

SCIO DIAMOND TECHNOLOGY CORP

FORM 8-K (Current report filing)

Filed 08/11/11 for the Period Ending 08/09/11

Address	411 UNIVERSITY RIDGE, SUITE D GREENVILLE, SC 29601
Telephone	864.346.2733
CIK	0001488934
Symbol	SCIO
SIC Code	3290 - Abrasive, Asbestos, And Miscellaneous
Industry	Constr. - Supplies & Fixtures
Sector	Capital Goods
Fiscal Year	03/31

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **August 11, 2011**

SCIO DIAMOND TECHNOLOGY CORPORATION
(Exact name of Registrant as specified in its charter)

Nevada
(State or other jurisdiction
of Incorporation)

333-166786
(Commission File Number)

27-0971332
(IRS Employer
Identification Number)

109 Thornblade Blvd.
Greer, SC 29650
(Address of principal executive offices)

Phone: (864) 346-2733
(Registrant's Telephone Number)

(formerly Krossbow Holding Corporation)
831-77th Avenue Edmondon
Alberta, Canada T6P 1S9
(Former name or former address, if changed since last report)

Copy of all Communications to:
Zouvas Law Group, P.C.
2368 Second Avenue, 1st Floor
San Diego, CA 92101
Phone: 619.688.1715
Fax: 619.688.1716

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

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

SCIO DIAMOND TECHNOLOGY CORPORATION
Form 8-K
Current Report

ITEM 1.01
ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On August 5, 2011, Scio Diamond Technology Corporation, a Nevada Corporation (the "Company"), (formerly Krossbow Holding Corporation) executed an Asset Purchase Agreement (the "Agreement"). Under the terms of the Agreement, the name "Scio Diamond Technology Corporation" was purchased for 13,000,000 newly issued shares of common stock of the Company.

The foregoing summary description of the terms of the Agreement may not contain all information that is of interest to the reader. For further information regarding the terms and conditions of said Agreement, reference is made to the Agreement, which is filed hereto as Exhibit 10.1 and is incorporated herein by reference.

ITEM 3.02.
UNREGISTERED SALES OF EQUITY SECURITIES

The information set forth above in item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

The following table sets forth, as of August 5, 2011, the beneficial ownership of the outstanding common stock by: (i) any holder of more than five (5%) percent; (ii) each of our executive officers and directors; and (iii) our directors and executive officers as a group. Unless otherwise indicated, each of the stockholders named in the table below has sole voting and dispositive power with respect to such shares of common stock. As of the date of this Current Report, there are 19,400,000 shares of common stock issued and outstanding.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Beneficial Ownership
Directors and Officers:		
Edward S. Adams ⁽¹⁾ 4824 Thomas Ave. S. Minneapolis, MN 55410	5,390,000*	27.78%
Michael R. Monahan ⁽¹⁾ 4824 Thomas Ave. S. Minneapolis, MN 55410	5,390,000*	27.78%
Joseph Lancia ⁽¹⁾ 109 Thornblade Ave Greer, SC 29650	2,290,000	11.80%
All executive officers and directors as a group (3 persons)	13,070,000	67.36%

(1)

Edward S. Adams and Michael R. Monahan acquired one million (1,000,000) shares each on August 5, 2011 in a private transaction from Jason Kropp, our former President, Chief Executive Officer, Chief Financial Officer, Treasurer, Secretary and Director.

Edward S. Adams and Michael R. Monahan each acquired additional shares from the Asset Purchase Agreement referenced in 1.01 and hereby incorporated by reference herein. Mr. Adams received two million one hundred thousand (2,100,000) shares in the agreement. Mr. Monahan received three million one hundred thousand (3,100,000) shares in the agreement. Lastly, Joseph D. Lancia acquired two million (2,000,000) shares from the Agreement.

* Edward S. Adams beneficial ownership reflects a balance of two million (2,000,000) shares in the name of his wife, Denise L. Adams. Michael R. Monahan's beneficial ownership also reflects a balance of one million (1,000,000) shares in the name of his wife, Julie C. Monahan.

Exemption From Registration. The shares of Common Stock referenced herein were issued in reliance upon the exemption from securities registration afforded by the provisions of Section 4(2) of the Securities Act of 1933, as amended, ("Securities Act"), and/or Regulation D, as promulgated by the U.S. Securities and Exchange Commission under the Securities Act, based upon the following: (a) each of the persons to whom the shares of Common Stock were issued (each such person, an "Investor") confirmed to the Company that it or he is an "accredited investor," as defined in Rule 501 of Regulation D promulgated under the Securities Act and has such background, education and experience in financial and business matters as to be able to evaluate the merits and risks of an investment in the securities, (b) there was no public offering or general solicitation with respect to the offering of such shares, (c) each Investor was provided with certain disclosure materials and all other information requested with respect to the Company, (d) each Investor acknowledged that all securities being acquired were being acquired for investment intent and were "restricted securities" for purposes of the Securities Act, and agreed to transfer such securities only in a transaction registered under the Securities Act or exempt from registration under the Securities Act and (e) a legend has been, or will be, placed on the certificates representing each such security stating that it was restricted and could only be transferred if subsequently registered under the Securities Act or transferred in a transaction exempt from registration under the Securities Act.

**ITEM 5.01.
CHANGES IN CONTROL OF REGISTRANT**

On August 5, 2011, Edward S. Adams and Michael R. Monahan acquired control of two million (2,000,000) shares of the Company's issued and outstanding common stock, which at the time, represented approximately 31.25% of the Company's total issued and outstanding common stock, from Jason Kropp in accordance with a common stock purchase agreement among Mr. Kropp, Mr. Adams and Mr. Monahan (the "Stock Purchase Agreement"). Pursuant to the Stock Purchase Agreement, Mr. Adams and Mr. Monahan paid an aggregate purchase price of one hundred and sixty-five thousand six hundred and fourteen dollars (\$165,614) in exchange for the shares.

- As part of the acquisition, the following changes to the Company's directors and officers have occurred:
- As of Aug 5, 2011, Jason Kropp resigned from all positions with the Company, including but not limited to, that of President, Chief Executive Officer, Chief Financial Officer, Treasurer, Secretary and Director.
- As of August 5, 2011, Joseph D. Lancia was appointed as the Company's Chief Executive Officer and a member of the Board of Directors.
- As of August 5, 2011, Edward S. Adams was appointed as the Company's Chairman of the Board of Directors.
- As of August 5 2011, Michael R. Monahan was appointed as a member of the Board of the Directors of the Company.

**ITEM 5.02
DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS**

On August 5, 2011, Jason Kropp resigned from all positions with the Company, including but not limited to, that of President, Chief Executive Officer, Chief Financial Officer, Treasurer, Secretary and Director. The resignation was not the result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

On August 5, 2011, Joseph D. Lancia was appointed as the Company's Chief Executive Officer and a member of the Board of Directors.

On August 5, 2011, Edward S. Adams was appointed as the Company's Chairman of the Board of Directors.

On August 5, 2011, Michael R. Monahan was appointed as a member of the Board of the Directors of the Company.

The biography for Mr. Lancia is set forth below:

JOSEPH D. LANCIA Joseph D. Lancia is the former CEO of Dispoz-o Products, Inc., a packaging and plastics company based out of Fountain Inn, South Carolina that produces a variety of quality products for the food service industry. Mr. Joseph Lancia served as the President & CEO of Dispoz-o Products, Inc. for seven years and successfully effected a merger with Wilkinson Industries, Inc., a manufacturer of foodservice containers, in April 2009.

Joseph Lancia leveraged his experience in the investment banking industry to groom Dispoz-o Products for a successful acquisition. Mr. Joseph Lancia restructured the company in order to maximize a unique vertical sales and marketing orientation. He also incorporated a lean manufacturing culture with equipment and system automation throughout the corporate facilities. Today, Joseph Lancia remains with Dispoz-o Products, Inc. in a consultative capacity. During his time with Dispoz-o Products, Inc., Joseph Lancia increased total company revenue by 23% for the 2008 fiscal year, which amounted to a 21% increase in company profits for the same period. Joseph Lancia doubled the firm's income in six years, while creating new, integrated sales channels. With an eye toward the future, Joseph Lancia also implemented an automated manufacturing facility at Dispoz-o Products, Inc.

Before working with Dispoz-o Products, Inc., Joseph Lancia spent over a decade in the investment banking sector. In that capacity, Joseph Lancia operated as President of Strategic Investments, a merger and acquisitions firm located in South Carolina. While head of Strategic Investments, Mr. Lancia carried out over 40 targeted acquisitions and managed 17 post merger integration projects. Earlier in his professional development, Joseph D. Lancia served as COO of Summit Associates, a molding and plastic injection firm.

Mr. Lancia contributes to a variety of charitable causes. He is the Chairman of the Thornblade Classic Golf Tournament and a Board Member of Loaves & Fishes in his local community. Lancia is also a Board Member of the College of Business & Behavioral Science at Clemson University. Joseph Lancia studied Corporate Finance at Southern Connecticut State College. In his free time, he enjoys golfing and spending time with his family. He currently makes his home in South Carolina.

The biography for Mr. Adams is set forth below:

EDWARD S. ADAMS Edward S. Adams is Chairman of the Board of Scio Diamond Technology Corporation. Ed is also the Co-Founder, Chief Executive Officer and Senior Managing Director of Focus Capital Group, Inc., ("Focus") an investment banking firm composed of over twenty-five seasoned investment bankers and other professionals from both major investment banks and industry with trusted relationships that have executed collectively over \$300 billion in merger and acquisition transactions and financing assignments representing over 250 discrete transactions across multiple industry verticals and geographies. In 2010, its first year in active business, Focus completed a series of transactions valued at almost one billion dollars.

In the late 1990s, Ed co-founded a business consulting and financial advisory practice which through acquisition and organic growth grew from two to over two hundred employees with \$30 million in annual revenue in less than six years. As an attorney, business advisor and consultant, and principal, Ed has billions of dollars of transactional experience in public and private offerings of equity and debt, hedge and institutional fund formation and management, mergers and acquisitions of public and closely held corporations via either stock or asset purchase transactions, loan restructurings, receivables financing, structured finance, commercial transactions, and bankruptcy liquidations and reorganizations. Ed has written and spoken on various corporate and commercial topics to over two hundred law firms, bar groups, and companies and has served on numerous private and public company boards of directors. He has also acted as a chairperson of the noteholders committee of one of the largest steel industry bankruptcy reorganizations in American history.

In addition to serving as an investment banker and Ed holds an endowed chair in finance and law at the University of Minnesota Law School and teaches courses at both the Law School and in the graduate MBA program at the Carlson School at the University of Minnesota. He is also a partner in the corporate law firm of Adams Monahan, LLP, which specializes in corporate advisory and transactional practice. Following his graduation cum laude from the University of Chicago Law School where he served as Managing Editor of the University of Chicago Law Review, Ed clerked for Judge J. Harvie Wilkinson, III of the United States Court of Appeals for the Fourth Circuit and worked in the Chicago and Los Angeles offices of the renowned national law firm Latham and Watkins and as of counsel at Fredrikson & Byron, P.A. in Minneapolis, Minnesota. He is the author of over twenty-five books or editions of books (including a new leading treatise published by prominent business publisher, Wolters Kluwers, entitled Corporate Counselor's Business Handbook) and dozens of articles on business-related issues, the two-time recipient of the University of Minnesota Law School's Stanley V. Kinyon Teacher of the Year Award, a 1997 M.B.A. with highest honors graduate of the Carlson School of Management at the University of Minnesota, a 1998 Vance K. Opperman Research Scholar at the University of Minnesota Law School and a co-holder of the 1999 Julius E. Davis Chair in Law at the University of Minnesota Law School.

In the recent past, Ed co-founded a project to provide free legal services to members of the community in New York, was a founding member of a project to provide free legal services to families of servicepersons serving in the Persian Gulf, and created a program at the University of Minnesota Law School to introduce disadvantaged high school students to potential career opportunities in the legal field.

The biography for Mr. Monahan is set forth below:

MICHAEL R. MONAHAN Michael R. Monahan is a founding Senior Managing Director of Focus Capital and is both an investment banker and an attorney specializing in a corporate advisory and transactional practice. As an investment banker his practice focuses on financings for early stage companies preparing for significant growth. He has considerable experience as a strategic advisor with an emphasis on new product and market analysis, competitive landscape development, strategic planning development and implementation, corporate structuring, financial modeling and valuation analysis, financings, transaction support, deal management and coordination.

Mr. Monahan has over \$1 billion of transactional and structuring experience in private offerings of equity in addition to considerable experience structuring debt, contracts, mergers and acquisitions of public and closely held corporations, loan restructurings, receivables financing, structured finance and various commercial transactions. He has served as an advisor and special committee member to private and public company boards of directors. Mr. Monahan also has eleven plus years of experience as a corporate and securities attorney, including experience as a litigator in corporate, business, labor and employment law. He also has extensive experience in consultative sales, having worked for Thomson Reuters in its legal services division for five years. As a practicing attorney he has represented both publicly-traded and private companies and has served as a business advisor, consultant and principal for several clients.

Mr. Monahan is an honors graduate of Siena College and Albany Law School. Mr. Monahan is registered with FINRA as a General Securities Principal (Series 7, 24 and 63) and a Limited Representative – Investment Banking (Series 79).

**ITEM 5.03
AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR**

On August 5, 2011, Krossbow Holdings Corporation, a Nevada corporation (the "Company"), filed a Certificate of Amendment to its Articles of Incorporation (the "Amendment") with the Secretary of State of Nevada. As a result of the Amendment, the Company has, among other things: (a) changed its name to Scio Diamond Technology Corporation, to reflect its new business direction.

A copy of the Amendment is filed herewith as Exhibit 3.1(a).

**ITEM 8.01
OTHER EVENTS**

On July 13, 2011 the Board of Directors of the Company resolved to authorize a 2-for-1 forward split of its issued and outstanding common shares, whereby every one (1) old share of common stock will be exchanged for two (2) new shares of the Company's common stock, to become effective on August 5, 2011. As a result, once the forward split is declared effective by the Financial Industry Regulatory Authority, the issued and outstanding shares of common stock will increase from 3,200,000 prior to the forward split to 6,400,000 following the forward split. The forward split shares are payable upon surrender of certificates to the Company's transfer agent.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit No.	Description of Exhibit
3.1(a)	Certificate of Amendment to Articles of Incorporation
10.1	Asset Purchase Agreement

SIGNATURE

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

Date: August 11, 2011

SCIO DIAMOND TECHNOLOGY CORPORATION

By: /s/ Joseph D. Lancia
Joseph D. Lancia
Chief Executive Officer



ROSS MILLER
Secretary of State
204 North Carson Street, Suite 1
Carson City, Nevada 89701-4520
(775) 684-5708
Website: www.nvsos.gov



090201

Certificate of Amendment
(PURSUANT TO NRS 78.385 AND 78.390)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Amendment to Articles of Incorporation
For Nevada Profit Corporations
(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)

1. Name of corporation:

Krossbow Holding, Inc

2. The articles have been amended as follows: (provide article numbers, if available)

Article One - The name of the Corporation is Scio Diamond Technology Corporation.

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise a least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation* have voted in favor of the amendment is: 59.375

4. Effective date of filing: (optional) 7/20/11
(must not be later than 90 days after the certificate is filed)

5. Signature: (required)

X 

Signature of Officer

*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof.

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.
This form must be accompanied by appropriate fees.

Nevada Secretary of State Amend Profit-After
Revised: 3-6-09

ASSET PURCHASE AGREEMENT

by and among

KROSSBOW HOLDING CORPORATION

"Buyer"

SCIO DIAMOND TECHNOLOGY CORPORATION

"Seller"

AUGUST 4, 2011

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of July 31, 2011 by and among Krossbow Holding Corporation, a Nevada corporation ("Buyer"), and Scio Diamond Technology Corporation, a Nevada corporation ("Seller").

A. Seller desires to sell, assign, convey and hypothecate to Buyer, and Buyer desires to purchase and assume from Seller, those certain assets, rights and obligations of Seller described herein related to the Business on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual representations, warranties and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Sale and Transfer of Assets.

1.1 Assets.

(a) Acquired Assets. On the terms and subject to the conditions set forth in this Agreement, on the Closing Date (as hereinafter defined) Seller, pursuant to the Bill of Sale to be delivered pursuant to Section 1.3, shall convey, transfer, assign, sell and deliver to Buyer, and Buyer shall acquire, accept and purchase, substantially all of the assets, properties and rights of Seller used or useful in the Business, including without limitation those assets listed on Schedule 1.1(a) (the "Acquired Assets"). The Acquired Assets shall include all leads generated by Seller, regardless of whether such leads have been forwarded to Shareholder.

1.2 Assumption of Certain Liabilities. Buyer is not assuming, and will not be obligated or liable for, any liability of Seller, including, without limitation, accounts payable or other indebtedness of Seller. Buyer will be indemnified, pursuant to Section 5.2, from and against any claims in respect of any debts, obligations or liabilities of Seller of any nature whatsoever.

1.3 Closing. The closing of the sale and purchase of the Acquired Assets (the "Closing") will take place at the offices of Zouvas Law Group, P.C., 2368 Second Avenue, San Diego, California 92101, on a date to be selected by the Buyer after all the conditions set forth in Section 6 have either been satisfied or, in the case of conditions not met, waived in writing by the party entitled to the benefit of such conditions, but in any event not later than August 4, 2011 (the "Closing Date"). At least five (5) days prior to the Closing Date, Buyer shall provide written notice (the "Closing Notice") to Seller informing the Seller of the date selected as the Closing Date. At the Closing, Seller shall convey, transfer, assign, sell and deliver to Buyer the Acquired Assets, by delivery to Buyer of a Bill of Sale substantially in the form of Exhibit A (the "Bill of Sale"), and Buyer shall pay to Seller the purchase price as provided in Section 1.4.

1.4 Purchase Price. 13,000,000 common shares of stock of Krossbow Holding Corporation to be disbursed according to Schedule 1.4.

2. Representations and Warranties of Seller. The representations and warranties of the Seller below are limited to the knowledge of the Seller except to the extent that any such representation and/or warranty relates to the organization, good standing, authority, absence of conflict or violation, required consents, labor and employment solely with respect to the Seller. Seller represents and warrants to Buyer that:

2.1 Organization and Good Standing. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada, with full corporate power and authority to carry on the Business as it is now and has since its organization been conducted and as proposed to be conducted, and to own, lease, operate and dispose of the Acquired Assets. Seller is duly qualified to do business and is in good standing in every jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification necessary. Seller does not own, and did not own at any time covered by the Financial Statements, directly or indirectly, either of record or beneficially, any subsidiaries and does not own or have the right to acquire any capital stock of, or other equity interest in, any entity.

2.2 Authorization of Agreement. Each of Seller and the Shareholder has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. This Agreement and all other agreements and instruments executed or to be executed by the parties hereto in connection herewith (together with all other documents delivered or to be delivered in connection herewith or therewith, the "**Transaction Documents**") have been duly and validly approved by the Board of Directors of Seller (the "**Board of Directors**") and by Seller's shareholders and no other proceedings on the part of Seller are necessary to approve this Agreement and to consummate the transactions contemplated hereby. This Agreement and the other Transaction Documents have been (or upon execution will have been) duly executed and delivered by Seller and the Shareholder, have been effectively authorized by all necessary action, corporate or otherwise, and constitute (or upon execution will constitute) legal, valid and binding obligations of Seller and the Shareholder, except as such enforceability may be limited by general principles of equity and bankruptcy, insolvency, reorganization and moratorium and other similar laws relating to creditors' rights (the "**Bankruptcy Exception.**")

2.3 Acquired Assets.

(a) **Ownership.** Seller is the lawful owner of or has the right to use and transfer to Buyer each of the Acquired Assets being transferred by it pursuant hereto. The Acquired Assets are free and clear of all liens, mortgages, pledges, security interests, restrictions, prior assignments, encumbrances and claims of any kind. The delivery to Buyer of the Bill of Sale will vest good and marketable title to the Acquired Assets in Buyer, free and clear of all liens, mortgages, pledges, security interests, restrictions, prior assignments, encumbrances and claims of any kind. There are no outstanding agreements, options or commitments of any nature obligating Seller to transfer any of the Acquired Assets or rights or interests therein to any party other than Buyer.

2.4 No Conflict or Violation. The execution, delivery and performance by Seller and the Shareholder of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby do not and will not: (i) violate or conflict with any provision of the charter documents or bylaws of Seller or Shareholder; (ii) violate any provision or requirement of any domestic or foreign, national, state, or local law, statute, judgment, order, writ, injunction, decree, award, rule, or regulation of any Governmental Entity applicable to Seller, Shareholder or the Business; (iii) violate, result in a breach of, constitute (with due notice or lapse of time or both) a default or cause any obligation, penalty, premium or right of termination to arise or accrue under any Contract (as hereinafter defined); (iv) result in the creation or imposition of any lien, charge or encumbrance of any kind whatsoever upon any of the properties or assets of Seller; and (v) result in the cancellation, modification, revocation or suspension of any license, permit, certificate, franchise, authorization or approval issued or granted by any Governmental Entity (each a "**License,**" and collectively, the "**Licenses**").

2.5 Consents. All Consents (as hereinafter defined) and notices required to be obtained or given by or on behalf of Seller or the Shareholder before consummation of the transactions contemplated by this Agreement in compliance with all applicable laws, rules, regulations, orders or governmental or other agency directives, or the provisions of any document binding upon Seller or the Shareholder are described on Section 2.5 of the Disclosure Schedule and all such Consents have been duly obtained and are in full force and effect.

2.6 Litigation. There are no claims, actions, suits, proceedings, labor disputes or investigations pending or, to the knowledge of Seller and the Shareholder, threatened before any Governmental Entity of any nature, brought by or against the Shareholder, Seller, the officers, directors, employees, agents of Seller, or any of their respective Affiliates involving, affecting or relating to any assets, properties or operations of Seller or the transactions contemplated by this Agreement. None of Seller, Shareholder nor any of the Acquired Assets is subject to any order, writ, judgment, award, injunction or decree of any Governmental Entity.

2.14 Accuracy of Information. None of the representations or warranties or information provided and to be provided by Seller or the Shareholder to Buyer in this Agreement, the Disclosure Schedule, schedules or exhibits hereto, or in any of the other Transaction Documents contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary in order to make the statements and facts contained herein or therein not false or misleading. The descriptions set forth in the Disclosure Schedule are accurate descriptions of the matters disclosed therein. Copies of all documents heretofore or hereafter delivered or made available to Buyer pursuant hereto were or will be complete and accurate records of such documents.

3. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that:

3.1 Organization and Corporate Authority. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. This Agreement and the other Transaction Documents have been (or upon execution will have been) duly executed and delivered by Buyer, have been effectively authorized by all necessary action, corporate or otherwise, and constitute (or upon execution will constitute) legal, valid and binding obligations of Buyer, except as such enforceability may be limited by the Bankruptcy Exception.

3.2 No Conflict or Violation. The execution, delivery and performance by Buyer of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby do not and will not: (i) violate or conflict with any provision of the charter documents or bylaws of Buyer; or (ii) violate any provision or requirement of any domestic or foreign, national, state or local law, statute, judgment, order, writ, injunction, decree, award, rule, or regulation of any Governmental Entity applicable to Buyer.

3.3 Accuracy of Information. None of the representations or warranties or information provided and to be provided by Buyer to Seller in this Agreement, the schedules or exhibits hereto, or in any of the other Transaction Documents contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary in order to make the statements and facts contained herein or therein not false or misleading.

3.4 Consents. All Consents and notices required to be obtained or given by or on behalf of Buyer before consummation of the transactions contemplated by this Agreement in compliance with all

applicable laws, rules, regulations, orders or governmental or other agency directives, or the provisions of any document binding upon Buyer have been duly obtained and are in full force and effect.

3.5 Valid Issuance of Seller Common Stock. The shares of Seller Common Stock to be issued pursuant to this Agreement will, when issued, be duly authorized, validly issued, fully paid and non-assessable.

4. Certain Understandings and Agreements of the Parties.

4.1 Access. Seller shall afford to Buyer and Buyer's accountants, counsel and representatives reasonable access during normal business hours throughout the period prior to the Closing Date (or the earlier termination of this Agreement) to all of the properties, books, Contracts and records of Seller (including, without limitation, Seller's accounting records and loan files and reasonable inquiry of Seller's independent accountants) and, during such period, shall furnish promptly to Buyer all information concerning Seller, the Business, and Seller's properties, liabilities and personnel as Buyer may reasonably request.

4.2 Confidentiality. For purposes hereof, Seller and the Shareholder will keep the matters contemplated herein and all information provided by Buyer related to Buyer confidential, and will not provide information about such matters to any party or use such information except to the extent necessary to effect the transactions contemplated hereby. Buyer will keep the matters contemplated herein and all information provided by Seller and the Shareholder related to Seller and the Business confidential, and will not provide information about such matters to any party or use such information except to the extent necessary to effect the transactions contemplated hereby. Buyer and Seller shall each cause their respective officers, directors, employees, agents, and advisors to keep confidential all information received in connection with the transactions contemplated hereby. If this Agreement terminates without consummation of the Closing, Seller, the Shareholder and Buyer shall each maintain the confidentiality of any information obtained from the other in connection with the transactions contemplated hereby and Buyer's business plans (the "**Information**"), other than Information that: (i) was in the public domain before the date of this Agreement or subsequently came into the public domain other than as a result of disclosure by the party to whom the Information was delivered; or (ii) was lawfully received by a party from a third party free of any obligation of confidence of or to such third party; or (iii) was already in the possession of the party prior to receipt thereof, directly or indirectly, from the other party; or (iv) is required to be disclosed in a judicial or administrative proceeding after giving the other party as much advance notice of the possibility of such disclosure as practicable so that the other party may attempt to stop such disclosure; or (v) is subsequently and independently developed by employees of the party to whom the Information was delivered without reference to the Information. If this Agreement terminates without consummation of the Closing, Buyer, on the one hand, and the Shareholder and Seller, on the other, shall return to the other all material containing or reflecting Information provided by the other, shall not retain any copies, extracts, or other reproductions thereof or derived therefrom, and shall thereafter refrain from using the Information and shall maintain its confidentiality pursuant to this Agreement.

5. Miscellaneous.

5.1 Termination. On or before Closing Date, this Agreement and the transactions contemplated hereby may be terminated (a) by Buyer, if (i) Seller or the Shareholder fail to comply in any material respect with any of its or their covenants or agreements contained herein, or (ii) any of the representations and warranties of Seller or the Shareholder is breached or is inaccurate in any material

way; or (b) by Seller, the Shareholder or Buyer if a Governmental Entity has issued a non-appealable order, decree or ruling or taken any other action (which order, decree or ruling the parties hereto have used their best efforts to lift), which permanently restrains, enjoins or otherwise prohibits the transactions contemplated by this Agreement; or (c) by Seller or the Shareholder if Buyer fails to comply in any material respect with any of its covenants or agreements contained herein. Notwithstanding the foregoing, a party may not terminate this Agreement if the event giving rise to the termination right results from the willful failure of such party to perform or observe any of the covenants or agreements set forth herein to be performed or observed by such party or if such party is, at such time, in material breach of this Agreement.

5.2 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given upon personal delivery or three (3) days after being mailed by certified or registered mail, postage prepaid, return receipt requested, or one (1) business day after being sent via a nationally recognized overnight courier service if overnight courier service is requested from such service or upon receipt of electronic or other confirmation of transmission if sent via facsimile to the parties, their successors in interest or their assignees at the following addresses and telephone numbers, or at such other addresses or telephone numbers as the parties may designate by written notice in accordance with this Section 5.2:

If to Buyer: Krossbow Holding Corporation

Tel: () _____

Fax: () _____

With a copy to: Zouvas Law Group, P.C.
2368 Second Avenue, 1st Floor
San Diego, CA 92101
(619) 688-1715 Phone
(619) 688-1716 Fax

If to Seller: Scio Diamond Technology Corporation
60 South Sixth Street, Suite 2540
Minneapolis, MN 55402

Tel: () _____

Fax: () _____

With a copy to:

Tel: () _____

Fax: () _____

5.3 Assignability and Parties in Interest. This Agreement and any of the rights, interests or obligations hereunder may not be assigned by any of the parties hereto, except through operation of law and that Buyer may assign its rights and obligations under this Agreement in whole or in part to any

Affiliate or Affiliates of Buyer or any successor to all or substantially all of the business or assets of Buyer. This Agreement shall inure to the benefit of and be binding upon Buyer, Seller and the Shareholder and their respective permitted successors and assigns. Nothing in this Agreement will confer upon any person or entity not a party to this Agreement, or the legal representatives of such person or entity, any rights or remedies of any nature or kind whatsoever under or by reason of this Agreement.

5.4 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California without regard to its choice-of-law principles.

5.5 Counterparts. Facsimile transmission of any signed original document and/or retransmission of any signed facsimile transmission will be deemed the same as delivery of an original. At the request of any party, the parties will confirm facsimile transmission by signing a duplicate original document. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same instrument.

5.6 Publicity. Prior to the Closing Date, no party may, nor may it permit its Affiliates to, issue or cause the publication of any press release or other announcement with respect to this Agreement or the transactions contemplated hereby without the consent of the other parties. Notwithstanding the foregoing, in the event any such press release or announcement is required by law to be made by the party proposing to issue the same, such party shall consult in good faith with the other party prior to the issuance of any such press release or announcement.

5.7 Complete Agreement. This Agreement, the exhibits and schedules hereto, the Transaction Documents, the License Agreement and the Correspondent Lender Agreement contain or will contain the entire agreement between the parties hereto with respect to the transactions contemplated herein and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments, and understandings.

5.8 Modifications, Amendments and Waivers. At any time prior to the Closing Date or termination of this Agreement, any party may, (a) waive any inaccuracies in the representations and warranties of any other party contained in this Agreement or in any Transaction Document; and (b) waive compliance by any other party with any of the covenants or agreements contained in this Agreement. No waiver of any of the provisions of this Agreement will be considered, or will constitute, a waiver of any of the rights or remedies, at law or equity, of the party entitled to the benefit of such provisions unless made in writing and executed by the party entitled to the benefit of such provision.

5.9 Headings; References. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. References herein to Sections, Schedules and Exhibits refer to the referenced Sections, Schedules or Exhibits hereof unless otherwise specified.

5.10 Severability. Any provision of this Agreement which is invalid, illegal, or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality, or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provision of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

5.11 Due Diligence Investigation. All representations and warranties contained herein which are made to the knowledge of a party shall require that such party make reasonable investigation and inquiry with respect thereto to ascertain the correctness and validity thereof.

5.12 Expenses of Transactions. All fees, costs and expenses incurred by Buyer in connection with the transactions contemplated by this Agreement shall be borne by Buyer, and all fees, costs, and expenses incurred by Seller and the Shareholder in connection with the transactions contemplated by this Agreement shall be borne respectively by Seller and the Shareholder jointly and severally.

5.13 Enforcement of the Agreement. Seller, the Shareholder and Buyer acknowledge that irreparable damage would occur if any of the obligations of Seller and the Shareholder under this Agreement were not performed in accordance with their specific terms or were otherwise breached. Buyer will be entitled to an injunction or injunctions to prevent breaches of this Agreement by Seller or the Shareholder and to enforce specifically the terms and provisions hereto, this being in addition to any other remedy to which Buyer is entitled at law or in equity.

[SIGNATURE PAGE TO FOLLOW]



IN WITNESS WHEREOF, each of the parties hereto has executed this Asset Purchase Agreement as of the date first above written.

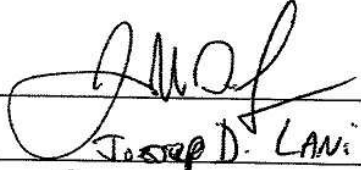
KROSSBOW HOLDING CORPORATION

"Buyer"

By:

Name:

Title:



Joseph D. Lancia

President + CEO

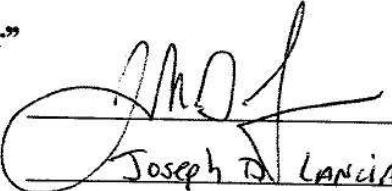
SCIO DIAMOND TECHNOLOGY CORPORATION

"Seller"

By:

Name:

Title:



Joseph D. Lancia

President + CEO

SCHEDULE 1.4

NAME & ADDRESS	TAX ID #	NUMBER OF SHARES	COST BASIS	TYPE OF SHARES	METHOD OF DELIVERY
Denise L. Adams 2010 West 49 th Street Minneapolis, MN 55409	143-58-2883	2,000,000	NIL	Restricted	Certificate
Edward S. Adams 2010 West 49 th Street Minneapolis, MN 55409	324-52-9009	2,100,000	NIL	Restricted	Certificate
Michael R. Monahan 4824 Thomas Avenue South Minneapolis, MN 55410	110-64-9939	3,100,000	NIL	Restricted	Certificate
Julie C. Monahan 4824 Thomas Avenue South Minneapolis, MN 55410	047-76-2367	1,000,000	NIL	Restricted	Certificate
Joseph D. Lancia 109 Thornblade Avenue Greer, SC 29650	040-42-2805	2,000,000	NIL	Restricted	Certificate
Christopher J. Mumm 3131 Excelsior Blvd., Unit 210 Minneapolis, MN 55416	387-86-1581	250,000	NIL	Restricted	Certificate
J.R. Maddox 212 North 1 st Street, Unit 208 Minneapolis, MN 55401	373-82-6892	250,000	NIL	Restricted	Certificate
Laurence S. Zipkin 2404 Mayflower Minnetonka, MN 55305	343-52-3145	100,000	NIL	Restricted	Certificate
Gregory E. Spitzer 217 The Lane Hinsdale, IL 60521	354-52-3189	1,400,000	NIL	Restricted	Certificate
David B. Platt 250 E. 87th Street, Apt. 31G New York, NY 10128	546-41-0147	100,000	NIL	Restricted	Certificate
Robert C. Linares P.O. Box 336 Sherborn, MA 01770	140-28-2293	700,000	NIL	Restricted	Certificate

