

Item 1.01. Entry into a Material Definitive Agreement.

On July 1, 2014, the Company entered into a Material Definitive Agreement with ABC Company, Inc. (the "Agreement"). The Agreement provides for the issuance of a new series of preferred stock by the Company to ABC Company, Inc. in exchange for the purchase of certain assets of ABC Company, Inc. The Agreement also provides for the conversion of the new series of preferred stock into common stock of the Company upon the occurrence of certain events.

The Agreement is subject to the approval of the Board of Directors of the Company and the affirmative vote of a majority of the holders of the new series of preferred stock. The Agreement is also subject to the approval of the holders of the Company's common stock.

The Agreement is expected to close in the third quarter of 2014.

SIGNATURES

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