

# SCIO DIAMOND TECHNOLOGY CORP

Filed by  
**HARTNESS THOMAS P.**

## **FORM SC 13D/A** (Amended Statement of Beneficial Ownership)

Filed 04/14/14

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

**SCHEDULE 13D**  
(Amendment No. 2)\*

Under the Securities Exchange Act of 1934

**SCIO DIAMOND TECHNOLOGY CORPORATION**

(Name of Issuer)

Common Shares  
(Title of Class of Securities)

808831101  
(CUSIP Number)

Peter J. Ekberg, Esq.  
Barnes & Thornburg LLP  
225 South Sixth Street  
Suite 2800  
Minneapolis, MN 55402  
(612) 367-8785

(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

April 14, 2014  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of §240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "Affiliated" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1	NAME OF REPORTING PERSON <b>Thomas P. Hartness Revocable Trust u/a DTD July 30, 2010</b>	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS <b>WC</b>	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2 (e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION <b>South Carolina</b>	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER <b>5,000,000</b> <sup>1</sup>
	8	SHARED VOTING POWER <b>0</b>
	9	SOLE DISPOSITIVE POWER <b>5,000,000</b> <sup>1</sup>
	10	SHARED DISPOSITIVE POWER <b>0</b>
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON <b>5,000,000</b> <sup>1</sup>	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) <b>9.5%</b>	
14	TYPE OF REPORTING PERSON <b>OO</b>	

<sup>1</sup> Includes 2,500,000 shares of Common Stock issuable upon the exercise of warrants.

1	NAME OF REPORTING PERSON <b>Kristoffer Mack</b>	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS <b>PF</b>	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION <b>United States</b>	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER <b>400,000</b>
	8	SHARED VOTING POWER <b>0</b>
	9	SOLE DISPOSITIVE POWER <b>400,000</b>
	10	SHARED DISPOSITIVE POWER <b>0</b>
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON <b>400,000</b>	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) <b>0.8%</b>	
14	TYPE OF REPORTING PERSON <b>IN</b>	

1	NAME OF REPORTING PERSON <b>Paul Rapello</b>	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS <b>PF</b>	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION <b>United States</b>	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER <b>350,000</b>
	8	SHARED VOTING POWER <b>0</b>
	9	SOLE DISPOSITIVE POWER <b>350,000</b>
	10	SHARED DISPOSITIVE POWER <b>0</b>
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON <b>350,000</b>	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) <b>0.7%</b>	
14	TYPE OF REPORTING PERSON <b>IN</b>	

1	NAME OF REPORTING PERSON <b>Glen R. and Marsha C. Bailey JTWROS</b>	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS <b>PF</b>	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION <b>United States</b>	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER <b>347,500</b>
	8	SHARED VOTING POWER <b>0</b>
	9	SOLE DISPOSITIVE POWER <b>347,500</b>
	10	SHARED DISPOSITIVE POWER <b>0</b>
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON <b>347,500</b>	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) <b>0.7%</b>	
14	TYPE OF REPORTING PERSON <b>IN</b>	

1	NAME OF REPORTING PERSON <b>Kenneth L. Smith</b>	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS <b>PF</b>	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION <b>United States</b>	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER <b>339,000</b>
	8	SHARED VOTING POWER <b>0</b>
	9	SOLE DISPOSITIVE POWER <b>339,000</b>
	10	SHARED DISPOSITIVE POWER <b>0</b>
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON <b>339,000</b>	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) <b>0.7%</b>	
14	TYPE OF REPORTING PERSON <b>IN</b>	

1	NAME OF REPORTING PERSON <b>Bernard M. McPheely Revocable Trust u/a DTD May 25, 2011</b>	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS <b>WC</b>	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION <b>South Carolina</b>	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER <b>312,000</b>
	8	SHARED VOTING POWER <b>0</b>
	9	SOLE DISPOSITIVE POWER <b>312,000</b>
	10	SHARED DISPOSITIVE POWER <b>0</b>
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON <b>312,000</b>	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) <b>0.6%</b>	
14	TYPE OF REPORTING PERSON <b>OO</b>	



1	NAME OF REPORTING PERSON <b>James Carroll</b>
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY
4	SOURCE OF FUNDS <b>PF</b>
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION <b>United States</b>
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER <b>313,750</b> <sup>1</sup>
	8 SHARED VOTING POWER <b>0</b>
	9 SOLE DISPOSITIVE POWER <b>313,750</b> <sup>1</sup>
	10 SHARED DISPOSITIVE POWER <b>0</b>
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON <b>313,750</b> <sup>1</sup>
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) <b>0.6%</b>
14	TYPE OF REPORTING PERSON <b>IN</b>

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<sup>1</sup> Includes 93,750 shares of Common Stock owned by the Reporting Person's IRA.

1	NAME OF REPORTING PERSON <b>Glen R. Bailey</b>	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS <b>PF</b>	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION <b>United States</b>	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER <b>250,000</b>
	8	SHARED VOTING POWER <b>0</b>
	9	SOLE DISPOSITIVE POWER <b>250,000</b>
	10	SHARED DISPOSITIVE POWER <b>0</b>
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON <b>250,000</b>	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) <b>0.5%</b>	
14	TYPE OF REPORTING PERSON <b>IN</b>	

1	NAME OF REPORTING PERSON <b>Robert M. Daisley</b>	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS <b>PF</b>	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION <b>United States</b>	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER <b>125,000</b>
	8	SHARED VOTING POWER <b>0</b>
	9	SOLE DISPOSITIVE POWER <b>125,000</b>
	10	SHARED DISPOSITIVE POWER <b>0</b>
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON <b>125,000</b>	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) <b>0.2%</b>	
14	TYPE OF REPORTING PERSON <b>IN</b>	

## EXPLANATORY NOTE

This Amendment No. 2 (“ **Amendment No. 2** ”) amends the Statement on Schedule 13D filed with the Securities and Exchange Commission (the “ **Commission** ”) on November 28, 2012, and Amendment No. 1 filed with the Commission on March 24, 2014, by the Thomas P. Hartness Revocable Trust u/a DTD July 30, 2010, Kristoffer Mack, Paul Rapello, Glen R. Bailey and Marsha C. Bailey as joint tenants and Mr. Bailey in his individual capacity, Kenneth L. Smith, the Bernard M. McPheely Revocable Trust U/A DTD May 25, 2011, James Carroll and the Guarantee & Trust Co. TTEE James Carroll r/o IRA, and Robert M. Daisley (collectively, the “ **Schedule 13D** ”). Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Schedule 13D.

### Item 4. Purpose of Transaction.

The information contained in Item 4 of the Schedule 13D is hereby amended and supplemented by adding the following information:

A Group Voting Agreement (the “ **Voting Agreement** ”) was entered into as of April 14, 2014 by and among the Reporting Persons. None of the Reporting Persons purchased any additional shares of Common Stock in connection with the Voting Agreement. The description of the Voting Agreement in this Schedule 13D is qualified in its entirety by reference to the full text of the Voting Agreement, a copy of which is filed with this Schedule 13D as Exhibit 99.3.

Under the Voting Agreement, each member of the Group has agreed to (i) jointly deliver a written demand in accordance with the bylaws of the Issuer (the “ **Bylaws** ”) to call a special meeting of the stockholders of the Issuer (the “ **Special Meeting** ”), and (ii) vote or grant consents for all shares of Common Stock (“ **Shares** ”) held by such Group member, including Shares acquired after signing the Voting Agreement, either at the Special Meeting, in person or by proxy, or by written consent in lieu of a meeting, in favor of the election of seven director candidates who are specified by the Voting Agreement, and to vote or grant consents as set forth in the Voting Agreement with respect to other actions. The purpose of the Voting Agreement is for the Group to affirmatively elect the Group’s slate of director candidates in addition to the incumbent directors. If the Group’s slate of director candidates receive the affirmative vote of a plurality of the Shares present in person or represented by proxy at the Special Meeting, provided a quorum exists, or by written consent of a majority of the Shares entitled to consent to such matter in lieu of a meeting, the effect will be the election of the director candidates proposed by the Group.

NEITHER THE VOTING AGREEMENT NOR THIS SCHEDULE 13D IS A SOLICITATION AND NO STOCKHOLDER OF THE ISSUER IS REQUESTED TO JOIN THE VOTING AGREEMENT. THE REPORTING PERSONS ARE NOT HEREBY SOLICITING ANY STOCKHOLDER TO CONSENT, VOTE, WITHHOLD A VOTE, GRANT A PROXY WITH REGARD TO, OR IN ANY OTHER WAY TAKE ACTION WITH REGARD TO THE ELECTION OF DIRECTORS OR ANY OTHER MATTER TO BE VOTED UPON AT THE SPECIAL MEETING.

The Group’s director candidates are currently expected to be Ben Wolkowitz, Kristoffer Mack, Bernard M. McPheely, Craig Brown, Ronnie Kobrovsky, Lewis Smoak and Michael McMahon.

Under the Voting Agreement, each Group member has agreed:

- to vote against any action, proposal, transaction or agreement that could reasonably be expected to change in any manner the voting rights of any Shares (including any amendments to the articles of incorporation of the Issuer or the Bylaws);
- to appoint Mr. McPheely as their proxy and attorney-in-fact to vote or act by written consent during the term of the Voting Agreement their Shares in accordance with the Voting Agreement;
- transfer, sell, offer, exchange, assign, pledge or otherwise dispose of or encumber (“ **Transfer** ”) any of the Shares or enter into any contract, option or other agreement with respect to, or consent to, a Transfer of any of the Shares or Group member’s voting or economic interest therein, except for certain transfers a condition of which is that the transferee agrees to be bound by the terms and provisions of the Voting Agreement; and
- to retain, and not in any way compromise or encumber, the right to vote all Shares beneficially owned by such member as of the date of the Special Meeting or grant a consent of such Shares in lieu of a meeting.

In addition, pursuant to the Voting Agreement, the Group will execute a written consent or vote at the Special Meeting in favor of a resolution for the adoption and approval of the amended and restated bylaws of the Issuer, in the form that is filed with this Schedule 13D as Exhibit 99.4.

Under the Voting Agreement, each of the members of the Group has agreed to reimburse or advance Mr. McPheely, upon request, for such Group member’s share of all reasonable out-of-pocket, third-party expenses (including, without limitation, fees and disbursements of counsel) incurred or to be incurred by Mr. McPheely in connection with, relating to or arising out of the matters described by the Voting Agreement, this Schedule 13D, filings pursuant to Section 16 of the Securities and Exchange Act of 1934, or the actions or transactions contemplated by his work related to the foregoing (in each case to the extent not reimbursed by the Issuer).

The Voting Agreement will terminate upon the earlier to occur of (i) 30 days after the date that no Group member owns any Shares, (ii) the completion of the Special Meeting, and (iii) the execution by the holders of 50% or more of the voting interests of the Issuer and delivery to the Issuer of a stockholder consent enacting the resolutions set forth in the Voting Agreement, provided that none of the above events shall be considered to have occurred under the Voting Agreement while any claim or action of any kind, at law or equity, or any appeal of any decision thereof, is threatened in writing, initiated or pending which in any manner attempts to prevent, forestall or invalidate any such actions or matters contemplated thereby.

Other than as set forth in this Item 4, the Reporting Persons do not have any current plans, proposals or negotiations that relate to or would result in any of the matters referred to in paragraphs (a) through (j) of Item 4 of Schedule 13D.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.**

Item 6 is amended and restated in its entirety as set forth below.

See Item 4 and Item 5.

Pursuant to Rule 13d-1(k) promulgated under the Exchange Act, the Voting Agreement is a “Joint Filing Agreement” with respect to the joint filing of this Schedule 13D and any amendment or amendments thereto.

**Item 7. Material to Be Filed as Exhibits.**

- Item 99.1 Subscription Agreement dated May 4, 2012 between the Hartness Revocable Trust and the Issuer (incorporated by reference to Exhibit 10.11 of the Form 10-K filed by the Issuer with the Securities and Exchange Commission on August 16, 2012).
- Item 99.2 Form of Warrant by and between the Issuer and Hartness Revocable Trust (incorporated by reference to Exhibit 10.1 of the Form 8-K filed by the Issuer with the Securities and Exchange Commission on May 10, 2012).
- Item 99.3 Voting Agreement, dated as of April 14, 2014, by and among the Reporting Persons.
- Item 99.4 Proposed Amended and Restated Bylaws of the Issuer.

**SIGNATURES**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

THOMAS P. HARTNESS REVOCABLE TRUST U/A DTD JULY 30, 2010

By: \*  
\_\_\_\_\_  
Thomas P. Hartness, Trustee

\*  
\_\_\_\_\_  
Kristoffer Mack, Individually

\*  
\_\_\_\_\_  
Paul Rapello, Individually

\*  
\_\_\_\_\_  
Glen R. Bailey, Individually

\*  
\_\_\_\_\_  
Marsha C. Bailey, Individually

\*  
\_\_\_\_\_  
Kenneth L. Smith, Individually

BERNARD M. MCPHEELY REVOCABLE TRUST U/A DTD MAY 25, 2011

By: /s/ Bernard M. McPheely  
\_\_\_\_\_  
Bernard M. McPheely, Trustee

\*  
\_\_\_\_\_  
James Carroll, Individually

GUARANTEE & TRUST CO. TTEE JAMES CARROLL R/O IRA

By: \*  
\_\_\_\_\_  
James Carroll, Trustee

\*  
\_\_\_\_\_  
Robert M. Daisley, Individually

\* By: /s/ Bernard M. McPheely  
\_\_\_\_\_  
Attorney-in-Fact

## GROUP VOTING AGREEMENT

This GROUP VOTING AGREEMENT is made as of April 14, 2014 (the “**Agreement**”), by and among (i) the Bernard M McPheely Revocable Trust u/a DTD May 25, 2011 (“**McPheely**”), (ii) those parties set forth on Exhibit A attached hereto (the “**Stockholder Parties**”) and (iii) such other parties as may become party to this Agreement after the date hereof (together with McPheely and the Stockholder Parties, collectively the “**Group**” and individually “**Group Members**”).

WHEREAS, the Group Members are holders, direct and/or beneficial, of in excess of 10% in the aggregate of the shares of common stock, par value \$0.001 per share (“**Common Stock**”), of Scio Diamond Technology Corporation, a Nevada corporation (the “**Company**”);

WHEREAS, each of the Group Members is willing to make certain representations, warranties, covenants and agreements with respect to the shares of Common Stock beneficially owned by such Group Member and set forth opposite such Group Member’s name on Exhibit A (the “**Original Shares**” and, together with any additional shares of Common Stock included pursuant to Section 6 hereof, the “**Shares**”); and

WHEREAS, the Group wishes to enter into this Agreement pertaining to the adoption of certain resolutions as further described below, the potential to call a special meeting of the stockholders of the Company (a “**Special Meeting**”) and/or enter into a written consent to undertake such actions and related activities as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. Representations of Group Members. Each Group Member hereby represents and warrants to every other Group Member that:

(a) (i) Such Group Member owns beneficially (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) all of the Original Shares free and clear of all liens and encumbrances, and (ii) except as set forth in Exhibit A, there are no options, warrants or other rights, agreements, arrangements or commitments of any character to which such Group Member is a party relating to the pledge, disposition or voting of any of the Original Shares and there are no voting trusts or voting agreements with respect to the Original Shares.

(b) Such Group Member does not beneficially own any shares of Common Stock other than (i) the Original Shares and (ii) any options, warrants or other rights to acquire any additional shares of Common Stock or any security exercisable for or convertible into shares of Common Stock, set forth on Exhibit A (collectively, “**Options**”).

(c) Such Group Member has full corporate power and authority and legal capacity to enter into, execute and deliver this Agreement and to perform fully such Group



Member's obligations hereunder (including the proxy described in Section 3). This Agreement has been duly and validly executed and delivered by such Group Member and constitutes the legal, valid and binding obligation of such Group Member, enforceable against such Group Member in accordance with its terms.

(d) None of the execution and delivery of this Agreement by such Group Member, the consummation by such Group Member of the transactions contemplated hereby or compliance by such Group Member with any of the provisions hereof will conflict with or result in a breach, or constitute a default (with or without notice of lapse of time or both) under any provision of, any trust agreement, loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument or law applicable to such Group Member or to such Group Member's property or assets.

(e) No consent, approval or authorization of, or designation, declaration or filing with, any governmental entity or other person on the part of such Group Member is required in connection with the valid execution and delivery of this Agreement. No consent of such Group Member's spouse is necessary under any "community property" or other laws in order for such Group Member to enter into and perform its obligations under this Agreement.

## 2. Special Meeting and Stockholder Consent.

(a) McPheely and the Stockholder Parties agree to (i) at the discretion of McPheely, jointly deliver a written demand in accordance with the bylaws of the Company (the "**Bylaws**") to call a Special Meeting, the purposes of such meeting to be determined in the sole discretion of McPheely, and take such other action as may be required to effectuate such a demand, (ii) promptly execute and deliver a written consent (the "**Stockholder Consent**") to those proposed resolutions of the stockholders of the Company in form and substance substantially similar to those set forth on Exhibit B attached hereto (the "**Resolutions**"), and (iii) generally consult with each other regarding all purchases and sales of Securities by them or their affiliates of equity securities of the Company, options to purchase or sell equity securities of the Company, and swaps, synthetics and other derivative securities or instruments, the value of which is solely and directly related to equity securities of the Company (collectively, "**Securities**").

(b) So long as this Agreement is in effect, each of McPheely and the Stockholder Parties shall provide written notice to the others of (i) all of its purchases or sales of Securities; and (ii) any Securities over which it acquires or disposes of beneficial ownership; no later than 24 hours after each such transaction.

## 3. Agreement to Vote Shares; Irrevocable Proxy.

(a) Each Group Member agrees during the term of this Agreement to vote the Shares, and to cause any holder of record of Shares to vote or execute the Stockholder Consent: (i) in favor of the Resolutions at every meeting (or in connection with any action by written consent in lieu of a meeting) of the stockholders of the Company at which such matters are considered and at every adjournment or postponement thereof; and (ii) against

any action, proposal, transaction or agreement that could reasonably be expected to change in any manner the voting rights of any Securities (including any amendments to the Company articles of incorporation or Bylaws).

(b) Each Group Member hereby appoints McPheely and any designee of McPheely, and each of them individually, its proxies and attorneys-in-fact, with full power of substitution and resubstitution, to vote or act by written consent during the term of this Agreement with respect to the Shares in accordance with Section 3. This proxy and power of attorney is given to secure the performance of the duties of such Group Member under this Agreement. Each Group Member shall take such further action or execute such other instrument as may be necessary to effectuate the intent of this proxy and power of attorney. This proxy and power of attorney shall be irrevocable during the term of this Agreement, shall be deemed to be coupled with an interest sufficient in law to support an irrevocable proxy and shall revoke any and all prior proxies granted by such Group Member with respect to the Shares. This power of attorney is a durable power of attorney and shall survive the dissolution, bankruptcy, death or incapacity of such Group Member. The proxy and power of attorney granted hereunder shall terminate upon the termination of this Agreement.

4. No Voting Trusts or Other Arrangement. Each Group Member agrees that such Group Member will not, and will not permit any entity under such Group Member's control to, deposit any of the Shares in a voting trust, grant any proxies with respect to the Shares or subject any of the Shares to any arrangement with respect to the voting or consenting of the Shares other than this Agreement.

5. Transfer and Encumbrance. Each Group Member agrees that during the term of this Agreement, such Group Member will not, directly or indirectly, transfer, sell, offer, exchange, assign, pledge or otherwise dispose of, compromise, or encumber (" **Transfer** ") any of the Shares or enter into any contract, option or other agreement with respect to, or consent to, a Transfer of any of the Shares or such Group Member's voting or economic interest therein. Any attempted Transfer of Shares or any interest therein in violation of this Section 4 shall be null and void *ab initio*. This Section 5 shall not prohibit a Transfer of the Shares by a Group Member to any member of such Group Member's immediate family, or to a trust for the benefit of such Group Member or any member of such Group Member's immediate family or upon the death of such Group Member; provided, that a Transfer referred to in this sentence shall be permitted only if, as a precondition to such Transfer, the transferee agrees in a writing to be bound by all of the terms of this Agreement.

6. Additional Shares. Each Group Member agrees that all shares of Common Stock or other equity of the Company that such Group Member purchases, acquires the right to vote or otherwise acquires beneficial ownership of (as defined in Rule 13d-3 under the Exchange Act, but excluding Securities other than equity securities of the Company) after the execution of this Agreement shall be subject to the terms of this Agreement and shall constitute Shares for all purposes of this Agreement.

7. Expenses. In connection with any filings with the Securities and Exchange Commission (the " **SEC** "), including without limitation any filings required by Sections 13(d) and 14 of the Exchange Act (collectively, " **Group SEC Filings** ") or Section

16 of the Exchange Act), McPheely shall pay all expenses, including legal expenses, incurred in connection with any such filing. Each Group Member agrees to reimburse or advance McPheely, upon request, such Group Member's share of all reasonable out-of-pocket, third-party expenses (including, without limitation, fees and disbursements of counsel) incurred or to be incurred by McPheely in connection with, relating to or arising out of the matters described by the Voting Agreement, any Group SEC Filings, or the actions or transactions contemplated by McPheely's work related to Group SEC Filings (in each case to the extent not reimbursed by the Company).

8. Exchange Act Filings. Each Group Member agrees that any Group SEC Filing, press release or stockholder communication proposed to be made or issued by the Group or any of the Group Members in connection with the Group's activities must be approved by McPheely in writing prior to filing. Each Group Member agrees that any Schedule 13D (including any amendment thereto) under the Exchange Act with respect to the Company (" **Schedule 13D** ") shall be filed jointly by the Group Members, provided that only McPheely or his representatives shall prepare and timely file any such Schedule 13D on behalf of the Group. McPheely acknowledges that, subject to the Stockholder Parties' compliance with their obligations under Section 2(b), it shall be responsible for the timely filing of any statement on such Schedule 13D. Each Group Member agrees that this Voting Agreement shall be filed as an exhibit to a jointly filed Schedule 13D, such Schedule 13D to be prepared and filed in accordance with Section 9. Each of McPheely, on the one hand, and the Stockholder Parties, on the other, shall be responsible for the completeness and accuracy of the information supplied by and concerning it contained in any Group SEC Filings, but shall not be responsible for the completeness and accuracy of the information concerning the other Stockholder Parties contained in such filings, except to the extent that he knows or has reason to believe that such information is inaccurate. Each of McPheely, on the one hand, and the Stockholder Parties, on the other, shall be responsible for the preparation and filing of any Section 16 filing required to be filed with respect to such party.

9. Power of Attorney. Each Group Member hereby constitutes and appoints each of Peter J. Ekberg, A. Blake Cooper and Bernard M. McPheely, signing singly, the undersigned's true and lawful attorney-in-fact to:

(1) prepare, execute in the Group Member's name and on such Group Member's behalf, and submit to the SEC a Form ID, including amendments thereto, and any other documents necessary or appropriate to obtain codes and passwords enabling the undersigned to make electronic filings with the SEC of reports required by Section 16(a) or statements required by Sections 13 or 14 of the Exchange Act, or any rule or regulation of the SEC;

(2) execute for and on behalf of such Group Member, in such Group Member's capacity as a 10% beneficial owner of the Company, Forms 3, 4, and 5, including any amendments thereto, in accordance with Section 16(a) of the Exchange Act and the rules thereunder, any statement on Schedule 13D, 13G, 14A or 14C, including any amendments thereto, in accordance with Sections 13 and 14 of the Exchange Act, and any other forms or reports the undersigned may be required to file in connection with such Group Member's ownership, acquisition, or disposition of Securities;

(3) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Form 3, 4, or 5, or Schedule 13D, 13G, 14A or 14C, and complete and execute any amendment or amendments thereto, and timely file such form or report with the SEC and any stock exchange or similar authority; and

(4) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of such Group Member pursuant to this Agreement shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

10. Limited Authority. The relationship of the parties hereto shall be limited to carrying on the activities of the Group in accordance with the terms of this Agreement. Such relationship shall be construed and deemed to be for the sole and limited purpose of carrying on such activities as described herein. Except as otherwise expressly provided herein, nothing herein shall be construed to authorize any party to act as an agent for any other party, or to create a joint venture or partnership, or to constitute an indemnification. Except as otherwise expressly provided herein, nothing herein shall restrict any party's right to purchase or sell Securities, as he/it deems appropriate, in his/its sole discretion, provided that all such sales are made in compliance with all applicable laws. Except as otherwise expressly provided herein, each Group Member retains sole discretion over acquisitions and dispositions of, and voting authority over, the Securities that such Group Member holds or beneficially owns.

11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute but one and the same instrument.

12. Governing Law and Jurisdiction. This contract and all disputes and causes of action between the parties (in contract warranty, tort, strict liability, by statute or otherwise) shall exclusively be governed by the laws of the State of Nevada (exclusive of its conflicts of law principles). The sole and exclusive venue for any disputes, claims, or causes of action, legal or equitable, shall be the state or federal court located in Nevada and the parties consent to this jurisdiction and shall not contest venue or personal jurisdiction in this forum.

13. Termination. Any party hereto may terminate his/its obligations under this Agreement immediately upon written notice to all other parties. This Agreement will automatically terminate on the date that is the earlier of (i) 30 days after the date that no Group Member owns any Securities of the Company, (ii) the completion of the Special Meeting, and (iii) the execution by the holders of 50% or more of the voting interests of the Company and delivery to the Company of the Stockholder Consent; provided that none of the above events shall be considered to have occurred under this Section 12 while any claim or action of any kind, at law or equity, or any appeal of any decision thereof, is threatened in writing, initiated or pending which in any manner attempts to prevent, forestall or invalidate any such action or matters contemplated thereby.

14. Specific Performance. Each party hereto acknowledges that it will be impossible to measure in money the damage to the other party if a party hereto fails to comply with any of the obligations imposed by this Agreement, that every such obligation is material and that, in the event of any such failure, the other party will not have an adequate remedy at law or damages. Accordingly, each party hereto agrees that injunctive relief or other equitable remedy, in addition to remedies at law or damages, is the appropriate remedy for any such failure and will not oppose the seeking of such relief on the basis that the other party has an adequate remedy at law or of damages. Each party hereto agrees that it will not seek, and agrees to waive any requirement for, the securing or posting of a bond in connection with the other party's seeking or obtaining such equitable relief.

15. Entire Agreement. This Agreement supersedes all prior agreements, written or oral, between the parties hereto with respect to the subject matter hereof and contains the entire agreement between the parties with respect to the subject matter hereof. This Agreement may not be amended or supplemented, and no provisions hereof may be modified or waived, except by an instrument in writing signed by both of the parties hereto. No waiver of any provisions hereof by either party shall be deemed a waiver of any other provision hereof by such party, nor shall any such waiver be deemed a continuing waiver of any provision hereof by such party.

16. Binding Agreement. This Agreement shall be binding upon any affiliated person or entity who becomes or may be deemed to have become the beneficial owner of any Securities, unless otherwise terminated by such affiliated person. Except as otherwise set forth in this Agreement, this Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their permitted successors and assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. No party hereto may assign any of its rights or obligations under this Agreement to any person without the prior written consent of the other parties hereto.

17. Legal Counsel. Each party acknowledges that Barnes & Thornburg LLP shall act as counsel for both the Group and McPheely relating to their investment in the Company.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the parties hereto has caused this Group Voting Agreement to be executed as of the date first written above.

THOMAS P. HARTNESS REVOCABLE TRUST U/A DTD JULY 30,  
2010

By: /s/ Thomas P. Hartness  
Thomas P. Hartness, Trustee

/s/ Kristoffer Mack  
Kristoffer Mack, Individually

/s/ Paul Rapello  
Paul Rapello, Individually

/s/ Glen R. Bailey  
Glen R. Bailey, Individually

/s/ Marsha C. Bailey  
Marsha C. Bailey, Individually

/s/ Kenneth L. Smith  
Kenneth L. Smith, Individually

BERNARD M. MCPHEELY REVOCABLE TRUST U/A DTD MAY 25,  
2011

By: /s/ Bernard M. McPheely  
Bernard M. McPheely, Trustee

/s/ James Carroll  
James Carroll, Individually

GUARANTEE & TRUST CO. TRUSTEE JAMES CARROLL R/O IRA

By: /s/ James Carroll  
James Carroll, Trustee

/s/ Robert M. Daisley  
Robert M. Daisley, Individually

Group Member	Shares	Other Securities
THOMAS P. HARTNESS REVOCABLE TRUST U/A DTD JULY 30, 2010	2,500,000	2,500,000 Warrants to purchase Common Stock
Kristopher Mack, Individually	400,000	None
Paul Rapello, Individually	350,000	None
Glen R. Bailey & Marsha C. Bailey JTWROS	347,500	None
Glen R. Bailey, Individually	250,000	None
Kenneth L. Smith, Individually	339,000	None
BERNARD M. MCPHEELY REVOCABLE TRUST U/A DTD MAY 25, 2011	312,000	None
James Carroll, Individually	220,000	None
Robert M. Daisley, Individually	125,000	None
James Carroll, , Individually and as Trustee of the Guarantee & Trust Co. TTEE James Carroll R/O IRA	93,750	None

**INFORMATION ABOUT THE PROPOSALS**

The Stockholders intends to submit, for a stockholder consent or vote at meeting of the stockholders, the following Proposals described below.

***Proposal 1***

To repeal any amendments to the Bylaws of the Corporation adopted by the Board of Directors of the Corporation without the approval of stockholders after May 13, 2010. The following is the text of the proposed resolution:

RESOLVED , that the Bylaws are hereby amended to repeal any amendments thereto adopted by the Board without stockholder approval after May 13, 2010 and prior to or concurrently with the effectiveness of this Resolution.

***Proposal 2***

To, pursuant to Article X, Section 2 of the Bylaws, amend and restate in their entirety the Bylaws as set forth below. The following is the text of the proposed resolution:

RESOLVED, that the Amended and Restated Bylaws attached hereto be, and hereby are, adopted as the bylaws of the Corporation, effective immediately.

***Proposal 3***

To elect the Nominees to fill any vacancies resulting from any increase in the size of the Board resulting from Proposal 2, if enacted. In the event the Proposals are voted upon at a meeting of the stockholders and upon the approval of Proposal 2, there will exist seven vacancies on the Board, and the Stockholders will seek to have the seven Nominees elected to fill such vacancies. In the event that this Proposal is addressed through a consent solicitation and the number of vacancies is fewer than seven, the Nominees shall be elected in order based upon the highest number of votes received from stockholders. In the event that two or more Nominees, each of whom receives the same number of votes, are to be considered for filling a particular vacancy, such vacancy shall be filled with the most senior Nominee.

The following is the text of the proposed resolution:

RESOLVED , that the following persons are elected as the members of the Board of Directors of the Corporation effective immediately upon the adoption of this Resolution, and shall serve in such capacities until the next annual meeting of the Stockholders or until their earlier death, resignation or removal or until their respective successors are duly elected and qualified:

Ben Wolkowitz  
Kristoffer Mack  
Bernard M. McPheely  
Craig Brown  
Ronnie Kobrovsky  
Lewis Smoak  
Michael McMahon



## INFORMATION ABOUT THE NOMINEES

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**Name and Age**

**Ben Wolkowitz**  
**Age 68**

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**Business Address**

32 Dellwood Drive  
Madison, NJ 07940

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**Principal Occupation or Employment and Public  
Company Directorships**

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Mr. Wolkowitz has had an extensive career in finance and economics. Most recently he headed Madison Financial Technology Partners, a consulting firm that advised technology companies on how to position their products for the financial services industry. Previously he was a Managing Director at Morgan Stanley where he had several assignments in the Fixed Income Division over a sixteen-year career. Initially he set up and ran their financial futures brokerage operation, then ran a significant portion of the Fixed Income sales force. He also was the head of Fixed Income Research and as his last assignment, prior to retiring, he managed a \$100 million portfolio of technology companies in which Morgan Stanley had made investments.

Prior to joining Morgan Stanley he was with Citicorp where he started and ran their fixed income futures brokerage operation. Before the New York phase of his career Mr. Wolkowitz was with the Board of Governors of the Federal Reserve System where he was in charge of Financial Studies, a department in the Division of Research and Statistics. His team was responsible for analyzing and advising Governors of the Board on financial markets and financial institutions. Mr. Wolkowitz joined the Fed after teaching at Tulane University in the economics department. At that time he was also a consultant to the Urban Institute in Washington, D.C.

Mr. Wolkowitz has written and lectured extensively worldwide on both theoretical and applied topics in economics and finance. In addition he co-authored a book, Bank Capital, and has several articles republished in anthologies on financial and economic topics. Mr. Wolkowitz has a BA cum laude from Queens College and a PhD in economics from Brown University.

Mr. Wolkowitz is also a Town Council Member, Madison N.J. and a member of the Advisory Board of the Great Swamp Watershed Association.

**Kristoffer Mack**  
**Age 50**

515 Madison Avenue  
Suite 1300  
New York, NY 10022

Mr. Mack is a Senior Managing Director and Co-Founder of WaveCrest Securities, LLC, a FINRA registered broker dealer and has held such position since January 2012. Mr. Mack has over 26 years of investment banking experience during which time he has held senior level positions in leverage finance, high yield and debt capital markets with Deutsche Bank, Morgan Stanley, Bankers Trust and Drexel Burnham Lambert. Throughout his career, he has executed a broad range of advisory, financing and capital raising assignments on behalf of US and international clients.

Prior to founding WaveCrest Securities, Mr. Mack was Senior Managing Director of Focus Capital Group, Inc. from 2010-2013. He also spent 11 years in senior positions at Deutsche Bank. Most recently, he was Managing Director and Global Head of Hedge Fund coverage for Deutsche Bank investment banking department in New York. Prior to leading global hedge fund coverage, Mr. Mack spent 6 years in Tokyo, Japan, where he founded and ran Deutsche Bank's principal investment, leverage finance, sponsor coverage and real estate finance businesses in the Asia Pacific region with a specific focus on the Chinese and Japanese regions. In addition to these responsibilities, Mr. Mack was a member of the Asia Pacific management committee and he established and managed a \$1.5 billion internal investment fund focused on investing in nonperforming and under-performing assets in the Japanese and Chinese markets.

Mr. Mack has lived, worked and studied in Asia for eight year and has extensive business, political and cultural experience in the region. Mr. Mack holds a BA in International Economics and Japanese language, magna cum laude, from Georgetown University and an MBA from Wharton School of Business. He is a Phi Beta Kappa honors recipient and speaks fluent Japanese. Mr. Mack currently sits on the Boards of Georgetown University and Styleowner, Inc.

**Bernard M.  
McPheely  
Age 62**

P.O. Box 26509  
Greenville, SC 29615

Bern McPheely recently retired as President of Hartness International after more than 35 years of service. A leader in total solutions to the packaging industry, Hartness provides equipment globally to more than 100 countries. From startup and under Mr. McPheely's guidance, Hartness was profitable every quarter since 1982. He spearheaded short and long term strategic planning, including four major company-wide transformations to reposition the Hartness value proposition, product portfolio and go-to-market strategy. Mr. McPheely negotiated and executed the sale of Hartness to ITW (Illinois Tool Works) and was responsible for shepherding the transition from a family owned business to a public company. He has also been responsible for successful synergistic acquisitions. From 2000-2002 Mr. McPheely was chairman of the PMMI (\$6 billion member packaging association). Mr. McPheely was honored by Start Magazine as one of the top ten "CEO Visionaries Who Ignite Technology" and has briefed President Clinton and cabinet members on the state of US business. Mr. McPheely previously worked with the US Department of Commerce.

A graduate of The Thunderbird Graduate School of International Management, Mr. McPheely also received his undergraduate degree from Albion College in Albion Michigan.

**Craig Brown**  
**Age 63**

945 S. Main Street  
Greenville, SC 29601

Craig Brown has been the President and CEO of Keelers Ridge Associates, a private equity and consulting firm that is engaged in investment and entrepreneurial activities involving sports, technology, and marketing since 2003. He is an active investor and Board member of several companies, including The Baseball Factory, a firm that is the leader in college placement and skill development for high school athletes. Brown is also the President and Co-owner of the Greenville Drive baseball team, the South Atlantic League affiliate of the Boston Red Sox. Brown also led the construction of Fluor Field, the Drive's award winning stadium in Downtown Greenville. Fluor Field is one of a handful of privately owned stadiums in America and was named Ballpark of the Year upon its debut in 2006. Fluor Field and the Greenville Drive have proven to be catalysts for community engagement and economic growth and development in the region.

Prior to founding Keelers Ridge Associates, Mr. Brown spent 23 years as a key executive in the globalization of the advertising industry, most recently as President and Chief Operating Officer of the Bcom3 Group, an advertising and communications services holding company. Over the course of his career in advertising, Mr. Brown was a principal executive in the industry's three largest and most defining mergers, including the merger of Leo Burnett and The MacManus Group to form Bcom3 and the \$4,000,000,000 merger of Bcom3 and the Publicis Groupe. The merger with Bcom3 transformed the Publicis Groupe into one of four firms that dominate the global advertising industry. After the acquisition, Mr. Brown served as an executive of Publicis for 15 months in a transitional capacity and as a director of OBSA Settlement Corporation, an entity formed to monetize the debt consideration received by Bcom3 shareholders in the merger with Publicis.

From 1996 until the formation of Bcom3 in 2000, Mr. Brown served as Vice Chairman, Chief Operating Officer and Chief Financial Officer of The MacManus Group. In those positions, Mr. Brown led The MacManus Group's successful program of global growth via acquisitions and services diversification. This program resulted in the acquisition and integration of over 100 individual companies across all major global geographies and marketing services disciplines. Mr. Brown also pioneered the use of a shared service organization in the industry through the creation of re:SOURCES, the award-winning shared services organization which provides support services in the areas of finance, information technology and administration to agency operating units in all major markets.

Mr. Brown joined D'Arcy MacManus & Masius in 1980 and was named its Corporate Executive Vice President and Chief Financial Officer in 1983. Mr. Brown assumed the role of Chief Financial Officer of DMB&B in 1986—following the merger of Benton & Bowles and D'Arcy MacManus Masius—the industry's first mega merger.

Mr. Brown started his career in 1972 with Arthur Andersen & Co., and served eight years as a certified public accountant after receiving his Bachelor of Arts degree from Michigan State University. Brown is an active alumnus of Michigan State where he currently serves as Chairman of Spartan Innovations an organization devoted to the commercialization of the University's Intellectual Property. In 2003 the University bestowed upon him the Distinguished Alumnus award, the highest award granted to graduates of MSU. Brown is also a member of the MSU Athletic Director's Council and is the past Chairman and current Board member of the Michigan State University Research Foundation.

Mr. Brown also serves on the Board of Directors of The Partnership at Drugfree.org where he is Board Treasurer, the Hydrocephalus Association, where he is Vice Chairman, and is a founding Board member of MiLB Enterprises which oversees brand marketing for Minor League Baseball.

He previously served on the Board of Directors for the USA Ski and Snowboard Team, the Advisory Board of the Eli Broad School of Management at Michigan State University, and "Just Say No, International" where he had a six-year term as the National Board Chairman.

Mr. Brown and his wife Vicki have three grown children and live in Naples, Florida and Greenville, South Carolina. Mr. Brown is an active runner and enjoys golf, skiing and all forms of sports.

**Ronnie Kobrovsky**  
**Age 63**

Central Bottling Company  
PO Box 555  
Bnei-Brak 51104  
Israel

Ronnie Kobrovsky, 63, joined the Central Bottling Company in 1976 and served the company until 1995 in various capacities, including Production Engineer, Chief Engineer and, from 1985 to 1995, as Deputy General Manager.

In 1996, Mr. Kobrovsky built and managed International Beer Breweries (“Carlsberg Israel” and “Prigat Israel”) and United Romanian Breweries (Tuborg Romania) serving as Chairman and CEO of both companies. In 1998 he returned to CBC as General Manager, and in 2002 he was appointed President of CBCGroup.

Mr. Kobrovsky is a graduate of Tel Aviv University with a degree in Industrial Engineering. In 1994 he received an Executive MBA from the Recanati School of Management at Tel Aviv University.

Mr. Kobrovsky has served as Chairman of the Food Industries Association at the Manufacturers’ Association of Israel and has also served as the Chairman of the Manufacturers’ Association. He has served as Chairman and Director of Turk Tuborg Brewing & Malting Inc. since 2008. He is married to Etty; they have three children and five grandchildren.

In 2008, Ronnie was awarded the “Lifetime Achievement in Industry Award” by the Chairman of the Israeli Knesset on behalf of the Manufacturers’ Association of Israel, in recognition of his “contribution to Israeli industry, economy and society” and the realization of the vision of turning the Central Bottling Company Group into a thriving group of companies, which sets the tone for the beverage and food markets in 21st century Israel.

**Lewis Smoak**  
**Age 70**

c/o Ogletree, Deakins, Nash,  
Smoak & Stewart, P.C.  
P.O. Box 2757  
Greenville, SC 29602

Mr. Smoak is a founding partner of Ogletree, Deakins, Nash, Smoak & Stewart, which was founded in 1977. During more than 44 years of representing companies in labor and employment matters, he has personally handled approximately 300 union organizing and decertification campaigns. He has extensive experience in the development and implementation of preventive labor relations programs for clients in all regions of the country. He is among the one percent of U.S. lawyers listed in The Best Lawyers in America, and has also been selected by his peers for inclusion in the ABA's College of Labor and Employment Lawyers, and Chambers USA Leading Lawyers in America. Mr. Smoak is the author of three comprehensive nationwide labor relations studies in the construction industry. He has served on the Greenville (president) and South Carolina State Chambers of Commerce and currently serves on the State Chamber's Good Government Committee. He has served since 2002 as a member of South Carolina BIPEC's Board and its Executive Committee since 2004. He focuses community efforts on early childhood education issues, including service on United Way's Success by Six Board, and chairing both Greenville County (2001-2003) and the State of South Carolina's First Steps for School Readiness Board of Trustees (2003-2013). For his work in early childhood education, he was recognized and received the 2006 Ellis Island Medal of Honor.

**Michael McMahon**  
**Age 63**

411 University Ridge  
Suite D  
Greenville, SC 29601

Mr. McMahon has been the Chief Executive Officer of Scio Diamond Technology Corporation since February 2013. Prior to that time, from May 2006 until September 2011, Mr. McMahon was the President of Unique Solutions, LLC, a company that provides expertise in the control of engineering and construction projects

Mr. McMahon is a graduate of the University of Cincinnati and has over 30 years of senior management leadership experience. Prior to joining the Company, he served as President of Unique Solutions, a startup systems and project management firm, from 2006 to 2011. He has also held Senior Executive Positions at Fluor Corporation, Jacobs Engineering, and CRSS, Inc., managing the design and construction of over 19 billion dollars of constructed value worldwide, much of it in high technology.

**AMENDED AND RESTATED BYLAWS**  
**OF**  
**SCIO DIAMOND TECHNOLOGY CORPORATION**

**ARTICLE I - OFFICES**

Section 1. **Registered Agent and Office** . The registered office of the corporation is located at 2215-B Renaissance Drive, Las Vegas, Nevada 89119, and the registered agent at the aforementioned address is CSC Services of Nevada, Inc. The registered office of the corporation may be, but need not be, identical with the principal office in the State of Nevada, and the address of the registered office may be changed from time to time by the board of directors.

Section 2. **Principal Place of Business** . The principal office of the corporation is located at 411 University Ridge, Greenville, SC 29650.

Section 3. **Other Places of Business** . The corporation may have other such places of business, either within or without the State of Nevada as the board of directors may designate or as the business of the corporation may require from time to time.

**ARTICLE II - STOCKHOLDERS' MEETINGS**

Section 1. **Annual Meetings** . The annual meeting of the stockholders shall be held on such day at such place as the directors shall determine, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held at the time designated for the annual meeting of stockholders or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the stockholders as soon thereafter as convenient.

Section 2. **Special Meetings** . Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president or the board of directors or by the written demand of 25% or more of the stockholders.

Section 3. **Place of Meeting** . The board of directors may designate any place, either within or without the State of Nevada, as the place of meeting for any annual meeting, or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation, but any meeting may be adjourned to reconvene at any place designated by vote of a majority of the shares represented thereat.

Section 4. **Notice of Meeting** . Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 days before, unless a longer minimum notice period is required by law, nor more than 60 days before the date of the meeting either personally or by mail to each shareholder of record entitled to vote at the meeting. If mailed, such notice shall be deemed to be delivered when deposited in a post office or official depository under the exclusive care and custody of the United States Postal Service, addressed to the shareholder at his address as it appears on the stock record books of the corporation, with postage thereon prepaid.

Section 5. **Waiver of Notice by Stockholders** . Whenever any notice whatever is required to be given to any shareholder of the corporation under the provisions of these bylaws or under the provisions of the articles of incorporation or under the provisions of any statute, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the shareholder entitled to such notice, shall be deemed equivalent to the giving of such notice. Attendance of a person at a meeting of stockholders, in person or by proxy constitutes a waiver of notice of the meeting, except when the shareholder attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

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Section 6. **Action by Stockholders Without a Meeting** . Any action required or permitted to be taken at an annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a majority of the stockholders entitled to vote thereon, or any different proportion of voting power required for such action at a meeting, consent thereto in writing.

Section 7. **Fixing of Record Date** . For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or in order to make a determination of stockholders for any other lawful purpose, the board of directors of the corporation may fix, in advance, a date as the record date for any such determination of stockholders, such date in any case to be not more than 60 nor less than 10 days prior to the date of any proposed meeting of stockholders, nor more than 60 days before any other action. In no event shall the stock transfer books be closed. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this Section, such determination shall be applied to any adjournment thereof, unless the board of directors fixes a new record date under this Section for the adjourned meeting.

Section 8. **Quorum** . A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. The stockholders present in person or by proxy at such meeting may continue to do business until adjournment notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Though less than a quorum of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

Section 9. **Proxies** . At all meetings of stockholders, a shareholder entitled to vote may vote by proxy appointed in writing by the shareholder or by his authorized agent or representative. No proxy shall be valid after six months from the date of its execution, unless otherwise provided in the proxy, and in no event after seven years of the date of its execution.

Section 10. **Voting of Shares** . Each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of stockholders.

Section 11. **List of Stockholders** . A complete list of the stockholders entitled to vote at each meeting of stockholders or any adjournment thereof, arranged in alphabetical order, and showing the address of each shareholder and the number of shares registered in the name of each shareholder shall be prepared by the officer or agent of the corporation having charge of the stock transfer books. Such list shall be produced at the time and place of the meeting during the whole time thereof, and be subject to the inspection of any shareholder. Such list shall be *prima facie* evidence as to who are the stockholders entitled to examine the list and to vote at the meeting.

Section 12. **Reimbursement of Certain Stockholder Expenses** . The board of directors shall cause the Company to reimburse a stockholder or group of stockholders (together, the “**Nominator**”) for reasonable expenses (“**Expenses**”) incurred in connection with nominating one or more candidates in a contested election of directors to the Company’s board of directors, including, without limitation, printing, mailing, legal, solicitation, travel, advertising and public relations expenses, so long as (a) one or more candidates nominated by the Nominator are elected to the board of directors, (b) stockholders are not permitted to cumulate their votes for directors, (c) the election occurred, and the Expenses were incurred, concurrent with or after this bylaw’s adoption, and (d) doing so would not cause the directors to violate their fiduciary duties to the Company. The amount paid to a Nominator under this bylaw in respect of a contested election shall not exceed the amount expended by the Company in connection with such election.

### ARTICLE III - BOARD OF DIRECTORS

Section 1. **General Powers** . The business and affairs of the corporation shall be managed by its board of directors.

Section 2. **Number, Tenure and Qualifications** . The number of directors of the corporation shall be 10. Each director shall hold office until the annual meeting of stockholders next following his election and until his successor is elected and qualified, or until his death, resignation or removal if that should sooner occur.

Section 3. **Vacancies** . Any vacancy occurring in the board of directors and any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or at a special meeting of stockholders called for the purpose or by appointment by a majority vote of the directors then in office, though less than a quorum. A director appointed to fill a vacancy shall serve until the annual meeting of stockholders next following his election and until his successor is elected and qualified, or until his death, resignation or removal if that should sooner occur.

Section 4. **Regular Meetings** . The board of directors may from time to time provide by resolution the time and place, either within or without the State of Nevada, for the holding of regular meetings of the board of directors. Such regular meetings may be held without other notice than such resolution.

Section 5. **Special Meetings** . Special meetings of the board of directors may be called by or at the request of the chairman or the president or of the secretary or any one of the directors. The person or persons calling such meeting may fix any time or place for holding any special meeting of the board of directors called by them.

Section 6. **Notice of Meeting** . Notice of any special meeting shall be given at least 72 hours prior thereto by written notice delivered personally or mailed to each director at the address designated by him for that purpose or, if none is designated, at his last known address or by telegram. If mailed, such notice shall be deemed to be delivered when deposited so addressed in a post office or official depository under the exclusive care and custody of the United States Postal Service, with postage thereon prepaid.

Section 7. **Waiver of Notice by Directors** . Whenever any notice whatever is required to be given to any director of the corporation under the provisions of these bylaws or under the provisions of the articles of incorporation or under the provisions of any statute, a waiver thereof, in writing, signed at any time, whether before or after the time of meeting, by the director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a Waiver of Notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 8. **Quorum** . A majority of the directors then in office shall constitute a quorum for the transaction of business at any meeting of the board of directors; but though less than such quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 9. **Presence by Means of Telephone** . A director shall be deemed to be present in person at a meeting of the directors if he participates in the meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 10. **Manner of Acting** . The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by statute.

Section 11. **Action by Directors Without a Meeting** . Any action required or permitted to be taken at any meeting of the board of directors or any committee thereof may be taken without a meeting if, before or after the action, all members of the board or of the committee, as the case may be, shall have signed a written consent. Any such written consents shall be filed with the minutes of the proceedings of the board or the committee.

Section 12. **Compensation** . The board of directors, by affirmative vote of a majority of the directors then in office, and irrespective of any personal interest of any of its members, may establish reasonable compensation of all directors for services to the corporation as directors, officers or otherwise, or may delegate such authority to an appropriate committee.

Section 13. **Presumption of Assent** . A director of the corporation who is present at a meeting of the board of directors or a committee thereof at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 14. **Committees** . The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The board of directors shall have the power at any time to fill vacancies in, to change the membership of, or to discharge any such committee, or to designate additional committees. The board of directors shall have the power to appoint employees of the corporation who are not members of the board of directors to serve as advisory, non-voting consultants to any such committees. Any committee, to the extent provided in the resolutions of the board creating such committee and subject to the limitations provided by statute, shall have and may exercise the powers of the whole board of directors in the management of the business and affairs of the corporation.

Section 15. **Dividends** . Subject always to the provisions of law and the articles of incorporation, the board of directors shall have full power to determine whether any, and if any, what part of any, funds legally available for the payment of dividends shall be declared in dividends and paid to stockholders; the division of the whole or any part of such funds of the corporation shall rest wholly within the lawful discretion of the board of directors, and it shall not be required at any time, against such discretion, to divide or pay any part of such funds among or to the stockholders as dividends or otherwise; and the board of directors may fix a sum which may be set aside or reserved over and above the capital paid in of the corporation as working capital for the corporation or as a reserve for any proper purpose, and from time to time may increase, diminish, and vary the same in its absolute judgment and discretion.

#### ARTICLE IV - OFFICERS

Section 1. **Number** . The board of directors, as soon as practicable after the election thereof held in each year, shall elect a president, a secretary and a treasurer, and from time to time may elect one or more vice presidents and such assistant secretaries, assistant treasurers and such other officers, agents and employees as it may deem proper. All offices may be held by the same person.

Section 2. **Election and Term of Office** . Each officer shall hold office for the term for which he was elected and until his successor shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. **Removal** . Any officer or agent elected or appointed by the board of directors may be removed by the board of directors, whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

Section 4. **Vacancies** . A vacancy in any principal office because of death, resignation, removal, disqualification or otherwise shall be filled by the board of directors for the unexpired portion of the term.

Section 5. **Chairman** . The chairman shall preside at all meetings of the stockholders and the board of directors, and such other duties as may be prescribed by the board of directors from time to time.

Section 6. **President** . The president shall be the principal executive officer of the corporation and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, in the absence of the chairman, preside at meetings of the stockholders and board of directors. He may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the board of directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws or some other law to be otherwise signed or executed, and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

Section 7. **Vice President** . In the absence of the president, or in the event of his death or inability to act, the vice president, if any, or if more than one, then in the order designated by the board of directors, shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president.

Section 8. **Secretary** . The secretary shall:

- (a) Keep the minutes of the stockholders' and the board of directors' meetings in one or more books provided for that purpose;

- (b) See that all notices are duly given in accordance with the provisions of these bylaws or as required by law;
- (c) Be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized;
- (d) Keep a register of the post office address of each shareholder;
- (e) Sign with the president or a vice president certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the board of directors;
- (f) Have general charge of the stock transfer books of the corporation; and
- (g) In general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board of directors.

Section 9. **Treasurer** . If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the board of directors shall determine. The treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these bylaws; and
- (b) In general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the board of directors.

Section 10. **Salaries** . The salaries of the officers shall be fixed from time to time by the board of directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

Section 11. **Officer Reimbursement** . Each officer by accepting his office agrees that any payments made to him by the corporation such as a salary, commission, bonus, interest, or rent, or travel, or entertainment expense incurred by him, which shall be disallowed in whole or in part as a deductible expense by the Internal Revenue Service, shall be reimbursed by such officer to the corporation to the full extent of such disallowance. It shall be the duty of the directors, as a board, to enforce payment of each such amount disallowed. In lieu of payment by the officer, subject to the determination of the directors, proportionate amounts may be withheld from his future compensation payments until the amount owed to the corporation has been recovered.

## **ARTICLE V - CERTIFICATES FOR SHARES AND THEIR TRANSFER**

Section 1. **Certificates for Shares** . Subject to the requirements of law, certificates representing shares of the corporation shall be in such form as shall be determined by the board of directors. Such certificates shall be signed by the president or a vice president and by the secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificates shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the board of directors may prescribe.

Section 2. **Facsimile Signatures** . If a transfer agent or registrar is appointed and countersigns certificates representing shares of the corporation, the signatures of the officers of the corporation on such certificates may be facsimiles.

Section 3. **No Pre-emptive Rights** . No holder of shares of the capital stock of any class of the corporation shall have any preemptive right of subscription to any shares of any class of stock of the corporation, whether now or hereafter authorized.

## ARTICLE VI - INDEMNIFICATION

Section 1. **Indemnification of Directors and Officers : Claims by Third Parties** . The corporation shall, to the fullest extent authorized by the Nevada Revised Statutes, indemnify a director or officer (the “ **Indemnitee** ”) who was or is a party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, other than an action by or in the right of the corporation, by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including attorneys’ fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or its stockholders, and with respect to a criminal action or proceeding, if the Indemnitee had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction or upon a plea nolo contendere or its equivalent, does not, of itself, create a presumption that the Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation or its stockholders, and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 2. **Indemnification of Directors and Officers: Claims Brought by or in the Right of the corporation** . The corporation shall, to the fullest extent authorized by the Nevada Revised Statutes, indemnify a director or officer (the “ **Indemnitee** ”) who was or is a party to or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys’ fees, and amounts paid in settlement incurred by the person in connection with the action or suit, if the Indemnitee acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its stockholders. However, indemnification shall not be made for a claim, issue or matter in which the Indemnitee has been found liable to the corporation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnification for the expenses which the court considered proper.

Section 3. **Advancement of Expenses** . Expenses incurred in defending a civil or criminal action, suit or proceeding described in Sections 1 or 2 above shall be paid by the corporation, promptly after request by the Indemnitee in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay the expenses if it is ultimately determined that the Indemnitee is not entitled to be indemnified by the corporation. The undertaking shall be by unlimited general obligation of the Indemnitee on whose behalf advances are made, shall not be required to be secured and shall be accepted without reference to financial ability to pay.

Section 4. **Approval of Indemnification** . An indemnification under Section 1 or 2 hereof, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because he or she has met the applicable standard or conduct set forth in Sections 1 and 2. This determination shall be made in one of the following ways, as designated by the Indemnitee in his or her sole discretion:

- (a) By a majority vote of a quorum of the board consisting of directors who were not parties to the action, suit or proceeding;
- (b) By independent legal counsel in a written opinion; or
- (c) By the stockholders.

Upon written request by the Indemnitee for indemnification (which request shall designate a method of determination described above), the corporation shall, at its expense, take all actions necessary to make the determination (utilizing the method of determination designated by the Indemnitee) as expeditiously as possible but within not later than One Hundred Eighty (180) days (or at the next stockholders’ meeting if that method is designated) after such request. The Indemnitee shall have the right to petition a court of appropriate jurisdiction:

(i) to make the determination, if the corporation fails to do so within the time allotted; or (ii) to review the determination, if the determination denies indemnification in whole or in part.

Section 5. **Indemnification - Definitions, Other Provisions** . The other and further provisions affecting indemnification of directors and officers which are set forth in Section 78.7502 of the Nevada Revised Statutes, including any definitions and right to partial indemnification, shall be applicable to this Article VI.

Section 6. **Contract with the corporation** . The provisions of this Article VI shall be deemed to be a contract between the corporation and each director or officer who serves in any such capacity at any time while this Article VI and the relevant provisions of the Nevada Revised Statutes, are in effect, and any repeal or modification of any such law or of this Article VI shall not affect any rights or obligations then existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts. In the event this Article is repealed or modified, the corporation shall give written notice thereof to the directors and officers and any such repeal or modification shall not be effective for a period of Sixty (60) days after such notice is delivered.

Section 7. **Indemnification of Employees and Agents** . Any person who is not covered by the foregoing provisions of this Article and who is or was an employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, may be indemnified to the extent authorized at any time or from time-to-time by the board of directors.

Section 8. **Other Rights of Indemnification** . The indemnification provided or permitted by this Article VI shall not be deemed exclusive of any other rights to which those who shall or may be indemnified may be entitled by law, separate agreement or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent of the corporation and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 9. **Liability Insurance** . The corporation shall have the power to purchase and maintain insurance (including insurance issued by an affiliated insurer and insurance for which premiums may be adjusted retroactively, in whole or in part, based upon claims experience, or similar arrangements and may also create a trust fund or other form of funded arrangement) on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against and incurred by such person in any such capacity or arising out of such person's status as such, regardless of whether the corporation would have the power to indemnify such person against such liability under the provisions of this Article VI.

## ARTICLE VII - AMENDMENTS

Section 1. **Amendment**. These bylaws may be altered, amended or repealed or new bylaws may be adopted by the stockholders or by the board of directors, when such power is conferred upon the board of directors by the articles of incorporation, or at any special meeting of the stockholders or of the board of directors if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal bylaws is conferred upon the board of directors by the articles of incorporation, it shall not divest or limit the power of the stockholders to adopt, amend or repeal bylaws.