

QUEST RESOURCE HOLDING CORP

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 18, 2014

QUEST RESOURCE HOLDING CORPORATION

(Exact Name of Registrant as Specified in Charter)

Nevada
(State or Other Jurisdiction
of Incorporation)

333-152959
(Commission
File Number)

51-0665952
(IRS Employer
Identification No.)

6175 Main Street, Suite 420
Frisco, Texas
(Address of Principal Executive Offices)

75034
(Zip Code)

Registrant's telephone number, including area code: (972) 464-0004

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

Reference is made to Item 3.02 of this Current Report on Form 8-K regarding the Registration Rights Agreement. The disclosure contained in Item 3.02 and the information contained in Exhibit 4.1 attached hereto are hereby incorporated by reference in their entirety into this Item 1.01.

Item 3.02. Unregistered Sales of Equity Securities.

On April 18, 2014, we issued an aggregate of 1,192,500 units, or the Units, for an aggregate purchase price of \$2,385,000, with each Unit consisting of one share of our common stock and a warrant to purchase one share of our common stock for \$2.00 per share. Each warrant may be exercised by the holder thereof, in such holder's sole discretion, in whole or in part, any time prior to April 1, 2017. We issued the Units in reliance upon Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 promulgated thereunder, as a transaction by an issuer not involving a public offering. Each purchaser of the Units made representations to us that (i) the Units were being acquired by such purchaser for such purchaser's own account and not with a view to public distribution or resale of the Units, (ii) such purchaser had sufficient knowledge and experience in business and financial matters so as to be capable of evaluating the merits and risks of an investment in the Units, and (iii) such purchaser had the opportunity to ask questions and was supplied with, or had access to, information, including our public filings and any other information with respect to the offering and our business, affairs, operations, condition, and assets, to enable such purchaser to understand more fully the nature of such purchaser's investment and to verify the accuracy of the information supplied.

In connection with the issuance of the Units, we entered into a Registration Rights Agreement, dated as of April 18, 2014, or the Registration Rights Agreement, with the purchasers of the Units, pursuant to which such purchasers have certain registration rights, subject to certain limitations, (i) if we elect, at our sole option, to file a registration statement on Form S-3 to cover some or all of the Registrable Securities for resale (as defined in the Registration Rights Agreement) in an offering to be made on a continuous basis pursuant to Rule 415, or (ii) we file on our behalf or on behalf of any of our securityholders a registration statement on Form S-1, S-2, or S-3 (or any other appropriate form that may be used for the registration of Registrable Securities) with respect to any of our capital stock or other securities.

The foregoing is a summary only and does not purport to be a complete description of all of the terms contained in the Registration Rights Agreement, and is subject to and qualified in its entirety by reference to the full text of the Registration Rights Agreement, which is attached hereto as Exhibit 4.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Business Acquired.*

Not applicable.

(b) *Pro Forma Financial Information.*

Not applicable.

(c) *Shell Company Transactions .*

Not applicable.

(d) *Exhibits.*

Exhibit
Number

Exhibits

4.1

Registration Rights Agreement, dated as of April 18, 2014, by and between Quest Resource Holding Corporation and the Purchasers named therein

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 24, 2014

QUEST RESOURCE HOLDING CORPORATION

By: /s/ Brian S. Dick

Brian S. Dick
President and Chief Executive Officer

EXHIBIT INDEX

- 4.1 Registration Rights Agreement, dated as of April 18, 2014, by and between Quest Resource Holding Corporation and the Purchasers named therein

REGISTRATION RIGHTS AGREEMENT

Registration Rights Agreement (this “Agreement”), dated as of April 18, 2014, by and between Quest Resource Holding Corporation, a Nevada corporation (the “Company”), and the undersigned purchasers (collectively, the “Purchasers”).

WITNESSETH

Purchasers are acquiring from the Company shares of Common Stock of the company (the “Purchased Shares”), together with three-year warrants (“Warrants”), each to purchase one share of Common Stock of the Company pursuant to the terms of individual Subscription Agreement and Questionnaires with each Purchaser (the “Subscription Agreements”). The Shares (as defined below) will be “restricted securities” as defined in Rule 144 under the Securities Act of 1933, as amended. As a result, there will be substantial restrictions on the ability of the Holders (as defined below) to sell the Shares in the absence of registration under the Securities Act of 1933 and applicable state securities laws. In order to enable the Holders to sell all or a portion of the Shares, the Company has agreed to the terms of this Agreement.

NOW THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

1. REGISTRATION

1.1 **Definitions** . As used in this Agreement, the following terms shall have the following meanings:

(a) “Act” means the Securities Act of 1933, as amended.

(b) “Blackout Period” means any period (i) beginning on the date on which the Company notifies the Holders in writing that the Board of Directors of the Company, in its good faith judgment, has determined that the Company proposes to engage in a material acquisition, consolidation, tender offer, or other material transaction, including a primary underwritten offering of its securities, in each case not in the ordinary course of business, such that registration or qualification of the Registrable Securities would have a material adverse effect on the Company and its shareholders, and (ii) ending as promptly as practicable but in any event not more than 90 days after the date on which the Company notifies the Holders of the Board of Directors’ determination.

(c) “Common Stock” means the common stock of the Company, par value \$0.001 per share.

(d) “Holdes” means those persons owning or having the right to acquire Registrable Securities.

(e) “Maximum Includable Securities” means the maximum number of shares of each type or class of the Company’s securities that a managing or principal underwriter, in its good faith judgment, deems practicable to offer and sell at that time in a firm commitment underwritten offering without materially and adversely affecting the price of the securities of the Company to be offered. When more than one type or class of the Company’s securities are to be included in a registration, the managing or principal underwriter of the offering shall designate the maximum number of each such type or class of securities that is included in the Maximum Includable Securities.

(f) “NASD” means the National Association of Securities Dealers, Inc.

(g) “Register,” “registered,” and “registration” each refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(h) “ Registrable Security ” refers to (i) the Purchased Shares and the Warrant Shares, and (ii) any shares of Common Stock or other securities of the Company that may be issued or issuable with respect to the Shares as a result of a stock split or dividend or any securities into which the Shares may thereafter be changed as a result of merger, consolidation, recapitalization, or otherwise. As to any particular Registrable Securities, such securities will cease to be Registrable Securities when they have been (1) distributed to the public pursuant to an offering registered under the Act, (2) sold to the public in compliance with Rule 144 (as defined below), or (3) eligible for sale without restriction under Rule 144(k) under the Act.

(i) “ Rule 144 ” means Rule 144 promulgated under the Act, as such rule may be amended from time to time, or any similar rule or regulation thereafter adopted by the SEC.

(j) “ Rule 415 ” means Rule 415 promulgated under the Act, as such rule may be amended from time to time, or any similar rule or regulation thereafter adopted by the SEC.

(k) “ SEC ” means the Securities and Exchange Commission.

(l) “ Securities ” has the meaning ascribed in such term in the Subscription Agreements.

(m) “ Shares ” means the Purchased Shares and the Warrant Shares.

(n) “ 1934 Act ” means the Securities Exchange Act of 1934, as amended.

(o) “ Warrant Shares ” means the Common Stock issuable upon exercise of the Warrants.

1.2 Shelf Registration.

(a) If the Company elects, at its sole option, to file a registration statement on Form S-3 that the Company determines, in its sole discretion, to cover the resale of some or all of the Holders’ Registrable Securities in an offering to be made on a continuous basis pursuant to Rule 415, the Company shall provide each Holder written notice thereof at least 20 days before filing such registration statement with the SEC. The Company shall thereupon include in such filing (and any related filing or qualification under blue sky laws or other state securities laws) all of the Registrable Securities for which registration is made available.

(b) Notwithstanding the foregoing, if the Company shall furnish to Holders participating in the registration pursuant to this Section 1.2 a certificate signed by the President of the Company stating that a Blackout Period is in effect, the Company shall have the right to cause all sales to be delayed during the term of such Blackout Period; provided, however, that the Company may utilize such deferral not more than once in any 12-month period.

(c) The Company may propose to include additional shares of Common Stock or other securities to be sold by the Company and/or by other holders of Common Stock or other securities (the “ Additional Securities ”) in any registration statement to be filed pursuant to this Section 1.2.

(d) The Company shall, in its sole reasonable discretion, select the underwriter or underwriters, if any, that are to undertake the sale and distribution from time to time of the Registrable Securities included in a registration statement filed under the provisions of this Section 1.2.

1.3 Piggy-Back Registration Rights.

(a) If at any time the Company proposes to file on its behalf and/or on behalf of any of its securityholders a registration statement under the Act on Form S-1, S-2, or S-3 (or any other appropriate form that may be used for the registration of Registrable Securities) with respect to any of its capital stock or other securities, the Company shall give each Holder written notice (which notice shall include a list of jurisdictions in which the Company intends to attempt to qualify such securities under the applicable blue sky or other state securities laws, the proposed offering price and the plan of distribution) at least 20 days before the filing with the SEC of such registration statement. If any Holder desires to have Registrable Securities registered pursuant to this Section 1.3, such Holder shall so advise the Company in writing within 10 days after the date of receipt of such notice from the Company. The Company shall thereupon include in such filing (and any related filing or qualification under blue sky laws or other state securities laws) the number of Registrable Securities for which registration is so requested, subject to its right to reduce the number of Registrable Securities as hereinafter provided, and shall use its commercially reasonable efforts to effect registration under the Act of such Registrable Securities on the same terms and conditions as any similar securities of the Company included therein.

(b) the Holders participating in such piggy-back registration shall pay any additional registration fee, payable to the SEC in accordance with Rule 457(c) under the Act, incurred as a result of the inclusion of Registrable Securities on such registration statement. Notwithstanding the foregoing, the Company shall not be required to provide notice of filing of a registration statement and to include therein any Registrable Securities if the proposed registration is:

(i) a registration of stock options, stock purchases, or compensation or incentive plans, or of securities issued or issuable pursuant to any such plan, or a dividend reinvestment plan on Form S-8, or other comparable form then in effect; or

(ii) a registration of securities proposed to be issued in exchange for securities or assets of, or in connection with, a merger or consolidation with another corporation.

(c) In the event the offering in which any Holder's Registrable Securities to be included pursuant to this Section 1.3 is to be underwritten, the Company shall furnish the Holders with a written opinion of the managing or principal underwriter as to the Maximum Includable Securities as promptly as practicable, but in any event within 10 business days after the expiration of the 15 business day period provided for in Section 1.3(a). If the total number of securities proposed to be included in such registration statement exceeds the Maximum Includable Securities, the number of securities to be included within the coverage of such registration statement shall be reduced to the Maximum Includable Securities as follows:

(i) no reduction shall be made in the number of shares of capital stock or other securities to be registered for the account of the Company in a primary offering of securities; and

(ii) the number of Registrable Securities and other securities that may be included in the registration, if any, shall be allocated among the Holders of Registrable Securities and holders of other securities (the "Other Holders") requesting inclusion on a pro rata basis, with the number of each type or class of securities of each Holder and Other Holder thereof included in the registration to be that number determined by multiplying (A) the total number of such type or class of security included in the Maximum Includable Securities less (B) the number of such type or class of security to be registered for the account of the Company, by a fraction, the numerator of which will be the total number of such type or class of security that such Holder or Other Holder owns, and the denominator of which will be the total number of such type or class of security owned by all Holders and Other Holders that have requested inclusion of such type or class of security in the registration.

(d) The Company shall, in its sole reasonable discretion, select the underwriter or underwriters, if any, that are to undertake the sale and distribution of the Registrable Securities to be included in a registration statement filed under the provisions of this Section 1.3.

(e) The right to registration provided in this Section 1.3 is in addition to and not in lieu of the shelf registration that the Company may effect pursuant to Section 1.2; provided, however, that in the event a Holder elects to participate in a registration pursuant to this Section 1.3 to register Registrable Securities already covered by an effective registration statement filed pursuant to Section 1.2 of this Agreement, then such Holders shall be entitled to participate in such registration pursuant to this Section 1.3 only if (i) such Holder pays the registration filing fee applicable to such Registrable Securities to be included in the registration statement filed pursuant to this Section 1.3, and such other registration fees and expenses of the Holders otherwise payable by the Company pursuant to Section 1.6 to the extent such fees were incurred and paid by the Company in connection with the effective registration statement covering such Registrable Securities, (ii) such registration statement to be filed pursuant to this Section 1.3 is in connection with an underwritten offering, and (iii) the Registrable Securities to be covered in such registration are not already covered by a registration statement in connection with an underwritten offering.

(f) Any or all of the Holders of Registrable Securities may withdraw such Holder's request for inclusion of Registrable Securities in any piggy-back registration under this Section 1.3 by giving written notice to the Company of their election to withdraw prior to the effectiveness of the registration statement with the SEC. The Company may also elect to withdraw a registration statement filed pursuant to this Section 1.3 at any time prior to the effectiveness of such registration statement; provided, however, that the Company shall pay all registration expenses incurred in connection with such piggy-back registration as provided in Section 1.6 (including refunding any SEC registration fees paid by participating Holders pursuant to Section 1.3(a)).

1.4 Obligations of the Company. Whenever effecting the registration of any Registrable Securities under Section 1.2 or Section 1.3, the Company shall, as promptly as practicable:

(a) Before filing a registration statement or prospectus or any amendments or supplements thereto, furnish to the Holders of the Registrable Securities covered by such registration statement, the underwriters, if any, and their respective counsel, copies of all such documents proposed to be filed, which documents shall be made available for prior review by such Holders, underwriters and their respective counsel, and make such changes in such documents relating to such Holders or underwriters prior to the filing thereof as such Holders, underwriters and their respective counsel may reasonably request; provided, however, that (i) the Company shall not file any such registration statement or any amendment, prospectus, or supplement thereto to which the Holders of a majority in number of the Registrable Securities covered by such registration statement shall reasonably object with respect to information furnished expressly for use in connection with such registration by such Holders, which objection shall be provided by such Holders to the Company within five business days after such Holders receive any such document, and (ii) with respect to any underwritten offering in which such Holders are subject to indemnification obligations under any applicable underwriting agreement, the Company shall not file any such registration statement or any amendment, prospectus or supplement thereto to which the Holders of a majority in number of the Registrable Securities covered by such registration statement or the underwriters shall reasonably object, which objection if any shall be provided by such Holders or such underwriters to the Company within five business days after such Holders or underwriters, as the case may be, receive any such document.

(b) Prepare and file with the SEC a registration statement on such form as necessary to register and qualify the Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective.

(c) Notify the Holders promptly after the Company has received notice of the time when a registration statement has become effective or any supplement to any prospectus forming a part of such registration statement has been filed.

(d) Prepare and file with the SEC, and promptly notify the Holders of the filing of, such amendments and supplements to any registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement.

(e) Advise each Holder promptly after it has received notice or obtained knowledge thereof of the issuance of any stop order by the SEC suspending the effectiveness of any registration statement or the initiation or threatening of any proceeding for that purpose and promptly use its commercially reasonable efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued.

(f) Furnish to the Holders and the underwriters, if any, without charge, such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Act, any supplement or amendment thereto, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(g) At the request of any Holder, furnish to such Holder and to each managing underwriter, without charge, at least one manually signed copy of the registration statement and any post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference, and all exhibits (including those incorporated by reference).

(h) Notify the Holders and the underwriters, if any, promptly of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose.

(i) Use its commercially reasonable efforts to register and qualify the Registrable Securities covered by the applicable registration statement under such other securities or blue sky laws of such jurisdictions as shall be reasonably requested by the Holders, the underwriters, if any, and their respective counsel; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business, to file a general consent to service of process or to become subject to tax liability in any such states or jurisdictions.

(j) Use its commercially reasonable efforts to cause the Registrable Securities covered by the applicable registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the Holders thereof and the underwriters, if any, to consummate the disposition of such Registrable Securities.

(k) Enter into agreements (including underwriting agreements) and take all other appropriate actions in order to expedite or facilitate the disposition of Registrable Securities, whether or not an underwriting agreement is entered into and whether or not the registration is an underwritten registration:

(i) make such representations and warranties to the underwriters, if any, in form, scope, and substance as are customarily made by issuers to underwriters in such underwritten offerings;

(ii) obtain opinions of counsel to the Company and updates thereof (which counsel and opinions shall be reasonably satisfactory in form, scope, and substance to the underwriters, if any) addressed to the underwriters, if any, covering the matters customarily covered in opinions requested in such underwritten offerings and such other matters as may be reasonably requested by such underwriters;

(iii) obtain “comfort letters” and updates thereof from the Company’s independent certified public accountants addressed to the underwriters, if any; such letters shall be in customary form and covering matters of the type customarily covered in “comfort letters” to underwriters in connection with such underwritten offerings;

(iv) if an underwriting agreement is entered into, enter into customary indemnification and contribution provisions and procedures as the underwriters shall reasonably request with respect to all parties to be indemnified pursuant to Section 1.7; and

(v) deliver such documents and certificates as may be reasonably requested by the underwriters, if any, to evidence compliance with Section 1.4(m) below and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company.

(l) Notify the Holders and the underwriters, if any, promptly of the existence of any fact or the happening of any event as a result of which any registration statement filed pursuant to Section 1.2 or Section 1.3, any prospectus contained therein, or any document incorporated therein by reference contains an untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

(m) Prepare and promptly file with the SEC, and promptly notify such Holders of the filing of, any amendment or supplement to such registration statement or prospectus as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Act, any event has occurred as the result of which any such prospectus must be amended in order that it does not make any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

(n) In case any Holder or any underwriter for any such Holder is required to deliver a prospectus at a time when the prospectus then in effect may no longer be used under the Act, prepare promptly upon request such amendment or amendments to such registration statement and such prospectus as may be necessary to permit compliance with the requirements of the Act.

(o) If any similar securities of the Company are then listed on NASDAQ or any other securities exchange, or are qualified and eligible for trading in any automated quotation system, the Company will cause all such Registrable Securities covered by such registration statement to be listed on NASDAQ or such other securities exchange, and to be qualified and eligible for trading in such automated quotation system.

(p) If reasonably requested by the underwriters or a Holder of Registrable Securities being sold in connection with an underwritten offering, immediately incorporate in a prospectus supplement or post-effective amendment such necessary information as the underwriters or the Holders of a majority in number of the Registrable Securities being sold reasonably request to have included therein relating to the plan of distribution with respect to such Registrable Securities, including, without limitation, information with respect to the amount of Registrable Securities being sold to underwriters, the purchase price being paid therefor by any underwriters and with respect to any other terms of the underwritten (or best efforts underwritten) offering of the Registrable Securities to be sold in such offering; and make all required filings of such prospectus supplement or post-effective amendment as soon as notified of the matters to be incorporated in such prospectus supplement or post-effective amendment.

(q) Cooperate with the Holders and the underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations and registered in such names as the underwriters may request at least 2 business days prior to any sale of Registrable Securities to the underwriters.

(r) Otherwise comply with all applicable rules and regulations of the SEC, and make generally available to its security holders earnings statements satisfying the provisions of Section 11(a) of the Act and Rule 158 of the SEC promulgated thereunder (or any successor rule or regulation hereafter adopted by the SEC), no later than 30 days after the end of any 12-month period (or 45 or 90 days if the end of such 12-month period coincides with the end of a fiscal quarter or fiscal year, respectively, of the Company, or such shorter period as the SEC shall require from time to time with respect to the filing by a reporting company of such documents on Forms 10-Q or 10-K, respectively): (i) commencing at the end of any month in which Registrable Securities are sold to underwriters in an underwritten offering or (ii) if not sold to underwriters in such an offering, beginning with the first month commencing after the effective date of the registration statement, which statements shall cover said 12-month periods.

(s) Cooperate and assist in any filings required to be made with the NASD and in the performance of any due diligence investigation by any underwriter (including any "qualified independent underwriter" that is required to be retained in accordance with the rules and regulations of the NASD).

(t) Promptly prior to the filing of any document which is to be incorporated by reference into the registration statement or the prospectus (after initial filing of the registration statement), provide copies of such document to counsel to the selling Holders of Registrable Securities and to the underwriters, if any, make the Company's representatives available for discussion of such document and make such changes in such document with respect to the Holders or the underwriters, if any, prior to the filing thereof as counsel for such selling Holders or underwriters may reasonably request.

(u) In the event of any underwritten public offering, if requested to do so by the underwriters managing such offering, enter into a customary holdback agreement related to such offering.

(v) Provide a transfer agent and registrar for all Registrable Securities sold under the registration statement not later than the effective date of the registration statement.

1.5 Obligations of Holders . Each of the selling Holders shall:

(a) Furnish to the Company such information regarding themselves, the Registrable Securities held by them, and such other information as may reasonably be required to effect the registration of their Registrable Securities.

(b) Notify the Company, at any time when a prospectus relating to Registrable Securities covered by a registration statement is required to be delivered under the Act, of the existence of any fact or the happening of any event with respect to such selling Holder as a result of which information provided by such Holder expressly for use in the prospectus included in such registration statement, as then in effect, causes such prospectus to include an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

(c) In the event of any underwritten public offering, each Holder participating in such underwriting shall enter into and perform its obligations under the underwriting agreement for such offering, and if requested to do so by the underwriters managing such offering, each Holder shall enter into a customary holdback agreement.

1.6 Expenses of Registration . The Company shall bear and pay all expenses incurred in connection with registrations, filings or qualifications pursuant to Section 1.2 and Section 1.3, including (without limitation) the fees and disbursements of underwriters (other than underwriting discounts and commissions with respect to Registrable Securities included in such registration), provided, however, that if the applicable registration does not cover shares issued on behalf of the Company, then such payment shall not exceed \$15,000, and provided, further, that in the case of a registration pursuant to Section 1.3 of this Agreement that does not include any shares sold on behalf of the Company, then the Holders shall only be required to bear such expenses allocable to the Registrable Securities in excess of \$15,000 to the extent all other selling stockholders bear such expenses on a pro rata basis, based on the number of shares registered; registration, filing, and qualification fees; blue sky fees and expenses (including, without limitation, fees and disbursements of counsel or the underwriters in connection with blue sky qualifications of the Registrable Securities and determination of their eligibility for investment under the laws of such jurisdictions as the Holders or underwriters of the Registrable Securities being sold may designate); printers' and accounting fees (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to services provided by such accountants); messenger, telephone, and delivery expenses; costs of listing on NASDAQ or other securities exchange on which similar securities issued by the Company are then listed; costs of furnishing such copies of each preliminary prospectus, final prospectus, and amendments thereto as each Holder may reasonably request; fees and disbursements of counsel for the Company; fees and disbursements of one counsel for the selling Holders of Registrable Securities, not to exceed \$15,000 per registration; fees and expenses associated with any NASD filing required to be made in connection with the registration statement, including in the event the Company selects or approves the underwriters in connection with any such offering, if applicable, the fees and expenses of any "qualified independent underwriter" (and its counsel) that is required to be retained in accordance with the rules and regulations of the NASD; and fees and expenses of other persons retained by the Company in connection with the registrations, filings, or qualifications pursuant to Section 1.2 and Section 1.3. Without limiting the generality of the foregoing, the Company shall pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing of the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed, rating agency fees and the fees and expenses of any person, including special experts, retained by the Company in connection with the registrations, filings, or qualifications pursuant to Section 1.2 and Section 1.3.

1.7 Indemnification . In the event any Registrable Securities are included in a registration statement under this Agreement:

(a) The Company will indemnify and hold harmless, to the full extent permitted by law, each Holder, the officers, directors, employees, affiliates, and agents of each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act (each, an "Indemnified Holder"), against any losses, claims, damages, and liabilities (joint or several), and expenses (including costs of investigation and legal expenses) incurred in connection with investigating, preparing, or defending against such losses, claims, damages, and liabilities (collectively, "Losses") to which such Indemnified Holder may become subject under the Act, the 1934 Act, or other federal, state, local, foreign, or other law, insofar as such Losses arise out of or are based upon any of the following statements, omissions, or violations (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the indemnity agreement contained in this Section 1.7(a) shall not apply to amounts paid in settlement of any such Loss if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld or delayed, nor shall the Company be liable in any such Loss to the extent that it arises out of or is based upon (i) a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Indemnified Holder, or (ii) the failure of such Indemnified Holder to deliver a copy of the registration statement or the prospectus, or any amendments or supplements thereto, after the Company has furnished such person with a sufficient number of copies of the same.

(b) Each selling Holder will indemnify and hold harmless, to the full extent permitted by law, the Company and each of its officers, directors, employees, affiliates, and agents, and each person, if any, who controls the Company within the meaning of the Act or the 1934 Act (each, a “Company Indemnitee”), against any Losses to which any such Company Indemnitee may become subject under the Act, the 1934 Act, or other federal, state, local, foreign, or other law, insofar as such Losses arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; provided, however, that the indemnity agreement contained in this Section 1.7(b) shall not apply to amounts paid in settlement of any such Losses if such settlement is effected without the consent of such Holder, which consent shall not be unreasonably withheld or delayed. Notwithstanding anything to the contrary herein contained, a Holder’s indemnity obligation, in such person’s capacity as a Holder, shall be limited to the net proceeds received by such Holder from the offering out of which the indemnity obligation arises.

(c) Promptly after receipt by an indemnified party under this Section 1.7 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.7, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnified party, except that such fees and expenses shall be paid by the indemnifying party if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceedings. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if materially prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.7, but the omission so to deliver written notice to the indemnifying party will not otherwise relieve it of any liability that it may have to any indemnified party under this Section 1.7.

(d) If the indemnification provided for in this Section 1.7 is unavailable to an indemnified party under Section 1.7(a) or Section 1.7(b) hereof (other than by reason of exceptions provided in those Sections) in respect of any Losses referred to therein, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses (i) in such proportion as is appropriate to reflect the relative benefits received by the Company Indemnities, on the one hand, and of the Indemnified Holders, on the other hand, in connection with the statements or omissions that resulted in such Losses, or (ii) if the allocation provide in clause (i) is not then permitted under applicable law, in such proportion as is appropriate to reflect the relative fault of the Company Indemnities, on the one hand, and of the Indemnified Holders, on the other hand, in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. The relative fault of the Company Indemnities, on the one hand, and of the Indemnified Holders, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company Indemnities or by the Indemnified Holders and such parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and each Holder agree that it would not be just and equitable if contribution pursuant to this Section 1.7(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 1.7(d), no underwriter shall be required to contribute any amount of excess of the amount of which the total net proceeds received by such underwriter from the sale of the Registrable Securities underwritten by it exceeds the amount of any damages that such underwriter has otherwise been required to pay by reason of such Violation, and a Holder shall not be required to contribute any amount in excess of the amount by which the total net proceeds received by such Holder from the sale of the Registrable Securities exceeds the amount of any damages which such Holder, or its affiliated Holders, has otherwise been required to pay by reason of such Violation. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Each Holder's obligations to contribute pursuant to this Section 1.7 are several in the proportion that the net proceeds of the offering received by such Holder bears to the total net proceeds of the offering received by all the Holders, and not joint.

(e) The indemnification provided by this Section 1.7 shall be a continuing right to indemnification and shall survive the registration and sale of any of the Registrable Securities hereunder and the expiration or termination of this Agreement.

1.8 Reports Under Securities Exchange Act of 1934 . With a view to making available to the Holders the benefits of Rule 144, the Company agrees to use commercially reasonable efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

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

(c) furnish to any Holder, as long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144, the Act, and the 1934 Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

2. MISCELLANEOUS

2.1 No Inconsistent Agreements . The Company shall not on or after the date of this Agreement enter into any other agreement with respect to any of its securities that is inconsistent with the rights granted to the Holders or otherwise conflicts with the provisions of this Agreement.

2.2 Adjustments Affecting Registrable Securities . Except as may be required by any federal or state securities laws, the Company shall not take any action or permit any change to occur with respect to the Registrable Securities that would (i) adversely affect the ability of the Holders of Registrable Securities to include such Registrable Securities in a registration undertaken pursuant to this Agreement or (ii) adversely affect the marketability or pricing of such Registrable Securities in any such registration.

2.3 Amendment and Waiver . Any amendment or waiver of any provision under this Agreement may be effected only with the written consent of the Company and the Holders of at least a majority of the Registrable Securities then outstanding.

2.4 Remedies . The parties hereto acknowledge and agree that the breach of any part of this Agreement may cause irreparable harm and that monetary damages alone may be inadequate. The parties hereto therefore agree that any party shall be entitled to injunctive relief or such other applicable remedy as a court of competent jurisdiction may provide. Nothing contained herein will be construed to limit any party's right to any remedies at law, including recovery of damages for breach of any part of this Agreement.

2.5 Controlling Law . This Agreement, and all questions relating to its validity, interpretation, performance, and enforcement, shall be governed by and construed in accordance with the laws of the state of Nevada, notwithstanding any Nevada or other conflict-of-law provisions to the contrary.

2.6 Notices . All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made, and received when delivered against receipt, 12 hours after being sent by facsimile or e-mail, or 72 hours after being sent by registered or certified mail, postage prepaid, as set forth below:

(a) If to the Company:

6175 Main Street
Suite 420
Frisco, Texas 75034
Attention: Chief Financial officer
Phone: (972) 464-0011
Fax: (866) 492-7478
E-mail: lauriel@questrmg.com

with a copy given in the manner
prescribed above to:

Greenberg Traurig, LLP
2375 East Camelback Road
Suite 700
Phoenix, Arizona 85016
Attention: Robert S. Kant, Esq.
Phone: (602) 445-8302
Fax: (602) 445-8100
E-mail: kantr@gtlaw.com

b) If to any Holder:

To the address set forth on such Holder's signature page hereto.

Any party may alter the address to which communications or copies are to be sent by giving notice of such change to each of the other parties hereto in conformity with the provisions of this paragraph for the giving of notice.

2.7 Binding Nature of Agreement . This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns.

2.8 Entire Agreement . This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing by the parties hereto.

2.9 Construction . The Section headings in this Agreement are for convenience of reference only, do not constitute a part of this Agreement and shall not affect its interpretation. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter. The words “include” or “including” shall be deemed to be followed by “without limitation” whether or not they are followed by such phrases or words of like import. The words “hereof,” “herein,” “hereby,” “hereunder,” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. All references to Section in this Agreement are to those portions of this Agreement unless otherwise specified.

2.10 Indulgences, Not Waivers . Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege preclude any other or further exercise of the same or any other right, remedy, power, or privilege, nor shall any waiver of any right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

2.11 Execution in Counterparts . This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Any photographic or xerographic copy of this Agreement, with all signatures reproduced on one or more sets of signature pages, shall be considered for all purposes as of it were an executed counterpart of this Agreement.

2.12 Severability . Each and every provision set forth in this Agreement is independent and severable from the others, and no provision shall be rendered unenforceable by virtue of the fact that, for any reason, any other or others of them may be unenforceable in whole or in part. The parties hereto agree that if any provision of this Agreement shall be declared by a court of competent jurisdiction to be unenforceable for any reason whatsoever, the court may appropriately limit or modify such provision, and such provision shall be given effect to the maximum extent permitted by applicable law.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company and each Purchaser have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

COMPANY:

QUEST RESOURCE HOLDING CORPORATION

By: /s/ Laurie L. Latham

Name: Laurie L. Latham

Title: Chief Financial Officer

Signature Page to Registration Rights Agreement

IN WITNESS WHEREOF, the Company and each Purchaser have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

PURCHASER:

/s/ Todd Butson

Todd Butson

Signature Page to Registration Rights Agreement

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PURCHASER:

CAMPBELL FAMILY LIVING TRUST

By: /s/ Lynne Campbell

Name: Lynne Campbell

Title: Trustee

Signature Page to Registration Rights Agreement

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PURCHASER:

CRYSTAL CLEAR INVESTMENTS, LLC

By: /s/ Scott Gibson

Name: Scott Gibson

Title: President

Signature Page to Registration Rights Agreement

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PURCHASER:

/s/ Michael D. Eskenazi

Michael D. Eskenazi

Signature Page to Registration Rights Agreement

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PURCHASER:

/s/ Clifford L. Melby

Clifford L. Melby

Signature Page to Registration Rights Agreement

IN WITNESS WHEREOF, the Company and each Purchaser have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

PURCHASER:

/s/ Marilyn L. Melby

Marilyn L. Melby

Signature Page to Registration Rights Agreement

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PURCHASER:

**RONALD C. MULBERG AND DENA R. MURRAY
COMMUNITY PROPERTY**

/s/ Ronald C. Mulberg

Ronald C. Mulberg

/s/ Dena R. Murray

Dena R. Murray

Signature Page to Registration Rights Agreement

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PURCHASER:

/s/ Kevin W. O'Keefe

Kevin W. O'Keefe

Signature Page to Registration Rights Agreement

IN WITNESS WHEREOF, the Company and each Purchaser have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

PURCHASER:

/s/ Brent Saxwold

Brent Saxwold

Signature Page to Registration Rights Agreement

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PURCHASER:

KIRBY SCHLEGEL ENTERTAINMENT, LLC

By: /s/ Kirby Schlegel

Name: Kirby Schlegel

Title: Member

Signature Page to Registration Rights Agreement

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PURCHASER:

/s/ Vincent Volpe

Vincent Volpe

Signature Page to Registration Rights Agreement

IN WITNESS WHEREOF , the Company and each Purchaser have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

PURCHASER:

/s/ Lowry West

Lowry West

Signature Page to Registration Rights Agreement

IN WITNESS WHEREOF, the Company and each Purchaser have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

PURCHASER:

/s/ Richard T. Wood

Richard T. Wood

Signature Page to Registration Rights Agreement