated Black Financial News; a broadband and digital terrestrial distributed TV Network, is the national African American community. The principal market for Media Force’s contemplated 100+ channels; sports and entertainment programming distribution platform is the general market consumer of sports and entertainment content.

Media Force proposes to market both its Black Financial News video based website and its contemplated Black Financial News; broadband based TV Network through leading local, regional and nationally syndicated radio broadcast programs directed to the African American consumer market. Media Force intends to market its contemplated 100+ channels; sports and entertainment programming distribution platform to general market consumers of sports and entertainment content through various digital rights subscription resellers, as well as, through local, regional and nationally syndicated radio broadcast programs.

The principal products and services engaged by SCOR are the SCOR® brand line of athletic shoes and apparel.

The principal market for the SCOR® brand line of athletic shoes and apparel is the general athletic, casual and recreational sports consumer market, as well as, the Registrant’s Industries unit, contemplated Dream League Football Association, professional football league. The Registrant contemplates SCOR being the official shoe of the Dream League Football Association, as well as, each of its contemplated twenty (20) teams.

SCOR intends to primarily market its SCOR® brand line of athletic shoes and apparel directly to consumers through its contemplated E-Commerce based website store operating through its currently existing scorbrands.com, internet domain. Subsequently and secondarily, SCOR contemplates pursuing third-party distribution through various local, regional and national retail sporting goods and footwear stores.

The principal product and/or service contemplated by Industries is its Dream League Football Association (DLFA), a professional football league, with contemplated teams located in twenty (20) of the leading consumer markets in the United States.

The principal market for Industries’ DLFA professional football league are general sports consumers in those major and emerging growth metropolitan consumer markets which do not have professional football teams.

Industries’ intends to market its DLFA professional football league operations and games principally through its dreamleaguefootball.com league website, as well as, through its own Dream League TV network, a broadband and digital terrestrial distributed, sports programming network. Industries also contemplates re-distributing its DLFA sports content to consumers in its twenty (20) target markets through various television channels and networks.

 Status of Any Publicly Announced New Product or Service

As of the Registrant’s fiscal year ended December 31, 2010, the status of the Registrant’s products and/or services and for that of each of its (4) subsidiaries are as follows:

The Registrant, separately and/or in conjunction with and/or on behalf of its subsidiaries, is currently engaged in the research, evaluation and pursuit of: a) suitable merger and/or acquisition of existing corporate operating entities; b) the development and/or acquisition of those assets and/or product marketing and distribution rights which may provide an entry into new markets or serve as a complimentary addition to existing operations, assets, products and/or services.

Landrush is currently engaged in the research, evaluation and pursuit of suitable commercial; multi-family residential real estate and/or hotel development and/or acquisition opportunities.

Landrush’s Texas Home Equity ReFund®, Cash-Out Mortgage ReFinancer® and Home Equity Cashier® home equity brands have been developed and previously announced publicly. Landrush has the exclusive marketing rights for each of the brands and each brand may be marketed and/or licensed to the public at the discretion and timing of Landrush. As of the Registrant’s fiscal year ended December 31, 2010, neither of the Texas Home Equity ReFund®, the Cash-Out Mortgage ReFinancer® nor the Home Equity Cashier® home equity brand products are actively being marketed or licensed for use on a commercial basis.

Media Force’s development of both its Black Financial News, video based, specialty news, information and advertising based interest website and it’s Black Financial News, broadband and digital terrestrial distributed TV network has been completed. Subject to the acquisition, by the Registrant, of the equipment necessary for broadcast, as well as, the acquisition of on air and production talent, the Black Financial News TV Network is market ready for implementation. On October 21, 2010, the Registrant’s Black Financial News TV Network entered into a 10 year content licensing and distribution agreement with Memphis, Tennessee based Vivicast Media, LLC. (“Vivicast”). Vivicast is in the business of licensing television networks to third-party, multi-channel video pay-television distribution system owners that use CATV, SMATV, MMDS and alternative technology systems for distribution of television networks to their respective subscribers.

Media Force’s development of its 100+ channels, sports and entertainment programming and distribution platform has been completed. Subject to the acquisition of the equipment necessary for broadcast distribution, as well as, the acquisition of production talent, the Media Force 100+ channels, sports and entertainment programming and distribution platform is ready for market implementation.

SCOR's development of its SCOR® brand line of athletic shoes and apparel has been completed. SCOR has arranged for the production of its SCOR® brand line of athletic shoes and apparel through China based contract manufacturers. Currently, the production of its SCOR® brand line of athletic shoes and apparel may be initiated at the sole discretion of SCOR by submitting and executing product purchase orders with selected, China base contract manufacturers. From the date a production order is submitted by SCOR to its China based contract manufacturers, it generally takes thirty (45) days, depending on the order size, to complete the production cycle. Further, an additional twenty (20) days is generally required for ocean shipping from China based production facilities to the port of Los Angeles and the subsequent transport by rail to warehouse storage facilities in Dallas, Texas.

The Registrant initiated development of the Dream League Football Association (DLFA), professional football league. To facilitate the further development of the DLFA, the Registrant has transferred all assets and the master broadcast, merchandising, marketing and team operating rights related to the DLFA, to Industries, for a previously disclosed financial consideration. Industries’ is furthering the development and operations of the DLFA. Currently, the development of the DLFA is complete and the DLFA operation is ready to begin to pursuit of players, coaches and otherwise begin to market its contemplated operations. On Oct 21, 2010, the Registrant’s DLFA Industries Inc. unit’s Dream League TV Network entered into a 10 year content licensing and distribution agreement with Memphis, Tennessee based Vivicast Media, LLC. (“Vivicast”). Vivicast is in the business of licensing television networks to third-party, multi-channel video pay-television distribution system owners that use CATV, SMATV, MMDS and alternative technology systems for distribution of television networks to their respective subscribers.

The Registrant, in conjunction with its Media Force, SCOR and Industries subsidiaries has made previous public announcements concerning its products and/or services. The Registrant, separately, and in conjunction with and/or on behalf of its current and future subsidiary units anticipates making additional public announcements as the Registrant and its subsidiaries continue to move its products and services into the public market place.

Competition

The Registrant is engaged in the internal development and/or operation of certain assets and seeks to pursue various external corporate mergers and acquisition (M&A) opportunities. The Registrant contemplates to acquiring, owning and managing various corporate manufacturing, distribution and/or service companies for the purpose of both profit and capital appreciation. Typically, the industry is characterized by the presence of small, medium and large private equity and/or venture capital firms. Generally, said private equity and/or venture capital firms may be privately and/or publicly held with access to both the public and private equity and debt capital markets respectively. The principal method of acquisition of these private equity and/or venture capital companies is to utilize combinations of cash, equity and debt to consummate transactions with its merger and/or acquisition targets. The specific combination of cash, equity or debt utilized by each of the private equity and/or venture capital companies is generally dependent upon current conditions in the both the public and private capital market place.

KKR, Blackstone Group, Providence Equity Partners, Carlyle Group, Berkshire Hathaway, Valhi, and Hicks Acquisition Group are amongst the industry's leading market participants in the mergers and acquisition segments respectively.

The Registrant’s Landrush unit contemplates operating in the multi family residential; hotel and commercial real estate property segments. Landrush intends to acquire, own, manage and lease said properties. Both the multi family residential; hotel and commercial real estate property segments are very competitive and generally consist of entities structured as specialty, real estate investment trust (REIT). Typically, the industry is characterized by the presence of large, publicly traded REIT’s with access to both the public and private equity and debt capital markets respectively. The principal method of acquisition of each of these REIT’s is to utilize combinations of cash, equity and debt to consummate said property acquisition transactions. The specific combination of cash, equity or debt utilized by each REIT is generally dependent upon current conditions in the multi family residential and commercial real estate industry, as well as, the capital markets.

Equity Residential, Vornado Realty Trust, Apartment Investment & Management Registrant, Lincoln Property Registrant, Fortress Investment Registrant and Equity Office Properties Trust are amongst the industries leading market participants in the multi family residential; hotel and commercial real estate segments respectively.

Landrush believes that it may face tremendous competitive risk and high barriers to entry in its attempts to gain market share from its more established competitors. Consequently, gaining a leading market share position is not the objective of Landrush. However, Landrush believes that through the utilization of various alternative methods of property acquisition, re-deployment of assets, distressed real estate market conditions and access to the public and private capital markets it may achieve a higher initial level of competitive market results then would otherwise be likely.

The Registrant’s Media Force unit contemplates operating in the general broadband and digital terrestrial distributed video, specialty news, information, advertising; entertainment and sports programming distribution, industry segments.

The general broadband, digital terrestrially distributed, video sports and entertainment segment is characterized by television networks, media companies, film studios, sports networks, broadband content providers and syndicated, video distributors who generally distribute their video content over existing internet protocol (IP) networks and/or direct to home televisions in H.264, streaming format via set top box and/or personal computer. Further, the leading participants in the broadband video distribution market typically pursue competitive advantages by seeking alliances with leading digital content distributors, sports and entertainment content providers; content delivery networks and internet service providers.

The specialty video news, information and entertainment programming segment is characterized by niche market programmers who target their content to specific, demographic based audiences. Through its specialty video content, each video programmer attempts to appeal to the interests of its target market audience. Subsequently, video programmers and distributors offer their content to their targeted audiences directly and through video distributors on both a commercial advertising and/or sponsorship supported basis.

The Registrant’s Media Force unit will generally be in competition with various broadband and digital, sports and entertainment video distribution platforms. The leading participants in the video distribution platform segment are: Hulu, Universal Sports Network, Fancast, MLB.com, NBA Broadband, ESPN3 and You tube.

The Registrant’s Media Force units’ BFN Network segment will generally be in competition with various specialty video news, information and entertainment content programmers. The leading participants in the content programming segment targeted towards the demographic based consumer markets for which Black Financial News TV Network contemplates operations are: TV One, CNN, MSNBC, BET News and Fox Business News.

The Registrant believes that both its Media Force unit and its Black Financial New TV Network segments respectively may face tremendous competitive risk in its attempts to gain market share from its more established specialty broadband, content programmers. However, Media Force and it Black Financial News TV Network segment believes that through the utilization of new technologies and the advent of new broadband, video channels and digital content distribution platforms direct to the home via set top box and various mobile devices, that it may achieve a higher level of market penetration and operational results then would otherwise be likely.

Industries’ DLFA unit contemplates a professional football league for male gender participants who are at minimum eighteen (18) years of age and have obtained, at minimum, their high school diploma or a general equivalency designation and who in return for their on field services, receive financial compensation.

The primary amateur football market for Industries’ DLFA unit male gender participants who are at least eighteen (18) years of age and have obtained their high school diploma for which Industries’ DLFA unit competes is the National Collegiate Athletics Association (NCAA). Currently, the NCAA is both the leading and dominant industry competitor in the football market place for the services of male gender participants who are at least eighteen (18) years of age and have obtained their high school diploma. In exchange for the opportunity to pursue and obtain a college or university level degree, open recruiting for the services of male gender participants who are at least eighteen (18) years of age and have obtained their high school diploma is the principal method of competing and obtaining the services of said male gender participants by the NCAA football market segment. Industries’ DLFA unit believes that its competitive position is strengthened in this industry segment by providing its male gender participants with professional level, financial compensation for the performance of their on field services in exchange for an opportunity to also work towards and obtain a college or university level degree.

The primary professional football markets for Industries’ DLFA unit for male gender participants who receive financial compensation for their services for which Industries’ DLFA unit competes is the National Football League (NFL); Canadian Football League (CFL) and the United Football League (UFL) respectively. Currently, the NFL and CFL respectively are the leading industry competitors in the football market place for male gender participants who receive financial compensation in exchange for their services. The agreement to and the exchange of, a mutually acceptable financial consideration is the principal method of competing for and obtaining the services of male gender participants in the professional football market for which Industries’ DLFA unit competes. Industries’ DLFA unit believes that its competitive position is strengthened in this industry segment by: 1) establishing teams in twenty (20) new consumer markets; 2) being the most active employer in each of the twenty (20) consumer markets for which it contemplates team operations, sports not withstanding; 3) providing male gender participants 18 years or older and who have at a minimum obtained their high school diploma or G.E.D. equivalence with an viable alternative to amateur level, college athletics which provides them with professional level, financial compensation while also providing with an opportunity to work towards and obtain a college or university level degree; and 4) providing its male gender participants with additional opportunities to obtain employment in the professional football industry.

The Registrant’s SCOR unit contemplates operating in the athletic footwear and apparel industry. The athletic footwear and apparel industry is keenly competitive in the United States and on a worldwide basis in the areas of new product development, price, product identity, marketing, distribution, and customer service support. SCOR anticipates that it will compete with an increasing number of specialized athletic shoe and apparel companies. The intense competition and the rapid changes in technology, as well as, consumer preferences for existing athletic footwear and apparel brands constitute significant risk factors for SCOR. Yet, SCOR has demonstrated the viability of the SCOR Brand by moving the brand from the proto type; to development stage to actual product production, delivery and consumer market sales. During previous periods, said sales where generated primarily through its scorbrands.com owned E-Commerce, online store.

Nike, Reebok, Adidas, Converse, Sketcher and Under Armour are amongst the leading market brands in the footwear and apparel industry. Given the proprietary nature of existing production, marketing and distribution processes, SCOR may face tremendous competitive risk in its attempts to gain market share from its more established competitors. However, SCOR believes that through the utilization of various alternative methods of product production, marketing and distribution, it may achieve a higher initial level of market results then would otherwise be attainable.

 Sources and Availability of Raw Materials

The intended operations of the Registrant's and/or subsidiaries may be dependent upon sources and/or the availability of raw materials for the initiation and completion of its contemplated business ventures.

The Registrant intended business is not dependent upon sources and/or the availability of raw materials for the initiation and completion of its contemplated business operations.

Landrush's purposed multi-family residential and commercial development ventures are highly dependent upon sources and the availability of raw materials. Landrush may source and use such raw materials as: steel beams, wood, bricks, cement, and plastic. Landrush general building contractors may make direct use of said raw materials during the course of any proposed, contracted building assignment. All material sources of raw materials which may be needed by Landrush to carry out its contemplated residential and commercial development ventures are generally available in sufficient supply.\*

Media Force intended business is not dependent upon sources and/or the availability of raw materials for the initiation and completion of its any of its contemplated business operations.

SCOR's branded athletic shoes shall be dependent upon a ready source of natural and synthetic rubber, vinyl and plastic compounds, foam cushioning materials, nylon, canvas, and leather. SCOR's proposed apparel products are dependent upon the use of natural and synthetic fabrics, treads and specialized performance fabrics designed to repel rain, retain heat, or efficiently transport body moisture. SCOR's contemplated athletic shoes and apparel lines shall be produced by third party, contract manufacturers located in China. Said contract manufacturers typically buy raw materials in bulk, as needed for production. Raw materials necessary to produce SCOR’s branded footwear is generally available in or are delivered to the countries where the manufacturing process takes place. The contract manufacturers who have been engaged to produce SCOR's branded line of shoes and apparel have not experienced any material level of difficulties in satisfying the raw material requirements used for the production of the SCOR brand line of athletic shoes and apparel.\*

Industries’ intended DLFA professional football league team uniforms and team merchandise shall be dependent upon a ready source of natural and synthetic rubber, mesh, nylon, cotton and leather materials. Industries’ contemplated team uniforms and team merchandise shall be produced by third party, contract manufacturers located in China. Said contract manufacturers typically buy raw materials in bulk, as needed for production. Raw materials necessary to produce Industries’ team uniforms and team merchandise are generally available in, or are delivered to the countries where the manufacturing process takes place. The contract manufacturers who have been engaged to produce Industries’ team uniforms and team merchandise have not experienced any material level of difficulties in satisfying raw material requirements used for the production of Industries’ team uniforms and team merchandise.

Dependence of Segment on a Single Customer

Neither the Registrant nor its Landrush, Media Force, Industries or SCOR units, nor any of their segments, is dependent upon a single customer or a few customers for the generation of aggregate product sales which are equal to 10% or more of its consolidated revenue. However, the Registrant’s consolidated revenues for its fiscal year ended; December 31, 2010 is derived from and was solely generated by its Media Force and Industries units.

Patents, Trademarks, Licenses, Franchises and Concessions

The Registrant utilizes trade and/or service marks on a substantial number of the products and/or services proposed for offering by its Landrush; Media Force; SCOR and DLFA subsidiaries. The Registrant believes having distinctive marks that are unique and readily identifiable is a very important factor in creating and maintaining a market for its products and services, in identifying the Registrant and its subsidiaries, establishing exclusive product branding, marketing and distribution rights and in distinguishing its products and services from the other products and services offered in the market place. The Registrant and its subsidiaries consider its trade and service brand marks to be amongst its most valuable assets.

The Texas Home Equity ReFund®; The Cash-Out Mortgage ReFinancer®; The Home Equity Cashier®; and SCOR® brand marks are registered trademarks of the Registrant and/or its subsidiaries. The Registrant and its subsidiaries have the exclusive right to use and market said trademarks in the market place.

The Black Financial~Newsâ brand mark is a registered trademark of the Registrant and/or its subsidiaries. As such, the Registrant and its subsidiaries have the exclusive right to use and market said trademarks in the market place as it pertains to its branded broadcast network.

The SCOR® brand mark is a registered trademark of the Registrant and/or its subsidiaries. As such, the Registrant and its subsidiaries have the exclusive right to use and market said trademarks in the market place as it pertains to the exclusive marketing and distribution rights of its branded footwear and apparel products.

Industries, through each of its DLFA league seal and twenty (20) DLFA teams, maintains the exclusive television & radio broadcast, marketing, merchandising and distribution rights for the league, as well as, each of its twenty (20) uniquely branded team logos. Each named DLFA team as they pertain to their current cities, respectively, is listed below:

Stampede (Austin, TX); Rustlers (Dallas, TX); Drillers (Houston, TX); Warriors (Oklahoma City, OK); River Wranglers (San Antonio, TX); Blackjacks (Las Vegas, NV); Stars (Los Angeles, CA); Mountaineers (Salt Lake City, UT); Soldiers (Sacramento, CA); Silicons (San Jose, CA); Gamblers (Newark, NJ); Gotham Gladiators (New York, NY); Liberty (Philadelphia, PA); Rhinos (Toronto, CN); Vultures (Richmond, VA); Bulldogs (Chicago, IL); Condors (Columbus, OH); Corndoggs (Des Moines, IA); Stallions (Louisville, KY); Cheezheads (Milwaukee, WI); Pioneers (Portland); Roaddoggs (Michigan).

 Government Approval of Principal Products and Services

For the Registrant’s fiscal year ended December 31, 2010, none of the products and/or services of the Registrant nor its Landrush, Media Force, Industries, or SCOR units require any governmental approval process.

Effect on Business of Probable Compliance with Federal, State, and Local Provisions

For the Registrant's fiscal year ended December 31, 2010 there were no material nor immaterial items or issues of federal, state or local compliance as related to the developmental operations of the Registrant or of any of its subsidiaries.

Cost and Effects of Compliance with Environmental laws

For the Registrant's fiscal year ended December 31st 2010 there were no material or immaterial items or issues of federal, state or local compliance as related to the developmental operations of the Registrant or of any of its subsidiaries. Subsequent to the end of the Registrant’s December 31, 2010, the Registrant does not anticipate making any material capital expenditures on any items or on any issues necessary for federal, state or local compliance as related to the developmental operations related to the Registrant or of any of its subsidiaries.

Change in Numbers of Employees

During the Registrant’s fiscal year ended December 31, 2010, neither the Registrant nor any of its subsidiary units added any new employees. During the Registrant’s 2011 fiscal year, both the Registrant and its subsidiaries anticipates that it may experience a material change in the number of employees that are required to implement, execute, manage and support the planning, administrative, finance, accounting, marketing, sales and the day to day operational aspects of: 1) its current operations; or 2) any operating entity and/or assets which may be acquired by the Registrant or its subsidiaries.

 Reports to Security Holders

The Registrant is a reporting Registrant. As such, the Registrant shall file periodic reports with the Securities and Exchange Commission (SEC). The Registrant shall file quarterly reports on Form 10-Q; annual reports on Form 10-K and current information reports on Form 8-K. Reports filed by the Registrant on Form 10-Q shall contain reviewed financial statements. Reports filed by the Registrant on Form 10-K shall contain audited financial statements. The Registrant may also file various reports from time to time as prescribed and required by the Securities and Exchange Commission.

The public may read and copy any reports and/or other materials that the Registrant files with the SEC at the SEC’s pubic reference room at 100 F Street, N.E., Washington, D.C. 20549, on official business days during the hours of: 10 a.m. to 3 p.m. Further, the public may obtain information on the operation of the public reference room by calling the SEC at: 1-800-SEC-0330. Moreover, the SEC maintains an internet site at: http://www.sec.gov that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

In the event that the Registrant is no longer required to file reports with the SEC or for any reason does not file reports with the SEC, the Registrant shall voluntarily make an annual report of the Registrant’s operations, to include audited financial statements, directly with a publicly recognized information repository such as the Pink Sheet Information service.

Item. 1A. Risk Factors

The following factors, among others, should be considered carefully in evaluating an investment in the Registrant’s securities. Please read the section in the Registrant’s 10-K annual report; titled “Risk Factors”, each sub-caption there under, as well as, the Registrant’s audited financial statements for the period ended December 31, 2009 and December 31, 2010 respectively in conjunction with the notes to the financial statements thereof carefully before making a decision concerning the purchase of any of the Registrant’s securities.

 Development Stage Status

The Registrant is a development stage holding Registrant operating through four subsidiaries; Landrush, Media Force, Industries and SCOR. Operations since the Registrant’s inception in 1991 through the Registrant’s fiscal period ended December 31, 2010, have primarily included expenditures related to the development and execution of the Registrant’s business plan; contemplated business ventures, products and services. Since its inception, neither the Registrant nor any of its subsidiaries have been profitable.

 Product Quality and Development

The products, services and business ventures developed by the Registrant’s and its Landrush, Media Force, Industries and SCOR units are newly developed. There are no assurances that a market will develop or can be maintained according to the Registrant’s business plan; or the contemplated business ventures of any of its subsidiary units.

The Texas Home Equity ReFund® and Cash-Out Mortgage ReFinancer® products contemplated to be offered by the Registrant’s Landrush unit are new with no history as licensed products. As such, there are no assurances that the Texas Home Equity ReFund® and Cash-Out Mortgage ReFinancer® products will be received in the market place or obtain a significant level of distribution.

The Black Financial~News® TV Network proposed to be launched by the Registrant’s Media Force unit is a new broadband video channel with no history of broadcast distribution. There are no assurances that the Black Financial~News® TV Network will be received in the market place or establish a significant level of distribution.

The Registrant’s SCOR unit has successfully developed, designed and produced its SCOR Brand line of footwear and apparel and introduced said products into the market place. However, in order for the Registrant’s SCOR unit to be perceived as a viable replacement for better known name brand athletic footwear and apparel, the proposed SCOR products must be visually attractive and solidly constructed. In order to solidify its SCOR Brand products in the market place, SCOR must establish effective channels of distribution and maintain an active product development program. There is no assurance that a market will develop for the SCOR brand line of athletic shoes and apparel.

The Registrant’s Industries’ DLFA unit is a new professional football league contemplated by Industries. Industries’ DLFA unit shall be in competition with the National Collegiate Athletic Association (NCAA), the National Football League (NFL) and the United Football League(UFL) for personnel. The NCAA and NFL currently hold leading positions in the market place as it pertains to advertisers and television market share. There are no assurances that Industries’ DLFA segment will be able to obtain sufficient personnel levels to staff each of its twenty (20) contemplated teams nor that Industries’ DLFA segment shall be able to obtain broadcast distribution for its games on its Dream League TV Network or on any third party television networks

 Dependence on Advertising and Promotion

The success of the products and services contemplated to be offered by the Registrant’s subsidiary units are dependent on advertising and promotions each of the products and services.

Media Force’s Black Financial~News® TV Network (BFNN) contemplated by the Registrant’s Media Force unit is dependent upon the advertisement and promotion of its broadband channel, as well as, commercial advertising and sponsorship support as a primary source of revenue generation for the unit. Absent the receipt of advertiser, sponsorship and promotional support, Media Force’s BFNN unit may be adversely affected and there is no assurance that BFNN shall be successful in meeting its operational objectives. Absent the receipt of advertiser and promotional support, Media Force’s BFNN unit may be adversely affected and there is no assurance that BFNN shall be successful in meeting its operational objectives.

The athletic shoe and apparel market is heavily dependant upon marketing. The Registrant’s SCOR unit shall be highly dependent upon the advertisement and promotion of its branded products in order to generate a sufficient level of sales activity. Absent the receipt of advertiser and promotional support, the Registrant’s SCOR unit may be adversely affected and there is no assurance that SCOR shall be successful in meeting its operational objectives.

The Registrant’s Industries’ DLFA unit and each of its contemplated twenty (20) teams is heavily dependant upon advertising, sponsorship and promotional support as a primary source of its revenues. Absent the receipt of adequate levels of advertiser and promotional support, there are no assurances that Industries’ DLFA segment will be successful in meeting its operational, revenue and profitability objectives.

No Assurance of Profitability

The Registrant is a development stage Registrant which has not generated a material level of consolidated sales activity nor has the Registrant generated a profit. For the Registrant’s fiscal years ended December 31, 2009 and 2010, the Registrant generated net losses of **<$???> and <$???>** respectively. The Registrant’s prospects must be considered in light of the risks, expenses and difficulties frequently encountered by development stage companies. To address these risks, the Registrant must, among other things, establish its products and services in their respective markets, respond to competitive developments, continue to attract, retain and motivate qualified persons, and continue to upgrade its technologies and commercialize its products and services incorporating such technologies. There can be no assurance that the Registrant can be successful in addressing these risks or that the Registrant can be operated profitably, which depends on many factors, including the success of the Registrant’s marketing program, the control of expense levels and the success of the Registrant’s business activities.

 Possible Under Capitalization and Need For Future Financing

The Registrant and its subsidiary units anticipates that a significant portion of its short-term working capital and long term acquisition financing resources shall be provided from the proceeds generated from by the re-payment and liquidation of its $18,863,700 Note Receivable2 held as payment for a $18,863,700 loan made to its affiliated Citizens Capital Corp. 1998 ESOP Trust (ESOP Trust) in exchange for the purchase a $30,000,000; issue of the Registrant’s Series 2010A; 7% percent; $1,000 par value; convertible; callable; 144A; First Mortgage Bonds Due 2020. The Promissory Note originating from said Note Receivable2 has a “demand call’ provision that allows the Registrant to “demand” the liquidation of up to 30,000 Series 2010A; $1,000 par value bonds, held by the ESOP Trust, to certain Qualified Institution Buyers (QIBs) and/or accredited investors in the secondary market, at anytime. If the Registrant is unable to obtain anticipated financing utilizing the “demand call” provisions of its Note Receivable2 held, there can be no assurance that the Registrant will be able to successfully implement its acquisition oriented business objectives or meet working capital requirements.

Further, the Registrant its subsidiary units anticipates that a significant portion of its short-term working capital and long term acquisition financing resources will be provided from the proceeds generated from the secondary market re-sale of up to 13,000,000 shares of the Registrant’s common equity, held by affiliated Citizens Capital Corp. 1998 ESOP Trust. Pursuant to the provisions of Note Receivable1, held by the Registrant, the Registrant has a “demand call’ provision that allows the Registrant to “demand” the re-sale in the capital market place of up to 13,000,000 shares of the Registrant’s common equity, held by the affiliated Citizens Capital Corp. 1998 ESOP Trust.

While the Registrant intends to explore a number of options in order to secure alternative financing in the event that currently anticipated financing is not obtained or is insufficient, there can be no assurance that additional financing will be available when needed or obtained on terms favorable to the Registrant.

 Dependence on Management

Shareholders and bondholders of the Registrant are fully dependent upon management to conduct the Registrant’s business and to implement the operating objectives of each of its subsidiary units. Success of the business depends on the skills and efforts of management and, to a large extent, on the active participation of the Registrant’s executive officers and key employees. The Registrant may provide stock options in order to retain and motivate qualified management personnel or other key employees. However, the inability to attract and retain qualified management and other key employees could adversely affect the Registrant’s ability in meeting its business objectives.

 Competition

As discussed above, the markets for which the Registrant’s and each of its subsidiary units propose to operate are intensely competitive, rapidly evolving and subject to rapid fundamental and technological change. Except for that of capital, information, knowledge and technology, there are no substantial barriers to initial entry, and the Registrant expects competition to persist, intensify and increase in the future. There can be no assurance that market competitors in each of the Registrant subsidiary units will not develop fundamental methods and technologies or products that render the Registrant’s products obsolete or less marketable, that the Registrant will be able to compete successfully, that the Registrant will be able to successfully enhance its products, or develop new products or lower costs when and as needed.

 Proposed Expansion and Ability to Manage Growth

The Registrant and each of its subsidiary units intend to expand its current level of operations. Expansion of the Registrant’s operations will be dependent upon, among other things, its ability to: (I) achieve significant market acceptance for the Registrant’s products and services; (II) hire and retain skilled management, marketing, technical and other personnel; (III) successfully manage growth, if any (including monitoring operations, controlling costs, and maintaining effective quality controls); and, (IV) obtain adequate levels of both working capital and acquisition financing when needed. The Registrant’s prospects for future growth will be largely dependent upon its ability to achieve significant penetration of its products and technologies in targeted markets, to successfully market its concepts, to develop and commercialize applications of its design and production technologies for the market and to enter into strategic alliances with third-parties in connection with the exploitation of its technologies. The Registrant could also seek to expand its operations through corporate merger and/or acquisition.

Item 1B. Unresolved Staff Comments

For the Registrant’s fiscal years ended December 31, 2008, 2009 and 2010 respectively, the Registrant did not have any issued nor unresolved comments with the staff of the Securities and Exchange Commission.

**Item 2. Description of Property**

The Registrant maintains temporary executive offices located at: 3537 Ridgebriar Dr., Dallas, Texas 75234. In preparation of its anticipated growth and the corresponding need for expanded office accommodations, the Registrant is actively seeking suitable permanent executive offices.

As growth and expansion require, the Registrant and each of its three subsidiaries anticipates relocating to separate executive and/or operational offices during the Registrant's 2011 fiscal year.

Item 3. Legal Proceedings

For the Registrant’s fiscal years ended December 31, 2008; 2009 and 2010 respectively, neither the Registrant nor any of its subsidiaries are involved in, nor a party to; any current legal proceedings nor any pending litigation brought by any federal, state, local court or regulatory agency.

Item 4. (This item has been removed and reserved by the Securities and Exchange Commission)

PART II

Item 5. Market for Registrant’s Common Equity and Related Stockholder Matters

The Registrant’s common stock original listed for active trading, and traded on the NASD Over-the-Counter Bulletin Board under the symbol CAAP in the first quarter of the Registrant’s fiscal year ended December 31, 2000. The Over-the-Counter Bulletin Board is an inter-dealer quotation system whose price quotes do not reflect any retail mark-up, mark-down or commission and may not represent actual transactions. The high and low price quotes for the Registrant’s common stock during each quarter of fiscal year 2000 was as follows:

|  |  |  |
| --- | --- | --- |
|  |  | Stock |
|  |  | High | Low |
| 2000 |  |  |  |
|  | First Quarter | .03 | .02 |
|  | Second Quarter | 1.71 | .1875 |
|  | Third Quarter | 2.25 | .14 |
|  | Fourth Quarter | .34 | .04 |

Beginning in the Registrant’s fiscal year ended December 31, 2002 thru its fiscal year ended December 31, 2010, the Registrant’s common stock has been listed on the OTC Pink Sheets. During the Registrant’s fiscal year ended December 31, 2002 thru its fiscal year ended December 31, 2010, the Registrant’s common stock has been actively traded. The high and low price quotes for the Registrant’s common stock during each quarter of fiscal year 2010 was as follows:

|  |  |  |
| --- | --- | --- |
|  |  | Stock |
|  |  | High | Low |
| 2010 |  |  |  |
|  | First Quarter | .00 | .00 |
|  | Second Quarter | .00 | .00 |
|  | Third Quarter | .00 | .00 |
|  | Fourth Quarter | .00 | .00 |

As of December 31, 2010, there were approximately 59 record holders of the Registrant’s common stock.

The Registrant has not paid any cash or common stock based dividends on its common stock since its inception. Periodically, the Registrant will consider the payment of dividends in light of the Registrant’s earnings, capital requirements, financial condition and other factors, but there is no assurance that the Registrant will elect to pay dividends in the future.

The Registrant is not currently subject to any restrictions which would limit its ability to pay dividends on its common equity, providing that sufficient earnings to pay said dividend, are available.

Item 6. Management’s Discussion and Analysis of Financial Conditions and Results of Operations

The following discussion of the financial condition and results of operations of the Registrant for its fiscal year ended December 31, 2010 should be read in conjunction with the Financial Statements and the related Notes thereto included under Item 8, “Financial Statements” located in this document. Operations since inception have primarily included expenditures related to operations and the internal development of the Registrant’s assets and proposed business ventures, research; and the development of its prototype branded products and services. The Registrant’s operations since January 1, 2010, include the operation of its Media Force unit’s Black Financial News Network website and completion of the internal development of its Black Financial News TV Network, as well as, operation of its DLFA Industries unit’s Dream League Football website and completion of the internal development of its Dream League Football Association, professional football league and its Dream League TV game programming Network.

Further, the Registrant’s operations since January, 1, 2010 included completion of the internal development of its 100+ channels; subscriber based; pay television, sports and entertainment, programming and distribution platform.

The Registrant’s Landrush unit is currently evaluating, for acquisition, various commercial, multi-family residential and hotel real estate purchase opportunities.

The Registrant has previously completed the development of its SCOR brand line of footwear and apparel. The Registrant contemplates its SCOR brand footwear being declared and named the official shoe of its DLFA Industries unit’s Dream League Football Association, professional football league.

 **Liquidity And Capital Resources**

Since its inception, the Registrant has financed its operations primarily from the public market sale of its common stock, contributions from its principle stockholder and private placements with related parties. For the periods ending December 31, 2009 and 2010 respectively, contributions from its principal stockholder totaled $4,934 and $4,190 respectively. The Registrant had ($80,984) in cash as of December 31, 2010.

The Registrant’s operating activities generated a net loss of ($5,504) and ($14,654) for the fiscal years ended December 31, 2009 and 2010 respectively. Losses generated during these periods were due to administrative and operating expenses exceeding revenue for the reported periods.

As a development stage Registrant, the Registrant’s products and services have not been fully introduced, marketed and distributed into the consumer market place and thus have not generated a significant level of revenues streams necessary to offset administrative and operating expenses through the Registrant’s fiscal year ended December 31, 2010. During fiscal year 2011, the Registrant’s plans to introduce and publicly market its 1) subscriber based Black Financial News TV Network; 2) Dream League Football Association, professional football league; 3) Dream League TV Network; 4) 100+ channels; IPTV subscriber based; pay television, sports and entertainment, programming and distribution platform.

For the fiscal year ended December 31, 2009 and 2010 respectively, the Registrant used ($25,010) and $0 net cash respectively for investing activities. As a development stage Registrant, the Registrant has not generated sufficient cash from operations to initiate a material level of investing activities; however, investment in subsidiary common stock during fiscal year 2009 was financed by an exchange of intangible assets for subsidiary stock.

At December 31, 2010, the Registrant’s level of cash reserves and liquid working capital was not sufficient to allow the Registrant to introduce and publicly market its developed products and services into the consumer market place. During fiscal year 2010, the Registrant, as related to receipt of the sales proceeds thereof, intends to pursue the secondary re-marketing of both equity and debt held by its ESOP Trust and owed to the Registrant, continue to pursue lines of credit from third party lenders; pursue both short term and/or long term borrowings from institutional investors necessary to fund its working capital requirements and the introduction of its branded products and services in to the consumer market place.

As of the fiscal year ended December 31, 2010, the Registrant did not have a material level of commitments for capital expenditures. However, during its 2011 fiscal year, the Registrant’s anticipates making capital expenditures of approximately $590,000 for the purchase of studio and broadcast equipment related to 1) its Black Financial News TV Network; 2) its Dream League TV Network; and 3) its 100+ channels; IPTV subscriber based; pay television, sports and entertainment, programming and distribution platform. The Registrant anticipates that the capital necessary for its acquisition initiatives and the further introduction of its products and/or services into the consumer marketplace shall be derived from the anticipated proceeds received from the secondary, re-marketing, to both institutional and accredited investors, of its common equity and Series 2010A Bonds, held by it ESOP Trust, as selling shareholder.

 Result of Operations

The Registrant is a development stage Registrant whose internally developed assets, branded products and services have not been significantly introduced, advertised, promoted or established into the consumer marketplace as of its fiscal year ended December 31, 2010. As such, revenue generated as a result of the Registrant’s internally developed assets, branded products and services did not generate a material level of operating revenue during this period.

For the fiscal period ended December 31, 2010, the Registrant’s DLFA Industries unit contributed $13 to the Registrant’s operating revenue for the period.

Administrative and operating expenses outpaced revenues resulting in net losses of ($14,654) and ($5,504) for the Registrant’s fiscal years ended December 31, 2009 and 2010 respectively.

During the first quarter of fiscal year 2011, the Registrant anticipates making capital expenditures of approximately $590,000 related to the purchase of studio and broadcast equipment related to 1) its Black Financial News TV Network; 2) its Dream League TV Network; and 3) its 100+ channels; IPTV subscriber based; pay television, sports and entertainment, programming and distribution platform.

It is the Registrant’s opinion that at the event in which its internally developed assets, products and services are fully introduced, advertised, and distributed into the market place, there shall be a corresponding increase in the Registrant’s revenue and profitability. Further, it is the Registrant’s objective to initiate and pursue a program of growth and acquisition which will allow the Registrant to add, to its current holdings, various operating companies and/or operating assets thereby allowing the Registrant to “buy in revenue”.

Item 7. Financial Statements and Supplementary Data

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**INDEPENDENT AUDITOR’S REPORT**

Board of Directors

Citizens Capital Corp.

Dallas, Texas

We have audited the acRegistranting consolidated balance sheet of Citizens Capital Corp. (a development stage Registrant) as of December 31, 2000, and the related consolidated statements of operations, changes in stockholders’ equity (deficit) and cash flows for the years ended December 31, 2000 and 1999 and the period from inception (March 12, 1991) to December 31, 2000. These financial statements are the responsibility of the Registrant’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Citizens Capital Corp. as of December 31, 2000, and the results of its operations and its cash flows for the years ended December 31, 2000 and 1999 and the period from inception (March 12, 1991) to December 31, 2000 in conformity with generally accepted accounting principles.

Hein + Associates llp

Certified Public Accountants

Dallas, Texas

April 10, 2001

# CONSOLIDATED BALANCE SHEET

December 31, 2000

## ASSETS

|  |  |  |
| --- | --- | --- |
| **CURRENT ASSETS:** |  |  |
| Cash |  | $ 377 |
| Accounts receivable |  |  3,487 |
| Total current assets |  |  3,864 |
|  |  |  |
| **PROPERTY AND EQUIPMENT**, net of accumulated depreciation of $7,059 |  |  27,447 |
|  |  |  |
| **INTANGIBLE ASSETS**, net |  |  320 |
|  |  |  |
| Total assets |  | $ 31,631 |
|  |  |  |
| LIABILITIES AND STOCKHOLDERS DEFICIT |
|  |  |  |
| **CURRENT LIABILITIES:** |  |  |
| Current portion of loans from stockholders |  | $ 14,653 |
| Accounts payable and accrued liabilities |  |  13,939 |
| Credit card cash advances |  |  38,418 |
| Advances from stockholder |  |  8,270 |
| Total current liabilities |  |  75,280 |
|  |  |  |
| **LOANS FROM STOCKHOLDERS**, net of current portion |  |  12,061 |
|  |  |  |
| **COMMITMENT** (Note 9) |  |  |
|  |  |  |
| **STOCKHOLDERS’ DEFICIT:** |  |  |
| Preferred stock, $1.00 stated value, 5,000,000 shares authorized; 1,000,000 shares issued and outstanding |  |  1,000,000 |
| Common stock, no par value, 100,000,000 shares authorized; 40,510,000 shares issued and outstanding ($.01 stated value) |  |  405,100 |
| Additional paid-in capital |  |  48,836,908 |
| Note receivable from ESOP |  |  (50,100,000) |
| Deficit accumulated during the development stage |  |  (197,718) |
| Total stockholders’ deficit |  |  (55,710) |
|  |  |  |
| Total liabilities and stockholders’ deficit |  | $ 31,631 |
|  |  |  |

# CONSOLIDATED STATEMENTS OF OPERATIONS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Year Ended December 31, |  | Period fromInception(March 12, 1991)to |
|  |  | 2000 |  | 1999 |  | December 31, 2000 |
|  |  |  |  |  |  |  |
| SALES |  | $ 62,088 |  | $ -  |  |  $ 62,526 |
|  |  |  |  |  |  |  |
| COST OF SALES |  |  13,596 |  |  -  |  |  13,871 |
|  |  |  |  |  |  |  |
| GROSS MARGIN |  |  48,492 |  |  -  |  |  48,655 |
|  |  |  |  |  |  |  |
| GENERAL AND ADMINISTRATIVE EXPENSES |  |  135,726 |  |  18,203 |  |  246,373 |
|  |  |  |  |  |  |  |
| NET LOSS |  | $ (87,234) |  | $ (18,203) |  |  $ (197,718) |
|  |  |  |  |  |  |  |
| **NET LOSS PER SHARE** (basic and diluted) |  | $ \*  |  | $ \*  |  |  |
|  |  |  |  |  |  |  |

\* Less than $.01 per share

**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS’ EQUITY (DEFICIT)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Preferred Stock |  | Common Stock |  | AdditionalPaid-In |  | Note Receivable |  | Accumulated |  |  |
|  |  | Shares |  | Amount |  | Shares |  | Amount |  | Capital |  | from ESOP |  | Deficit |  | Totals |
| Common stock issued founder upon incorporation |  |  -  |  | $ -  |  |  300 |  | $ 3 |  | $ (3) |  | $ -  |  | $ -  |  | $ -  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Common stock issued founder December 24, 1993 |  |  -  |  |  -  |  |  22,499,700 |  |  224,997 |  |  (224,997) |  |  -  |  |  -  |  |  -  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Preferred stock issued November 1, 1994 |  |  1,000,000 |  |  1,000,000 |  |  -  |  |  -  |  |  (988,000) |  |  -  |  |  -  |  |  12,000 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contributions by stockholder at various dates prior to 1997 |  |  -  |  |  -  |  |  -  |  |  -  |  |  56,096 |  |  -  |  |  -  |  |  56,096 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cumulative net loss through December 31, 1996 |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  (65,271) |  |  (65,271) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **BALANCES**, December 31, 1996 |  |  1,000,000 |  |  1,000,000 |  |  22,500,000 |  |  225,000 |  |  (1,156,904) |  |  -  |  |  (65,271) |  |  2,825 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Common stock issued for brand and service marks November 14, 1997 |  |  -  |  |  -  |  |  3,000,000 |  |  30,000 |  |  (30,000) |  |  -  |  |  -  |  |  -  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contributions by stockholder during 1997 |  |  -  |  |  -  |  |  -  |  |  -  |  |  9,307 |  |  -  |  |  -  |  |  9,307 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net loss for the year |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  (9,657) |  |  (9,657) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **BALANCES**, December 31, 1997 |  |  1,000,000 |  |  1,000,000 |  |  25,500,000 |  |  255,000 |  |  (1,177,597) |  |  -  |  |  (74,928) |  |  2,475 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Common stock issued to ESOP May 8, 1998 |  |  -  |  |  -  |  |  15,000,000 |  |  150,000 |  |  49,950,000 |  |  (50,100,000) |  |  -  |  |  -  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contributions by stockholder during 1998 |  |  -  |  |  -  |  |  -  |  |  -  |  |  15,563 |  |  -  |  |  -  |  |  15,563 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net loss for the year |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  (17,353) |  |  (17,353) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **BALANCES**, December 31, 1998 |  |  1,000,000 |  |  1,000,000 |  |  40,500,000 |  |  405,000 |  |  48,787,966 |  |  (50,100,000) |  |  (92,281) |  |  685 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contributions by stockholder during 1999 |  |  -  |  |  -  |  |  -  |  |  -  |  |  17,319 |  |  -  |  |  -  |  |  17,319 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net loss for the year |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  (18,203) |  |  (18,203) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **BALANCES**, December 31, 1999 |  |  1,000,000 |  |  1,000,000 |  |  40,500,000 |  |  405,000 |  |  48,805,285 |  |  (50,100,000) |  |  (110,484) |  |  (199) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Common stock issued and options for services |  |  -  |  |  -  |  |  10,000 |  |  100 |  |  30,000  |  |  -  |  |  -  |  |  30,100 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contribution by stockholder during 2000 |  |  -  |  |  -  |  |  -  |  |  -  |  |  1,623 |  |  -  |  |  -  |  |  1,623 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net loss for year |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  (87,234) |  |  (87,234) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **BALANCES**, December 31, 2000 |  |  1,000,000 |  | $ 1,000,000 |  |  40,510,000 |  | $ 405,100 |  | $ 48,836,908 |  | $ (50,100,000) |  | $ (197,718) |  | $ (55,710) |

# CONSOLIDATED STATEMENTS OF CASH FLOWS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Year Ended December 31, |  | Period fromInception(March 12, 1991)to |
|  |  | 2000 |  | 1999 |  | December 31, 2000 |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** |  |  |  |  |  |  |
| Net loss |  | $ (87,234) |  | $ (18,203) |  |  $ (197,718) |
| Adjustments to reconcile net loss to cash used by operating activities: |  |  |  |  |  |  |
| Expenses paid by stockholder |  |  1,623 |  |  17,319 |  |  95,083 |
| Services paid for with stock and options |  |  30,100 |  |  -  |  |  30,100 |
| Depreciation and amortization |  |  3,617 |  |  290 |  |  7,197 |
| Increase in accounts receivable |  |  (3,487) |  |  -  |  |  (3,487) |
| (Increase) decrease in prepaid expenses |  |  1,000 |  |  (1,000) |  |  -  |
| Increase (decrease) in accounts payable |  |  13,939 |  |  (1,000) |  |  13,939 |
| Increase in credit card cash advances |  |  34,618 |  |  3,800 |  |  38,418 |
| Net cash (provided) used by operating activities |  |  (5,824) |  |  1,206 |  |  (16,468) |
|  |  |  |  |  |  |  |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** |  |  |  |  |  |  |
| Purchase of equipment |  |  (31,004) |  |  -  |  |  (34,564) |
| Payment for intangible assets |  |  -  |  |  -  |  |  (400) |
| Net cash used by investing activities |  |  (31,004) |  |  -  |  |  (34,964) |
|  |  |  |  |  |  |  |
| CASH FLOWS FROM FINANCING ACTIVITIES: |  |  |  |  |  |  |
| Sale of stock and contribution by stockholder |  |  -  |  |  -  |  |  16,825 |
| Loans from stockholders |  |  26,714 |  |  -  |  |  26,714 |
| Stockholders advances |  |  8,270 |  |  -  |  |  8,270 |
| Net cash provided by financing activities |  |  34,984 |  |  -  |  |  51,809 |
|  |  |  |  |  |  |  |
| NET INCREASE IN CASH |  |  (1,844) |  |  1,206 |  |  377 |
|  |  |  |  |  |  |  |
| **CASH**, beginning of period |  |  2,221 |  |  1,015 |  |  -  |
|  |  |  |  |  |  |  |
| **CASH,** end of period |  | $ 377 |  | $ 2,221 |  |  $ 377 |
|  |  |  |  |  |  |  |
| SUPPLEMENTAL INFORMATION - |  |  |  |  |  |  |
| Interest paid during year |  | $ 1,718 |  | $ -  |  |  |

**1. General and Summary of Significant Accounting Policies**

##### Registrant Background

Citizens Capital Corp. (the “Registrant”) is a development stage holding Registrant with plans to acquire and/or develop operating entities, assets and/or marketing rights which provide the Registrant with an initial entry into new markets or serve as complementary additions to existing operations, assets and/or products.

Currently, the Registrant’s plans contemplate operating in the following three market segments: 1) residential mortgage loan marketing, commercial and residential real estate investment and development; 2) news print publishing and 3) the design, marketing and distribution of branded athletic shoes and apparel, through its three 97% owned subsidiaries: Landrush Realty Corporation (“Landrush”); Media Force Sports & Entertainment, Inc. (“Media Force”); and SCOR Brands, Inc. (“SCOR”). Operations since inception have primarily included expenditures related to development of the Registrant’s proposed business ventures. In 2000, Media Force acquired the assets of a printing business and the Registrant began to generate revenues.

During 1999, the Registrant registered with the United States Securities and Exchange Commission, 39,500,000 shares of its Class A common stock for secondary market trading. The 39,500,000 common shares include the 15,000,000 common shares currently held by the Registrant’s ESOP (see Note 6).

*Principles of Consolidation*

The consolidated financial statements include the accounts of the Registrant and its subsidiaries. All significant interRegistrant accounts and transactions have been eliminated in consolidation.

*Property and Equipment*

Property and equipment is carried at cost less accumulated depreciation. Significant improvements and additions are capitalized. Maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight-line method over the useful lives of the assets, which range from five to seven years. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated and any profit or loss on disposition is reflected in income.

##### Intangible Assets

The Registrant, through its interest in Landrush Realty Corporation, owns the registered trademark, distribution and exclusive marketing rights to The Texas Home Equity ReFund®, The Cash-Out Mortgage ReFinancer® and The Home Equity Cashier® home equity product marks.

The Registrant, through its interest in Media Force Sports & Entertainment Inc, owns the registered trademark, distribution and exclusive marketing rights to the Black Financial-News® publication.

The Registrant, through its interest in SCOR Brands Inc., owns the registered trademark, distribution and exclusive marketing rights to the SCOR® brand line of athletic shoes and apparel.

The Registrant accounts for the value of the trademarked products and the corresponding exclusive marketing and distribution rights based on the registration costs, which totaled $400. This intangible asset is amortized on a straight line basis over ten years.

##### Loss Per Share

Loss per share is calculated in accordance with Statement of Financial Accounting Standards No. 128 (“SFAS 128”), *Earnings Per Share*. Basic income (loss) per share is computed based upon the weighted average number of common shares outstanding during the period. Diluted income (loss) per share takes common equivalent shares into consideration. However, common equivalent shares are not considered if their effect is antidilutive. Common stock equivalents consist of outstanding stock options and warrants. Common stock equivalents are assumed to be exercised with the related proceeds used to repurchase outstanding shares except when the effect would be antidilutive. The Registrant had 400,000 common equivalent shares which were antidilutive in all periods presented.

The weighted average number of shares outstanding used in the loss per share computation was 40,502,000 and 40,500,000 for the years ended December 31, 2000 and 1999, respectively.

*Income Taxes*

The Registrant accounts for income taxes under the liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Registrant had deferred tax assets of approximately $25,000 and $16,000 at December 31, 2000 and 1999, respectively, resulting from net operating loss carryforwards (NOL) for tax which were fully reserved. The Registrant had no material deferred tax liabilities. The Registrant’s NOL at December 31, 2000 was approximately $168,000 and it expires through the year 2020.

##### Statement of Cash Flows

For purposes of the statements of cash flows, the Registrant considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

*Use of Estimates*

The preparation of the Registrant’s consolidated financial statements in conformity with generally accepted accounting principles requires the Registrant’s management to make estimates and assumptions that affect the amounts reported in these financial statements and acRegistranting notes. Actual results could differ from those estimates.

**2. Plan of Operation for the 2001 Fiscal Year**

The Registrant’s plan of operation for the 2001 fiscal year is to: (1) further the development of its Media Force unit and continue with the introduction of its footwear products through SCOR unit and (2) continue to evaluate and pursue suitable mergers and/or acquisitions of existing operating entities. The Registrant’s cash requirements have been funded to date by its principal stockholder. The Registrant anticipates approximately $2,800,000 of cash will be needed to fully implement the start-up phase of its plans and cover working capital requirements over the next year. The Registrant intends to attempt to borrow these funds from affiliates of the Registrant and third party lenders. Should the Registrant be unable to borrow these funds, it will be unable to fully implement its business plan. Regardless of whether any funding is received, the Registrant’s major stockholder has committed to provide funding required to allow the Registrant to continue as a going concern.

**3. Acquisition**

In July 2001, the Registrant acquired the assets and operations of a printing business for $31,000. The acquisition was accounted for as a purchase and the operations are consolidated with those of the Registrant beginning July 1, 2000. Unaudited pro forma financial information is not presented, because prior financial information on the printing business is not currently available.

**4. Credit Card Cash Advances**

The Registrant has cash advances from a credit card outstanding at December 31, 2000 of $38,418. These advances bear interest at 19.8% per annum as of December 31, 2000.

**5. Advances from Stockholder**

The Registrant received advances totaling $8,720 from the major stockholder in 2000. These advances bear no interest and are expected to be repaid from available working capital of the Compny.

**6. Stockholders’ Loans**

The Registrant has received unsecured loans from stockholders as follows:

|  |  |  |
| --- | --- | --- |
| 8.50% loan dated May 22, 2000, due June 2003, payable in monthly installments of $616 beginning June 2000. |  | $ 19,514 |
|  |  |  |
| 8.50% loan dated June 28, 2000, due July 2002, payable in monthly installments of $327 beginning August 2000. |  |  7,200 |
|  |  |  26,714 |
|  |  |  |
|  Current portion |  |  (14,653) |
|  |  |  |
|  Long-term portion |  | $ 12,061 |

Aggregate maturities or stockholder loans at December 31, 2000 are due in future years as follows:

|  |  |  |
| --- | --- | --- |
| 2001 |  | $ 14,653 |
| 2002 |  |  9,045 |
| 2003 |  |  3,016 |
|  |  | $ 26,714 |

**7. Employee Stock Ownership Plan and Note Receivable**

The Registrant has an Employees Stock Ownership Plan (“ESOP” or the “Plan”), which covers all employees with at least a year of consecutive service that are not covered by a collective bargaining agreement. The Plan provides for an allocation of Registrant stock to each participant’s account of the greater of 15% or the maximum percentage allowable of participants’ eligible compensation. No shares have been allocated as of December 31, 2000 as there has been no compensation to employees.

On May 11, 1998 the Registrant sold 15,000,000 shares of its Class A common stock directly to the ESOP at $3.34 per share in exchange for a five year, 14.5%, $50,100,000 promissory note. The promissory note was issued together with a security agreement fully collateralized by 15,000,000 shares of the Registrant’s common stock held by the ESOP. The promissory note has a “liquidating call provision” which may be invoked by the Registrant or the noteholder. The liquidating call provision gives the Registrant or the noteholder the “demand right” to request that up to 15,000,000 shares of Citizens Capital Corp. common stock, held by the ESOP, be liquidated to pay down the outstanding principal amount of the note and any accrued principal and interest thereof, any time the common shares are selling in the public or private capital marketplace at or above $5.00 per share. The initial face value of the promissory note has been recorded in the stockholders’ equity section of the acRegistranting balance sheet.

**8. Stockholders’ Equity**

###### Preferred Stock

On November 1, 1994, the Registrant issued 1,000,000 shares of its Class A, 7 1/4%, $1.00 cumulative preferred stock. Each share of preferred stock includes a warrant which entitles the holder to purchase one share of common stock at $0.01 per share.

The holders of the preferred stock are entitled to receive out of legally available funds of the Registrant, dividends at an annual rate of $0.0725 per share, payable quarterly in arrears, on a cumulative basis. Dividends on the preferred stock have not been declared or paid and have not been accrued in the acRegistranting financial statements because the Registrant has no surplus from which dividends can legally be paid. Cumulative dividends in arrears as of December 31, 2000 are $457,914.

The preferred stock was initially scheduled to be repaid on December 31, 1999. However, as permitted by the terms of the preferred stock, in excess of 66-2/3% of the holders of the preferred stock elected to eliminate any repayment requirement. The Registrant may, at its election, redeem the preferred stock in whole, but not in part, at a 7-1/4% premium, so long as the cumulative dividends have been declared and paid.

The Registrant has authorized but unissued, 4,000,000 shares of preferred stock which may be issued in such series and preferences as determined by the Registrant’s board of directors.

##### Common Stock

At December 31, 1996, the Registrant had 22,500,000 Class A, no par, $0.01 stated value shares issued and outstanding.

On November 14, 1997, the Registrant issued 3,000,000 additional shares of its Class A, no par, $0.01 stated value common stock, to three institutional investors in exchange for the full conveyance of production, marketing, distribution and trade rights to certain brand and service marks.

On May 3, 1998, the Registrant voted to split its shares of Class A common stock then outstanding on a 3 for 1 basis. The aggregate number of Class A, no par value common shares outstanding after the split were 25,500,000. All information in the acRegistranting financial statements and notes is presented as if the split occurred at the date of incorporation.

On May 8, 1998, the Registrant sold 15,000,000 shares of Class A, no par, $0.01 stated value common stock directly to its ESOP at $3.34 per share (see Note 7).

*Stock Options*

Effective December 1, 1998, the Registrant adopted a stock option plan, which provides for a maximum of 2,000,000 shares to be issued under the plan. The Registrant granted options to four directors on December 1, 1998 to acquire a total of 400,000 shares of common stock. The exercise price is $1.50 per share. The options may be exercised based on the following schedule: 25% vest immediately, 25% vest after two years, 25% vest after three years, and 25% vest after four years. Options of 100,000 shares of common stock were canceled during fiscal year 2000 while options for 100,000 common shares under the same option plan were granted to a third party consultant on July 1, 2000. At December 31, 2000, 175,000 options are exercisable. No options had been exercised as of December 31, 2000. The Registrant has estimated the fair value of the options issued in 1998 to be immaterial at the date of grant. The Registrant estimated the fair value of the options granted in 2000 to be approximately $97,000 at the date of grant. The Registrant recorded an expense of $31, 000 for the effect of these options for the year ended December 31, 2000.

**9. Commitment**

The Registrant has entered into a lease agreement for the printing shop operations. The lease expires in 2003 and provides for the following minimum lease payments:

|  |  |  |
| --- | --- | --- |
| 2001 |  | $ 24,000 |
| 2002 |  |  24,000 |
| 2003 |  |  10,000 |
|  |  | $ 58,000 |

Rent expense was $17,400 and $0 for the years ended December 31, 2000 and 1999, respectively.

**10**. **Fair Value of Financial Instruments**

Statement of Financial Accounting Standards No. 107, *Disclosures about Fair Value of Financial Instruments*, requires the disclosure of the estimated fair values of financial instruments as determined at discrete points in time based on relevant market information. These estimates involve uncertainties and cannot be determined with precision. The estimated fair values of the Registrant’s financial instruments, as measured on December 31, 2000, are as follows:

*Cash, accounts receivable, accounts payable and advances from stockholder* – The fair values approximate carrying amounts because of the short maturity of those instruments.

*Credit card cash advances and loans from stockholders* – the fair values approximate carrying values due to the use of prevailing interest rates.

**11. Concentrations**

The Registrant is currently generating revenues from only one market segment, printing. A geographic concentration exists as all these revenues are derived from a storefront in DeSoto, Texas. Financial instruments that subject the Registrant to credit risk are primarily accounts receivable.

**12. Subsequent Events**

In January 2001, the Registrant placed orders for production of SCOR Brands footwear products totaling approximately $1,600,000. As of April 10, 2001, the Registrant had not received funding necessary to permit completion of the order.

Item 8. Changes in and Disagreements with Accountants.

The Board of Directors selected Hein + Associates LLP as its independent accountant for the audit of its financial statements for the fiscal years ending December 31, 2000; and 1999 and the period from inception (March 12, 1991) to December 31, 2000.

Prior to selecting the independent accounting services of Hein + Associates LLP, the Registrant did not have a previous independent accountant. As of the period ended December 31, 2010, the Registrant has neither previously, subsequently nor currently had any disagreements with its independent accountant on any matters regarding accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

Item 8A. Controls and Procedures.

As of the Registrant’s fiscal year ended December 31, 2010, Executive Management of the Registrant hereby states that it is its corporate responsibility to establish and maintain adequate internal controls over financial reporting as it pertains to the operations of the Registrant.

Executive Management of the Registrant hereby states that the framework it established to evaluate the effectiveness of the Registrant’s internal control over financing reporting involved taking a “hands on” approach to receiving source sales, expense and transactional documents, then subsequently taking the same “hands on” approach to recording and documenting said financial data represented by said source sales, expense and transactional documents in the appropriate transaction ledgers. Further, Executive Management of the Registrant, extends its “hands on” approach maintain adequate internal controls over its financial reporting by reconciling data entered into the Registrant’s transactional ledgers with both the individual and aggregate values which are recorded and reported in the Registrant’s financial statements for its respective quarter and year end periods.

For the Registrant’s fiscal year ended December 31, 2010, it is Executive Management’s assessment that the internal controls over the Registrant’s financial reporting process are effective. While Executive Management of the Registrant believes that the internal controls over the Registrant’s financial reporting process is effective, Executive Management believes that the level of reporting efficiency, in terms of automated financial reporting systems, can be improve the efficiency of the Registrant’s period end reporting and reduce the time necessary to close out both its quarterly and year end reporting process.

**Executive Management of the Registrant hereby states that its public accounting firm has included in its annual report herein, an attestation report on the Registrant’s internal controls over financial reporting.**

**Further, Executive Management of the Registrant hereby states that its public accounting firm has included in its annual report herein, its attestation report on the Registrant’s internal controls over financial reporting. The public accounting firm’s attestation report on the Registrant’s internal controls over financial reporting is hereby incorporated by reference to: Section XXXXXXXXX of the Registrant’s annual report.**

For the quarter ended December 31, 2010, Executive Management of the Registrant hereby states that it has not identified nor made any changes in the Registrant’s internal control over financial reporting which has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting.

Item 8B. Other Information

The Registrant is hereby disclosing and reporting the below information which occurred during the Registrant’s fourth quarter covering the year end period of this report ended December 31, 2010 which would otherwise have been required to be disclosed and filed, by the Registrant, on Form 8-K Current Information report:

On Oct 21, 2010, the Registrant’s Black Financial News TV Network entered into a 10 year content licensing and distribution agreement with Memphis, Tennessee based Vivicast Media, LLC. (“Vivicast”). Vivicast is in the business of licensing television networks to third-party, multi-channel video pay-television distribution system owners that use CATV, SMATV, MMDS and alternative technology systems for distribution of television networks to their respective subscribers.

On Oct 21, 2010, the Registrant’s DLFA Industries Inc. unit’s Dream League TV Network entered into a 10 year content licensing and distribution agreement with Memphis, Tennessee based Vivicast Media, LLC. (“Vivicast”). Vivicast is in the business of licensing television networks to third-party, multi-channel video pay-television distribution system owners that use CATV, SMATV, MMDS and alternative technology systems for distribution of television networks to their respective subscribers.

**Item 9. Directors and Executive Officers, Promoters and Control Persons; Compliance With Section 16(a) of the Exchange Act.**

Identification of Directors

Management of the Registrant is vested in its Board of Directors and officers. The directors of the Registrant are elected by a majority vote of its common shareholders. The officers of the Registrant hold office at the discretion of the Registrant’s Board of Directors. **There are currently XX directors**.

The table below lists the Registrant's current Directors. Each Director will serve until the Registrant's next annual meeting of shareholders or until a successor shall be elected and shall qualify. Currently, there are no nominees to the Registrant's Board of Directors.

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Age | Positions Held | Term of Office |
|  |  |  |  |
| Billy D. Hawkins | 47 | D; CEO; COB | 19 years |
|  |  | D; SEC |  years |
|  |  | D; COO |  years |

(D)=Director

(CEO)=Chief Executive Officer

(COO)=Chief Operating Officer

(COB)=Chairman of the Board

(CFO)=Chief Financial Officer

(SEC)=Secretary

Identification of Executive Officers

The table below lists the Registrant’s current Executive Officers. Each Executive Officer is chosen by the Registrant’s Board of Directors and shall continue in service as Officers until replaced or reassigned by said Board of Directors.

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Age | Positions Held | Term of Office |
|  |  |  |  |
| Billy D. Hawkins | 47 | D; CEO; COB | 19 years |
|  |  | D; SEC | 3 years |
|  |  | D; COO | 3 years |

(D)=Director

(CEO)=Chief Executive Officer

(COO)=Chief Operating Officer

(COB)=Chairman of the Board

(CFO)=Chief Financial Officer

(SEC)=Secretary

Identification of Certain Significant Employees

During fiscal year 2010, the Registrant did not enter into any material employment agreements and/or relationships which would have deemed said personnel to be a significant employee of the Registrant.

Family Relationships

Billy D. Hawkins, a Director, Chief Executive Officer and Chairman of the Board of the Registrant is the blood son of Hubert H. Hawkins, a Director and Secretary of the Registrant.

Enos Harris, a Director, of the Registrant is the first cousin of Billy D. Hawkins, a Director, Chief Executive Officer and Chairman of the Board of the Registrant. Mr. Harris is also the blood nephew of Hubert H. Hawkins, a Director and Secretary of the Registrant.

Business Experience

Billy D. Hawkins, Chief Executive Officer-- Mr. Hawkins, 47, a director since 1991, is founder, Chief Executive Officer and Chairman of the Board of Directors of the Registrant. Mr. Hawkins founded and organized the Registrant in 1991. Since 1991, Mr. Hawkins has had the lead role in the planning and implementation of the Registrant's internal asset development initiatives, as well as, its acquisition program. Prior to 1991, Mr. Hawkins was a staff accountant with Mobil Oil Corporation in Dallas, Texas. Mr. Hawkins attended Eastern New Mexico University where he received a bachelor’s degree in finance 1986.

Hubert H. Hawkins, Vice President of Benefits--Mr. Hawkins, 67, secretary and a director since 1998, Mr. Hawkins intends to join the Registrant on a full time basis as Vice President of Benefits in 1999. From 1979 to 1995, Mr. Hawkins served as the director of personnel for the San Antonio Housing Authority in San Antonio, Texas. Mr. Hawkins retired from the San Antonio Housing Authority in January of 1995.

Enos Harris, Chief Operating Officer--Mr. Harris, 44, a director since 1998, is one of the Registrant's original investors. From 1978 through 1998, Mr. Harris served as supervisor of up to 150 employees which included clerks; carriers and route examiners for the United States Postal Service in Houston, Texas. Prior to 1978, Mr. Harris attended San Jacinto College in Pasadena, Texas from 1975 to 1976. From 1976 to 1978, Mr. Harris attended Texas Southern University in Houston, Texas.

No person nominated nor serving in the role of director of the Registrant currently holds any other directorship with any Registrant with a class of securities registered pursuant to section 12 of the Exchange Act of 1934 or any Registrant subject to the requirements of section 15(d) of said Act nor does any director of the Registrant hold any directorship with any Registrant registered as an investment Registrant under the Investment Registrant Act of 1940.

Involvement in Certain Legal Proceedings

(1) During the preceding past five years since the Registrant’s fiscal year ended December 31, 2010, no petition under the federal bankruptcy laws or any state insolvency law has been filed by or against any director, person nominated to become a director or executive officer of the Registrant. Nor has any receiver, fiscal agent or similar officer been appointed by a court for the business or property of such person, or any partnership, corporation or business association in which said person was a general partner or executive officer within two years before the time of any such filings.

(2) During the preceding past five years since the Registrant’s fiscal year ended December 31, 2010, no director, person nominated to become a director or executive officer of the Registrant been convicted in a criminal proceeding or is a named subject of a pending criminal proceeding.

(3) During the preceding past five years since the Registrant’s fiscal year ended December 31, 2010, no director, person nominated to become a director or executive officer of the Registrant, the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated by a court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting him from the following activities:

 (i) acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant or any other person regulated by the Commodity Futures Trading Commission, or any associated person of any of the foregoing or as an investment adviser, underwriter, broker or dealer in securities or as an affiliated person, director or employee of any investment Registrant, bank, savings and loan association or insurance Registrant, or engaging in or continuing any conduct or practice in connection with such activity.

 (ii) no director, person nominated to become a director or executive officer of the Registrant is the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated by a court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting him from engaging in any type of business practice; or

 (iii) engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws.

(4) During the preceding past five years since the Registrant’s fiscal year ended December 31, 2010, no director, person nominated to become a director or executive officer of the Registrant is the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated by any Federal or State authority barring, suspending or otherwise limiting said persons for more than 60 days from engaging in any activity described in paragraph (3)(i) of this section, or from being associated with persons engaged in any such activity.

(5) During the preceding past five years since the Registrant’s fiscal year ended December 31, 2010, no director, person nominated to become a director or executive officer of the Registrant been found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any Federal or State securities law and no judgment in such civil action or finding by the Securities and Exchange Commission been subsequently reversed, suspended or vacated.

(6) During the preceding past five years since the Registrant’s fiscal year ended December 31, 2010, no director, person nominated to become a director or executive officer of the Registrant been found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, no judgment in such civil action or finding by the Commodity Futures Trading Commission been subsequently reversed, suspended or vacated.

Promoters and Control Persons

(1) Billy D. Hawkins, a Director, Chief Executive Officer and Chairman of the Board of the Registrant is the only person of the Registrant who may be considered a promoter and control person of the Registrant. During the past five years, Mr. Hawkins has not and is not subject to any of the events which have been enumerated in paragraphs (1) through (6) of the above section titled; "Involvement in certain legal proceedings".

Item 10. Executive Compensation.

The following table sets forth all compensation paid or earned for services rendered to the Registrant by its executive officers in all capacities during the fiscal year ended December 31, 2010. No executive officer received total annual salary, bonus, or other compensation in excess of $100,000 during the fiscal year ended December 31, 2010.

|  |
| --- |
|  Summary Compensation Table |
|  |  | Annual compensation | Long term compensation |
|  |  |  |  |  | Awards | Payouts |  |
| Name and principal position(a) | Year(b) | Salary($)(c) | Bonus ($)(d) | Other annual compensation ($)(e) | Restricted stock award(s)(f) | Securities underlying options/SARs(#)(g) | LTIP Payouts ($)(h) | All other compensations ($)(i) |
|  |  |  |  |  |  |  |  |  |
| CEO, Billy D. Hawkins | 2000 | $0.00(1) | $0.00(1) | $0.00(1) | $0.00(1) | 100,000(1) | $0.00(1) | $0.00(1) |
| CFO,  | 2000 | $0.00(2) | $0.00(2) | $0.00(2) | $0.00(2) | 100,000(2) | $0.00(2) | $0.00(2) |
| COO,  | 2000 | $0.00(3) | $0.00(3) | $0.00(3) | $0.00(3) | 100,000(3) | $0.00(3) | $0.00(3) |
| V.P. Benefits,  | 2000 | $0.00(4) | $0.00(4) | $0.00(4) | $0.00(4) | 100,000(4) | $0.00(4) | $0.00(4) |

(1) In order to conserve the Registrant's financial resources during the early stages of its growth and development, Billy D. Hawkins elected to forgo any form of cash or non-cash salary or bonus as compensation for his role as the Registrant's Chief Executive Officer for its fiscal year ended December 31, 2010.

(2) Mr. Washington resigned from the Registrant effective August 1, 2000 to pursue other opportunities. Mr. Washington did not receive any form of cash or non-cash salary or bonus as compensation during the Registrant's fiscal year ended December 31, 2000. Mr. Washington in his role as Chief Financial Officer of the Registrant was granted an option to buy 100,000 shares of the Registrant's class A; common stock at $1.50 per share. Said options were for a period of four years beginning December 31, 1998. No options have been exercised as of December 31, 2000 by Mr. Washington and all remaining options are subject to cancellation effective with Mr. Washington’s resignation from the Registrant.

(3) Mr. Harris did not receive any form of cash or non-cash salary or bonus as compensation during the Registrant's fiscal year ended December 31, 2000. Mr. Harris in his role as Chief Operating Officer of the Registrant has an option to buy 100,000 shares of the Registrant's class A; common stock at $1.50 per share. Unless or until extended, said option is for a period of four years beginning December 31, 1998. No options have been exercised as of December 31, 2000.

(4) Mr. Hawkins did not receive any form of cash or non-cash salary or bonus as compensation during the Registrant's fiscal year ended December 31, 2000. Mr. Hawkins in his role Vice President of Benefits of the Registrant has an option to buy 100,000 shares of the Registrant's class A; common stock at $1.50 per share. Unless or until extended, said option is for a period of four years beginning December 31, 1998. No options have been exercised as of December 31, 2000.

1998 Stock Option Plan

The Registrant’s 1998 Stock Option Plan (“1998 Plan”) is intended to serve as an equity incentive program for management, qualified employees, non-employee members of the Board of Directors, and independent advisors or consultants. The 1998 Plan became effective on December 1, 1998 upon adoption by the Board of Directors, and was approved by shareholders at the March 1, 1999 annual shareholders meeting. Under the 1998 Plan, the total number of shares of common stock reserved for issuance is 2,000,000, which may be Incentive Stock Options (“ISO”) within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or non-qualified stock options.

The 1998 Plan provides participants with a four year vesting schedule. 25% of the total options granted to participants may be vested immediately. 25% of the total options granted to participants may be vested after 2 years. An additional 25% of the total options granted to participants may be vested after 3 years. The final 25% of the total options granted to participants may be vested after 4 years.

1998 ESOP Plan

The Registrant adopted an Employees Stock Ownership Plan (“ESOP” or the “Plan”) on May 1, 1998, which covers all employees with at least five (5) years of consecutive service that are not covered by a collective bargaining agreement. The purpose of the Plan is to enable participating employees of the Registrant to share in the development and growth of the Registrant and to provide participants with an opportunity to build capital for their retirement, the Plan is designed to do so without any deductions from the participants’ paychecks and without any cash investment by participants. The Plan is a “all” or none Plan and provides for an allocation of Registrant stock to each participant’s account of the greater of 15% or the maximum percentage allowable of participants’ eligible compensation. Participants in the Plan are vested after of three years of uninterrupted service with the Registrant.

The Registrant, at the sole discretion of its Board of Directors, may alter in part or eliminate in whole, both the 1998 Plan and/or the Plan.

Item 11. Security Ownership of Certain Beneficial Owners and Management.

The total outstanding common stock of the Registrant as of December 31, 2010, consists of 48,022,500 shares. All outstanding shares of common stock are entitled to one vote per share.

Security Ownership of Certain Beneficial Owners

The following table sets forth as of December 31, 2010, each stockholder known to the Registrant to be beneficial owner of the Registrant's outstanding shares of common stock.

|  |  |  |  |
| --- | --- | --- | --- |
| (1) Title of Class | (2) Name and address of beneficial owner | **(**3) Amount and nature of beneficial ownership | **(**4) Percent of class |
|  |  |  |  |
| Common Stock | The 3H CorporationP. O. Box 670406Dallas, Texas 75367 | 21,433,552(1)(2)(A)(C) | 45% |
| Common Stock | Citizens Capital Corp. Employee Stock Ownership TrustP. O. Box 670406Dallas, Texas 75367 | 13,480,000(2)(B)(D) | 28% |
| Common Stock | Brice Street Partners, Ltd.P. O. Box 670406Dallas, Texas 75367 | 900,164(2)(3)(A)(C) | 1.9% |
| Common Stock | Settlers Frontier Mortgage TrustP. O. Box 670406Dallas, Texas 75367 | 947,999(2)(3)(A) (C) | 2% |
| Common Stock | SCOR Brands Inc. P. O. Box 670406Dallas, Texas 75367 | 5,000,000(2)(5)(A)(C) | 10% |
| Common Stock | Far Reach Technologies Inc. P. O. Box 670406Dallas, Texas 75367 | 1,500,000(2)(6)(B)(D) | 3% |

(1) The 3H Corporation directly owns 21,433,552 common shares of the Registrant. Billy D. Hawkins, Chief Executive Officer; Chairman of the Board and a Director of the Registrant, has voting and investment control of The 3H Corporation. As a result, Mr. Hawkins may be deemed to be the beneficial owner of 21,433,552 common shares owned and/or controlled by the 3H Corporation. The mailing address for The 3H Corporation is: P. O. Box 670406, Dallas, Texas 75367.

(2) Billy D. Hawkins, Chief Executive Officer; Chairman of the Board and a Director of the Registrant is a member of the Citizens Capital Corp. Employee Stock Ownership Plan Executive Committee. As a result, Mr. Hawkins and the Executive Committee may be deemed to have shared investment control over 13,480,000 common shares owned by the Citizens Capital Corp. Employee Stock Ownership Trust. The mailing address for each member of the Citizens Capital Corp. Employee Stock Ownership Plan Executive Committee is: P. O. Box 670406, Dallas, Texas 75367

(3) Brice Street Partners, Ltd. directly owns 900,164 common shares of the Registrant. Billy D. Hawkins, Chief Executive Officer; Chairman of the Board and a Director of the Registrant, has voting and investment control of Brice Street Partners, Ltd.. As a result, Mr. Hawkins may be deemed to be the beneficial owner of 899,999 common shares owned and/or controlled by Brice Street Partners, Ltd. The mailing address for Brice Street Partners, Ltd. is P. O. Box 670406, Dallas, Texas 75367.

(4) Settlers Frontier Mortgage Trust directly owns 947,999 common shares of the Registrant. Billy D. Hawkins, Chief Executive Officer; Chairman of the Board and a Director of the Registrant, has voting and investment control of Settlers Frontier Mortgage Trust. As a result, Mr. Hawkins may be deemed to be the beneficial owner of 947,999 common shares owned and/or controlled by Settlers Frontier Mortgage Trust. The mailing address for Settlers Frontier Mortgage Trust is P. O. Box 670406, Dallas, Texas 75367.

(5) SCOR Brands, Inc. directly owns 5,000,000 common shares of the Registrant. Billy D. Hawkins, Chief Executive Officer; Chairman of the Board and a Director of the Registrant is the President and Chairman of the Board of SCOR Brands, Inc. As a result, Mr. Hawkins may be deemed to have voting and investment control of 5,000,000 common shares owned and/or controlled by SCOR Brands, Inc. The mailing address for SCOR Brands, Inc. is P. O. Box 670406, Dallas, Texas 75367.

(6) Far Reach Technologies, Inc. directly owns 1,500,000 common shares of the Registrant. Billy D. Hawkins, Chief Executive Officer; Chairman of the Board and a Director of the Registrant is a Managing Director of the Joint Venture between and amongst the Registrant and Far Reach Technologies, Inc.. As a result, the Registrant, through its Chief Executive Officer; Chairman of the Board and Director, Mr. Hawkins, may be deemed to have shared investment control of 1,500,000 common shares owned and/or controlled by Far Reach Technologies, Inc.. The mailing address for Far Reach Technologies Inc. is P. O. Box 670406, Dallas, Texas 75367.

(A) Sole voting power

(B) Shared voting power

(C) Sole investment power

(D) Shared investment power

Security Ownership of Management

The following table sets forth certain information regarding the beneficial ownership as of December 31, 2010, of the Registrant's common stock by (a) each person known by the Registrant to be a beneficial owner of more than five percent of the outstanding common stock of the Registrant, (b) each director of the Registrant, and (c) all directors and executive officers of the Registrant as a group (5 persons), owned beneficially 43,261,715 shares or 90% of the issued and outstanding shares of common stock as set forth in the following table.

|  |  |  |  |
| --- | --- | --- | --- |
| (1) Title of Class | (2) Name of Beneficial Owner | (3) Amount and Nature of Beneficial Ownership | (4) Percent of Class |
|  |  |  |  |
| Common Stock | Billy D. Hawkins | 29,781,715(1)(3)(4) | 62% |
| Common Stock | Directors and Executive Officers As A Group (5) persons | 13,480,000 (2) | 28% |

(\*) Less than 1%

(1) The 3H Corporation directly owns 21,433,552 common shares of the Registrant. Brice Street Partners Ltd., has sole voting and investment power over 900,164 additional common shares of the Registrant. Mr. Hawkins in his role as trustee holds 947,999 common shares of the Registrant held by Settlers Frontier Mortgage Trust. Billy D. Hawkins, Chief Executive Officer; Chairman of the Board and a Director of the Registrant, has sole voting and investment control of The 3H Corporation; Brice Street Partners, Ltd. and Settlers Frontier Mortgage Trust. As a result, Mr. Hawkins may be deemed to be the beneficial owner of the shares owned and/or controlled by The 3H Corporation, Brice Street Partners, Ltd. and Settlers Frontier Mortgage Trust.

(2) Billy D. Hawkins, Chief Executive Officer; Chairman of the Board and a Director of the Registrant is a members of the Citizens Capital Corp. Employee Stock Ownership Plan Executive Committee. As a result, the Executive Committee consisting of Mr. Billy D. Hawkins and other Executive Committee members may be deemed to have shared investment power over the shares owned by the Citizens Capital Corp. Employee Stock Ownership Trust. The address for each member of the Citizens Capital Corp. Employee Stock Ownership Plan Executive Committee is: P. O. Box 670406, Dallas, Texas 75367.

(3) SCOR Brands, Inc. directly owns 5,000,000 common shares of the Registrant. Billy D. Hawkins, Chief Executive Officer; Chairman of the Board and a Director of the Registrant is the President and Chairman of the Board of SCOR Brands, Inc. As a result, Mr. Hawkins may be deemed to have voting and investment control of 5,000,000 common shares owned and/or controlled by SCOR Brands, Inc.

(4) Far Reach Technologies, Inc. directly owns 1,500,000 common shares of the Registrant. Billy D. Hawkins, Chief Executive Officer; Chairman of the Board and a Director of the Registrant is a Managing Director of the Joint Venture between and amongst the Registrant and Far Reach Technologies, Inc.. As a result, the Registrant, through its Chief Executive Officer; Chairman of the Board and Director, Mr. Hawkins, may be deemed to have shared investment control of 1,500,000 common shares owned and/or controlled by Far Reach Technologies, Inc..

Changes in Control

The Registrant has no knowledge of any arrangements whereby its securities have been pledged, in which the subsequent consequence thereof, would result in a change in control of the Registrant.

 **Item 12. Certain Relationships and Related Transactions.**

Transactions with Management and Others

Billy D. Hawkins, a director, Chief Executive Officer and Chairman of the and Hubert H. Hawkins, a director and Vice President of the Registrant serve on the Executive Committee of the Citizens Capital Corp. Employee Stock Ownership Trust. While neither Mr. Billy D. Hawkins nor Mr. Hubert H. Hawkins separately hold any interest in the trust's assets, Mr. Billy D. Hawkins and Mr. Hubert H. Hawkins may be said to have shared investment power over said assets.

Certain Business Relationships

For the Registrant's fiscal year ended December 31, 2010, Billy D. Hawkins, a director, Chief Executive Officer and Chairman of the Board of the Registrant also served as Chief Executive Officer, Chairman of the Board and/or Managing Director for the Registrant's three (3) 97% owned subsidiaries; Landrush Realty Corporation, Media Force Sports & Entertainment, Inc. and SCOR Brands Inc., as well as, its 100% owned subsidiary, DLFA Industries Inc.. Further, Mr. Hawkins serves as a Managing Director of the Registrant’s current Joint Venture relationship with Far Reach Technologies, Inc..

Indebtedness of Management

None of the following has been nor are they currently indebted to the Registrant or its subsidiaries for any amount:

1) no director or executive officer of the Registrant;

2) no nominee for election as a director of the Registrant;

3) no member of the immediate family of any of the persons specified in paragraph (1) or (2) of this subsection;

4) no corporation or organization, other than the Registrant or its subsidiaries, of which any of the persons specified in paragraph (1) or (2) of this subsection is an executive officer or partner or is directly or indirectly, the beneficial owner of ten percent or more of any class of equity securities;

5) Billy D. Hawkins, a director, Chief Executive Officer and Chairman of the Board of the Registrant also serves on the Executive Committee of the Citizens Capital Corp. Employee Stock Ownership Trust.

Transactions with Promoters

As the sole founder and original investor of the Registrant, Billy D. Hawkins, a Director, Chief Executive Officer and Chairman of the Board of the Registrant is the only person who may currently be considered as a promoter of the Registrant. For the Registrant's fiscal year ended December 31, 2010, the Registrant has not engaged nor is currently engaged with any external promoter(s) nor has the Registrant entered into any transaction with any external promoter(s) for the purpose of promoting the activities of the Registrant.

**Item. 13. Principal Accounting Fees and Services.**

Principal fees charged to the Registrant, by its Public Accountant, related to the performance of various Accounting functions and services for the Registrant's fiscal years ended December 31, 2009 and December 31, 2010 respectively, were: $$$$$

The scope of primary services provided by the Registrant’s Public Accountant for the period covered were as follows:

 Audit Fees

 Audit-Related Fees

 Tax Fees

 All Other Fees

Item. 14. Exhibits, List and Reports on Form 8-K.

1. Exhibits.

 See Index to Exhibits.

1. Reports on Form 8-K.

 Not applicable.

 EXHIBIT INDEX

**See “Exhibit Index” on page XX**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Citizens Capital Corp. By: /s/ Billy D. Hawkins

 (Registrant) Chief Executive Officer

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

EXHIBIT INDEX

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Exhibit No | Description  | Page No. |
|  |  |  |
|  | Citizens Capital Corp; Amended Articles of Incorporation  | \* |
|  |  |  |
| 3.2 | Citizens Capital Corp., By-Laws  | \* |
|  |  |  |
|  | Instrument Defining The Rights of Security holders  | \* |
|  |  |  |
| 4.2 | Citizens Capital Corp.; Series Bond Indenture Form |  |
|  |  |  |
| 4.3 | Citizens Capital Corp.; Series 2010A; 144A Bond Offering Memorandum |  |
|  |  |  |
| 4.4 | Citizens Capital Corp. & Citizens Capital Corp. ESOP Trust; Series 2010A; 144A Bond Purchase; Re-Marketing Agreement |  |
|  |  |  |
|  | 1998 Employee Stock Ownership Plan |  |
|  |  |  |
| 10.2 | 1998 Stock Option Plan  |  |
|  |  |  |
| 10.3 | Citizens Capital Corp. & Citizens Capital Corp. ESOP Trust; Promissory Note1 and Security Agreement  |  |
|  |  |  |
| 10.4 | Citizens Capital Corp. & Citizens Capital Corp. ESOP Trust; Promissory Note2 & Security Agreement |  |
|  |  |  |
| 10.5 | Vivacast Media, LLC & Black Financial News TV Network; 10 year, content licensing & affiliate distribution agreement |  |
|  |  |  |
| 10.6 | Vivacast Media, LLC & Dream League TV Network; 10 year, content licensing & affiliate distribution agreement |  |
|  |  |  |
| 11.1 | Statement Re Computation of Per Share Earnings (Loss) |  |
|  |  |  |
| 16.1 | Letter Re Change in Certifying Accountant |  |
|  |  |  |
| 21.1 | Subsidiaries of the Registrant |  |
|  |  |  |
| 31.1 | Certification Pursuant to Rule 240.13a-14a and/or Rule 240.15d-14a of the Exchange Act of 1934 |  |

* 1. Certification Pursuant to 18 U.S.C. Section 1350; adopted

 Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Type: Exhibit- 3.1

Description: Citizens Capital Corp.; Amended Articles of Incorporation.

Exhibit 3.1

SECRETARY OF STATE

The undersigned, as Secretary of State of the State of Texas, HEREBY CERTIFIES that the attached is a true and correct copy of the following described instruments on file in this office:

CITIZENS CAPITAL CORP.

ARTICLES OF INCORPORATION

MARCH 12,1991

ARTICLES OF AMENDMENT

MARCH 30,1992

IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on July 27, 1993.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

John Hannah Jr., Secretary of State

ARTICLES OF INCORPORATION(SHORT FORM)

 ARTICLE ONE

The name of the corporation is: Let Us, Inc.

 ARTICLE TWO

The Period of its duration is: Perpetual

ARTICLE THREE

The purpose for which the corporation is organized is the transaction of any or all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the corporation shall have authority to issue is: 100 shares without par value.

ARTICLE FIVE

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of not less than One Thousand Dollars ($1,000) consisting of money, labor done, or property actually received.

ARTICLE SIX

The street name of its initial registered office is:

5909 Harvest Hill, Ste. 1078, Dallas, Texas 75230

The name of its initial registered agent at such address is: Billy D. Hawkins

ARTICLE SEVEN

The number of directors constituting the initial board of directors is ONE, and the names and addresses of the person or persons who are to serve as directors until the first annual meeting of the shareholders or until their successors are elected and qualified are:

Billy D. Hawkins, 5909 Harvest Hill, Ste. 1078, Dallas, Texas 75230.

ARTICLE EIGHT

The name and address of the incorporator is:

Billy D. Hawkins, 5909 Harvest Hill, Ste. 1078, Dallas, Texas 75230.

Signed By:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_DATE: March 12, 1991

Billy D. Hawkins, Incorporator

STATE OF TEXAS

COUNTY OF DALLAS

Before me, a notary public, on this day personally appeared

Billy D. Hawkins, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

Given under my hand and seal of office this\_\_\_\_\_\_\_\_\_\_\_\_\_day

of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,A.D. 19\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Notary Seal)

Notary Public, State of Texas

Sworn to Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,19\_\_\_\_

Dallas County, Texas

My commission expires:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,19\_\_\_\_\_

ARTICLES OF AMENDMENT

ARTICLE ONE

FILED

In the Office of the

Secretary of State of Texas

MAR 3 01992

Corporations Section,

The name of the corporation is LET US, INC.

Charter Number 01185557-00

ARTICLE TWO

The following amendment to the Articles of Incorporation was

adopted on March 2. 1992.

Article I is amended to read:

Citizens Capital Corp.

. ARTICLE THREE

The number of shares of the corporation outstanding and

entitled to vote at the time of such adoption was 100 common

ARTICLE FOUR

The number of shares voted for such amendment was 100 common

shares. The number of shares voted against such amendment

was 0.

Before me, a notary public, on this day personally appeared

Billy D. Hawkins, known to me to be the person whose name is

subscribed to the foregoing document and, being by me first

duly sworn, declared that the statement therein contained

are true and correct.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Billy D. Hawkins, President

Notary Public

Dallas County, Texas

Sworn to Date

(Notary Seal)

GLORIA E. MARTINEZ

NOTARY PUBLIC

THE STATE OF TEXAS

*COMMISSION E*XPIRES

3-28-95

Corporate Address: 5909 Harvest Hill, Ste. 1078

Dallas, Texas 75230.

CERTIFICATE OF AMENDMENT

FOR

CITIZENS CAPITAL CORP.

CHARTER NUMBER 01185557

THE UNDERSIGNED AS SECRETARY OF STATE OF THE STATE OF TEXAS HEREBY

CERTIFIES THAT THE ATTACHED ARTICLES OF AMENDMENT FOR THE ABOVE NAMED

 ENTITY HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SECRETARY OF STATE AND BY VIRTUE OF THE

AUTHORITY VESTED IN THE SECRETARY BY LAW HEREBY ISSUES THIS CERTIFICATE OF

AMENDMENT.

DATED DEC. 23, 1993

EFFECTIVE DEC. 23, 1993

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

John Hannah Jr., Secretary of State

Articles of Amendment

ARTICLE ONE

The name of the corporation is: Citizens Capital Corp.

Charter Number 01185557-00

ARTICLE TWO

The following amendment to the Articles of incorporation was adopted on

December 1. 1993.

The general nature of the amendment is to give the corporation authority

to issue, at its discretion, preferred shares and additional common

shares.

Article 4. is amended to read:

The aggregate number of common shares which the corporation shall have

authority to issue is 10 million (10,000,000) shares, without par value.

The aggregate number of preferred shares which the corporation shall

have authority to issue is 2 million (2,000,000) shares, without par value.

ARTICLE THREE

The number of shares of the corporation outstanding and entitled to vote

at the time of such adoption was 100 common shares.

ARTICLE FOUR

The number of shares voted for such amendment was 100 common shares. The

number of shares voted against such amendment was *0.*

Before me, a notary public, on this day personally appeared Billy D.

Hawkins, known to me to be the person whose name is subscribed to the

foregoing document and, being by me first duly sworn, declared that the

statement therein contained are true and correct.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Billy Hawkins, President

DATE

Sworn to Date:

Dallas County, Texas

Corporate Address: 5909 Harvest Hill, Ste. 1078

Dallas, Texas75230.

 CERTIFICATE OF AMENDMENT

FOR

 CITIZENS CAPITAL CORP.

 CHARTER NUMBER **01185557**

THE UNDERSIGNED, AS SECRETARY OF STATE *OF* THE STATE OF TEXAS,

HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF AMENDMENT FOR THE ABOVE

NAMED ENTITY HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE

OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS

CERTIFICATE OF AMENDMENT.

DATED APR. *27,* 1998

EFFECTIVE APR. 27, 1998

ARTICLES OF AMENDMENT

ARTICLE ONE

The name of the corporation is Citizens Capital Corp.

Charter Number .01185557-00

ARTICLE TWO

FILED

in the Office of the

Secretary of State of Texas

APR 2 71998

Corporations Section

The following amendment to the Articles of Incorporation was adopted on

April 1. 1998.

The general nature of this amendment is to increase the number of common

shares authorized for issuance.

Article 4 is amended to read:

The aggregate number of common shares which the corporation shall have

authority to issue is:' 100 million (100.000.000) shares, without par

value.

ARTICLE THREE

The number of shares of the corporation outstanding and entitled to vote

at the time of such adoption was 8,500,000 common shares.

ARTICLE FOUR

The number of shares voted for such amendment was 8,500.000 common

shares. The number of shares voted against such amendment was *0.*

Before me, a notary public, on this day personally appeared Billy D.

Hawkins. known to me to be the person whose name is subscribed to the

foregoing document and, being by me first duly sworn, declared that the

statement therein contained are true and correct.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Billy D. Hawkins, President

Date:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tina M. Harrison, Notary Public

sworn to Date

Dallas County, Texas

(Notary Seal)

TINA M. HARRISON

NOTARY PUBLIC

STATE OF TEXAS

My Comm. Exp. 02-10-02

Corporate Address: 5909 Harvest Hill, Ste. 1078

Dallas. Texas 75230.

Type: Exhibit-3.2

Description: Citizens Capital Corp.; By-Laws.

Exhibit 3.2

Type: Exhibit-4.1

Description: Instrument Defining the Rights of Security holders.

Exhibit-4.1

The following instrument defines the rights of Citizens Capital Corp. Shareholders.

Dividend Rights

All common shares outstanding have equal rights and full entitlement to receive pro rata distribution of any earnings declared payable by the Registrant as dividends. The rights of common shareholders of the Registrant to receive payment of any earnings which are declared as dividends by the Registrant are subordinate to the rights of preferred shareholders of the Registrant.

Voting Rights

Each one (1) share of the Registrant's common stock is entitled one (1) vote as to the selection of the Registrant's directors and other important Registrant matters.

The Registrant's common shares do not have any cumulative voting rights.

Liquidation Rights

In the event that the Registrant is liquidated, the claims of secured and unsecured creditors and owners of bonds and preferred stock take precedence over the claims of common shareholders.

Preemption Rights

The Registrant's common shares to be registered are not entitled to any preemptive rights regarding the issuance of additional common shares.

Alienability of Securities

There are no restrictions on the alienability of the Registrant's common shares to be registered.

Discriminating Against Existing or Prospective Shareholders

The Registrant's common shares to be registered do not have any provision which discriminates against any existing or prospective shareholder as a result of any shareholder owning a substantial amount of securities.

Modification of Shareholders Rights

The rights of the Registrant's common shareholders may be modified by a 66 2/3 percent vote of all said shareholder's shares outstanding, voting as a class.

Preferred Stock

The Registrant is not registering any of its preferred stock outstanding. The Registrant has 1,000,000 shares of class A; $1.00; 7 1/4% cumulative preferred stock outstanding as of December 31, 1998. Said preferred shares are outstanding pursuant to an exemption from the requirements of registration under Rule 230.504 of Regulation D under the Securities Act of 1933, as amended.

The preferred shares outstanding are entitled to the following rights:

Preference as to dividends

The 7 1/4%, $1.00, cumulative preferred stock shall rank senior to all other classes of the Registrant's capital stock with respect to dividends and as to rights upon liquidation, winding up or dissolution of the Registrant. As long as any shares of the 7 1/4%, $1.00, cumulative preferred stock remain outstanding, the Registrant will not be entitled to authorize or issue any other class of securities that are senior to or on parity with the 7 1/4%, $1.00, cumulative preferred stock with respect to dividends or on liquidation, winding up or dissolution, without the approval of holders of at least 66 2/3% of the 7 1/4%, $1.00, cumulative preferred stock .

Voting Rights

Holders of shares of the 7 1/4%, $1.00, cumulative preferred stock will not be entitled to vote with the holders of the the Registrant's common stock. Holders of the 7 1/4%, $1.00, cumulative preferred stock have no cumulative voting rights or preemptive or other rights to subscribe for shares.

If at any time the equivalent of six quarterly dividend payments on the 7 1/4%, $1.00, cumulative preferred stock are in arrears and unpaid, the holders of the 7 1/4%, $1.00, cumulative preferred stock shall be entitled to vote with the Registrant's common stock holders. Additionally, the number of members of the Board of Directors of the Registrant shall be increased by one and the holders of the 7 1/4%, $1.00, cumulative preferred stock shall have the exclusive right, voting separately as a class, to elect one director of the Registrant such director to be in addition to the number of directors constituting the Registrant's Board of Directors immediately prior to the accrual of the right.

Such voting right will continue until all dividends accumulated and payable on that stock have been paid in full, at which time such voting right of the holders of the 7 1/4%, $1.00, cumulative preferred stock shall terminate, subject to re-vesting in the event of a subsequent, similar arrearage. Upon any termination of such voting right, the term of office of the director elected by the holders of the 7 1/4%, $1.00, cumulative preferred stock voting separately as a class will terminate.

The approval of the holders of at least 66 2/3% of the shares of 7 1/4%, $1.00, cumulative preferred stock then outstanding, voting as a class, will be required to (i)create, authorize or issue any capital stock of the Registrant ranking, either as to payment of dividends or upon liquidation, dissolution or winding up of the Registrant, on a parity or senior to the 7 1/4%, $1.00, cumulative preferred stock ; or (ii) change the attributes of the 7 1/4%, $1.00, cumulative preferred stock in any material respect prejudicial to the holders of the 7 1/4%, $1.00, cumulative preferred stock .

Dividend Rights

The holders of the 7 1/4%, $1.00, cumulative preferred stock are entitled to receive out of funds of the Registrant legally available thereof, dividends at an annual rate of $0.07250 per share, payable quarterly in arrears in four equal installments of $0.018125 per share on the 15th day of March, June, September and December in each year. Dividends on the 7 1/4%, $1.00, cumulative preferred stock will accrue and cumulate from the date of first issuance and will be paid to holders of record of the 7 1/4%, $1.00, cumulative preferred stock as they appear on the books of the Registrant as of the close of business on any record date for payment of dividends. The record dates for payment of dividends shall be the last day of February, May, August and November in each year which immediately precedes each respective dividend payment date. The amount payable for the dividend period for any other period less than a full quarterly dividend period will be computed on the basis of a 365-day year. The initial dividend will accrue from the date of issuance of the units which consist of the 7 1/4%, $1.00, cumulative preferred stock and will be payable 90 days from the date the units which consist of the 7 1/4%, $1.00, cumulative preferred stock are issued. Accumulation of dividends will not bear interest.

So long as the 7 1/4%, $1.00, cumulative preferred stock are outstanding, the Registrant may not declare or pay any dividend on the common stock or other capital stock unless the full cumulative dividends on the 7 1/4%, $1.00, cumulative preferred stock have been paid in full or contemporaneously are declared and paid in full through the last dividend payment date.

Redemption

The 7 1/4%, $1.00, cumulative preferred stock are callable in whole, but not in part, at the option of the Registrant on a call basis, so long as full cumulative dividends on all outstanding shares of the 7 1/4%, no-par, cumulative preferred stock have been or contemporaneously are declared and paid for all past dividend periods. The principal of said 7 1/4%, $1.00, cumulative preferred stock shall be re-paid in full on or before December 31, 1999.

In the event that the 7 1/4%, $1.00, cumulative preferred stock are redeemed by the Registrant during any year before it becomes due in 1999, said redemption of the 7 1/4%, $1.00, cumulative preferred stock shall be redeemed from the holders thereof at the following premiums for each $1.00 face value amount:

1994 1,000,000 +15%

1995 1,000,000 +12%

1996 1,000,000 +10%

1997 1,000,000 + 9%

1998 1,000,000 + 8%

1999 1,000,000 + 7 1/4%

Warrants and Rights

Each of the Registrant's 1,000,000 shares of class A; 7 1/4%; $1.00 preferred stock outstanding is paired together with 1/10th warrant and is outstanding as a unit. Each one (1) warrant purchases ten (10) shares of common stock at $0.01 per share.

The Registrant has 100,000 class A warrants outstanding as of May 11, 1998. Each one (1) warrant gives the holder thereof the entitlement to purchase from, the Registrant, ten (10) shares of the Registrant's common stock at $0.01 per share. 1,000,000 shares of the Registrant's class A common stock are subject to issuance from the exercise of the 100,000 class A warrants outstanding.

Said warrants shall have a perpetual life until that time in which the Common Stock of the Registrant is registered for public sale with the Securities and Exchange Commission pursuant to the Securities Act of 1933 ("Act") or the Exchange Act of 1934 ("Exchange Act"). After such time that the Registrant's registration statement for the public sale of its Common Stock becomes effective, the warrants herein offered shall no longer have a perpetual life. Instead, said warrants shall have a life of 30 days. Said 30 days shall commence and take effect and be counted from the date that the Registrant's registration statement for the public sale of its common stock becomes effective under the ("Act") or ("Exchange Act") unless such time period is extended or waived by a vote of the Registrant's Board of Directors.

Type: Exhibit- 4.2

Description: Citizens Capital Corp. Series Bond Indenture Form.

Exhibit-4.2

Type: Exhibit-4.3

Description: Citizens Capital Corp.; Series 2010A; 144A Bond Offering Memorandum.

Exhibit-4.3

Type: Exhibit-4.4

Description: Citizens Capital Corp. & Citizens Capital Corp. ESOP Trust; Series 2010A; 144A Bond Purchase; Re- marketing Agreement.

Exhibit-4.4

Type: Exhibit-10.1

Description: Citizens Capital Corp. 1998 Employee Stock Ownership Plan (ESOP).

 Exhibit-10.1

**CITIZENS CAPITAL CORP.**

**1998**

**EMPLOYEE STOCK OWNERSHIP PLAN**

**(ESOP)**

**FIRST OFFER**

**May 31, 1998**

**Administered By:**

**Citizens Capital Corp. Employee Stock Ownership Plan Committee:**

**Billy D. Hawkins**

**Dwight Washington**

**H. H. Hawkins**

**Plan Trust Custodian:**

**TO BE NAMED**

**Citizens Capital Corp.: Federal ID #75-2368452**

**Citizens Capital Corp. Employee Stock Ownership Trust: Federal ID # 75-2733682**

**PLAN DATES**

**Records of the Plan are maintained on a fiscal year basis from January 1st to December 31st of each year. The Registrant's fiscal year coincides with the plan year.**

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THIS DOCUMENT DATED MAY 31, 1998, IS RELATED TO SECURITIES WHICH HAVE BEEN ISSUED IN ACCORD WITH AN EXEMPTION FROM THE REQUIREMENTS OF REGISTRATION PURSUANT TO RULE 230.506 OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED. UNLESS AND UNTIL SAID SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR THE EXCHANGE ACT OF 1934, AS AMENDED OR UNLESS SOME EXEMPTION THEREOF IS UTILIZED, SAID SECURITIES ARE RESTRICTED AS TO THEIR TRANSFER AND MANNER OF SALE.

**SECTION 1. Plan Purpose and Operations**

Citizens Capital Corp., a Texas corporation hereafter known as, ("CCC") and all of its directly, indirectly owned and/or affiliated subsidiaries hereafter collectively known as ("The Registrant"), have adopted this Citizens Capital Corp. 1998 Employee Stock Ownership Plan ("The Plan") to enable participating employees of the Registrant to share in the development and growth of the Registrant and to provide participants with an opportunity to build capital for their retirement.

The plan is designed to do so without any deductions from participants' paychecks and without any cash investment by participants.

On May 8, 1998, (CCC) sold 15,000,000 shares of its class A; no par; common stock to the Citizens Capital Corp. Employee Stock Ownership Trust, a Texas trust hereafter known as ("The Trust"), for $3.34 per share or $50,100,000. As payment for said shares, the trust, on behalf of plan participants, has executed a 5 year; $50,100,000 liquidating promissory note and security agreement with CCC. Said liquidating promissory note is fully collateralized by the 15,000,000 class A; no par; common shares purchased by the trust, on behalf of plan participants, from CCC.

Since the primary purpose of the plan is to enable participants to acquire an ownership interest in the Registrant, trust assets will be invested primarily in Registrant stock.

The plan is intended to qualify as an employee stock ownership plan (ESOP) as defined in Section 4975(e) (7) of the Internal Revenue Code, as amended, hereafter known as, ("The Code"). The plan is designed to qualify under Section 401(a) of the code. Assets held in trust under the plan as a result of earnings or other additions will be administered, distributed, forfeited and otherwise governed by the provisions of the plan, which is administered by the Citizens Capital Corp. Employee Stock Ownership Plan Committee, hereafter known as, ("The Committee") for the exclusive benefit of plan participants and their beneficiaries.

The first offering under the plan will commence on May 31, 1998, and will end on the earlier of May 31, 2003 or the date on which all approved shares (stock) under the plan have been allocated or reinvested.

**SECTION 2. Definitions**

Accounts: Several accounts may be maintained in order to record the interest of a participant in the plan, primarily a Registrant stock account and an other investments account.

Anniversary Date: December 31 of each year.

Annual Additions: The sum of the amounts credited to a participant's accounts from plan contributions and forfeitures.

Approved Absence: An absence from work, including absence due to temporary disability, granted to and approved for an employee by the Registrant in a uniform and nondiscriminatory manner, or an absence from work for service in the Armed Forces or other government services.

Beneficiary: The person or persons entitled to receive benefits under the plan in the event of a participant's death.

Break in Service: A plan year during which a participant has not completed at least 1,000 hours or 9 consecutive months of service, provided, however, that a break in service shall be measured by the eligibility computation period.

CCC: Citizens Capital Corp., a Texas corporation.

Committee: The committee appointed by the board of directors of the Registrant to administer the plan, direct the plan custodian, and to serve as plan fiduciary.

Registrant: Citizens Capital Corp. and/or its directly, indirectly owned and/or affiliated subsidiaries.

Registrant Stock: Shares of any class of stock, preferred or common, voting or nonvoting, issued by CCC.

Custodian: Bank or Trust Registrant, designated by the committee, to safekeep plan assets held by the Citizens Capital Corp. Employee Stock Ownership Trust and to administer said plan assets in the carrying out of any investment directives which may be made from time to time, by the committee, for the benefit of plan participants

Eligible Compensation: The total salary; wages or commission paid or accrued to a participant by the Registrant for each plan year, including overtime, but excluding contributions to this or any other deferred compensation plan, commissions and bonuses, and compensation paid or accrued prior to the entry date on which an employee first becomes eligible to participate.

Eligibility Period: The initial eligibility period is the first day, of the first full month, after twelve consecutive months of service with the Registrant. After such initial period, the subsequent eligibility period shall be the twelve-month period ending on the last day of the plan year.

Employee: A person employed by the Registrant or any of its directly, indirectly and/or affiliated subsidiaries and any portion of whose income is subject to withholding of income tax and/or for whom social security contributions are made by the Registrant, as well as any other person qualifying as a common law employee of the Registrant.

ERISA: The Employee Retirement Income Security Act of 1974, as amended from time to time and administered by the Department of Labor.

Forfeiture: That portion of a participant's account that does not become part of his/her plan benefit.

Hour of Service: An hour of service is each hour for which an employee is paid by the Registrant or is entitled to back pay from the Registrant.

Limitation Year: For purposes of the limitations on contributions and benefits imposed by Section 415 of the Internal Revenue Code, the limitation year shall be the Registrant's fiscal year.

Participant: An employee of the Registrant or any of its directly, indirectly and/or affiliated subsidiaries who is participating in the plan.

Plan: The Citizens Capital Corp. 1998 Employee Stock Ownership Plan.

Plan Benefits: The amount(s) of the distribution(s) to which a participant or beneficiary may be entitled to upon termination of participation.

Plan Year: The twelve-month period ending on each anniversary date (December 31 of each year).

Trust: The Citizens Capital Corp. Employee Stock Ownership Trust, the trust which holds all plan assets pending investment or other disposition.

Valuation: Valuation of plan assets are computed on the plan anniversary date (December 31 of each year).

Vesting Period: Those periods of in service time that a plan participant spends with the Registrant which then qualifies him/her to own or "vest" in the assets allocated to and held in, their individual plan investment account.

Year of Service: Any plan year during which an employee is credited with at least 1,000 hours or 12 consecutive months of service.

**SECTION 3. Eligibility**

**3.1 Participation Eligibility**

Any employee of the Registrant who has completed at least one year of consecutive service from their employment commencement date and is still employed by the Registrant, and is not included in a group of employees covered by a collective bargaining agreement between employee representatives and the Registrant, shall be eligible to become a participant in this plan as of the first day, of the first month, after said commencement date. For example:

*Michael Dock was hired August 3, 1998, his one year anniversary is August 3, 1999. He will become eligible to participate in the plan on September 1, 1999, the first day, of the first month following his one year anniversary.*

Officers and directors of the Registrant who are also employees shall be eligible to participate in the plan on the same basis as other employees. All doubtful cases of eligibility to participate in the plan shall be resolved by the committee.

Employees whose retirement benefits are subject to collective bargaining are not eligible to participate in the plan unless the collective bargaining agreement provides for such participation. For purposes of eligibility and vesting, years of service shall include years during which an employee is covered by a collective bargaining agreement.

(a) Participation: Participation in the plan continues until it is terminated by the participant's break in service, retirement, death, total disability, or other termination of employment. A participant who accumulates less than 1,000 hours of service or works less than 9 consecutive months during any plan year shall not share in the allocation of trust assets and/or forfeitures for such plan year and shall not be given a year of service for purposes of vesting, but such participation shall continue until the occurrence of a break in service.

A participant who incurs a break in service or who terminates employment and is re-employed shall again resume participation in the plan as of the date of re-employment. If the participant is re-employed after a break in service and has no vested rights under the plan, and if the number of consecutive breaks in service equals or exceeds the aggregate number of years of service before the break, such participant shall be treated as a new employee for purposes of participation.

(b) Leaves of Absence: A participant's employment is not considered terminated for purposes of the plan if the participant has been on a leave of absence with the consent of the Registrant, provided that he/she returns to the employ of the Registrant within thirty (30) days after the leave or within such longer period as may be prescribed by law. Leaves of absence shall mean leaves granted by the Registrant, in accordance with the rules uniformly applied to all participants, for reasons of health or public service or for reasons determined by the Registrant to be in its best interest. For purposes of preventing a break in service, a participant on such leave shall be credited with eight hours of service for each business day of the leave. A participant who does not return to the employ of the Registrant within the prescribed time period shall be deemed to have terminated his employment as of the date when his leave began, unless such failure to return was the result of his death, total disability, or retirement. Such participant must further remain in the employ of the Registrant for at least thirty (30) days.

(c) Suspended Participation: A participant who ceases to be an eligible employee but who has not separated from the Registrant shall become a suspended participant. During the period of suspension, no amounts based on his covered compensation from and after the date of suspension shall be credited to the participant's account. Amounts previously credited to a participant's account shall continue to vest, and the participant shall be entitled to benefits in accordance with the other provisions of the plan throughout the period during which the participant is on suspended status.

### SECTION 4. Enrollment

### Prior to your one year anniversary date, you will be given an enrollment package. The enrollment package shall contain a "Request for Plan Participation" form.

(b) Return your completed "Request for Plan Participation" form to your local Human Resources representative. You should retain a copy of the "Request for Plan Participation" form for your files.

**SECTION 5. Eligible Compensation**

For purposes of the plan, only base salary; wages or commissions (if applicable) earned in each payroll period are considered eligible compensation ("Eligible Compensation") in determining the percentage of eligible compensation used in calculating the amount of Registrant stock allocated to each individual participant plan account. No special payments of any kind are eligible in determining eligible compensation. Special payments may include:

1. overtime
2. bonuses
3. field pay
4. shift differential
5. relocation
6. short-term disability.

***NOTE:***

Calculations of stock allocation percentages are taken only from regular paychecks. Payments of long-term disability and workers’ compensation are not eligible in determining the amount of eligible compensation used for computing stock allocation percentages.

## SECTION 6. Stock Allocation Percentage

The plan shall compute the greater of fifteen (15) percent or the maximum percentage then allowable under the code of a participants eligible compensation in calculating the amount of Registrant stock allocated to each individual participant account. The percentage of stock allocated to each individual plan participant account shall be allocated in whole numbers only; no decimals or fractions will be allocated.

**6.1 Account Allocations**

(a) Individual Accounts: The committee shall establish and maintain individual accounts for each plan participant. Individual accounts shall also be maintained for any former participant who still has an interest in the plan. Such individual accounts shall not require a segregation of the trust assets, and no participant, former participant, nor beneficiary shall acquire any right to or interest in any specific asset of the trust as a result of the allocation. One such account shall consist of the allocated shares of Registrant stock purchased and paid for by the trust with forfeitures of Registrant stock and with stock dividends on Registrant stock held in the account. Allocations of Registrant stock shall be reflected separately for each class of such stock, and the committee shall maintain adequate records of the percentage of Registrant stock allocated to each participant's Registrant stock account based on eligible compensation.

The investments account of each participant shall be credited (debited) no less than once a year, at the end of the plan's fiscal year ending December 31st with each share of the net income (loss) of the trust, with cash dividends on Registrant stock in each Registrant stock account including contributions and forfeitures in other than Registrant stock. It shall be debited for any payments on purchases of Registrant stock and, if applicable, any insurance premium payments.

(b) Allocation of Trust Contributions and Forfeitures: Trust contributions and forfeitures shall be allocated as of the close of business on December 31st of each plan year amongst the accounts of employees who are participants in the plan on the last day of the year or whose participation terminated during the year because of death, total disability, or retirement in the proportion that each such participants eligible compensation bears to the total eligible compensation of all such participants for the year. Such allocation may not exceed the lesser of $25,000 or 25 percent of eligible compensation for any participant as adjusted by the cost of living.

For purposes of this paragraph, a person whose participation in the plan terminates during a plan year for reasons other than death, total disability, or retirement shall not be considered a participant in the plan on the last day of that plan year.

The net income (loss) of the trust shall be determined at the close of business on December 31st of each plan year. A portion of the net income (loss) thereof shall be allocated to each participant's investment account in the ratio on which the balance of his/her investments account stood on the close of business at December 31st of the preceding year. Account balances shall be reduced by amounts distributed to participant's during the plan year. The net income (loss) includes the increase (decrease) in the fair market value of assets of the trust, interest, dividends, other income, and expenses attributable to assets in the investments accounts since the close of business on December 31st of the preceding year.

(c) Allocation Limitations: The total annual additions to a participant's account for any fiscal year shall not exceed the lesser of $30,000 (or such greater amount as may be permitted pursuant to regulations issued under Section 415(d) of the Internal revenue code) or 25 percent of the participant's total compensation for the year. If the Registrant is contributing to another defined contribution plan, as defined in Section 414(i) of the Internal Revenue Code, for employees of the Registrant, any of whom may be participants in this plan, then any such participant's annual additions in such other plan shall be added to the participant's annual additions from this plan for purposes of this limitation.

If a participant in this plan is also a participant in a defined benefit plan, as defined in Section 414(j) of the Internal Revenue Code, to which contributions are made by the Registrant, then such participant shall be subject to the limitations set forth in Section 415(e) of the Internal Revenue Code. If Registrant stock is purchased from a shareholder of the Registrant and if such shareholder is also a participant in this plan, then the total account balances of such participant's accounts combined with the total balances in the account of such participant's spouse, parents, grandparents, children, and grandchildren shall not exceed 20 percent of the total of all accounts balances under the plan.

If the account balances or the annual additions to a participant's accounts would exceed the limitation described in the preceding paragraphs, then the sum of the annual additions to this plan and any other plan shall be reduced until the applicable limitation is satisfied. The reduction shall be treated as a forfeiture and shall be allocated in accordance with this section to the accounts of participants who are not affected by this limitation. If any amount cannot be so re-allocated, then such amount shall be deposited into a suspense account and allocated to the maximum extent possible in succeeding years.

**SECTION 7. Plan Trust Account**

**Trust Custodian**

The committee shall select a custodian to provide custodial services for the plan trust assets. In order to participate in the plan, an employee must have a completed "Request for Plan Participation" form on file with the Registrant's human resource department. The Registrant will verify correct completion of the form; make the necessary copies for the participant’s records and forward a copy of said form to the named custodian for execution and individual participant plan account setup.

For information regarding custodial trust services being provided for the plan, the Custodian may be contacted at the following address:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SECTION 8. Investment of Plan Trust Assets**

(a) Duties of Plan Committee: Upon direction from the plan committee, all investments of the plan trust assets shall be executed by the plan custodian.

(b) Authorized Investments: All trust assets or the income thereof shall first be applied to pay any outstanding obligations of the trust incurred for the purchase of Registrant stock. After all outstanding obligations of the trust are satisfied, the trust assets may then be utilized to purchase additional shares of Registrant stock from current shareholders or newly issued shares from the Registrant. The plan committee may also direct the custodian to invest funds of the plan trust in savings accounts, asset loss insurance policies, or insurance policies on the life of any key employee or stockholder, certificates of deposit, short-term securities, other stocks or bonds, and other investments deemed by the plan committee to be desirable for the plan trust. Residual funds may be held in cash.

All purchases of Registrant stock shall be made at prices that do not exceed the fair market value of such stock at the time of the transaction.

**SECTION 9. Voting Rights**

Registrant stock held by the plan trust shall be voted by the plan trust custodian in accordance with instructions from the committee with respect to any matter that under state law or corporate charter requires more than a majority vote of shareholders.

Each individual plan participant shall be entitled to direct the voting of shares which have been allocated to his/her account with respect to any matter that by state law or corporate charter requires more than a majority vote of shareholders.

**SECTION 10. Disclosure and Reporting**

(a) Summary Plan Description: Within 90 days after the receipt of a favorable determination letter from the Internal Revenue Service relating to the qualification of the plan, and thereafter within 120 days after a participant commences participation (or after a beneficiary first receives benefits under the plan), the committee shall furnish such participant (beneficiary) with a summary plan description as required by Section 102(a) and 104(b) of ERISA. Such summary plan description shall be updated from time to time as required under ERISA and Department of Labor regulations thereunder.

(b) Summary Annual Report: Within 210 days after each anniversary date, the committee shall furnish each participant (and each beneficiary receiving benefits under the plan) with the summary annual report of the plan required by Section 104(b) of ERISA, in the form required by regulations of the Department of Labor.

(c) Annual Account Statement: As soon as practical after each anniversary date, each participant shall receive a written statement of accounts showing: the balance in each such account as of the preceding anniversary date; the amount of allocations and forfeitures directed to the accounts for the year; the adjustment to the accounts to reflect dividends, income, and expenses for the plan trust for the year; and the new balances in each account, including the number of shares of Registrant stock.

If any error or miscalculation is discovered in an account, the committee shall correct the same if correction is feasible. Statements to participants are for reporting purposes only and no allocation, valuation, or statement shall, of itself, vest any right or title in any part of the plan trust.

(d) Additional Disclosure: The committee shall make available for examination, by any participant or beneficiary, copies of the plan and trust agreement and the latest annual report (Form 5500-C) of the plan filed with the Department of Labor. Upon the written request of participant or beneficiary, the committee shall furnish copies of such documents, at a reasonable charge to cover the cost of such copies, as provided in regulations of the Department of Labor.

**SECTION 11. Vesting and Forfeitures**

(a) Vesting Schedule: If a participant has a break in service or termination of employment , participation in the allocation of Registrant contributions and forfeitures will terminate as of the anniversary date preceding the break in service or termination of employment, and the vesting of plan benefits shall be based upon years of service, as determined by the vesting period and in accordance with the following vesting schedule:

|  |  |
| --- | --- |
| **Years of Service** | **Percentage of Vesting** |
|  |  |
| Less than 3 years | 0.00% |
| Three years, but less than 4 years | 25.0 |
| Four years, but less than 5 years | 32.5 |
| Five year, but less than 6 years | 40.0 |
| Six years, but less than 7 years | 47.5 |
| Seven years, but less than 8 years | 55.0 |
| Eight years, but less than 9 years | 62.5 |
| Nine years, but less than 10 years | 70.0 |
| Ten years, but less than 11 years  | 77.5 |
| Eleven years, but than less 12 years | 85.0 |
| Twelve years, but less than 13 years | 92.5 |
| Thirteen years or more | 100.0 |

(b) Forfeitures: Any remainder of a terminating participant's account that is not vested in accordance with the foregoing provisions shall be treated as forfeiture. Forfeitures shall be first charged against a participant's investments account with any balance charged against the Registrant stock account. The disposition of such forfeitures shall be as follows:

 (1) If a participant is not re-employed on or before the anniversary date of the plan year next following a break in service, the balance of the accounts shall be allocated as a forfeiture as of such anniversary date. Distribution of a participant's benefits following termination of service may occur prior to the occurrence of a break in service if so directed by the plan committee.

 (2) If the participant is re-employed on or before the anniversary date of the plan year next following the break in service, the balance of the accounts shall be treated as a separate account subject to distribution.

**SECTION 12. Benefits upon Retirement or Death**

Participation terminates as of the anniversary date coinciding with or next following a participant's retirement or death. A participant's plan benefit upon retirement or death shall be the total of the account balances as of the coinciding or next following anniversary date. A participant shall be 100 percent vested upon death or upon attainment of any of the following retirement dates: normal retirement at age sixty-five; deferred retirement beyond age sixty-five upon Registrant request or Registrant approval; disability retirement if the committee determines in a nondiscriminatory manner, on the basis of a doctor's certificate, that a participant has become totally disabled (i.e., the mental or physical inability of the participant to be usefully employed as evidenced by the certificate of a medical examiner satisfactory to the committee certifying such inability and certifying that such condition is likely to be permanent); early retirement after age sixty at the election of the participant, but the vesting schedule of Section 11 may apply if the Registrant does not concur.

**SECTION 13. Distributions of Benefits**

(a) Death or Retirement: Upon death or retirement a participant's benefits shall be distributed in a single distribution not later than sixty days after the anniversary date coinciding with or next following death or retirement. The committee may, in its discretion, distribute currently the accumulated benefits and distribute the participant's share of the final year's allocations sixty days after the anniversary date following the death or retirement. The committee may, at its discretion and after conferring with the participant's beneficiary, direct that the distribution be made in a single distribution at a deferred retirement date or on a life-expectancy installment basis.

(b) Other Terminations: If a participant ceases to participate for reasons other than death or retirement, benefits will be distributed as soon as possible after termination of service. The committee may, at its discretion, direct that the distribution be made in a single distribution at the anniversary date next following the termination of service or within sixty days of each anniversary date; or in a single distribution at death or retirement date (age sixty-five) or within sixty days thereafter; or on an life-expectancy installment basis.

**SECTION 14. Form of Allocations**

Allocation of plan benefits shall be made in whole shares of Registrant stock except that the value of any fractional shares will be paid in cash. Any balance in a participant's investment account will be applied to acquire for distribution the maximum number of whole shares of Registrant stock at the then fair market value, and any unexpended balance will be distributed in cash. Allocation of plan benefits may be made entirely in cash or in the form of Registrant stock.

Allocations shall be made to the participant, if living, and if not, to the respective estate or beneficiary. A participant may designate a beneficiary upon becoming a participant and may change such designation at any time by filing a written designation with the committee. If the participant is married, a designation of a beneficiary other than the spouse shall be allowed only when a consent in writing by the spouse of the participant is furnished to the committee.

**SECTION 15. Right of First Refusal**

(a) Right of First Refusal: Unless Registrant stock is publicly traded, all shares of Registrant stock allocated by the plan trust may, as determined by the Registrant or the committee, be subject to a right of first refusal. Such right shall provide that prior to any subsequent transfer, the shares must first be offered by written offer to the trust and, if refused, then to the Registrant. If the proposed transfer is at less than fair market value, the price shall be determined by the latest valuation date. If the proposed purchase is by a prospective bona fide purchaser, the offer to the trust and the Registrant shall be at the greater of market value, as determined by an independent appraiser (appointed by the committee) as of the latest valuation date, or the price offered by the prospective bona fide purchaser. The trust and the Registrant, respectively, may accept the offer at any time within fourteen days after receipt of such offer.

**SECTION 16. Plan of Administration**

The board of directors shall have the following duties and responsibilities:

(1) Acting with respect to amending or terminating the plan;

(2) Acting with respect to the selection, retention, or removal of the plan custodian;

(3) Appointing, retaining, and removing members of the committee;

(4) Periodically reviewing the performance of the plan custodian, the members of the committee, and any appointed advisors;

(5) Determining the form and amount of employer contributions.

The Registrant shall administer the plan and is designed as the "plan administrator" under Section 3(16) of ERISA. The Registrant may delegate all or part of its duties to the plan committee. The members of the committee shall be comprised of three persons who shall be appointed by the board of directors who may be removed by the board of directors at any time with or without cause. The committee is designated as the agent of the plan for the service of legal process and as the named fiduciary of the plan. All decisions required to be made by the committee involving the interpretation and administration of the plan shall be resolved by majority vote either at a meeting or in writing without a meeting.

The committee shall have the following duties and responsibilities:

(1) Providing for the fair market valuation of Registrant stock as of each annual valuation date (December 31st);

(2) Establishing and maintaining a funding policy for the plan;

(3) Determining the eligibility of employees for participation in and benefits under the plan;

(4) Complying with the reporting and disclosure requirements established by ERISA, IRS, and other units of government;

(5) Making recommendations to the board of directors with respect to amendment or termination of the plan and contributions under the plan;

(6) Maintaining plan accounts and other records;

(7) Authorizing, allocating, and reviewing expenses incurred by the plan;

(8) Communicating with plan participants and the plan custodian;

(9) Investing and directing the plan assets in a prudent manner.

The committee shall establish rules and regulations and shall take such actions to carry out its duties and responsibilities as may be necessary and proper.

**SECTION 17. Amendment and Termination**

(a) Amendment: The Registrant reserves the right to amend the plan at any time, in whole or in part, including retroactive amendments necessary or advisable to qualify the plan and trust under the provisions of Section 401(a) of the Internal Revenue Code. No such amendment shall cause any part of the assets of the plan and trust to be recoverable by the Registrant, or be used for or diverted to purposes other than the exclusive benefit of participants and beneficiaries, or deprive any participant or beneficiary of any benefit already vested, except to the extent that such amendment may be necessary to qualify the plan or modify the duties or liabilities of the plan custodian.

(b) Termination: Although the Registrant has established the plan with the intention of making contributions indefinitely, the Registrant shall not be under any obligation to continue contributions or to maintain the plan for any given length of time. The Registrant may in its discretion discontinue such contributions or terminate the plan in whole or in part in accordance with its provisions at any time without any liability for such discontinuance or termination. If so terminated, and the plan is not replaced by a comparable plan qualified under Section 401(a) of the Internal Revenue Code, the accounts of all participants affected by the termination shall become non-forfeitable. The committee and the trust shall continue until the plan benefits of each participant have been distributed.

If the Internal Revenue Service shall fail or refuse to issue a favorable written determination or ruling with respect to the initial qualification of the plan and exemption of the trust from tax under Sections 401(a) and 501(a) of the Internal Revenue Code, all Registrant contributions together with any income received or accrued, less any benefits or expenses paid, shall be distributed in accordance with the preceding paragraph. However, if a contribution is made by the Registrant due to mistake or if a contribution is conditioned on its deductibility and the deduction is disallowed, then such contribution may be returned to the Registrant within one year.

**SECTION 18. Merger, Assignment, and Severability**

(a) Merger: If the Registrant merges or consolidates with or into another corporation, or if substantially all of the Registrant shall be transferred to a corporation, the plan shall terminate on the effective date of such merger, consolidation, or transfer. If the surviving corporation resulting from such merger or consolidation, or the corporation to which the assets have been transferred , adopts the plan, then the plan shall continue and said corporation shall succeed to all powers and duties of the Registrant. The employment of any employee who is continued in the employ of such successor corporation shall not be deemed to have terminated.

(b) Assigned Prohibited: The benefits provided by this plan may not be assigned or alienated. Neither the Registrant nor the plan custodian shall recognize any transfer, mortgage, pledge, order, or assignment by any participant or beneficiary of any interest hereunder, and such interest shall not be subject in any manner to transfer by operation of law and shall be exempt from the claims of creditors or other claimants from all orders, decrees, levies, garnishments, or executions against such participants or beneficiaries.

(c) Applicable Law and Severability: The plan shall be construed and governed in accordance with ERISA and the Internal Revenue Code and, to the extent not superseded by federal law, in accordance with the laws of the state. If any provision is susceptible to more than one interpretation, such interpretation shall be given as is consistent with the Internal Revenue Code. If any provision of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, then the remaining provisions shall continue to be fully effective.

This plan has been adopted by the appropriate officers of the Registrant hereto on this **30th** day of **May** 1998.

Citizens Capital Corp.

By: Billy D. Hawkins

 President

By: H. H. Hawkins

 Secretary

Citizens Capital Corp. Employee Stock Ownership Plan

**(Request for Plan Participation Form)**

|  |  |
| --- | --- |
| Plan Participant Name:  | Social Security Number:  ---- ----  |
| Street Address:  | City:State: Zip Code: |
| Department/Location:  | Telephone (Area Code & No.) |
| Plan Participant Signature: | Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |

**Beneficiary Designation**

|  |  |
| --- | --- |
| Beneficiary Name:  | Social Security Number:  ---- ----  |
| Street Address: | City:State: Zip Code: |
|  | Telephone (Area Code & No.) |
| Beneficiary Signature: | Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |

**RETURN TO HUMAN RESOURCES (Personnel File)**

Type: Exhibit-10.2

Description: Citizens Capital Corp. 1998 Stock Option Plan.

Exhibit-10.2

**CITIZENS CAPITAL CORP.**

**1998 STOCK OPTION PLAN**

 This 1998 Stock Option Plan ("Plan") provides for the grant of options to acquire shares of class A; no par value; common stock ("Common Stock") of CITIZENS CAPITAL CORP., a Texas corporation ("Registrant"). Stock options granted under this Plan are referred to in this Plan as "Options." Options that qualify under Section 422 of the Internal Revenue Code of 1986, as amended ("Code"), are referred to in this Plan as "Incentive Stock Options." Options granted under this Plan that do not qualify under Section 422 of the Code are referred to as "Non qualified Stock Options."

1.0 PURPOSES

 I.I The purposes of this Plan are (i) to retain the services of a management team, qualified employees of the Registrant and non-employee advisors or consultants as the Plan Administrators shall select in accordance with this Plan; (ii) to retain the services of valued non-employee directors pursuant to Section 5.15 below; (iii) to provide these persons with an opportunity to obtain or increase a proprietary interest in the Registrant, to provide incentives for effective service and high-level performance, to strengthen their incentive to achieve the objectives of the shareholders of the Registrant; and (iv) to serve as an aid and inducement in the hiring or recruitment of new employees, consultants, non-employee directors and other persons needed for future operations and growth of the Registrant. Employees, non-employee advisors and consultants are referred to in this Plan as "Service Providers."

2.0 ADMINISTRATION

 2.1 This Plan shall be administered by, or in accordance with the recommendation of, the Board of Directors of the Registrant ("Board"). The Board may, in its discretion, establish a committee composed of two or more members of the Board to administer this Plan ("Committee") which may be an executive, compensation or other committee, including a separate committee especially created for this purpose. The Committee shall have the powers and authority as the Board may delegate to it, including the power and authority to interpret any provision of this Plan or of any Option. The members of the Committee shall serve at the discretion of the Board. The Board, and/or the Committee if one has been established by the Board, are referred to in this Plan as the "Plan Administrators."

 2.2 Following registration of any of the Registrant's securities under Section 12 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), the Plan Administrators shall not take any action which is not in full compliance with the exemption from Section 16(b) of the Exchange Act provided by Rule 16b-3, as amended, or any successor rule or rules, and any other rules or regulations of the Securities and Exchange Commission, a national exchange, the NASDAQ Stock Market, the NASD Bulletin Board, or any other applicable regulatory authorities, and any such action shall be void and of no effect.

 2.3 Except as limited by Section 5.15 below, and subject to the provisions of this Plan, and with a view to effecting its purpose, the Plan Administrators shall have sole authority, in their absolute discretion, to (i) construe and interpret this Plan; (ii) define the terms used in this Plan; (iii) prescribe, amend and rescind rules and regulations relating to this Plan; (iv) correct any defect, supply any omission or reconcile any inconsistency in this Plan; (v) select the Service Providers to whom Options shall be granted under this Plan and whether the Option is an Incentive Stock Option or a Nonqualified Stock Option; (vi) determine the time or times at which Options shall be granted under this Plan; (vii) determine the number of shares of Common Stock subject to each Option, the exercise price of each Option, the duration of each Option and the times at which each Option shall become execrable; (viii) determine all other terms and conditions of Options; (ix) approve the forms of agreement to be used under the Plan; (x) to determine the "Fair Market Value", as defined in Section 2.4 below; (xi) to reduce the exercise price of any Option to the then current Fair Market Value if the Fair Market Value of the Common Stock covered by the Option shall have declined since the date the Option was granted; (xii) to institute a program whereby outstanding options are surrendered in exchange for options with a lower exercise price; (xiii) to provide financial assistance to Optionees in the exercise of their outstanding options by allowing the individuals to deliver a full-recourse, interest-bearing promissory note in payment of the exercise price and any associated withholding taxes incurred in connection with the exercise; (xiv) to allow Optionees to satisfy withholding tax obligations by electing to have the Registrant withhold from the shares of Common Stock to be issued upon exercise of an Option that number of shares having a Fair Market Value equal to the amount required to be withheld. The Fair Market Value of the shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined. All elections by an Optionee to have shares withheld for this purpose shall be made in such form and under such conditions as the Plan Administrators may deem necessary or advisable; (xiv) to authorize any person to execute on behalf of the Registrant any instrument required to effect the grant of an Option previously granted by the Plan Administrators; and (xv) make all other determinations necessary or advisable for the administration of this Plan. All decisions, determinations and

Interpretations made by the Plan Administrators shall be binding and conclusive on all participants in this Plan and on their legal representatives, heirs and beneficiaries. None of the Plan Administrators shall be liable for any action taken or determination made in good faith with respect to the Plan or any grant.

 2.4 "Fair Market Value" shall be deemed to be, as of any date, the value of Common Stock determined as follows:

 (i) If the Common Stock is listed on any established stock exchange or a national market system, or if the principal market for the Common Stock is the over-the-counter market, including without limitation NASDAQ NMS or NASDAQ Small Cap of the NASDAQ Stock Market, as the case may be, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for the last market trading day immediately preceding the date of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable. If the principal market for the Common Stock is the NASD Electronic Bulletin Board or other over-the-counter market other than NASDAQ NMS or NASDAQ Small Cap of the NASDAQ Stock Market, its Fair Market Value shall be the mean between the closing bid and asked quotations for the Common Stock for the 20 trading days last preceding the date of conversion.

 (ii) In the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Administrator.

3.0 ELIGIBILITY

 3.1 Incentive Stock Options may be granted to any individual who, at the time the Option is granted, is an employee of the Registrant or any parent, subsidiary or other corporation permitted by the Code, including employees who are directors of the Registrant ("Employees"). Nonqualified Stock Options may be granted to Service Providers as the Plan Administrators shall select, and to non-employee directors of the Registrant pursuant to the formula set forth in Section 5.15 below. Options may be granted in substitution for outstanding Options of another corporation in connection with the merger, consolidation, acquisition of property or stock or other reorganization between such other corporation and the Registrant or any subsidiary of the Registrant. Options also may be granted in exchange for outstanding Options. Any person to whom an Option is granted under this Plan is referred to as an "Optionee."

4.0 NUMBER OF SHARES AVAILABLE

4.1 The Plan Administrators are authorized to grant Options to acquire up to a total of Two Million (2,000,000) shares of the Registrant's authorized but unissued, or reacquired. Common Stock. The number of shares with respect to which Options may be granted hereunder is subject to adjustment as set forth below in Section 5.14. If any outstanding Option expires or is terminated for any reason, the shares of Common Stock allocable to the unexercised portion of such Option may again be subject to an Option to the same Optionee or to a different person eligible under this Plan.

1. TERMS AND CONDITIONS OF OPTIONS

 5.1 Each Option granted under this Plan shall be evidenced by a written agreement approved by the Plan Administrators ("Agreement"). Agreements may contain such additional provisions, not inconsistent with this Plan, as the Plan Administrators in their discretion may deem advisable. All Options also shall comply with the following requirements.

 5.2 Number of Shares and Type of Option. Each Agreement shall state the number of shares of Common Stock to which it pertains and designate whether the Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option. In the absence of action or designation to the contrary by the Plan Administrators in connection with the grant of an Option, all Options shall be Nonqualified Stock Options. The aggregate Fair Market Value, determined at the Date of Grant, as defined below, of the stock with respect to which Incentive Stock Options are exercisable for the first time by the Optionee during any calendar year, granted under this Plan and all other Incentive Stock Option plans of the Registrant, a related corporation or a predecessor corporation, shall not exceed $100,000, or such other limit as may be prescribed by the Code as it may be amended from time to time. Any Option which exceeds the annual limit shall not be void but rather shall be a Nonqualified Stock Option.

 5.3 Date of Grant. Each Agreement shall state the date the Plan Administrators have deemed to be the effective date of the Option for purposes of, and in accordance with, this Plan ("Date of Grant").

 5.4 Option Price. Each Agreement shall state the price per share of Common Stock at which it is exercisable. The exercise price shall be fixed by the Plan Administrators at whatever price the Plan Administrators may determine in the exercise of its sole discretion; provided, that the per share exercise price for any Option granted following the effective date of registration of any of the Registrant's securities under the Exchange Act shall not be less than the Fair Market Value per share of the Common Stock at the Date of Grant as determined by the Plan Administrators in good faith; provided further, that with respect to Incentive Stock Options granted to greater than 10 percent shareholders of the Registrant, as determined with reference to Section 424 (d) of the Code, the exercise price per share shall not be less than 110 percent of the Fair Market Value per share of the Common Stock at the Date of Grant; and, provided further, that Incentive Stock Options granted in substitution for outstanding Options of another corporation in connection with the merger, consolidation, acquisition of property or stock or other reorganization involving such other corporation and the Registrant or any subsidiary of the Registrant may be granted with an exercise price equal to the exercise price for the substituted Option of the other corporation, subject to any adjustment consistent with the terms of the transaction pursuant to which the substitution is to occur.

 5.5 Duration of Options. At the time of the grant of the Option, the Plan Administrators shall designate, subject to paragraph 5.8 below, the expiration date of the Option, which date shall not be later than 10 years from the Date of Grant; provided, that the expiration date of any Incentive Stock Option granted to a greater-than-IO percent shareholder of the Registrant (as determined with reference to Section 424 (d) of the Code) shall not be later than five years from the Date of Grant. In the absence of action to the contrary by the Plan Administrators in connection with the grant of a particular Option, and except in the case of Incentive Stock Options as described above, all Options granted under this Plan shall expire 10 years from the Date of Grant.

Vesting Schedule. No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Plan Administrators at the time of grant of the Option; provided, that if no vesting schedule is specified at the time of grant or in the Agreement, the entire Option shall vest according to the following schedule:

|  |  |
| --- | --- |
| Number of Years Following Date of Grant | Percentage of Total Option To Be Exercisable |
|  |  |
| Immediately | 25% |
| 2 | 25% |
| 3 | 25% |
| 4 | 25% |

 5.7 Acceleration of Vesting. The vesting of one or more outstanding Options may be accelerated by the Plan Administrators at such times and in such amounts as it shall determine in its sole discretion. The vesting of Options also shall be accelerated under the circumstances described below in Section 5.14.

5.8 Term of Option.

 5.8.1 Vested Options shall terminate, to the extent not previously exercised, upon the occurrence of the first of the following events: (i) the expiration of the Option, as designated by the Plan Administrators; (ii) the expiration of 30 days from the date of an Optionee's termination of employment, contractual or director relationship with the Registrant or any Related Corporation for any reason whatsoever other than death or Disability, as defined below, unless, in the case of a Nonqualified Stock Option, the exercise period is otherwise defined by terms of an agreement with Optionee entered into prior to the effective date of the Plan, or the exercise period is extended by the Plan Administrators until

a date not later than the expiration date of the Option; or (iii) the expiration of one year from (A) the date of death of the Optionee or (B) cessation of an Optionee's employment, contractual or director relationship with the Registrant or any Related Corporation by reason of Disability (as defined below) unless, in the case of a Nonqualified Stock Option, the exercise period is extended by the Plan Administrators until a date not later than the expiration date of the Option. If an Optionee's employment, contractual or director relationship with the Registrant or any Related Corporation is terminated by death, any Option held by the Optionee shall be exercisable only by the person or persons to whom such Optionee's rights under such Option shall pass by the Optionee's will or by the laws of descent and distribution of the state or county of the Optionee's domicile at the time of death. "Disability" shall mean that a person is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months. The Plan Administrators shall determine whether an Optionee has incurred a Disability on the basis of medical evidence acceptable to the Plan Administrators. Upon making a determination of Disability, the Committee shall, for purposes of the Plan, determine the date of an Optionee's termination of employment, contractual or director relationship.

 5.8.2 Unless accelerated as set forth above, unvested Options shall terminate immediately upon termination of Optionee's employment, contractual or director relationship with the Registrant or any Related Corporation for any reason whatsoever, including death or Disability. If, in the case of an Incentive Stock Option, an Optionee's relationship with the Registrant changes (e.g., from an employee to a non-employee, such as a consultant, or a non-employee director), such change shall not necessarily constitute a termination of an Optionee's contractual relationship with the Registrant but rather the Optionee's Incentive Stock Option shall automatically be converted into a Nonqualified Stock Option. For purposes of this Plan, transfer of employment between or among the Registrant and/or any Related Corporation shall not be deemed to constitute a termination of employment with the Registrant or any Related Corporation. For purposes of this subsection with respect to Incentive Stock Options, employment shall be deemed to continue while the Optionee is on military leave, sick leave or other bona fide leave of absence as determined by the Plan Administrators. The foregoing notwithstanding, employment shall not be deemed to continue beyond the first 90 days of such leave, unless the Optionee's re-employment rights are guaranteed by statute or by contract.

 5.8.3 Unvested Options shall terminate immediately upon any material breach, as determined by the Plan Administrators, by Optionee of any employment, non-competition, non-disclosure or similar agreement by and between the Registrant and Optionee.

 5.9 Exercise of Options. Options shall be exercisable, either all or in part, at any time after vesting, until the Option terminates for any reason set forth under this Plan, unless the exercise period is extended by the Plan Administrators until a date not later than the expiration date of the Option. If less than all of the shares included in the vested portion of any Option are purchased, the remainder may be purchased at any subsequent time prior to the expiration of the Option term. No portion of any Option for less than ten thousand (10,000) shares, as adjusted pursuant to Section 5.14 below, may be exercised; provided, that if the vested portion of any Option is less than ten thousand (10,000) shares, it may be exercised with respect to all shares for which it is vested. Only whole shares may be issued pursuant to an Option, and to the extent that an Option covers less than one share, it is unexercisable. Options or portions thereof may be exercised by giving written notice to the Registrant, which notice shall specify the number of shares to be purchased, and be accompanied by payment in the amount of the aggregate exercise price for the Common Stock so purchased, which payment shall be in the form specified in this Plan. The Registrant shall not be obligated to issue, transfer or deliver a certificate of Common Stock to

any Optionee, or to his personal representative, until the aggregate exercise price has been paid for all shares for which the Option shall have been exercised and adequate provision has been made by the Optionee for satisfaction of any tax withholding obligations associated with such exercise. During the lifetime of an Optionee, Options are exercisable only by the Optionee.

 5.10 Payment upon Exercise of Option. Upon the exercise of any Option, the aggregate exercise price shall be paid to the Registrant in cash or by certified or cashier's check. In addition, upon approval of the Plan Administrators, an Optionee may pay for all or any portion of the aggregate exercise price by (i) delivering to the Registrant shares of Common Stock previously held by Optionee which have been owned by Optionee for more than six (6) months on the date of surrender; (ii) having shares withheld from the amount of shares of Common Stock to be received by the Optionee; (iii) delivery of an irrevocable subscription agreement obligating the Optionee to take and pay for the shares of Common Stock to be purchased within eighteen months of the date of exercise, to be accompanied by a full-recourse, interest-bearing promissory note in payment of the exercise price and any associated withholding taxes incurred in connection with the exercise; (iv) consideration received by the Registrant under a cashless exercise program implemented by the Registrant in connection with the Plan; (v) a reduction in the amount of any Registrant liability to the

Optionee, including any liability attributable to the Optionee's participation in any Registrant-sponsored deferred compensation program or arrangement; or (vi) such other consideration and method of payment for the issuance of shares to the extent permitted by Applicable Laws. The shares of Common Stock received or withheld by the Registrant as payment for shares of Common Stock purchased upon the exercise of Options shall have a Fair Market Value at the date of exercise (as determined by the Plan Administrators) equal to the aggregate exercise price (or portion thereof) to be paid by the Optionee upon such exercise.

 5.11 Rights as a Shareholder. An Optionee shall have no rights as a shareholder with respect to any shares covered by an Option until such Optionee becomes a record holder of the shares, irrespective of whether such Optionee has given notice of exercise. Subject to the provisions of Section 5.14 of this Plan, no rights shall accrue to an Optionee and no adjustments shall be made on account of dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights declared on, or created in, the Common Stock for which the record date is prior to the date the Optionee becomes a record holder of the shares of Common Stock covered by the Option, irrespective of whether such Optionee has given notice of exercise.

 5.12 Transfer of Option. Options granted under this Plan and the rights and privileges conferred by this Plan may not be transferred, assigned, pledged or hypothecated in any manner, whether by operation of law or otherwise, other than by will or by applicable laws of descent and distribution or, with respect to Nonqualified Stock Options, pursuant to a domestic relations order, and shall not be subject to execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of any Option or of any right or privilege conferred by this Plan contrary to the provisions hereof, or upon the sale, levy or any attachment or similar process upon the rights and privileges conferred by this Plan, such Option shall thereupon terminate and become null and void.

5.13 Securities Regulation and Tax Withholding.

 5.13.1 Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such shares shall comply with all relevant provisions of law, including, without limitation, any applicable state securities laws, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations there under and the requirements of any stock exchange upon which such shares may then be listed. The issuance shall be further subject to the approval of counsel for the Registrant with respect to such compliance, including the availability of an exemption from registration for the issuance and sale of such shares. The inability of the Registrant to obtain from any regulatory body the authority deemed by the Registrant to be necessary for the lawful issuance and sale of any shares under this Plan, or the unavailability of an exemption from registration for the issuance and sale of any shares under this Plan, shall relieve the Registrant of any liability with respect to the non-issuance or sale of such shares.

 5.13.2 As a condition to the exercise of an Option, in order to comply with federal or state securities laws the Plan Administrators may require the Optionee to represent and warrant in writing at the time of such exercise that the shares are being purchased only for investment and without any then-present intention to sell or distribute such shares. At the option of the Plan Administrators, a stop-transfer order against such shares may be placed on the stock books and records of the Registrant, and a legend indicating that the stock may not be pledged, sold or otherwise transferred unless an opinion of

counsel is provided staling that such transfer is not in violation of any applicable law or regulation, may be stamped on the certificates representing such shares in order to assure an exemption from registration. The Plan Administrators also may require such other documentation as may from time to time be necessary to comply with federal and state securities laws.

THE REGISTRANT HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES OF STOCK ISSUABLE UPON THE EXERCISE OF OPTIONS.

 5.13.3 As a condition to the exercise of any Option granted under this Plan, the Optionee shall make such arrangements as the Plan Administrators may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with such exercise. Alternatively, the Plan Administrators may provide that a Grantee may elect, to the extent permitted or required by law, to have the Registrant deduct federal, state and local taxes of any kind required by law to be withheld upon such exercise from any payment of any kind due to the Grantee. Without limitation, at the discretion of the Plan Administrators, the withholding obligation may be satisfied by the withholding or delivery of shares of Common Stock.

5.13.4 The issuance, transfer or delivery of certificates of Common Stock pursuant to the exercise of Options may be delayed, at the discretion of the Plan Administrators, until the Plan Administrators are satisfied that the applicable requirements of the federal and state securities laws and the withholding provisions of the Code have been met.

5.14 Stock Dividend,, Reorganization or Liquidation.

 5.14.1 If (i) the Registrant shall at any time be involved in a transaction described in Section 424 (a) of the Code (or any successor provision) or any "corporate transaction" described in the regulations thereunder; (ii) the Registrant shall declare a dividend payable in, or shall subdivide or combine, its Common Stock or (iii) any other event with substantially the same effect shall occur, the Plan Administrators shall, with respect to each outstanding Option, proportionately adjust the number of shares of Common Stock and/or the exercise price per share so as to preserve the rights of the Optionee substantially proportionate to the rights of the Optionee prior to such event, and to the extent that such action shall include an increase or decrease in the number of shares of Common Stock subject to outstanding Options, the number of shares available under Section 4.0 of this Plan shall automatically be increased or decreased, as the case may be, proportionately, without further action on the part of the Plan Administrators, the Registrant or the Registrant's shareholders.

 5.14.2 If the Registrant is liquidated or dissolved, the Plan Administrators shall allow the holders of any outstanding Options to exercise ail or any part of the unvested portion of the Options held by them; provided, however, that such Options must be exercised prior to the effective date of such liquidation or dissolution. If the Option holders do not exercise their Options prior to such effective date, each outstanding Option shall terminate as of the effective date of the liquidation or dissolution.

 5.14.3 The foregoing adjustments in the shares subject to Options shall be made by the Plan Administrators, or by any successor administrator of this Plan, or by the applicable terms of any assumption or substitution document.

 5.14.4 The grant of an Option shall not affect in any way the right or power of the Registrant to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge, consolidate or dissolve, to liquidate or to sell or transfer all or any part of its business or assets.

5.15 Option Grants to Non-Employee Directors.

 5.15.1 Automatic Grants. Upon the initial appointment of a Non-Employee Director, as defined below, the Plan Administrators are authorized to grant initial Options ("Initial Options") to each Non-Employee Director in such amounts and upon such terms, provisions and vesting schedule as determined in the sole discretion of the Plan Administrators. After the Initial Options are fully vested, or in the event no Initial Options are granted to a Non-Employee Director, Options shall be granted to Non-Employee Directors under the terms and conditions of this Section 5.15 of this Plan. Unless the number of shares available under Section 4.0 of this Plan shall have been decreased to less than 50,000, immediately after each annual meeting of shareholders at which he or she is elected a director, each Non-Employee Director, as defined below, of the Registrant shall automatically be granted a Nonqualified Stock Option to purchase 25,000 shares of Common Stock for each year included in the term for which such he or she was elected a director at such meeting; provided, however, that if a director is appointed to fill a vacancy in the Registrant's Board of Directors, a Non-Employee Director shall be granted a Nonqualified Stock Option to purchase that number of shares of Common Stock equal to 25,000 multiplied by a fraction, the numerator of which shall be equal to the number of months from the date of his or her appointment until the next regularly scheduled annual meeting of shareholders at which directors are to be elected (as determined by the Registrant's bylaws and rounded to the nearest whole number) and the denominator of which shall be twelve (12). "Non-Employee Director" shall have the meaning set forth in Rule 16b-3 under the Exchange Act as such rule is in effect on the date this Plan is approved by the shareholders of the Registrant, as it may be amended from time to time, or any successor rule or rules.

 5.15.2 Option Price. The option price for the Options granted under Section 5.15 shall be not less than one hundred percent (100%) of the Fair Market Value of the shares of Common Stock on the Date of Grant, as determined by the Plan Administrators in good faith in accordance with the definition set forth in Section 2.4 of this Plan. Each such Option shall have a four-year term from the Date of Grant, unless earlier terminated pursuant to Section 5.8.

 5.15.3 Vesting Schedule. No Option shall be exercisable by a Non-Employee Director until it has vested. For Options granted in connection with the election of a director at an annual meeting of shareholders, each Option shall vest as to 25,000 shares of Common Stock for each year of service as a director on each anniversary date of the annual meeting. For Options granted in connection with the appointment of a director, each Option shall vest as to 25,000 shares of Common Stock for each year of service as a director on each anniversary date of such appointment.

5.16 Common Stock Repurchase Rights

 5.16.1 Repurchase Option. At the sole discretion of the Plan Administrators, each Option granted under this Plan may contain repurchase provisions pursuant to which, after exercise of the Option, the Registrant is granted an irrevocable, exclusive option ("Repurchase Option") to purchase from Optionee the Common Stock issued upon exercise of the Option. If the Plan Administrators determine that Options granted under the Plan will be subject to a Repurchase Option, Service Providers shall be notified by the Plan Administrators of the terms, conditions and restrictions of the Repurchase Option by means of a Restricted Stock Purchase Agreement, and Options shall be accepted by Service Providers by execution of a Restricted Stock Purchase Agreement in the form determined by the Plan Administrators. Unless the Plan Administrators determine otherwise, the Restricted Stock Purchase Agreement shall grant the Registrant a repurchase option exercisable upon the voluntary or involuntary termination of the purchaser's service with the Registrant for any reason (including death or disability).

 5.16.2 Purchase Price and Duration. The purchase price for shares of Common Stock repurchased pursuant to the Restricted Stock Purchase Agreement shall be the original price per share paid by the purchaser, plus an amount equal to any federal or state income tax liability incurred by purchaser upon exercise of a Nonqualified Stock Option. The purchase price may be paid by cancellation of any indebtedness of the purchaser to the Registrant. The Repurchase Option shall lapse after one year following the date of exercise, unless the repurchase period is shortened in accordance with a schedule determined by the Plan Administrators.

 5.16.3 Escrow of Shares. The Restricted Stock Purchase Agreement may also provide that the shares of Common Stock be delivered and deposited with an escrow holder designated by the Registrant until such time as the Repurchase Option expires.

 5.16.4 Other Provisions. The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion.

 5.16.5 Rights as a Shareholder. Once the Option is exercised and unless and until the Repurchase Option is exercised by the Registrant, the purchaser shall have the rights equivalent to those of a shareholder, and shall be a shareholder when his or her purchase is entered upon the records of the duly authorized transfer agent of the Registrant.

5.17 Common Stock Resale Restrictions

 5.17.1 Resale Restrictions. At the sole discretion of the Plan Administrators, each Option granted under this Plan may contain resale provisions pursuant to which, after exercise of the Option, the purchaser of the Common Stock issued upon exercise of the Option shall be limited to sales of Common Stock sold for the account of the purchaser or an affiliate of the purchaser in an amount which shall not exceed 250,000 shares of Common Stock during any three-month period.

 5.17.2 Duration. The Resale Restriction may continue for as long as the purchaser beneficially owns the Common Stock issued upon exercise of the Option, unless the Resale Restriction is shortened in accordance with a schedule determined by the Plan Administrators.

6.0 EFFECTIVE DATE; TERM

 6.1 This Plan shall be effective as of December 1, 1998. The Plan shall include all options granted by Plan Administrators prior to the effective date of the Plan, in accordance with the effective Date of Grant and other terms of each agreement with Optionee. Incentive Stock Options may be granted by the Plan Administrators from time to time thereafter until December 1, 2003. Nonqualified Stock Options may be granted until this Plan is terminated by the Board in its sole discretion. Termination of this Plan shall not terminate any Option granted prior to such termination. Any Incentive Stock Options granted by the Plan Administrators prior to the approval of this Plan by a majority of the shareholders of the Registrant shall be granted subject to ratification of this Plan by the shareholders of the Registrant within 12 months after this Plan is adopted by the Board.

 Without limiting the generality of the foregoing, the Plan Administrators may modify grants to persons who are eligible to receive Options under this Plan who are foreign nationals or employed outside the United States to recognize differences in local law, tax policy or custom.

Date Approved by Board of Directors of Registrant: December 1, 1998

CITIZENS CAPITAL CORP.

by:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Corporate Secretary

CITIZENS CAPITAL CORP.

STOCK OPTION AGREEMENT

NEITHER THIS OPTION NOR THE UNDERLYING SHARES OF COMMON STOCK HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"). THIS OPTION OR THE UNDERLYING COMMON SHARES MAY NOT BE SOLD OR TRANSFERRED UNLESS: (i) THERE IS AN EFFECTIVE REGISTRATION COVERING THE OPTION OR SHARES, AS THE CASE MAY BE, UNDER THE SECURITIES ACT AND APPLICABLE STATES SECURITIES LAWS; (ii) THE REGISTRANT FIRST RECEIVES A LETTER FROM AN ATTORNEY, ACCEPTABLE TO THE BOARD OF DIRECTORS OR ITS AGENTS, STATING THAT IN THE OPINION OF THE ATTORNEY THE PROPOSED TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATES SECURITIES LAWS; OR, (iii) THE TRANSFER IS MADE PURSUANT TO RULE 144 UNDER THE SECURITIES ACT.

**BETWEEN:**

Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , ("Optionee")

Social Security Number:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**AND**

Citizens Capital Corp., (“Registrant”)

a Texas corporation

Tax I.D. Number:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1.0 RECITALS

 I.I The Registrant has adopted the 1998 Stock Option Plan ("Plan"), incorporated herein by reference, that provides for the grant of options to purchase shares of Common Stock ("Shares") of the Registrant. Unless otherwise defined in this Agreement, the terms defined in the Plan shall have the same defined meanings in this Agreement.

2.0 NOTICE OF GRANT

 2.1 Optionee has been granted an option to purchase Shares of the Registrant, subject to the terms and conditions of the Plan and this Option Agreement, as follows:

|  |  |
| --- | --- |
| GRANT NUMBER:  |  |
| DATE OF GRANT: |  |
| VESTING COMMENCEMENT DATE:  |  |
| EXERCISE PRICE PER SHARE:  |  |
| TOTAL NUMBER OF SHARES GRANTED: |  |
| TOTAL EXERCISE PRICE: | $ |
| EXPIRATION DATE: |  |

TYPE OF OPTION:

: \_\_\_ Incentive Stock Option

 \_\_\_ Nonqualified Stock Option

 VESTING SCHEDULE: This Option may be exercised, in whole or in part, in accordance with the following schedule: 25% of the Shares subject to the Option shall immediately vest and be immediately exercisable any time after the date of grant, 25% of the Shares subject to the Option shall be fully vested and be exercisable after two (2) years following the date of grant, 25% of the Shares subject to the Option shall be fully vested and be exercisable after three (3) years following the date of grant, and 25% of the Shares subject to the Option shall be fully vested and be exercisable after five (4) years following the date of grant.

|  |  |
| --- | --- |
| Number of Years Following Date of Grant | Percentage of Total Option To Be Exercisable |
|  |  |
| Immediately | 25% |
| 2 | 25% |
| 3 | 25% |
| 4 | 25% |

 TERMINATION PERIOD: This Option may be exercised for 30 days after Optionee ceases to be a Service Provider. Upon the death or Disability of the Optionee, this Option may be exercised for such longer period as provided in the Plan. In no event shall this Option be exercised later than the Expiration Date as provided above.

3.0 GRANT OF OPTION

 3.1 Subject to the terms and conditions of the Plan and of this Agreement, the Plan Administrators of the Registrant grant to the Optionee named above an option ("Option") to purchase the number of Shares, as set forth above in Section 2.0 entitled "Notice of Grant", at the exercise price per share set forth above in Notice of Grant ("Exercise Price"). Subject to any mutual amendments of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail.

 3.2 If designated in the Notice of Grant as an Incentive Stock Option ("ISO"), this Option is intended to qualify as an Incentive Stock Option under Section 422 of the Code. However, if this Option is intended to be an Incentive Stock Option, to the extent that it exceeds the $100,000 rule of Code Section 422 (d) it shall be treated as a Nonqualified Stock Option ("NQO").

4.0 EXERCISE OF OPTION

 4.1 Right to Exercise. This Option is exercisable during its term in accordance with the Vesting Schedule set forth above in the Notice of Grant and the applicable provisions of the Plan and this Option Agreement.

 4.2 Method of Exercise. This Option is exercisable by delivery of an exercise notice, in the form attached as Exhibit A ("Exercise Notice"), which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised ("Exercised Shares"), and such other representations and agreements as may be required by the Registrant pursuant to the provisions of the Plan. The Exercise Notice shall be completed by the Optionee and delivered to the Registrant. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares. This Option shall be deemed to be exercised upon receipt by the Registrant of the fully executed Exercise Notice accompanied by the aggregate Exercise Price.

5.0 COMPLIANCE WITH APPLICABLE LAW

 5.1 No Shares shall be issued pursuant to the exercise of this Option unless such issuance and exercise complies with applicable state or federal law, including securities laws, corporate laws, the Code or any stock exchange or quotation system. If the Plan Administrators at any time determine that registration or qualification of the Shares or the Option under state or federal law, or the consent approval of any governmental regulatory body is necessary or desirable, then the Option may not be exercised, in whole or in part, until such registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Plan Administrators. Assuming compliance, for income tax purposes the Exercised Shares shall be considered transferred to the Optionee on the date the Option is exercised with respect to such Exercised Shares.

 5.2 If required by the Registrant at the time of any exercise of the Option in order to comply with federal or state securities laws, as a condition to such exercise, the Employee shall enter into an agreement with the Registrant in form satisfactory to counsel for the Registrant by which the Employee: (i) shall represent that the Shares are being acquired for the Employee's own account for investment and not with a view to, or for sale in connection with, any resale or distribution of such Shares; and, (ii) shall agree that if the Employee should decide to sell, transfer, or otherwise dispose of any such Shares, the Employee may do so only if the Shares are registered under the Securities Act and the relevant state securities law, unless, in the opinion of counsel for the Registrant, such registration is not required, or the transfer is pursuant to the Securities and Exchange Commission Rule 144.

6.0 METHOD OF PAYMENT

 6.1 Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(a) Cash;

(b) Certified or cashier's check;

 (c) Consideration received by the Registrant under a cashless exercise program implemented by the Registrant in connection with the Plan;

 (d) with the Plan Administrator's consent, surrender of other Shares which (i) in the case of Shares acquired upon exercise of an option, have been owned by the Optionee for more than six (6) months on the date of surrender, and (ii) have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Exercised Shares; or

 (e) with the Plan Administrator's consent, delivery of Optionee's promissory note (the "Note") in the form approved by Plan Administrators, in the amount of the aggregate Exercise Price of the Exercised Shares and any associated withholding taxes incurred in connection with the exercise, together with the execution and delivery by the Optionee of a Security Agreement in the form approved by Plan Administrators. The Note shall bear interest at the "applicable federal rate" prescribed under the Code and its regulations at time of purchase, and shall be secured by a pledge of the Shares purchased by the Note pursuant to the Security Agreement.

7.0 NON-TRANSFERABILITY OF OPTION

 7.1 This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by the Optionee. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

8.0 TERM OF OPTION

 8.1 This Option may be exercised only within the term set forth above in the Notice of Grant, and may be exercised during that term only in accordance with the Plan and the terms of this Option Agreement.

9.0 TAX CONSEQUENCES

 Some of the federal tax consequences relating to this Option, as of the date of this Option, are set forth below.

**THIS SUMMARY IS INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. THE OPTIONEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.**

9.1 Exercising the Option.

 9.1.1 Nonqualified Stock Option. The Optionee may incur regular federal income tax liability upon exercise of a NQO. The Optionee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market value of the Exercised Shares on the date of exercise over their aggregate Exercise Price. If the Optionee is an Employee or a former Employee, the Registrant will be required to withhold from his or her compensation or collect from Optionee and pay to the applicable taxing authorities an amount in cash equal to a percentage of this compensation income at the time of exercise, and may refuse to honor the exercise and refuse to deliver Shares if these withholding amounts are not delivered at the time of exercise.

 9.1.2 Incentive Stock Option. If this Option qualifies as an ISO, the Optionee will have no regular federal income tax liability upon its exercise, although the excess, if any, of the Fair Market Value of the Exercised Shares on the date of exercise over their aggregate Exercise Price will be treated as an adjustment to alternative minimum taxable income for federal tax purposes and may subject the Optionee to alternative minimum tax in the year of exercise. In the event that the Optionee ceases to be an Employee but remains a Service Provider, any Incentive Stock Option of the Optionee that remains unexercised shall cease to qualify as an Incentive Stock Option and will be treated for tax purposes as a Nonqualified Stock Option on the date three (3) months and one (1) day following this change of status.

9.2 Disposition of Shares.

 9.2.1 NQO. If the Optionee holds NQO Shares for at least one year, except for that portion treated as compensation income at the time of exercise, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes.

 9.2.2 ISO. If the Optionee holds ISO Shares for at least one year after exercise and two years after the grant date, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes. If the Optionee disposes of ISO Shares within one year after exercise or two years after the grant date, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the excess, if any, of the lesser of (i) the difference between the Fair Market Value of the Shares acquired on the date of exercise and the aggregate Exercise Price, (?r (ii) the difference between the sale price of such Shares and the aggregate Exercise Price. Any additional gain will be taxed as capital gain, short-term or long-term depending on the period that the ISO Shares were held.

 9.3 Notice of Disqualifying Disposition of ISO Shares. If the Optionee sells or otherwise disposes of any of the Shares acquired pursuant to an ISO on or before the later of (i) two years after the grant date, or (ii) one year after the exercise date, the Optionee shall immediately notify the Registrant in writing of the disposition. The Optionee agrees that he or she may be subject to income tax withholding by the Registrant on the compensation income recognized from such early disposition of ISO Shares by payment in cash or out of the current earnings paid to the Optionee.

10.0 RESALE RESTRICTIONS

 10.1 Optionee acknowledges and agrees that Optionee, together with Optionee's affiliates and donees, will not sell or otherwise transfer or dispose of Shares of the Registrant issued upon exercise of this Option in an amount which shall exceed 250,000 Shares during any three-month period. Shares which are bona fide pledged, when sold by the pledgee, or by a purchaser, after a default in the obligation secured by the pledge shall be deemed to be excluded from this limitation.

 10.2 Optionee acknowledges and agrees that whatever period determined appropriate by the Registrant, underwriter, or federal and state regulatory officials including, but not limited to, the Securities and Exchange Commission, National Association of Securities Dealers and NASDAQ, following the effective date of a registration statement of the Registrant covering common stock (or other securities) of the Registrant to be sold on its behalf in an underwriting. Optionee will not sell or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) Shares of the Registrant held by Optionee at any time during such period except securities included in that registration.

 10.3 Optionee acknowledges and agrees that if for purposes of a registration statement of the Registrant the underwriter or federal or state regulatory officials fix a specific Common Stock or Option lockup period, such fixed lockup period shall apply to Optionee under this Agreement.

11.0 NO GUARANTEE OF CONTINUED SERVICE

 11.1 Optionee acknowledges and agrees that the vesting of shares pursuant to the vesting schedule set forth in this Agreement is earned only by continuing as a Service Provider at the will of the Registrant, and not through the act of being hired, being granted an option or purchasing shares under this Agreement. Optionee further acknowledges and agrees that this Agreement, the transactions contemplated and the vesting schedule set forth in it do not constitute an express or implied promise of continued engagement as a Service Provider for the vesting period, for any period, or at all, and shall not interfere with Optionee's right or the Registrant's right to terminate Optionee's relationship as a Service Provider at any time, with or without cause.

1. SIGNATURES:

Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

CITIZENS CAPITAL CORP.

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Billy D. Hawkins, President

Optionee acknowledges and represents that he or she has received a copy of the Plan, has reviewed the Plan and this Agreement in their entirety, is familiar with its and fully understands its terms and provisions. Optionee accepts this Option subject to all the terms and provisions of the Plan and this Agreement. Optionee has had an opportunity to obtain the advice of counsel prior to executing this Agreement. Optionee agrees to accept as binding, conclusive and final all decisions or interpretations of the Plan Administrators upon any questions arising under the Plan and Agreement. Optionee further agrees to notify the Registrant upon any change in the residence address indicated on the first page of this Agreement.

Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

OPTIONEE:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name

**Exhibit A**

CITIZENS CAPITAL CORP. 1998 STOCK OPTION PLAN

EXERCISE NOTICE

TO: CITIZENS CAPITAL CORP.

Attention: Corporate Secretary

 1.0 Exercise of Option. Effective as of today, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the undersigned ("Purchaser") hereby elects to purchase \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shares ("Shares") of the Common Stock of Citizens Capital Corp. ("Registrant") pursuant to the 1998 Stock Option Plan ("Plan") and the Stock Option Agreement dated December 1, 1998 ("Agreement"). Purchaser herewith delivers to the Registrant the full purchase price for the Shares of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, as required by the Agreement.

 2.0 Representations of Purchaser. Purchaser acknowledges that Purchaser has received, read and understood the Plan and the Agreement and agrees to abide by and be bound by their terms and conditions.

 3.0 Rights as Shareholder. Until the issuance (as evidenced by the appropriate entry on the books of the Registrant or of a duly authorized transfer agent of the Registrant) of the Shares, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Shares shall be issued to the Optionee as soon as practicable after exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance, except as provided in the Plan.

 4.0 Tax Consultation. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Registrant for any tax advice.

Submitted by: Accepted by:

PURCHASER: CITIZENS CAPITAL CORP.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name Title

Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Social Security Number:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: Address:

Type: Exhibit-10.3

Description: Citizens Capital Corp. & Citizens Capital Corp. ESOP Trust; Promissory Note1 and Security Agreement.

Exhibit-10.3

Type: Exhibit-10.4

Description: Citizens Capital Corp. & Citizens Capital Corp. ESOP Trust; Promissory Note2 and Security Agreement.

Exhibit-10.4

Type: Exhibit-10.5

Description: Vivacast Media, LLC & Black Financial News TV Network; 10 year, content licensing & affiliate distribution agreement.

Exhibit-10.5

Type: Exhibit-10.6

Description: Vivacast Media, LLC & Dream League TV Network; 10 year, content licensing & affiliate distribution agreement.

Exhibit-10.6

Type: Exhibit-11.1

Description: Statement Re Computation of Per Share Earnings (Loss).

Exhibit-11.1

##### Loss Per Share

Loss per share is calculated in accordance with Statement of Financial Accounting Standards No. 128 (“SFAS 128”), *Earnings Per Share*. Basic income (loss) per share is computed based upon the weighted average number of common shares outstanding during the period. Diluted income (loss) per share takes common equivalent shares into consideration. However, common equivalent shares are not considered if their effect is antidilutive. Common stock equivalents consist of outstanding stock options and warrants. Common stock equivalents are assumed to be exercised with the related proceeds used to repurchase outstanding shares except when the effect would be antidilutive.

Type: Exhibit-16.1

Description: Letter Re Change in Certifying Accountant.

Exhibit-16.1

Type: Exhibit- 21.1

Description: Subsidiaries of the Registrant.

Exhibit-21.1

Citizens Capital Corp. (the "Registrant") is principally a holding company which acquires and/or internally develops those operating entities, assets and/or marketing rights which provide the Registrant with an initial entry into new markets or serve as complimentary additions to existing operations, assets and/or products.

The Registrant currently operates through the following four (4) wholly owned subsidiaries:

Landrush Realty Corporation ("Landrush"); a Texas corporation, organized to operate in home equity loan marketing; commercial; hotel and residential real estate investment and development - (97%).

Media Force Sports & Entertainment Inc. ("Media Force"); a Texas corporation, organized to operate in print, graphic, broadcast and entertainment media production - (97%).

SCOR Brands Inc. ("SCOR"), a Texas corporation, organized to operate in the design, marketing and distribution of SCOR® branded athletic shoes and apparel - (97%).

DLFA Industries, Inc. ("Industries"), a Texas corporation, organized to operate in the industrial business acquisition market segment, as well as, in the operation and broadcast of sports and entertainment assets – (100%).

Type: Exhibit- 31.1

Description: Certification Pursuant to Rule 240.13a-14a and/or Rule 240.15d-14a of the Exchange Act of 1934.

Exhibit-31.1

**CERTIFICATION**

I, Billy D. Hawkins, Chief Executive Officer of Citizens Capital Corp., certify that:

|  |  |
| --- | --- |
| 1. | I have reviewed this annual report on Form 10-K of Citizens Capital Corp. for the fiscal period ended December 31, 2010;  |

|  |  |
| --- | --- |
| 2. | Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;  |

|  |  |
| --- | --- |
| 3. | Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;  |

|  |  |
| --- | --- |
| 4. | The registrant’s other current certifying officer, if any, and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:  |

|  |  |  |
| --- | --- | --- |
|   | a) | Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;  |

|  |  |  |
| --- | --- | --- |
|   | b) | Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;  |

|  |  |  |
| --- | --- | --- |
|   | c) | Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and  |

|  |  |  |
| --- | --- | --- |
|   | d) | Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and  |

|  |  |
| --- | --- |
| 5. | The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):  |

|  |  |  |
| --- | --- | --- |
|   | a) | All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and  |

|  |  |  |
| --- | --- | --- |
|   | b) | Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| Date: January xx, 2011 |   |  |   | /s/ Billy D. Hawkins |
|  |   |  |   | Billy D. Hawkins |
|  |   |  |   | Chief Executive Officer |

Type: Exhibit- 31.2

Description: Certification Pursuant to 18 U.S.C. Sections 1350; Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit-31.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

     Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Citizens Capital Corp. (the “Registrant”), does hereby certify, to such officer’s knowledge, that:

     The Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (the “Form 10-K”) of the Registrant fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Registrant as of, and for, the periods presented in the Form 10-K.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   |   |   |   |   |
| Date: January xx, 2011  |   | /s/  | Billy D. Hawkins |
|  |   |   |
|  |   |   |   | Billy D. Hawkins |
|  |   |   |   | *Chief Executive Officer* |

The foregoing certification is being furnished as an exhibit to the Form 10-K pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-K for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.