
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

DIGITAL CANDY, INC.
a District of Columbia corporation

An Offering of Series Seed Preferred Stock to Accredited Investors Only

Up to $722,500 as 560,393
Series Seed Preferred Stock

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION (COLLECTIVELY, "STATE ACTS"), AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM SAID REGISTRATION AND QUALIFICATION REQUIREMENTS. AS SUCH THERE IS NO REQUIREMENT TO COMPLY WITH SPECIFIC DISCLOSURE REQUIREMENTS THAT APPLY TO REGISTRATION UNDER THE SECURITIES ACT. THESE SECURITIES MAY ONLY BE SOLD TO ACCREDITED INVESTORS, WHICH FOR NATURAL PERSONS ARE INVESTORS THAT MEET CERTAIN MINIMUM ANNUAL INCOME OR NET WORTH THRESHOLDS.

THE SECURITIES OFFERED HEREBY ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF SECURITIES AND EXCHANGE COMMISSION RULE 144. THE SECURITIES OFFERED HEREBY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS SUCH SECURITIES HAVE BEEN (A) REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT AND ALL APPLICABLE STATE ACTS, OR (B) TRANSFERRED PURSUANT TO EXEMPTIONS FROM SUCH REGISTRATION AND QUALIFICATION REQUIREMENTS. THE SECURITIES OFFERED HEREBY ARE ALSO SUBJECT TO THE RESTRICTIONS ON TRANSFER SET FORTH IN THE SERIES SEED PREFERRED STOCK INVESTMENT AGREEMENT. INVESTORS SHOULD NOT ASSUME THAT THEY WILL BE ABLE TO RESELL THEIR SECURITIES.

THE SECURITIES SUBSCRIBED FOR BY THIS AGREEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, OR BY ANY OTHER SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF OR GIVEN THEIR APPROVAL TO THE SECURITIES, THE TERMS OF THE OFFERING OR THE ACCURACY OR COMPLETENESS OF ANY OFFERING MATERIALS PROVIDED BY DIGITAL CANDY, INC. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AND THE INFORMATION CONTAINED HEREIN ARE PROPRIETARY AND CONFIDENTIAL AND ARE BEING FURNISHED TO A LIMITED NUMBER OF INVESTORS. THE MEMORANDUM HAS BEEN PREPARED BY THE MANAGEMENT OF THE COMPANY SOLELY TO ASSIST THE RECIPIENT IN DECIDING WHETHER TO PROCEED WITH FURTHER ANALYSIS OF THIS OPPORTUNITY AND MAY NOT BE SHARED WITH OR DISTRIBUTED TO ANY PERSON OTHER THAN IN CONNECTION WITH AN EVALUATION OF THE COMPANY BY POTENTIAL INVESTORS AND THEIR ADVISORS. REPRODUCTION, TRANSFER, OR DISTRIBUTION OF THIS DOCUMENT IS FORBIDDEN WITHOUT THE PRIOR WRITTEN CONSENT OF DIGITAL CANDY, INC. BY ACCEPTING THIS DOCUMENT, YOU AGREE TO BE BOUND BY THESE RESTRICTIONS AND LIMITATIONS.

This Confidential Private Placement Memorandum (this "**Memorandum**") relates to the offering (the "**Offering**") of up to $**722,500** of Series Seed Preferred Stock in Digital Candy, Inc., a District of Columbia corporation, with a minimum individual investment of one thousand dollars ($1000) in the Series Seed Preferred Stock. Digital Candy, Inc. reserves the right to approve each investor and to reject any subscription in whole or in part. The minimum investment is waiveable by a majority vote of the company stock holders. Investors in the Offering are referred to as "Investors" or "Preferred Stockholders".

An investment in the Series Seed Preferred Stock is speculative and involves a high degree of risk. Investors must be prepared to bear the economic risks of any investment in the Series Seed Preferred Stock for an indefinite period and be able to withstand a total loss of their investment. See "Risk Factors" for a discussion of certain factors that prospective investors should consider.

There is no public market for the Series Seed Preferred Stock being offered. The offering price has been arbitrarily determined by Digital Candy, Inc. and bears no relationship to assets, earnings or other criteria of value. No assurance can be given that the Series Seed Preferred Stock will have a market value or that they can be resold.

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DIGITAL CANDY, INC.

CONFIDENTIAL INVESTMENT OPPORTUNITY

PRIVATE PLACEMENT MEMORANDUM

JANUARY 1, 2016

1. EXECUTIVE SUMMARY

Overview
Digital Candy, Inc. ("DC" or the "Company")

Locates exact or similar copies of images and compare those to images to images DC's database.

DC's "image pinpoint technology" breaks an image down into its elements, and then analyzes those elements against other images. DC also cross indexes all of the compared images to ownership and other metadata.

Problems: Pirated content, Purloined trade dress, counterfeit products cost the market billions.
There is no way for companies with unique products to know if third parties are using their product designs.

There is no comprehensive solution for image and catalogue owners to:

- Properly protect their images.
- Identify all uses of their images (exact and derivative) across the Web.
- Know whether their images have been properly licensed.
- Easily sell / license their images across the entire web, across all networks, all browsers, all devices and platforms.

Solution: Digital Candy tracks and protects images across the web.

Until now, images were incapable of being tracked on the Internet. Digital Candy (DC) has pat-pending technology, which allows one to locate exact copies, derivative works, and similar images to an image in DC's database – a database created via DC's Internet crawl and API. DC's "image pinpoint technology" segments an image into its components, analyzes the components and the whole, as well as allows cross-indexing to ownership and other metadata. In the near future, Image identification and facial recognition will be integrated, as training data is made available.
(A copy of the provisional patent filing is available upon request to those who have signed confidentiality agreements)

Business Objectives
The 5 Year Goal is to acquire a meaningful market share of the international $2T a year image market place.

Market Size

Currently

- Over a Billion photos are uploaded and shared each DAY on the Web.
    - This number is up from 500 Million in 2013.
- Instagram has 30 Billion photos shared and 300 Million users.
- Facebook has 200 Million photos uploaded daily, 6 Billion per month, and 90 Billion photos that have been uploaded overall.
- Google+ has 1.5 Billion photos uploaded each week.
- Flickr is now providing any user with 1 FREE Terra byte of photo storage space and contains Billions of photos.
- 50 million a year in medical imaging (image recognition and identification could multiply the size of this vertical substantially)

Sources:* FirstPost Instagram, Quora, Engadget, Flickr

Revenue Streams

1. License fees for all content licensed directly out of DC
2. Affiliate fees from third parties that license DC's technology
3. Lead income to lawyers
4. Data analytics sales
5. Advertising
6. Advertising compliance
7. Image identification and classification
8. Law Enforcement
9. Automated people and object tracking

Identification / Notification / Hosting

Image marketplace companies accept and allow use of content from third parties without knowing if the images infringe other third parties' rights. This becomes an issue when individuals misappropriate content for their own use. Image marketplace companies, that create their own content, need to identify unlicensed individuals using the company's images. DC's API can be integrated into any marketplace for a fee to identify third party infringer and licensed content with notification to owners. Hosting fees are charged for uploaded content into DC's platform.

Lawyer Referral / Enforcement

If possible infringers fail to cease their activities and/or fail to purchase a license for their use of the content, enforcement is necessary. DC's platform offers an easy means for content owners to contact legal counsel to assist in resolving these issues. Because the link is included in the notification to owners, DC's system allows owners to request legal advice from attorneys that have paid DC for such leads. Owners agree to pay a percentage of all income from the use of the DC system, including license fees and a percentage of return from lawsuits.

Other Uses Of The Technology: The possibilities are endless – medical, law enforcement, person and object tracking, etc.

B2b Client Targets:

- Image Market Places: Deviant Art, Flickr*, Envato, Getty Images / istock, Veer, Shutterstock, 123RF, Snapwire, Foto Search, Issuu , Photo Dune, Can Stock Photo, Pic Scout, Pic Fair, Eye EM, Corbis, Photoshelter, 500px, Zenfolio. Zinio

- Healthcare Technology Providers (e.g. Ebix/Adam Health, WebMD, Siemens, GE, Philips, Toshiba,),
- Image Hosting Providers (Google, Facebook/Instagram, Twitter, DropBox, iCloud, Amazon),
- Media Companies (CNN, Viacom, CondeNast),
- Image Capture Device Manufactures (Apple, HTC, Samsung, Kodak, Olympus, Nikon, Canon, Fuji)
- Telecom Companies (ATT, Verizon, T-mobile),
- Trademark Search Companies (MarkMonitor/Thompson Reuters)
- Copyright Providers (Lawyers, US Copyright Office). * discussions started

Funding Road Map
The Company intends to raise $**722,500** in this Offering in exchange for a 10% ownership interest in the Company, as further described in the enclosed term sheet. Assuming the Company raises all $**722,500** in this Offering, the Company anticipates that the proceeds of the Offering will last for one year. The company intends to begin working on a second funding round within four (4) to six (6) months of this first round.

Goal: to offer the technology to large content providers such as Flickr via our API as well as to government agencies such as the Copyright Office.
The 5 Year Goal is to acquire 0.005% of the international $81.2T annual copyright IP market

Goal Road Map
Foster a New Content Licensing and Exchange Standard…aka A New North Star for the Internet
• Turn Multi-Mime Content Rights Procurement Into a Simple, Intuitive and Trusted Process
• Assist with bridging the B2B Gap between Content Owners, Digital Creatives (Publishers) and Developers
• Take only a % transaction fee from B2B partners
• Create income via lead generation

Technology
A Better Advanced Search Tool for images
• that does not need DRM,
• that uses steganography to identify image ownership,
• that finds and tracks content across the entire public Internet, across all devices and platforms and is lightning fast,
• that uses our custom coded crawlers, and
• provides massive meta-data, analytics and insights

Founding & Management

STEVAN LIEBERMAN, ESQ
Chief Operating Officer, General Counsel & Founder
Partner, Greenberg & Lieberman, LLC, a 19 year old legal firm specializing in Intellectual Property Protection (Copyrights, Trademarks and Patents) and Digital Rights Management. Proven track record of building/selling technology companies.

MICHAEL LEIFER
Chief Executive & Marketing Officer & Founder
Founded, scaled and owns guerilla PR, Inc., a 15 year old award-winning public relations and technology company, serving blue chip brands and technology clients such as: Apple, Microsoft, Yahoo! Mozilla, Sony, Dolby, AOL, Disney, Napster, Coca-Cola, Nestle and GM. Successful Exit: Co-Founded, scaled and sold C3Live, a webcasting, content licensing and syndication company, whose partners were Microsoft, Yahoo! & MTV.

MIKE ST. JOHN
Chief Technology Officer & Founder
Backend Java Programmer, who created crawlers and uses Machine Intelligence, agent-based parallel processing server data farms that utilize petabytes of data. Lead Software Engineer, FUJI. Partner / Editor-in-Chief at Domains Magazine. Partner / CTO at iMonetize. Partner / President at IPNIC. Partner / CTO at Internet Traffic Signal, Inc. Senior Software Engineer, RCM Technologies.

TERRY REGAN, CPA
Chief Financial Officer
Chief Financial Officer and VP of Finance for Blacky Auger Restaurants (100 million plus co), CFO Half Baked Inc. & Dalias Restaurants, CFO Mother's Pizza.

Current Assets

Technology created and available to review. Please review demo videos and request access at alpha.digitalcandy.com. Currently 50 plus alpha users providing feedback.on the application.

- Provisional patent filed
- Trademark for Digital Candy registered
- 50 plus servers leased and crawling the Internet
- AWS systems setup and running

Use of Funds

To fund overhead and working capital, including, without limitation,

- Datacenter, Storage Cluster and Server Cluster.
- Programmers.
- Management Salaries.
- Sales Expenses.
- Operational Costs.
- Customer Support.
- Legal.
- Acquisition of Series B financing.

Acquisition Strategy is initially B2B by providing the Company's technology via the Company's API.

TERMS FOR PRIVATE PLACEMENT OF SERIES SEED PREFERRED STOCK OF DIGITAL CANDY, INC.

Offering Terms	
Securities to Issue:	Shares of Series Seed Preferred Stock (the "***Series Seed***") of Digital Candy, Inc., a District of Columbia corporation (the "Company").
Aggregate Proceeds:	Up to $**722,500** in aggregate. There is no minimum amount that must be raised to conduct an initial closing of this Offering. Accordingly, the proceeds of each Purchaser's subscription will be deposited in the Company's operating account and available for use by the Company.
Purchasers:	Accredited investors approved by the Company (the "***Purchasers***").
Price Per Share:	$0.65 cents Price per share (the "***Original Issue Price***"), based on a pre-money valuation of $6,500,000, including an available option pool of 10%.
Liquidation Preference:	One times the Original Issue Price plus declared but unpaid dividends on each share of Series Seed, balance of proceeds paid to holders of Common Stock. A merger, reorganization, sale of all or substantially all of the Company's assets, or similar transaction in which the members of the Company immediately prior to such transaction or series of transactions do not control the Company immediately following such transaction or series of transactions will each be treated as a liquidation.
Conversion:	Convertible into one share of Common Stock (subject to proportional adjustments for stock splits, stock dividends and the like) at any time at the option of the holder.
Voting Rights:	Votes together with the Common Stock on all matters on an as-converted basis. Approval of a majority of the Series Seed required to (i) adversely change rights of the Series Seed; (ii) increase the number of authorized shares; (iii) authorize a new series of Preferred Stock having rights senior to or on parity with the Series Seed; (iv) redeem or repurchase any shares (other than pursuant to employee or consultant agreements); (v) declare or pay any dividend; or (vi) liquidate or dissolve, including any change of control.
Drag-Along Rights:	If a "liquidation event" is approved by the holders of a majority of the outstanding shares of Common Stock and Series Seed and the Board of Directors, in each case in accordance with the Company's Restated Certificate of Incorporation and/or Bylaws, then all stockholders will adopt such liquidation event and will execute and deliver all related documentation in support of such liquidation event.

Financial Information:	Subject to the rights and privileges afforded to all stockholders of the Company pursuant to applicable law, purchasers who invest at least $25,000 ("***Major Purchasers***") will receive standard information and inspection rights subject to customary exceptions.
Participation Right:	Major Purchasers will have the right to participate on a pro rata basis in subsequent issuances of equity securities.
Board of Directors:	3 directors elected by holders of a majority of the Common Stock
Key Holder Matters	Each founder of the Company designated on Schedule 1 attached to the Purchase Agreement, attached hereto (each a "***Key Holder***" and collectively the "***Key Holders***"), shall have vesting (if any) beginning on the date for the period of time as listed in Schedule 1. Full acceleration upon a liquidation event. Each Key Holder shall have assigned all relevant IP to the Company before the closing of the offering contemplated hereby.

February 1, 2016

The foregoing is a summary of the principal terms with respect to the proposed Series Seed Preferred Stock financing of Digital Candy, Inc. This summary of terms does not constitute a legally binding obligation. The parties intend to enter into a legally binding obligation only pursuant to definitive agreements to be negotiated and executed by the parties.

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SERIES SEED PREFERRED STOCK INVESTMENT AGREEMENT

This Series Seed Preferred Stock Investment Agreement (this "**Agreement**") is dated as of the Agreement Date and is between the Company, the Purchasers and the Key Holders.

The parties agree as follows:

1. DEFINITIONS. Capitalized terms used and not otherwise defined in this Agreement or the Exhibit and Schedules thereto have the meanings set forth in Exhibit A.

2. INVESTMENT. Subject to the terms and conditions of this Agreement, including the Agreement Terms set forth in Exhibit B, (i) each Purchaser shall purchase at the applicable Closing and the Company shall sell and issue to each Purchaser at such Closing that number of shares of Series Seed Preferred Stock set forth opposite such Purchaser's name on Schedule 1, at a price per share equal to the Purchase Price (subject to any applicable discounts when all or a portion of such Purchase Price is being paid by cancellation of indebtedness of the Company to such Purchaser) and (ii) each Purchaser, the Company, and each Key Holder agrees to be bound by the obligations set forth in this Agreement and to grant to the other parties hereto the rights set forth in this Agreement.

3. ENTIRE AGREEMENT. This Agreement (including the Exhibits and Schedules hereto) together with the Restated Charter constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

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EXHIBIT A
DEFINITIONS

1. OVERVIEW DEFINITIONS.

"**Agreement Date**" means the respective dates on which the Company accepts a Purchaser's subscription to purchase Series Seed Preferred Stock.

"**Company**" means Digital Candy, Inc.

"**Governing Law**" means the laws of Washington, D.C.

"**Dispute Resolution Jurisdiction**" means the federal or state courts located in Washington, D.C.

"**State of Incorporation**" means Washington, D.C.

"Stock Plan" means that certain Digital Candy, Inc. 2015 Incentive Equity Plan of the Company, adopted by the Board of Directors on August 18, 2015.

2. BOARD COMPOSITION DEFINITIONS.

"**Common Board Member Count**" means three (3) members of the Board of Directors of the Company.

"**Common Control Holders**" means the four (4) Key Holders.

3. TERM SHEET DEFINITIONS.

"**Major Purchaser Dollar Threshold**" means $100,000.

"**Purchase Price**" means $0.65 cents per share (subject to any discounts applicable where all or a portion of such Purchase Price is being paid by cancellation of indebtedness of the Company to such Purchaser).

"**Total Series Seed Investment Amount**" means $**722,500**.

"**Unallocated Post-Money Option Pool Percent**" means 10%.

4. RESULTING CAP TABLE DEFINITIONS.

"**Common Shares Issued and Outstanding Pre-Money**" means 5,041,600 shares of Common Stock.

"Total Post-Money Shares Reserved for Option Pool" means 504,100.

"**Number of Issued And Outstanding Options**" means 12,500.

"Unallocated Post-Money Option Pool Shares" means 504100.

SCHEDULE 1

Capitalization Table

(attached)

Stockholder	Date of Investment	Amount of Investment	Price Per Share	Certificate Number	Date of Issuance	Percent of Company	No. of Shares
Common Stock							
Stevan Lieberman (Founder) **800 Silver Spring Ave., Silver Spring, MD 20190**	N/A	N/A	N/A		6/1/13	41.34%	2,084,400
Michael St. John (Founder) **124 French Coach Rd., Milford PA, 18337**	**N/A**	**N/A**	**N/A**		6/1/13	22.98%	1,158,750
Michael Leifer (Founder) **136 Meernaa Avenue, Fairfax, CA 94930**	N/A	N/A	N/A		6/1/13	11.16%	562,500
Greenberg & Lieberman, LLC (Founder) 1775 Eye St NW, Suite 1150, Washington, DC 20006	N/A	N/A	N/A		6/1/13	13.77%	694,350
2016 Digital Candy Equity Incentive Plan	N/A	N/A	N/A	N/A	N/A	10.00%	504,100
Series Seed Preferred Stock							
[INVESTOR NAME AND ADDRESS]			$0.65				
[INVESTOR NAME AND ADDRESS]			$0.65				
[INVESTOR NAME AND ADDRESS]			$0.65				
[INVESTOR NAME AND ADDRESS]			$0.65				
Options							
Candy Berhardt 5609 SMU Blvd #314 Dallas, TX 75206	N/A	N/A	N/A		08/18/15	.25%	12,500
Tom Farnworth 45-37 193rd Street, Flushing NY 11358	N/A	N/A	N/A		01/01/16	.5%	25,000

Schedule 1 – Capitalization Table

EXHIBIT B

AGREEMENT TERMS

1. PURCHASE AND SALE OF SERIES SEED PREFERRED STOCK.

1.1 Sale and Issuance of Series Seed Preferred Stock.

1.1.1 The Company shall adopt and file the Company's restated organizational documents, as applicable (e.g. certificate of incorporation), in substantially the form of Exhibit C attached to this Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time) (the "**Restated Charter**") with the Mayor of the District of Columbia on or before the Initial Closing.

1.1.2 Subject to the terms and conditions of this Agreement, each investor listed as a "Purchaser" on Schedule 1 (each, a "**Purchaser**") shall purchase at the applicable Closing and the Company agrees to sell and issue to each Purchaser at such Closing that number of shares of Series Seed Preferred Stock of the Company ("**Series Seed Preferred Stock**") set forth opposite such Purchaser's name on Schedule 1, at a purchase price per share equal to the Purchase Price.

1.2 Closing; Delivery.

1.2.1 The initial purchase and sale of the shares of Series Seed Preferred Stock hereunder shall take place remotely via the exchange of documents and signatures on the Agreement Date or the subsequent date on which one or more Purchasers execute counterpart signature pages to this Agreement and deliver the Purchase Price to the Company (which date is referred to herein as the "**Initial Closing**").

1.2.2 At any time and from time to time during the one hundred and eighty (180) day period immediately following the Initial Closing (the "**Additional Closing Period**"), the Company may, at one or more additional closings (each an "**Additional Closing**" and together with the Initial Closing, each, a "**Closing**"), without obtaining the signature, consent or permission of any of the Purchasers in the Initial Closing or any prior Additional Closing, offer and sell to other investors (the "**New Purchasers**"), at a per share purchase price equal to the Purchase Price, up to that number of shares of Series Seed Preferred Stock that is equal to that number of shares of Series Seed Preferred Stock equal to the quotient of (x) Total Series Seed Investment Amount divided by (y) the Purchase Price, rounded up to the next whole share **(**the "**Total Shares Authorized for Sale**") less the number of shares of Series Seed Preferred Stock actually issued and sold by the Company at the Initial Closing and any prior Additional Closings. New Purchasers may include persons or entities who are already Purchasers under this Agreement. The Company and each of the New Purchasers purchasing shares of Series Seed Preferred Stock at each Additional Closing will execute counterpart signature pages to this Agreement and each New Purchaser will, upon delivery by such New Purchaser and acceptance by the Company of such New Purchaser's signature page and delivery of the Purchase Price by such New Purchaser to the Company, become a party to, and bound by, this Agreement to the same extent as if such New Purchaser had been a Purchaser at the Initial Closing and each such New Purchaser shall be deemed to be a Purchaser for all purposes under this Agreement as of the date of the applicable Additional Closing.

1.2.3 Promptly following each Closing, if required by the Company's governing documents, the Company shall deliver to each Purchaser participating in such Closing a certificate representing the shares of Series Seed Preferred Stock being purchased by such Purchaser at such Closing against payment of the Purchase Price therefor by check payable to the Company, by wire

transfer to a bank account designated by the Company, by cancellation or conversion of indebtedness of the Company to Purchaser or by any combination of such methods.

Payment Methods

Checks should be sent to:

Digital Candy, C/O Greenberg & Lieberman, LLC
1775 Eye St NW, Suite 1150, Wash, DC 20006

Wires should be sent to:

Wells Fargo Bank, N.A., TX 78681
Account: 1197010703
Routing: 121000248.
ACH and Check order routing: 111900659

Recipient
Digital Candy, Inc.
http://www.DigitalCandy.com
1775 Eye St NW, Suite 1150
Wash, DC 20006Ph: 202-625-7000

2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants to each Purchaser that, except as set forth on the Disclosure Schedule attached as Exhibit D to this Agreement (the "**Disclosure Schedule**"), if any, which exceptions shall be deemed to be part of the representations and warranties made hereunder, the following representations are true and complete as of the date of the Agreement Date, except as otherwise indicated.

2.1 Organization, Good Standing, Corporate Power and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Incorporation and has all corporate power and corporate authority required (a) to carry on its business as presently conducted and as presently proposed to be conducted and (b) to execute, deliver and perform its obligations under this Agreement. The Company is duly qualified to transact business as a foreign corporation and is in good standing under the laws of each jurisdiction in which the failure to so qualify or be in good standing would have a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property, or results of operations of the Company.

2.2 Capitalization.

2.2.1 The authorized capital of the Company consists, immediately prior to the Agreement Date (unless otherwise noted), of the following:

(a) The common stock of the Company (the "**Common Stock**"), of which that number of shares of Common Stock equal to (a) the Common Shares Issued and Outstanding Pre-Money are issued and outstanding as of immediately prior to the Agreement Date, (b) the number of shares of Common Stock which are issuable on conversion of shares of the Series Seed Preferred Stock have been reserved for issuance upon conversion of the Series Seed Preferred Stock and (c) the Total Post-Money Shares Reserved for Option Pool have been reserved for issuance pursuant to the Stock Plan, and of such Total Post-Money Shares Reserved for Option Pool, that number of shares of Common Stock equal to the Number of Issued And Outstanding Options are currently subject to outstanding options and

that number of shares of Common Stock equal to the Unallocated Post-Money Option Pool Shares remain available for future issuance to officers, directors, employees and consultants pursuant to the Stock Plan. The ratio determined by dividing (x) the Unallocated Post-Money Option Pool Shares by (y) the Fully-Diluted Share Number (as defined below) is equal to the Unallocated Post-Money Option Pool Percent. All of the outstanding shares of Common Stock are duly authorized, validly issued, fully paid and non-assessable and were issued in material compliance with all applicable federal and state securities laws. The Stock Plan has been duly adopted by the Board of Directors of the Company (the "**Board**") and approved by the Company's stockholders. For purposes of this Agreement, the term "**Fully-Diluted Share Number**" shall mean that number of shares of the Company's capital stock equal to the sum of (i) all shares of the Company's capital stock (on an as-converted basis) issued and outstanding, assuming exercise or conversion of all options, warrants and other convertible securities and (ii) all shares of the Company's capital stock reserved and available for future grant under any equity incentive or similar plan.

(b) The shares of the preferred stock of the Company (the "**Preferred Stock**"), 555,556 of which are designated as Series Seed Preferred Stock, none of which is issued and outstanding immediately prior to the Agreement Date.

2.2.2 Except as set forth in Section 2.2.2 of the Disclosure Schedule, there are no outstanding preemptive rights, options, warrants, conversion privileges or rights (including but not limited to rights of first refusal or similar rights), orally or in writing, to purchase or acquire any securities from the Company including, without limitation, any shares of Common Stock, or Preferred Stock, or any securities convertible into or exchangeable or exercisable for shares of Common Stock or Preferred Stock, except for (a) the conversion privileges of the Series Seed Preferred Stock pursuant to the terms of the Restated Charter and (b) the securities and rights described in this Agreement.

2.2.3 The Key Holders set forth in Schedule 1 (each a "**Key Holder**") hold that number of shares of Common Stock set forth opposite each such Key Holder's name in Section 2.2.3 of the Disclosure Schedule (such shares, the "**Key Holders' Shares**") and such Key Holders' Shares are subject to vesting and/or the Company's repurchase right on the terms specified in Section 2.2.3 of the Disclosure Schedule (the "**Key Holders' Vesting Schedules**"). Except as specified in Section 2.2.3 of the Disclosure Schedule, the Key Holders do not own or have any other rights to any other securities of the Company. The Key Holders' Vesting Schedules set forth in Section 2.2.3 of the Disclosure Schedule specify for each Key Holder (i) the vesting commencement date for each issuance of shares to or options held by such Key Holder, (ii) the number of shares or options held by such Key Holder that are currently vested, (iii) the number of shares or options held by such Key Holder that remain subject to vesting and/or the Company's repurchase right and (iv) the terms and conditions, if any, under which the Key Holders' Vesting Schedules would be accelerated. Other than the Key Holders' Shares, which vest pursuant to the applicable Key Holders' Vesting Schedules, (x) all options granted and Common Stock outstanding vest as follows: twenty-five percent (25%) of the shares vest one (1) year following the vesting commencement date, with the remaining seventy-five percent (75%) vesting in equal installments over the next three (3) years and (y) no stock plan, stock purchase, stock option or other agreement or understanding between the Company and any holder of any equity securities or rights to purchase equity securities provides for acceleration or other changes in the vesting provisions or other terms of such agreement or understanding as the result of (i) termination of employment (whether actual or constructive), (ii) any merger, consolidated sale of stock or assets, change in control or any other transaction(s) by the Company, or (iii) the occurrence of any other event or combination of events.

2.3 Subsidiaries. The Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement.

2.4 Authorization. All corporate action has been taken, or will be taken prior to the applicable Closing, on the part of the Board and stockholders that is necessary for the authorization, execution and delivery of this Agreement by the Company and the performance by the Company of the obligations to be performed by the Company as of the date hereof under this Agreement. This Agreement, when executed and delivered by the Company, shall constitute the valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, or (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

2.5 Valid Issuance of Shares. The shares of Series Seed Preferred Stock, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be duly authorized, validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under this Agreement, applicable state and federal securities laws and liens or encumbrances created by or imposed by a Purchaser. Based in part on the accuracy of the representations of the Purchasers in Section 3 of this Agreement and subject to filings pursuant to Regulation D of the Securities Act of 1933, as amended (the "**Securities Act**"), and applicable state securities laws, the offer, sale and issuance of the shares of Series Seed Preferred Stock to be issued pursuant to and in conformity with the terms of this Agreement and the issuance of the Common Stock, if any, to be issued upon conversion thereof for no additional consideration and pursuant to the Restated Charter, will be issued in compliance with all applicable federal and state securities laws. The Common Stock issuable upon conversion of the shares of Series Seed Preferred Stock has been duly reserved for issuance, and upon issuance in accordance with the terms of the Restated Charter, will be duly authorized, validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under this Agreement, applicable federal and state securities laws and liens or encumbrances created by or imposed by a Purchaser. Based in part upon the representations of the Purchasers in Section 3 of this Agreement, and subject to filings pursuant to Regulation D of the Securities Act and applicable state securities laws, the Common Stock issuable upon conversion of the shares of Series Seed Preferred Stock will be issued in compliance with all applicable federal and state securities laws.

2.6 Litigation. There is no pending action, suit, proceeding, arbitration, mediation, complaint, claim, charge or investigation before any court, arbitrator, mediator or governmental body or, to the Company's knowledge, currently threatened in writing (a) against the Company or (b) against any consultant, officer, director or key employee of the Company arising out of his or her consulting, employment or board relationship with the Company or that could otherwise materially impact the Company.

2.7 Intellectual Property. The Company owns or possesses sufficient legal rights to all Intellectual Property (as defined below) that is necessary to the conduct of the Company's business as now conducted and as presently proposed to be conducted (the "**Company Intellectual Property**") without any violation or infringement (or in the case of third-party patents, patent applications, trademarks, trademark applications, service marks, or service mark applications, without any violation or infringement known to the Company) of the rights of others. No product or service marketed or sold (or

proposed to be marketed or sold) by the Company violates or will violate any license or infringes or will infringe any rights to any patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, trade secrets, licenses, domain names, mask works, information and proprietary rights and processes (collectively, "**Intellectual Property**") of any other party, except that with respect to third-party patents, patent applications, trademarks, trademark applications, service marks, or service mark applications the foregoing representation is made to the Company's knowledge only. Other than with respect to commercially available software products under standard end-user object code license agreements, there is no outstanding option, license, agreement, claim, encumbrance or shared ownership interest of any kind relating to the Company Intellectual Property, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the Intellectual Property of any other person. The Company has not received any written communications alleging that the Company has violated or, by conducting its business, would violate any of the Intellectual Property of any other person.

2.8 Employee and Consultant Matters. Each current and former employee, consultant and officer of the Company has executed an agreement with the Company regarding confidentiality and proprietary information substantially in the form or forms made available to the Purchasers or delivered to the counsel for the Purchasers. No current or former employee or consultant has excluded any work or invention from his or her assignment of inventions. To the Company's knowledge, no such employees or consultants is in violation thereof. To the Company's knowledge, none of its employees is obligated under any judgment, decree, contract, covenant or agreement that would materially interfere with such employee's ability to promote the interest of the Company or that would interfere with such employee's ability to promote the interests of the Company or that would conflict with the Company's business.

2.9 Compliance with Other Instruments. The Company is not in violation or default (a) of any provisions of the Restated Charter or the Company's bylaws, (b) of any judgment, order, writ or decree of any court or governmental entity, (c) under any agreement, instrument, contract, lease, note, indenture, mortgage or purchase order to which it is a party that is required to be listed on the Disclosure Schedule, or, (d) to its knowledge, of any provision of federal or state statute, rule or regulation materially applicable to the Company. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement will not result in any such violation or default, or constitute, with or without the passage of time and giving of notice, either (i) a default under any such judgment, order, writ, decree, agreement, instrument, contract, lease, note, indenture, mortgage or purchase order or (ii) an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company.

2.10 Title to Property and Assets. The Company owns its properties and assets free and clear of all mortgages, deeds of trust, liens, encumbrances and security interests except for statutory liens for the payment of current taxes that are not yet delinquent and liens, encumbrances and security interests which arise in the ordinary course of business and which do not affect material properties and assets of the Company. With respect to the property and assets it leases, the Company is in material compliance with each such lease.

2.11 Agreements. Except for this Agreement, there are no agreements, understandings, instruments, contracts or proposed transactions to which the Company is a party that involve (a) obligations (contingent or otherwise) of, or payments to, the Company in excess of $50,000, (b) the license of any Intellectual Property to or from the Company other than licenses with respect to commercially available software products under standard end-user object code license agreements or standard customer terms of service and privacy policies for Internet sites, (c) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other person, or that limit the

Company's exclusive right to develop, manufacture, assemble, distribute, market or sell its products, or (d) indemnification by the Company with respect to infringements of proprietary rights other than standard customer or channel agreements (each, a "**Material Agreement**"). The Company is not in material breach of any Material Agreement. Each Material Agreement is in full force and effect and is enforceable by the Company in accordance with its respective terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or others laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) the effect of rules of law governing the availability of equitable remedies.

2.12 Liabilities. The Company has no liabilities or obligations, contingent or otherwise, in excess of $25,000 individually or $100,000 in the aggregate.

3. REPRESENTATIONS AND WARRANTIES AND COVENANTS OF THE PURCHASERS. Each Purchaser hereby represents and warrants to the Company, severally and not jointly, as follows.

3.1 Authorization. The Purchaser has full power and authority to enter into this Agreement. This Agreement, when executed and delivered by the Purchaser, will constitute a valid and legally binding obligation of the Purchaser, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other laws of general application relating to or affecting the enforcement of creditors' rights generally, or (b) the effect of rules of law governing the availability of equitable remedies.

3.2 Purchase Entirely for Own Account. This Agreement is made with the Purchaser in reliance upon the Purchaser's representation to the Company, which by the Purchaser's execution of this Agreement, the Purchaser hereby confirms, that the shares of Series Seed Preferred Stock to be acquired by the Purchaser will be acquired for investment for the Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not presently have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the shares of Series Seed Preferred Stock. The Purchaser has not been formed for the specific purpose of acquiring the shares of Series Seed Preferred Stock.

3.3 Disclosure of Information. The Purchaser has had an opportunity to discuss the Company's business, management, financial affairs and the terms and conditions of the offering of the shares of Series Seed Preferred Stock with the Company's management. Nothing in this Section 3, including the foregoing sentence, limits or modifies the representations and warranties of the Company in Section 2 of this Agreement or the right of the Purchasers to rely thereon.

3.4 Restricted Securities. The Purchaser understands that the shares of Series Seed Preferred Stock have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein. The Purchaser understands that the shares of Series Seed Preferred Stock are "restricted securities" under applicable United States federal and state securities laws and that, pursuant to these laws, the Purchaser must hold the shares of Series Seed Preferred Stock indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities or an exemption from such registration and qualification requirements is available. The Purchaser acknowledges that the Company has no obligation to register or qualify the shares of Series Seed

Preferred Stock, or the Common Stock into which it may be converted, for resale. The Purchaser further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the shares of Series Seed Preferred Stock, and on requirements relating to the Company which are outside of the Purchaser's control, and which the Company is under no obligation and may not be able to satisfy.

3.5 No Public Market. The Purchaser understands that no public market now exists for the shares of Series Seed Preferred Stock, and that the Company has made no assurances that a public market will ever exist for the shares of Series Seed Preferred Stock.

3.6 Legends. The Purchaser understands that the shares of Series Seed Preferred Stock and any securities issued in respect of or exchange for the shares of Series Seed Preferred Stock, may bear any one or more of the following legends: (a) any legend set forth in, or required by, this Agreement; (b) any legend required by the securities laws of any state to the extent such laws are applicable to the shares of Series Seed Preferred Stock represented by the certificate so legended; and (c) the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED."

3.7 Accredited and Sophisticated Purchaser. The Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. The Purchaser is an investor in securities of companies in the development stage and acknowledges that Purchaser is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the shares of Series Seed Preferred Stock. If other than an individual, Purchaser also represents it has not been organized for the purpose of acquiring the shares of Series Seed Preferred Stock.

3.8 No General Solicitation. Neither the Purchaser nor any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including through a broker or finder (a) engaged in any general solicitation with respect to the offer and sale of the shares of Series Seed Preferred Stock, or (b) published any advertisement in connection with the offer and sale of the shares of Series Seed Preferred Stock.

3.9 Exculpation Among Purchasers. The Purchaser acknowledges that it is not relying upon any person, other than the Company and its officers and directors, in making its investment or decision to invest in the Company. The Purchaser agrees that neither any Purchaser nor the respective controlling persons, officers, directors, partners, agents, or employees of any Purchaser shall be liable to any other Purchaser for any action heretofore taken or omitted to be taken by any of them in connection with the purchase of the shares of Series Seed Preferred Stock.

3.10 Residence. If the Purchaser is an individual, then the Purchaser resides in the state identified in the address of the Purchaser set forth on the signature page hereto and/or on Schedule 1; if the Purchaser is a partnership, corporation, limited liability company or other entity, then the office or offices of the Purchaser in which its principal place of business is identified in the address or addresses of the Purchaser set forth on the signature page hereto and/or on Schedule 1. In the event that the Purchaser is not a resident of the United States, such Purchaser hereby agrees to make such additional representations and warranties relating to such Purchaser's status as a non-United States resident as reasonably may be requested by the Company and to execute and deliver such documents or agreements as reasonably may be requested by the Company relating thereto as a condition to the purchase and sale of any shares of Series Seed Preferred Stock by such Purchaser.

4. COVENANTS OF THE COMPANY.

4.1 Information Rights.

4.1.1 Basic Financial Information. The Company shall furnish to each Purchaser holding that number of shares equal to or in excess of the quotient determined by dividing (x) the Major Purchaser Dollar Threshold by (y) the Purchase Price, rounded up to the next whole share (a "**Major Purchaser**") and any entity that requires such information pursuant to its organizational documents when available annual unaudited financial statements for each fiscal year of the Company, including an unaudited balance sheet as of the end of such fiscal year, an unaudited income statement, and an unaudited statement of cash flows, all prepared in accordance with generally accepted accounting principles and practices. If the Company has audited records of the foregoing, it shall provide those in lieu of the unaudited versions.

4.1.2 Confidentiality. Anything in this Agreement to the contrary notwithstanding, no Purchaser by reason of this Agreement shall have access to any trade secrets or confidential information of the Company. The Company shall not be required to comply with any information rights of any Purchaser whom the Company reasonably determines to be a competitor or an officer, employee, director, or holder of ten percent (10%) or more of a competitor. Each Purchaser shall keep confidential and shall not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement other than to any of the Purchaser's attorneys, accountants, consultants, and other professionals, to the extent necessary to obtain their services in connection with monitoring the Purchaser's investment in the Company.

4.1.3 Inspection Rights. The Company shall permit each Major Purchaser to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by such Major Purchaser.

4.2 Additional Rights and Obligations. If the Company issues securities in its next equity financing after the date hereof (the "**Next Financing**") that (a) have rights, preferences or privileges that are more favorable than the terms of the shares of Series Seed Preferred Stock, such as price-based anti-dilution protection, or (b) provide all such future investors other contractual terms such as registration rights, the Company shall provide substantially equivalent rights to the Purchasers with respect to the shares of Series Seed Preferred Stock (with appropriate adjustment for economic terms or other contractual rights), subject to such Purchaser's execution of any documents, including, if applicable, investor rights, co-sale, voting, and other agreements, executed by the investors purchasing securities in the Next Financing (such documents, the "**Next Financing Documents**"). Any Major Purchaser will remain a Major Purchaser for all purposes in the Next Financing Documents to the extent such concept

exists. Notwithstanding anything herein to the contrary, subject to the provisions of Section 8.11, upon the execution and delivery of the Next Financing Documents by Purchasers holding a majority of the then-outstanding shares of Series Seed Preferred Stock held by all Purchasers, this Agreement (excluding any then-existing and outstanding obligations) shall be amended and restated by and into such Next Financing Documents and shall be terminated and of no further force or effect.

4.3 Reservation of Common Stock. The Company shall at all times reserve and keep available, solely for issuance and delivery upon the conversion of the Series Seed Preferred Stock, all Common Stock issuable from time to time upon conversion of that number of shares of Series Seed Preferred Stock equal to the Total Shares Authorized for Sale, regardless of whether or not all such shares have been issued at such time.

5. RESTRICTIONS ON TRANSFER; DRAG ALONG.

5.1 Limitations on Disposition. Any person owning of record shares of Series Seed Preferred Stock, Common Stock of the Company issued or issuable pursuant to the conversion of the shares of Series Seed Preferred Stock or any shares of Common Stock of the Company issued as a dividend or other distribution with respect thereto or in exchange therefor or in replacement thereof (collectively, the "**Securities**") or any assignee of record of Securities (each such person, a "**Holder**") shall not make any disposition of all or any portion of any Securities unless:

(a) there is then in effect a registration statement under the Securities Act, covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(b) such Holder has notified the Company of the proposed disposition and has furnished the Company with a statement of the circumstances surrounding the proposed disposition, and, at the expense of such Holder or its transferee, with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such securities under the Securities Act.

Notwithstanding the provisions of Sections 5.1(a) and (b), no such registration statement or opinion of counsel will be required: (i) for any transfer of any Securities in compliance with the Securities and Exchange Commission's Rule 144 or Rule 144A, or (ii) for any transfer of any Securities by a Holder that is a partnership, limited liability company, a corporation, or a venture capital fund to (A) a partner of such partnership, a member of such limited liability company, or stockholder of such corporation, (B) an affiliate of such partnership, limited liability company or corporation (including, any affiliated investment fund of such Holder), (C) a retired partner of such partnership or a retired member of such limited liability company, (D) the estate of any such partner, member, or stockholder, or (iii) for the transfer without additional consideration or at no greater than cost by gift, will, or intestate succession by any Holder to the Holder's spouse or lineal descendants or ancestors or any trust for any of the foregoing; provided that, in the case of clauses (ii) and (iii), the transferee agrees in writing to be subject to the terms of this Agreement to the same extent as if the transferee were an original Purchaser under this Agreement.

5.2 "Market Stand-Off" Agreement. To the extent requested by the Company or an underwriter of securities of the Company, each Holder shall not sell or otherwise transfer or dispose of any Securities or other shares of stock of the Company then owned by such Holder (other than to donees or partners of the Holder who agree to be similarly bound) for up to 180 days following the effective date of any registration statement of the Company filed under the Securities Act; provided however that, if during the last 17 days of the restricted period the Company issues an earnings release or material news or

a material event relating to the Company occurs, or before the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, and if the Company's securities are listed on the Nasdaq Stock Market and Rule 2711 thereof applies, then the restrictions imposed by this Section 5.2 will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event; provided, further, that such automatic extension will not apply to the extent that the Financial Industry Regulatory Authority has amended or repealed NASD Rule 2711(f)(4), or has otherwise provided written interpretive guidance regarding such rule, in each case, so as to eliminate the prohibition of any broker, dealer, or member of a national securities association from publishing or distributing any research report, with respect to the securities of an "emerging growth company" (as defined in the Jumpstart Our Business Startups Act of 2012) before or after the expiration of any agreement between the broker, dealer, or member of a national securities association and the emerging growth company or its stockholders that restricts or prohibits the sale of securities held by the emerging growth company or its stockholders after the initial public offering date. In no event will the restricted period extend beyond 215 days after the effective date of the registration statement. For purposes of this Section 5.2, "Company" includes any wholly-owned subsidiary of the Company into which the Company merges or consolidates. The Company may place restrictive legends on the certificates representing the shares subject to this Section 5.2 and may impose stop transfer instructions with respect to the Securities and such other shares of stock of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period. Each Holder shall enter into any agreement reasonably required by the underwriters to implement the foregoing within any reasonable timeframe so requested.

5.3 Drag Along Right. If a Deemed Liquidation Event (as defined in the Restated Charter) is approved by each of (i) the holders of a majority of the shares of Common Stock then-outstanding (other than those issued or issuable upon conversion of the shares of Series Seed Preferred Stock), (ii) the holders of a majority of the Series Seed Preferred Stock then-outstanding and (iii) the Board, then each Stockholder shall vote (in person, by proxy or by action by written consent, as applicable) all shares of capital stock of the Company now or hereafter directly or indirectly owned of record or beneficially by such Stockholder (collectively, the "**Shares**") in favor of, and adopt, such Deemed Liquidation Event and to execute and deliver all related documentation and take such other action in support of the Deemed Liquidation Event as may reasonably be requested by the Company to carry out the terms and provision of this Section 5.3, including executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, indemnity agreement, escrow agreement, consent, waiver, governmental filing, share certificates duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances) and any similar or related documents. The obligation of any party to take the actions required by this Section 5.3 will not apply to a Deemed Liquidation Event if the other party involved in such Deemed Liquidation Event is an affiliate or stockholder of the Company holding more than 10% of the voting power of the Company. "**Stockholder**" means each Holder and Key Holder, and any transferee thereof.

5.4 Exceptions to Drag Along Right. Notwithstanding the foregoing, a Stockholder need not comply with Section 5.3 above in connection with any proposed Sale of the Company (the "**Proposed Sale**") unless:

(a) any representations and warranties to be made by the Stockholder in connection with the Proposed Sale are limited to representations and warranties related to authority, ownership and the ability to convey title to such Shares, including representations and warranties that (i) the Stockholder holds all right, title and interest in and to the Shares the Stockholder purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Stockholder in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Stockholder have been

duly executed by the Stockholder and delivered to the acquirer and are enforceable against the Stockholder in accordance with their respective terms and, (iv) neither the execution and delivery of documents to be entered into in connection with the transaction, nor the performance of the Stockholder's obligations thereunder, will cause a breach or violation of the terms of any agreement, law, or judgment, order, or decree of any court or governmental agency;

(b) the Stockholder will not be liable for the inaccuracy of any representation or warranty made by any other Person in connection with the Proposed Sale, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties, and covenants of the Company as well as breach by any stockholder of any identical representations, warranties and covenants provided by all stockholders);

(c) the liability for indemnification, if any, of the Stockholder in the Proposed Sale and for the inaccuracy of any representations and warranties made by the Company or its Stockholders in connection with such Proposed Sale, is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any stockholder of any identical representations, warranties, and covenants provided by all stockholders), and except as required to satisfy the liquidation preference of the Series Seed Preferred Stock, if any, is pro rata in proportion to, and does not exceed, the amount of consideration paid to such Stockholder in connection with such Proposed Sale;

(d) liability will be limited to the Stockholder's applicable share (determined based on the respective proceeds payable to each Stockholder in connection with the Proposed Sale in accordance with the provisions of the Restated Charter) of a negotiated aggregate indemnification amount that applies equally to all Stockholders but that in no event exceeds the amount of consideration otherwise payable to the Stockholder in connection with the Proposed Sale, except with respect to claims related to fraud by the Stockholder, the liability for which need not be limited as to the Stockholder;

(e) upon the consummation of the Proposed Sale, (i) each holder of each class or series of the Company's stock will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock unless the holders of at least a majority of Series Seed Preferred Stock elect otherwise, (ii) each holder of a series of Series Seed Preferred Stock will receive the same amount of consideration per share of such series of Series Seed Preferred Stock as is received by other holders in respect of their shares of such same series, (iii) each holder of Common Stock will receive the same amount of consideration per share of Common Stock as is received by other holders in respect of their shares of Common Stock, and (iv) unless the holders of at least a majority of the Series Seed Preferred Stock elect to receive a lesser amount, the aggregate consideration receivable by all holders of the Preferred Stock and Common Stock shall be allocated among the holders of Preferred Stock and Common Stock on the basis of the relative liquidation preferences to which the holders of each respective series of Preferred Stock and the holders of Common Stock are entitled in a Deemed Liquidation Event (assuming for this purpose that the Proposed Sale is a Deemed Liquidation Event) in accordance with the Company's Restated Charter in effect immediately prior to the Proposed Sale.

6. PARTICIPATION RIGHT.

6.1 General. Each Major Purchaser has the right of first refusal to purchase the Major Purchaser's Pro Rata Share of any New Securities (as defined below) that the Company may from time to time issue after the date of this Agreement, provided, however, the Major Purchaser will have no right to purchase any such New Securities if the Major Purchaser cannot demonstrate to the Company's reasonable satisfaction that such Major Purchaser is at the time of the proposed issuance of such New

Securities an "accredited investor" as such term is defined in Regulation D under the Securities Act. A Major Purchaser's "**Pro Rata Share**" for means the ratio of (a) the number of shares of the Company's Common Stock issued or issuable upon conversion of the shares of Series Seed Preferred Stock owned by such Major Purchaser, to (b) the Fully-Diluted Share Number.

6.2 New Securities. "**New Securities**" means any Common Stock or Preferred Stock, whether now authorized or not, and rights, options or warrants to purchase Common Stock or Preferred Stock, and securities of any type whatsoever that are, or may become, convertible or exchangeable into Common Stock or Preferred Stock; provided, however, that "New Securities" does not include: (a) shares of Common Stock issued or issuable upon conversion of any outstanding shares of Preferred Stock; (b) shares of Common Stock or Preferred Stock issuable upon exercise of any options, warrants, or rights to purchase any securities of the Company outstanding as of the Agreement Date and any securities issuable upon the conversion thereof; (c) shares of Common Stock or Preferred Stock issued in connection with any stock split or stock dividend or recapitalization; (d) shares of Common Stock (or options, warrants or rights therefor) granted or issued after the Agreement Date to employees, officers, directors, contractors, consultants or advisers to, the Company or any subsidiary of the Company pursuant to incentive agreements, stock purchase or stock option plans, stock bonuses or awards, warrants, contracts or other arrangements that are approved by the Board; (e) shares of the Company's Series Seed Preferred Stock issued pursuant to this Agreement; (f) any other shares of Common Stock or Preferred Stock (and/or options or warrants therefor) issued or issuable primarily for other than equity financing purposes and approved by the Board; and (g) shares of Common Stock issued or issuable by the Company to the public pursuant to a registration statement filed under the Securities Act.

6.3 Procedures. If the Company proposes to undertake an issuance of New Securities, it shall give notice to each Major Purchaser of its intention to issue New Securities (the "**Notice**"), describing the type of New Securities and the price and the general terms upon which the Company proposes to issue the New Securities. Each Major Purchaser will have (10) days from the date of notice, to agree in writing to purchase such Major Purchaser's Pro Rata Share of such New Securities for the price and upon the general terms specified in the Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Major Purchaser's Pro Rata Share).

6.4 Failure to Exercise. If the Major Purchasers fail to exercise in full the right of first refusal within the 10-day period, then the Company will have one hundred twenty (120) days thereafter to sell the New Securities with respect to which the Major Purchasers' rights of first refusal hereunder were not exercised, at a price and upon general terms not materially more favorable to the purchasers thereof than specified in the Company's Notice to the Major Purchasers. If the Company has not issued and sold the New Securities within the 120-day period, then the Company shall not thereafter issue or sell any New Securities without again first offering those New Securities to the Major Purchasers pursuant to this Section 6.

7. ELECTION OF BOARD OF DIRECTORS.

7.1 Voting; Board Composition. Subject to the rights of the stockholders to remove a director for cause in accordance with applicable law, during the term of this Agreement, each Stockholder shall vote (or consent pursuant to an action by written consent of the stockholders) all shares of capital stock of the Company now or hereafter directly or indirectly owned of record or beneficially by the Stockholder (the "**Voting Shares**"), or to cause the Voting Shares to be voted, in such manner as may be necessary to elect (and maintain in office) as the members of the Board that number of individuals, if any, equal to the Common Board Member Count (collectively, the "**Common Board Designees**" and each a "**Board Designee**) designated from time to time in a writing delivered to the Company and signed

by Common Control Holders who then hold shares of issued and outstanding Common Stock of the Company representing a majority of the voting power of all issued and outstanding shares of Common Stock then held by all Common Control Holders.

Subject to the rights of the stockholders of the Company to remove a director for cause in accordance with applicable law, during the term of this Agreement, a Stockholder shall not take any action to remove an incumbent Board Designee or to designate a new Board Designee unless such removal or designation of a Board Designee is approved in a writing signed by the parties entitled to designate the Board Designee. Each Stockholder hereby appoints, and shall appoint, the then-current Chief Executive Officer of the Company, as the Stockholder's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to vote all shares of the Company's capital stock held by the Stockholder as set forth in this Agreement and to execute all appropriate instruments consistent with this Agreement on behalf of the Stockholder if, and only if, the Stockholder (a) fails to vote or (b) attempts to vote (whether by proxy, in person or by written consent), in a manner which is inconsistent with the terms of this Agreement, all of the Stockholder's Voting Shares or execute such other instruments in accordance with the provisions of this Agreement within five days of the Company's or any other party's written request for the Stockholder's written consent or signature. The proxy and power granted by each Stockholder pursuant to this Section are coupled with an interest and are given to secure the performance of the Stockholder's duties under this Agreement. Each such proxy and power will be irrevocable for the term of this Agreement. The proxy and power, so long as any Stockholder is an individual, will survive the death, incompetency and disability of such Stockholder and, so long as any Stockholder is an entity, will survive the merger or reorganization of the Stockholder or any other entity holding Voting Shares.

8. GENERAL PROVISIONS.

8.1 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties to this Agreement or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. No Stockholder may transfer Shares unless each transferee agrees to be bound by the terms of this Agreement.

8.2 Governing Law. This Agreement is governed by the Laws of Washington, D.C., regardless of the laws that might otherwise govern under applicable principles of choice of law. Jurisdiction and venue shall solely be that of Washington, D.C.

8.3 Counterparts; Facsimile or Electronic Signature. This Agreement may be executed and delivered by facsimile or electronic signature and in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

8.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. References to sections or subsections within this set of Agreement Terms shall be deemed to be references to the sections of this set of Agreement Terms contained in Exhibit B to the Agreement, unless otherwise specifically stated herein.

8.5 Notices. All notices and other communications given or made pursuant to this Agreement must be in writing and will be deemed to have been given upon the earlier of actual receipt or: (a) personal delivery to the party to be notified, (b) when sent, if sent by facsimile or electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five days after having been sent by registered or certified mail, return

receipt requested, postage prepaid, or (d) one business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications must be sent to the respective parties at their address as set forth on the signature page or Schedule 1, or to such address, facsimile number or electronic mail address as subsequently modified by written notice given in accordance with this Section 8.5.

8.6 No Finder's Fees. Each party severally represents to the other parties that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. Each Purchaser shall indemnify, defend, and hold harmless the Company from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Purchaser or any of its officers, employees, or representatives is responsible. The Company shall indemnify, defend, and hold harmless each Purchaser from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

8.7 Attorneys' Fees. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which the party may be entitled. Each party shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery, and performance of the Agreement; provided, however, that the Company shall, at the Closing, reimburse the fees and expenses of one counsel for Purchasers, for a flat fee equal to the Purchaser Counsel Reimbursement Amount.

8.8 Amendments and Waivers. Except as specified in Section 1.2.2, any term of this Agreement may be amended, terminated or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Purchasers holding a majority of the then-outstanding shares of Common Stock and Series Seed Preferred Stock (or Common Stock issued on conversion thereof). Notwithstanding the foregoing, the addition of a party to this Agreement pursuant to a transfer of Shares in accordance with Section 8.1 will not require any further consent. Any amendment or waiver effected in accordance with this Section 8.8 will be binding upon the Purchasers, the Key Holders, each transferee of the shares of Series Seed Preferred Stock (or the Common Stock issuable upon conversion thereof) or Common Stock from a Purchaser or Key Holders, as applicable, and each future holder of all such securities, and the Company. It is specifically intended that entering into the Next Financing Agreements in a form substantially similar to the form agreements set as forth as Model Legal Documents on http://www.nvca.org shall be considered an amendment to this Agreement provided that it is done in accordance with this Section 8.8.

8.9 Severability. The invalidity or unenforceability of any provision of this Agreement will in no way affect the validity or enforceability of any other provision.

8.10 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, will impair any such right, power or remedy of such non-breaching or non-defaulting party nor will it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor will any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such

writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, are cumulative and not alternative.

8.11 Termination. Unless terminated earlier pursuant to the terms of this Agreement, (x) the rights, duties and obligations under Sections 4, 6 and 7 will terminate immediately prior to the closing of the Company's initial public offering of Common Stock pursuant to an effective registration statement filed under the Securities Act, (y) notwithstanding anything to the contrary herein, this Agreement (excluding any then-existing obligations) will terminate upon the closing of a Deemed Liquidation Event as defined in the Company's Restated Charter, as amended from time to time and (z) notwithstanding anything to the contrary herein, Section 1, Section 2, Section 3, Section 4.1.2 and this Section 8 will survive any termination of this Agreement.

8.12 Dispute Resolution. Each party (a) hereby irrevocably and unconditionally submits to the personal jurisdiction of the Dispute Resolution Jurisdiction, Washington, D.C. for the purpose of any suit, action, or other proceeding arising out of or based upon this Agreement; (b) shall not commence any suit, action or other proceeding arising out of or based upon this Agreement except in the Dispute Resolution Jurisdiction; and (c) hereby waives, and shall not assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject to the personal jurisdiction of the Dispute Resolution Jurisdiction, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement, or the subject matter hereof and thereof may not be enforced in or by the Dispute Resolution Jurisdiction.

[PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

Digital Candy, Inc.:

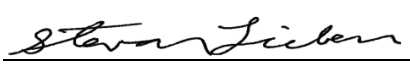
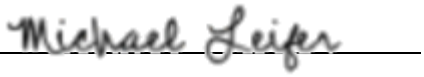
By: _____

Name: Stevan Lieberman

Title: Chief Operating Officer

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

KEY HOLDERS:

By:  By: 

Name: Stevan Lieberman Name: Michael Leifer

Address: 800 Silver Spring Ave, Address: 136 Meernaa Avenue

Silver Spring, MD 20910 Fairfax, CA 94930

Email: Stevan.Lieberman@digitalcandy.com Michael.Leifer@digitalcandy.com

By:  By: 

Its: Member

Name: Greenberg & Lieberman, LLC Name: Michael St. John

Address: 1775 Eye St NW, Suite 1150 Address: 124 French Coach Rd.,

Washington, DC 20006 Milford PA, 18337

Email: Stevan@APlegal.com Email: stjohn@digitalcandy.com

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

PURCHASERS:

[FOR ENTITY INVESTOR USE FOLLOWING SIGNATURE BLOCK:]	***[FOR INDIVIDUAL INVESTOR USE FOLLOWING SIGNATURE BLOCK:]***
Name: _____	Name: _____
By: _____	By: _____
Title: _____	
Address: _____	Address: _____
Email: _____	Email: _____

Investor is Investing $_____ in exchange for stock at the current above listed valuation.

Payment Methods

Checks should be sent to: **Digital Candy, C/O Greenberg & Lieberman, LLC** 1775 Eye St NW, Suite 1150, Wash, DC 20006 PayPal Should be sent to: Escrow@aplegal.com	Wires should be sent to: Wells Fargo Bank, N.A., TX 78681 Account: 1197010703 Routing: 121000248. ACH and Check order routing: 111900659 Recipient Digital Candy, Inc. http://www.DigitalCandy.com 1775 Eye St NW, Suite 1150 Wash, DC 20006Ph: 202-625-7000

EXHIBIT C

FORM OF RESTATED CHARTER

(See attached)

EXHIBIT D

DISCLOSURE SCHEDULE

Section 2.2.2 – Key Holder Vesting Schedule

- The Company granted 12,500 non-statutory stock options to Candy Berhardt in exchange for the social media urls facebook.com/digitalcandy & twitter.com/digitalcandy.

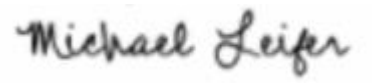
Section 2.2.3 – Key Holder Vesting Schedule

Name	Vesting Commencement Date	Number of Shares Currently Vested	Number of Shared Subject to Vesting	Acceleration
Stevan Lieberman	8/18/15	1,563,300	521,100	Liquidation Event
Michael Leifer	8/18/15	281,250	281,250	Liquidation Event
Michael St. John	8/18/15	579,375	579,375	Liquidation Event
Greenberg & Lieberman, LLC	N/A	694,350	0	N/A

EXHIBIT E

BYLAWS

(See attached)



ACCREDITED INVESTOR QUESTIONNAIRE

All Investors Must Complete This Section

1. Investor qualifies as an "Accredited Investor" as indicated (please initial the appropriate alternative[s]):

A. If a natural person, I or together with my spouse have a net worth that exceeds $1,000,000 at the time of purchase of Series Seed Preferred Stock of Digital Candy, Inc. (the "Company"). For purposes of this item, "net worth" means the excess of total assets at fair market value (including personal and real property, but excluding the estimated fair market value of a person's primary home) over total liabilities. Total liabilities excludes any mortgage on the primary home in an amount of up to the home's estimated fair market value as long as the mortgage was incurred more than 60 days before the Securities are purchased, but includes (i) any mortgage amount in excess of the home's fair market value and (ii) any mortgage amount that was borrowed during the 60-day period before the closing date for the sale of the Series Seed Preferred Stock for the purpose of investing in the Series Seed Preferred Stock.

Yes_____ No_____

OR:

If a natural person, my individual annual gross income exceeds $200,000 (or exceeds $300,000 husband and wife combined) for each of the last two years and I (we) expect to have at least that much gross income in the current year.

Yes_____ No_____

B. If a trust, it has total assets in excess of $5,000,000 and was not formed for the specific purpose of subscribing to the Series Seed Preferred Stock and its subscription to the Series Seed Preferred Stock is directed by a person who has such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the investment.

Yes_____ No_____

C. If a corporation, partnership, limited liability company or other entity, all of the equity owners (or partners) of the entity qualify as Accredited Investors pursuant to paragraph 1(A) above.

Yes_____ No_____

D. If an employee benefit plan subject to ERISA, the plan has a fiduciary which is a bank, insurance company, or registered investment advisor, or the plan has total assets in excess of $5,000,000 or, if a self-directed plan, investment decisions are made solely by persons that are accredited investors.

Yes_____ No_____

E. I am an executive officer or director of the Company.

Yes_____ No_____

2. If the Investor qualifies as an Accredited Investor under Paragraph 1(B) above, Investor represents that it has furnished, or will furnish within five (5) business days of the date hereof, such information as may be required to satisfy the Company that such trust was not formed specifically for the purpose of making this investment. By answering yes below, the entity represents that it has provided to the Company a copy of its Partnership Agreement or, as applicable, a copy of its Articles of Incorporation, Articles of Formation or other incorporation documents.

Yes_____ No_____

All Investors Represent That:

(a) the information contained herein is complete and accurate and may be relied upon, and

(b) the Company will be notified immediately of any material changes in this subscription information.

IN WITNESS WHEREOF, the undersigned has initialed the foregoing statements and have executed this Investor Questionnaire on _____ [date].

FOR SUBSCRIBER:

By: _____

Name: _____

Date: _____

If Subscriber is a legal entity other than an individual:

Title of above signatory: _____

Name of entity: _____

RISK FACTORS

The Series Seed Preferred Stock offered hereby are speculative and involve a high degree of risk. You should carefully consider the risks and uncertainties described below before making an investment decision. The purchase of Series Seed Preferred Stock is suitable for persons or entities that can afford the risk of the loss of their entire investment. The Company's business, financial condition and operating results could be adversely affected by any of the following factors, and you could lose part or all of your investment. The risks and uncertainties described below are by no means exhaustive. Additional risks and uncertainties not currently known to Management, or that Management currently think are immaterial, may also impair the Company's business, financial condition, and results of operations.

Lack of liquidity: There is no present market for the Series Seed Preferred Stock and there can be no assurance that a public market will develop as a result of the sale of the Series Seed Preferred Stock and none is expected to ever develop. Therefore, investors may find it difficult or impossible to liquidate their investments at a time when they may desire to do so. The Company is not obligated to register for sale under either federal or state securities laws the Series Seed Preferred Stock purchased pursuant hereto in reliance upon certain exemptions. Accordingly, the sale, transfer or other disposition of any of the Series Seed Preferred Stock, which are purchased pursuant hereto, are substantially restricted by certain applicable federal and state securities laws. The resale, transfer or other disposition of the Series Seed Preferred Stock is also prohibited, unless the Board of Directors consents, which they are not obligated to do. Investors shall be required to bear the economic risks of this investment for an indefinite period of time.

Management not required to devote its full time to the Company. Management of the Company will not be required to devote its full time, attention and energies to manage the Company, and it is understood and acknowledged that each of the Management personnel may have other business or professional interests and may engage in other activities in addition to those relating to the Company. Michael Leifer and Michael St. John will be devoting their full time to the Company and Stevan Lieberman will be devoting at least 50% of his time to the Company.

Investors do not participate in Management: The Company is managed by the Board of Directors. Holders of Series Seed Preferred Stock have no right to participate in the management or conduct of the business affairs of the Company, except as may be required by law.

Determination of per share price: The offering price for Series Seed Preferred Stock in the Company has been determined by the Company in its sole discretion after considering various factors, including the current assets of the Company, as well as the projected costs, expenses and risks associated with commercializing the Company's existing and future products, the experience of management, the Company's operational and financial projections, and other matters. Further, although there has been an attempt to value the assets of the Company, the price of each share of Series Seed Preferred Stock may not bear any relationship to the Company's asset value, net worth, revenues or other established financial criteria or value, and should not be considered indicative of the actual value of the equity in the Company represented by each share of Series Seed Preferred Stock or the future selling price thereof.

Limited Operating History: The Company is in a formative stage, and thus has a limited operating history upon which prospective investors may evaluate the Company's performance and prospects. The Company's operations and business are subject to the risks of an early stage company with no current revenues. Economic conditions may vary widely, which may produce materially different results. In this developmental stage, costs to date have been incurred by the Company in order to create the legal entity, prepare the Company for this offering, and conduct its operations.

The Company has limited resources and continuing losses: The Company has limited capitalization, earnings, and assets. The Company's operations are subject to all risk inherent with early stage companies. The likelihood of the success of the Company must be considered in light of the problems, expenses, difficulties, and delays frequently encountered with such companies, and the competitive environment of the industry in which it will compete. No assurance can be given that the Company will successfully implement any of its plans in a timely or effective manner or whether the Company will ever be able to generate revenues or operate profitably.

The success of the Company will be affected by the ability of Management to operate the business profitably and gain market acceptance of the Company's products: The Company has formulated its business plan and strategies based upon certain assumptions related to the desires of the target market. The Company's business plan and strategies incorporate the Company's current best analysis of potential markets, opportunities, and difficulties that face the Company. The Company's assessments regarding market size, market share, and/or market acceptance may prove to be incorrect and is therefore a risk factor related to this investment. No assurance can be given that the underlying assumptions accurately reflect current trends in technology companies or consumers' reaction to proposed products and services or that such will be successful. Envisioning the future is risky and while the Management's plan allows for midcourse changes and corrections, the underlying assumptions about the Company's products and the future environments are inherently more risky than today's assumptions and analysis. The business model presents Management's view of the industry and its ability to sustain the Company's operations and growth. However, underlying assumptions about industry demand, technological changes, and other business factors may affect results and have a material impact on profits or losses.

If the Company is unable to introduce new products or to make enhancements to existing products, the Company's growth rates would likely decline and the Company's business, results of operations and competitive position could suffer: The Company invests substantial amounts of time and resources in researching and developing its products by incorporating additional features, improving functionality and adding other improvements to meet end customers' rapidly evolving demands in its highly competitive industry. The size of the market currently addressed by the Company's products is not certain, and the Company's ability to grow its business in the future may depend upon its ability to introduce new products or enhance and improve its existing products for those markets or entry into new markets. The Company's growth would likely be adversely affected if it fails to introduce these new products or enhancements, fails to successfully manage the transition to new products from the products it is replacing or does not invest its development efforts in appropriate products or enhancements for significant new markets, or if these new products or enhancements do not attain market acceptance. The Company's products or enhancements may have limited value if they fail to achieve market acceptance, and there can be no assurance that the Company's sales efforts will be effective or that it will realize a positive return on any of these investments, even if the resultant products or enhancements achieve market acceptance.

The demand for the Company's product and related services may not grow as Management expects: The demand for image cataloguing depends upon the increasing size and complexity of networks, which may be driven by the rapid growth of new network-connected devices and applications, and the proliferation of virtualization and cloud computing expanding the opportunities for the unauthorized distribution of registered content. The market for image cataloguing has increased in recent years as organizations have attempted to protect and manage the dissemination of their intellectual property on the Internet. The Company's business plan assumes that the demand for image cataloguing will increase based on the foregoing factors. Ultimately, however, the factors driving demand for image cataloguing may not develop as quickly as the Company anticipates, or at all, and the growth of its business and results of operations may be adversely affected.

The developing and rapidly evolving nature of the Company's business and the markets in which it operates may make it difficult to evaluate its business: The Company depends, in part, on market acceptance of its products, and it is difficult to evaluate trends that may affect its business and whether any expansion will be profitable. Thus, any predictions about the Company's future revenue and expenses may not be as accurate as they would be if its business and market were more mature and stable.

Failure to protect the Company's intellectual property rights could adversely affect its business: The Company's success depends, in part, on its ability to protect proprietary methods and technologies that it develops under patent and other intellectual property laws of the United States so that it can prevent others from using the Company's inventions and proprietary information. If the Company fails to protect its intellectual property rights adequately, competitors might gain access to the Company's technology and business might be harmed. In addition, the Company might incur significant expenses in defending its intellectual property rights. Any of the Company's patents, copyrights, trademarks or other intellectual property rights could be challenged by others or invalidated through administrative process or litigation.

The Company could be required to spend significant resources to monitor and protect its intellectual property rights. Any litigation, whether or not resolved in the Company's favor, could result in significant expense to the Company and divert the efforts of Management, which might adversely affect its business, operating results and financial condition.

If the Company fails to manage future growth effectively, its business would be harmed: The Company operates in an emerging market, so it expects significant growth as the concept of image cataloguing becomes the best practice for businesses throughout the United States. Any future growth would place a strain on the Company's employees, management systems and other resources. Managing the Company's growth will require significant expenditures and allocation of valuable management resources. Further international expansion may be required for the Company's continued business growth, and managing any international expansion would require additional resources and controls. If the Company fails to achieve the necessary level of efficiency in its organization as it grows, its business, operating results and financial condition would be harmed.

Lack of Profit or Distributions; Possible Delays in the Receipt of Dividends: There can be no assurance that the proposed activities of the Company will result in sufficient revenues to enable the Company to make a profit or to generate positive cash flows in amounts sufficient to make distributions.

Future Funding Risks: It is anticipated that the proceeds to the Company from this sale of the Series Seed Preferred Stock will not be sufficient to sustain operations and additional capital will be needed in the future. There can be no assurance that such additional funding will be available in the amounts, on terms, or at the times acceptable to and/or required by the Company. Additional equity financing may involve dilution of the Series Seed Preferred Stock being offered, and the ownership percentage of the then existing stockholders, including the prospective investors in the Series Seed Preferred Stock offered hereunder.

Private Offering Exemptions: The Series Seed Preferred Stock are being offered to prospective investors under the private offering exemptions from registration available under the Securities Act of 1933, as amended, and the laws of the States in which the Series Seed Preferred Stock will be sold. If the Company should fail to comply with the requirements of these exemptions, investors may have the right to rescind their purchases if they so desire.

Forward Looking Statements: THIS INFORMATION CONTAINS FORWARD-LOOKING STATEMENTS REGARDING THE COMPANY'S BUSINESS AND PROSPECTS AND REFLECT

THE COMPANY'S CURRENT VIEW WITH RESPECT THERETO. SUCH STATEMENTS ARE ONLY PREDICTIONS BASED ON CURRENT INFORMATION AND EXPECTATIONS AND ARE BASED ON NUMEROUS ASSUMPTIONS ABOUT FUTURE CONDITIONS, WHICH MAY ULTIMATELY PROVE TO BE INACCURATE. AS SUCH, ACTUAL RESULTS MAY MATERIALLY DIFFER FROM THE ANTICIPATED RESULTS DESCRIBED IN SUCH STATEMENTS. THE COMPANY'S ABILITY TO ACHIEVE THE RESULTS DESCRIBED HEREIN IS SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES, INCLUDING, BUT NOT LIMITED TO, DEMAND FOR THE COMPANY'S PRODUCTS AND SERVICES, THE IMPACT OF COMPETITION, AND CHANGING MARKET CONDITIONS. ALL FORWARD-LOOKING STATEMENTS ARE QUALIFIED IN THEIR ENTIRETY BY THIS DISCLAIMER, AND THE COMPANY UNDERTAKES NO OBLIGATION TO REVISE OR UPDATE ANY SUCH STATEMENTS TO REFLECT ACTUAL EVENTS, NEW INFORMATION OR OTHER CIRCUMSTANCES OCCURRING AFTER THE DATE HEREOF.