

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

AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ENERGOUS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

335900
*(Primary Standard Industrial
Classification Code Number)*

46-1318953
*(I.R.S. Employer
Identification No.)*

303 Ray Street
Pleasanton, CA, 94566
(925) 344-4200
*(Address, including zip code, and telephone number, including area code, of registrant's principal
executive offices)*

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As soon as practicable after the effective date of this Registration Statement.

(Approximate date of commencement of proposed sale to the public)

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Aggregate Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock (2)	4,600,000	\$ 6.00	\$ 27,600,000	\$ 3,554.88
Underwriter Warrant (3)(4)	1		\$ 100	\$ 0.01
Shares of common stock underlying Underwriter Warrant (5)	460,000	\$ 7.50	\$ 3,450,000	\$ 444.36
Total Registration Fee (6)			\$ 31,050,100	\$ 3,999.25

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes 600,000 shares of common stock representing 15% of the shares offered to the public that the underwriter has the option to purchase to cover over-allotments, if any.

(3) No registration fee required pursuant to Rule 457(g) under the Securities Act of 1933.

(4) Represents a warrant granted to the underwriter to purchase shares of common stock in an amount up to 10% of the number of shares sold to the public in this offering. See "Underwriting" beginning on page 53 of the prospectus contained within this Registration Statement for information on underwriting arrangements relating to this offering.

(5) Pursuant to Rule 416 under the Securities Act of 1933, as amended, there is also being registered hereby such indeterminate number of additional shares of common stock of the registrant as may be issued or issuable because of stock splits, stock dividends, stock distributions, and similar transactions.

(6) \$3,332.71 previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment, which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND WE ARE NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED MARCH 21, 2014



PRELIMINARY PROSPECTUS

4,000,000 Shares of Common Stock

ENERGIOUS CORPORATION

We are offering 4,000,000 shares of our common stock, \$0.00001 par value, in a firm commitment underwritten offering, which share number reflects our proposed one for 3.99 reverse stock split (the “reverse stock split”) described in this prospectus. After the effectiveness of the registration statement, of which this prospectus is a part, and concurrently with the pricing of the offering, we will effect the reverse stock split.

This is an initial public offering of our common stock. We expect the public offering price to be \$6.00 per share (assuming the reverse stock split). There is presently no public market for our common stock. We have applied for listing of our common stock on the Nasdaq Capital Market under the symbol “WATT,” which listing we expect to occur upon consummation of this offering. No assurance can be given that our application will be approved. If our application to the Nasdaq Capital Market is not approved or we otherwise determine that we will not be able to secure the listing of the common stock on the Nasdaq Capital Market, we will not complete the offering or effect the reverse stock split.

We are an “emerging growth company” under the federal securities laws and will have the option to use reduced public company reporting requirements. Investing in our common stock involves a high degree of risk. See “Risk Factors” beginning on page 9 for a discussion of information that should be considered in connection with an investment in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

MDB Capital Group, LLC is the underwriter for our initial public offering. MDB Capital Group, LLC has rendered advisory services to us in the past and has acted as our placement agent in connection with the placement of our senior secured convertible promissory notes completed in May 2013.

If we sell all of the common stock we are offering, we will pay to MDB Capital Group, LLC \$1.92 million, or, 8.0% of the gross proceeds of this offering and non-accountable expenses equal to \$175,000. For a more complete discussion of the compensation we will pay to the underwriter, please see the section of this prospectus titled “Underwriting.” In connection with this offering, we have also agreed to issue to MDB Capital Group, LLC a warrant to purchase shares of our common stock in an amount up to 10% of the shares of common stock sold in the public offering, with an exercise price equal to 125% of the per-share public offering price.

	Per Share	Total
Public offering price	\$ 6.000	\$ 24,000,000
Underwriting discount	\$ 0.480	\$ 1,920,000
Proceeds, before expenses, to us	\$ 5.520	\$ 22,080,000

(1) Does not include a non-accountable expense allowance equal to \$175,000 payable to MDB Capital Group, LLC, the underwriter. See “Underwriting” for a description of compensation payable to the underwriter.

The underwriter may also purchase an additional 600,000 shares of our common stock (assuming the reverse stock split) amounting to 15% of the number of shares offered to the public, within 45 days of the date of this prospectus, to cover over-allotments, if any, on the same terms set forth above.

The underwriter expects to deliver the shares on or about _____, 2014.

MDB Capital Group, LLC

The date of this prospectus is _____, 2014.

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Unless otherwise stated or the context otherwise requires, the terms "Energous," "DvineWave," "we," "us," "our" and the "Company" refer to Energous Corporation.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with additional or different information. The information contained in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

No dealer, salesperson or any other person is authorized in connection with this offering to give any information or make any representations about us, the securities offered hereby or any matter discussed in this prospectus, other than those contained in this prospectus and, if given or made, the information or representations must not be relied upon as having been authorized by us. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the securities offered by this prospectus, or an offer to sell or a solicitation of an offer to buy any securities by anyone in any circumstance in which the offer or solicitation is not authorized or is unlawful.

Prospectus Summary

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information that you need to consider in making your investment decision. You should carefully read this entire prospectus, as well as the information to which we refer you, before deciding whether to invest in our common stock. You should pay special attention to the “Risk Factors” section of this prospectus to determine whether an investment in our common stock is appropriate for you.

This registration statement, including the exhibits and schedules thereto, contains additional relevant information about us and our securities. With respect to the statements contained in this prospectus regarding the contents of any agreement or any other document, in each instance, the statement is qualified in all respects by the complete text of the agreement or document, a copy of which has been filed or incorporated by reference as an exhibit to the registration statement.

About Energois Corporation

We are a development stage technology company. We are developing technology that can enable wireless charging or powering of electronic devices at distance. We believe our technology is a novel approach, in that it charges or powers devices by surrounding them with a three dimensional (“3D”) pocket of energy formed by radio frequencies (“RF pocket”). In our laboratory, our prototype devices have enabled wireless transmission of energy from a transmitter (similar in size and shape to a Wi-Fi router) to multiple receiver test boards at a distance of up to 15 feet. Our test boards are constructed from commercially available parts and components, are not optimized for our receiver application and are too large to be incorporated in commercially marketed products. We intend to develop a receiver chip to integrate into additional test devices. We believe this receiver chip will optimize our technology into a significantly smaller space and allow for the incorporation of our receiver technology into various products. If the receiver chip we expect to develop is integrated into a low-power (under 10 watts) electronic device, the chip should be able to utilize the received energy to either power the device directly or charge the battery that powers the device. We are also developing management and control of our solution through a software application that will ultimately reside on the device being charged. We believe that if our development efforts are successful, our transmitter/receiver solution will initially be able to power or charge multiple electronic devices at up to 1.5 watts at distances of up to 30 feet. Subsequent development efforts will focus on increasing the charging wattage, increasing the distance of charging, enhancing reliability, enhancing management and control of the solution and reducing design cost.

We were incorporated in Delaware on October 30, 2012 under the name of DvineWave Inc. and changed our name to Energois Corporation in January 2014. The address of our corporate headquarters is 303 Ray Street, Pleasanton, CA, 94566 and our telephone number is (925) 344-4200. Our website can be accessed at www.energois.com. The information contained on, or that may be obtained from, our website is not, and shall not be deemed to be, a part of this prospectus.

Our Technology

The wireless charging solution we are developing employs 3D “pocketforming.” The solution has two main hardware components: a transmitter, which creates the RF pocket; and one or many receivers connected to electronic devices, which receive the power from the RF pocket. Today this solution is able to send wattage from the transmitter to individual receiver test boards.

Our transmitter locates the receiver(s) in a 3-dimensional space. Next, the transmitter generates a proprietary waveform to create an RF pocket around the receiver(s). We expect that the receiver chips we intend to develop will gather power from this RF pocket. We believe that these proposed receiver chips would then be able to either charge rechargeable-battery devices, or power low-power (under 10 watts) devices that would otherwise need a battery or a connection to a power outlet. Our transmitter uses proprietary software algorithms to dynamically direct, focus and control our proprietary waveform in three dimensions. We believe this control will allow for transmission of energy to a moving object (such as a mobile phone in a user’s pocket).

Our Business Strategy

We intend to license our technology to various consumer electronics companies. We intend to pursue this path because we believe there are several market verticals to which our technology can apply, and we believe that this is the most capital-efficient manner in which we can address many of them at once. We intend to target all aspects of the consumer electronics supply chain. This includes:

- Manufacturers of individual electronic components, such as antennae and integrated batteries.
- Original equipment manufacturers (“OEMs”), which manufacture products for sale under another firm’s brand.
- Original design manufacturers (“ODMs”), which also manufacture products for sale under another firm’s brand, but differ from OEMs in that they also design these products (either collaboratively with their customers or on their own). An ODM may engage multiple companies with similar designs that are then marketed under several different end customers’ brands.
- Branded consumer electronics firms, some of which design their own products and manufacture them through OEMs, and some of which are value-added resellers that rely on an ODM to design and manufacture their products.

Collectively, we refer to these firms as the “consumer electronics supply chain”. We believe strategic relationships with key consumer electronics supply chain licensees will enable our technology to penetrate the marketplace much faster than it would if we manufactured, marketed and distributed products ourselves. We believe this business model will allow us to concentrate our resources on projects more aligned to our core competency in generating licensable intellectual property through research-and-development. As we develop new applications for our technology, we expect to target new strategic relationships in different market sectors.

Nasdaq Listing and Reverse Stock Split

We have applied for listing of our common stock on the Nasdaq Capital Market. If our application to the Nasdaq Capital Market is not approved or we otherwise determine that we will not be able to secure the listing of the common stock on the Nasdaq Capital Market, we will not complete the offering.

On December 12, 2013 our board of directors and stockholders holding a majority of our outstanding voting power, approved resolutions authorizing our board of directors to effect a reverse split of our common stock at an exchange ratio of between one-for-two and one-for-ten, with our board of directors retaining the discretion as to whether to implement the reverse split and which exchange ratio to implement. The reverse stock split is intended to allow us to meet the minimum share price requirement of The Nasdaq Capital Market. In March 2014, our board of directors determined that following the effectiveness of the registration statement, of which this prospectus is a part, and prior to the closing of this offering, the board of directors will effect the reverse stock split at a ratio of 1 share for each 3.99 shares.

Except as otherwise indicated and except in our financial statements, all information regarding share amounts of common stock and prices per share of common stock contained in this prospectus assume the consummation of the reverse stock split to be effected following effectiveness of the registration statement, of which this prospectus is a part, and prior to the closing of this offering.

Status as an Emerging Growth Company

We are an “emerging growth company” as that term is defined in the Jumpstart Our Business Startups Act (the “JOBS Act”). Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act) are required to comply with the new or revised financial accounting standard. The JOBS Act also provides that a company can elect to opt out of the extended transition period provided by Section 102(b)(1) of the JOBS Act and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have irrevocably elected to opt out of this extended transition period provided by Section 102(b)(1) of the JOBS Act. Even though we have elected to opt out of the extended transition period, we may still take advantage of all of the other provisions of the JOBS Act, which include, but are not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, the reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and the exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Ability to Continue our Operations

Our net loss for the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012 and for the period October 31, 2012 (inception) through December 31, 2013, was \$5,521,081, \$21,287 and \$5,542,368, respectively.

We will need financing to continue our operations, particularly for the support of our research and development efforts. Beyond this offering, we have no committed sources of capital and do not know whether additional financing will be available when needed on terms that are acceptable, if at all. The failure to satisfy our capital requirements will adversely affect our business, financial condition, results of operations and prospects.

Sale of Common Stock

On March 7, 2014, we entered into a stock purchase agreement with a strategic investor pursuant to which the investor agreed to purchase 210,526 shares of our common stock for gross proceeds of \$1,000,000. In connection with this sale, we will pay MDB Capital Group a fee of \$100,000. The shares to be issued will be subject to the one year lock-up and voting control agreement.

Convertible Promissory Notes

We issued \$5.5 million in senior secured convertible promissory notes that bear simple interest at 6% and must be paid or converted into shares of our common stock on or before August 16, 2014. We refer to these promissory notes as the “Convertible Notes” in this prospectus. Upon consummation of a public offering of our common stock yielding gross proceeds of at least \$10 million, all of the outstanding principal and interest accrued on the Convertible Notes will be converted in full into shares of our common stock. Assuming that this offering was completed on December 31, 2013, based on interest accrued through such date the Convertible Notes would have been converted into 1,902,651 shares of our common stock.

Risks Related to Our Business

Our business is subject to a number of risks. You should understand these risks before making an investment decision. If any of these risks actually occurs, our business, financial condition or results of operations would likely be materially adversely affected. In such case, the trading price of our common stock would likely decline, and you may lose all or part of your investment. Below is a summary of some of the principal risks we face. The risks are discussed more fully in the section of this prospectus below titled “Risk Factors.”

- We are a development-stage technology company, have no history of generating revenue, have a history of operating losses, and we may never achieve or maintain profitability.
- We expect that, unless we are able to obtain non-dilutive financing through licensing revenues or other strategic partner transactions, we will need additional capital and if we are unable to raise additional capital when and as needed in the future, we will not have sufficient funds to continue operations.
- We may raise additional financing by issuing new securities that may have terms or rights superior to those of our shares of common stock, which could adversely affect the market price of our shares of common stock and our business.
- Our technology under development is subject to regulation by the Federal Communications Commission and by other governmental agencies and we may have difficulty complying with applicable regulations.
- Even if we do successfully commercialize our technology, it may never achieve widespread market acceptance.
- Our industry is subject to intense competition and rapid technological change, which may result in products or new solutions that are superior to our technology under development or other future products we may bring to market from time to time. If we are unable to anticipate or keep pace with changes in the marketplace and the direction of technological innovation and customer demands, our technology may become less useful or obsolete and our operating results will suffer.
- We may be unable to protect our intellectual property.
- We expect to depend on third-party licensors to manufacture, market and distribute our technology under development or other future products. If these strategic partners and distributors fail to successfully manufacture, market and distribute our technology under development or other future products, our business will be materially harmed.
- We could become subject to product liability claims, product recalls, and warranty claims that could be expensive, divert management’s attention and harm our business.

THE OFFERING

The following summary contains basic information about our initial public offering and our common stock and is not intended to be complete. It does not contain all of the information that may be important to you. For a more complete understanding of our common stock, please refer to the section of this prospectus titled "Description of Capital Stock."

Issuer	Energous Corporation, a Delaware corporation.
Common Stock Offered By Us	4,000,000 shares of common stock, par value \$0.00001 per share.
Over-allotment Option	We have granted an option to our underwriter to purchase up to an additional 600,000 shares of common stock within 45 days of the date of this prospectus in order to cover over-allotments, if any.
Common Stock Outstanding Prior To This Offering	2,918,740 shares of common stock (1).
Public Offering Price	\$6.00 per share
Common Stock Outstanding After This Offering	8,821,391 shares of common stock (1)(2)(3)
Use of Proceeds	We intend to use the net proceeds from our sale of common stock in this offering as follows: approximately \$12.4 million will be used for product research, development, reference design development and product certifications, approximately \$0.7 million will be used for the protection of our intellectual property, approximately \$3.4 million will be used for sales and marketing activities, approximately \$0.8 million will be used for the purchase of fixed assets which consists primarily of computer equipment and software, and the balance of the funds will be used for general and administrative expenses and other general corporate purposes. See "Use of Proceeds" and "Plan of Operation" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information.
Market And Trading Symbol For The Common Stock	There is currently no market for our common stock. We have applied for listing of our common stock on the Nasdaq Capital Market under the symbol "WATT".

Underwriter Common Stock Purchase Warrant

In connection with this offering, we have also agreed to sell to MDB Capital Group, LLC and its designees a warrant to purchase up to 10% of the shares of common stock sold in this offering. If this warrant is exercised, each share may be purchased by MDB Capital Group, LLC at \$7.50 per share (125% of the price of the shares sold in this offering.) This warrant will have a five-year term and be subject to a six month lock-up. See “Underwriting” for additional information.

Lock-Up Agreements

Our officers, directors and employees, and 5% or greater holders of our equity securities as determined pursuant to Rule 13d-3 of the Securities Exchange Act of 1934, as amended, and MDB Capital, LLC and its transferees (with respect to the warrants originally issued on May 16, 2013) will have the securities they own locked up until the first anniversary of the Underwriting Agreement we will enter into in conjunction with this offering (the “One Year Lock-Up”). The purchasers of our senior secured convertible promissory notes are subject to lock-up requirements for periods that may last no more than 180 days following the date of this prospectus (the “180 Days Lock-Up”). The number of currently outstanding shares of common stock subject to the One Year Lock-Up totals 2,918,740 shares, the number of shares underlying options and warrants subject to the One Year Lock-Up totals 1,331,279 shares. The number of shares of common stock to be issued to the holders of our senior secured convertible promissory notes that will be subject to the 180 Days Lock-Up as of December 31, 2013 totals 1,902,651 shares. The warrant to purchase up to 10% of the shares of common stock sold in this offering we have agreed to issue MDB Capital Group, LLC in connection with this offering will also be subject to the 180 Days Lock-up. For more information about the lock-up agreements and requirements, see the section titled “Underwriting - Lock-Up Agreements” in this prospectus.

Offering Termination

If our application to the Nasdaq Capital Market is not approved or we otherwise determine that we will not be able to secure the listing of the common stock on the Nasdaq Capital Market, we will not complete the offering

- (1) The number of shares of our common stock to be outstanding both before and after this offering is based on the number of shares outstanding as of March 21, 2014 (assuming the issuance of 210,526 shares of common stock issuable pursuant to a stock purchase agreement dated March 7, 2014) and excludes:
- 848,315 shares of our common stock reserved for issuance under stock option agreements issued pursuant to our 2013 Equity Incentive Plan and 2014 Non-Employee Equity Compensation Plan at a weighted average exercise price of \$2.58 per share;
 - 482,964 shares of common stock reserved for issuance under outstanding warrants and non-statutory stock options at a weighted average exercise price of \$1.55 per share (and 36,000 shares of common stock underlying warrants expected to be issued to a service provider following completion of the offering);

- 1,377,443 shares of our common stock estimated to be reserved for future issuance under our 2013 Equity Incentive Plan (for further information, see “Description of Capital Stock - Stock Options and Warrants” below);
- 215,219 shares of our common stock reserved for future issuance under our 2014 Non-Employee Equity Compensation Plan;
- shares to be issued upon conversion of interest accrued on our senior secured convertible promissory notes after December 31, 2013; and
- shares of our common stock issuable upon exercise of the warrant to be issued to the underwriter representing ten percent of the number of shares offered by this prospectus.

Unless otherwise specifically stated, information throughout this prospectus assumes that none of the outstanding options or warrants to purchase shares of our common stock are exercised.

- (2) Unless otherwise indicated, the number of shares of common stock presented in this prospectus excludes shares issuable pursuant to the exercise of the underwriter’s over-allotment option.
- (3) This number includes 4,000,000 shares of common stock that will be issued in this offering and 1,902,651 shares of common stock that will be issued to the holders of our senior secured convertible promissory notes upon the completion of this offering.

SUMMARY SELECTED FINANCIAL INFORMATION

The table below includes historical selected financial data for the year ended December 31, 2013, the period October 30, 2012 (inception) through December 31, 2012 and for the period October 30, 2012 (inception) through December 31, 2013, derived from our audited financial statements included elsewhere in this prospectus.

You should read the historical selected financial information presented below in conjunction with the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and our financial statements and the notes to those financial statements included elsewhere in this prospectus. Historical results are not necessarily indicative of the results that may be expected for any future period.

	<u>For the Year Ended December 31, 2013</u>	<u>For the Period October 30, 2012 (Inception) through December 31, 2012</u>	<u>For the Period October 30, 2012 (Inception) through December 31, 2013</u>
STATEMENTS OF OPERATIONS:			
Operating expenses:			
Derivative instrument issuance expenses	\$ 887,062	\$ -	\$ 887,062
Research and development expenses	2,109,890	17,103	2,126,993
General and administrative expenses	1,204,896	4,184	1,209,080
Marketing expenses	233,622	-	233,622
Loss from operations	(4,435,470)	(21,287)	(4,456,757)
Other (expense) income:			
Change in fair value of derivative liabilities	(177,000)	-	(177,000)
Interest expense	(908,611)	-	(908,611)
Other (expense) income, net	(1,085,611)	-	(1,085,611)
Net loss	<u>\$ (5,521,081)</u>	<u>\$ (21,287)</u>	<u>\$ (5,542,368)</u>
Basic and diluted net loss per common share	<u>\$ (0.53)</u>	<u>\$ (0.00)</u>	
Weighted average shares outstanding, basic and diluted	<u>10,441,916</u>	<u>7,680,000</u>	
Proforma net loss per share - basic and diluted (unaudited)	<u>\$ (2.11)</u>	<u>\$ (0.01)</u>	
Proforma weighted average shares outstanding (unaudited)	<u>2,617,022</u>	<u>1,924,812</u>	

	<u>As of December 31, 2013</u>	<u>As of December 31, 2012</u>
BALANCE SHEET DATA:		
Cash and cash equivalents	\$ 1,953,780	\$ 994
Working capital (deficit)	\$ (5,629,982)	\$ (11,287)
Total assets	\$ 2,365,867	\$ 994
Total liabilities	\$ 7,710,959	\$ 12,281
Total stockholders’ (deficit)	\$ (5,345,092)	\$ (11,287)

RISK FACTORS

We are subject to various risks that may materially harm our business, prospects, financial condition and results of operations. An investment in our common stock is speculative and involves a high degree of risk. In evaluating an investment in shares of our common stock, you should carefully consider the risks described below, together with the other information included in this prospectus.

If any of the events described in the following risk factors actually occurs, or if additional risks and uncertainties that are not presently known to us or that we currently deem immaterial later materialize, then our business, prospects, results of operations and financial condition could be materially adversely affected. In that event, the trading price of our common stock could decline, and you may lose all or part of your investment in our shares. The risks discussed below include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements.

Risks Related to Our Business

We are a development-stage technology company, have no history of generating revenue, have a history of operating losses, and we may never achieve or maintain profitability.

We are a development-stage technology company. We have a limited operating history and only a preliminary business plan upon which investors may evaluate our prospects. We have never generated revenues and we have a history of losses from operations. As of December 31, 2013, we had an accumulated deficit of approximately \$5,542,368. Our ability to achieve revenue-generating operations and, ultimately, achieve profitability will depend on whether we can obtain additional capital when we need it, complete the development of our technology and find customers who will purchase our future products and services. There can be no assurance that we will ever generate revenues or achieve profitability.

Our efforts may never demonstrate the feasibility of our technology.

We have developed a working prototype of our technology but significant additional research and development activity will be required before we achieve a commercial product. Our research and development efforts remain subject to all of the risks associated with the development of new products based on emerging technologies, including without limitation unanticipated technical or other problems and the possible insufficiency of funds needed in order to complete development of these products and enable us to render services. Technical problems may result in delays and cause us to incur additional expenses that would increase our losses. If we cannot complete, or if we experience significant delays in developing our technology, and products and services based on such technology, for use in potential commercial applications, particularly after incurring significant expenditures, our business may fail. In particular, to our knowledge, the technological concepts we are applying to develop commercial applications of wireless power for fixed and mobile low-power rechargeable devices have not been previously successfully applied by anyone else, if we fail to develop a practical, efficient or economical commercial product based on those technological concepts, our business may fail.

We expect to need FCC approval for our technology, which may be difficult to achieve, and existing laws or regulations or future legislative or regulatory changes may affect our business.

Our remote charging technology involves the transmission of power using radio frequency (“RF”) energy waves, which are subject to regulation by the Federal Communications Commission (“FCC”), and may be subject to regulation by other federal, state and local agencies. We intend to design our technology so that it will operate in the 2.4/5.8 GHz radio frequency range, which is the same range as Wi-Fi routers and several other wireless consumer electronics. For those types of products, the FCC grants what is known as Part 15 approval if, among other things, the specific absorption rate is below certain thresholds. In addition, because our technology involves the transmission of power greater than the power threshold limits of Part 15, we also expect to need to obtain FCC Part 18 approval. To our knowledge, the transmission of power using RF energy waves by a consumer product at the ranges we are proposing is novel and there can be no assurance that we will be able to obtain this FCC approval or that other governmental approvals will not be required. Our efforts to achieve required governmental approvals could be costly and time consuming and if we are unable to receive any such required approvals in a timely and cost-efficient manner our business and operating results may be materially adversely affected.

The cost of compliance with new laws or regulations governing our technology or future products could adversely affect our financial results. New laws or regulations may impose restrictions or obligations on us that could force us to redesign our technology under development or other future products, and may impose restrictions that are not possible or practicable to comply with, which could cause our business to fail. We cannot predict the impact on our business of any legislation or regulations related to our technology or future products that may be enacted or adopted in the future.

We anticipate future losses and negative cash flow, and it is uncertain if or when we will become profitable.

We have not yet demonstrated our ability to generate revenue, and we may never be able to produce material revenues or operate on a profitable basis. As a result, we have incurred losses since our inception and expect to experience operating losses and negative cash flow for the foreseeable future.

We expect to expend significant resources on hiring of personnel and startup costs, including payroll and benefits, product testing and development, intellectual property development and prosecution, marketing and promotion, capital expenditures, working capital, general and administrative expenses, and fees and expenses associated with this offering. We expect to incur costs and expenses related to prototype development, consulting costs, laboratory development costs, obtaining regulatory approvals required for our technology and reference product designs, marketing and other promotional activities, hiring of personnel, and the continued development of relationships with strategic business partners. We are attempting to obtain the necessary working capital for operations, of which this offering is a part, but we may not be able to obtain financing in a sufficient amount or at all. We anticipate our losses will continue to increase from current levels during our development stage.

If we cannot generate sufficient revenue to finance our operations, we will require additional financing.

We anticipate that our future cash requirements may be significant. Even following completion of this offering we do not expect to have sufficient funds to implement our business plan, which includes completing the development of our technology and the license of our technology to consumer electronics supply chain firms. We expect that, unless we are able to obtain non-dilutive financing through licensing revenues or other strategic partner transactions, we will need to raise capital through new financings. Such financings could include equity financing, which may be dilutive to stockholders, or debt financing, which would likely restrict our ability to borrow from other sources. In addition, such securities may contain rights, preferences or privileges senior to those of the rights of our current stockholders. There can be no assurance that additional funds will be available on terms attractive to us, or at all. If adequate funds are not available, we may be required to curtail the development of our technology or materially curtail or reduce our operations. We could be forced to sell or dispose of our rights or assets. Any inability to raise adequate funds on commercially reasonable terms could have a material adverse effect on our business, results of operation and financial condition, including the possibility that a lack of funds could cause our business to fail and liquidate with little or no return to investors.

We may be unable to continue as a going concern if we do not successfully raise additional capital or if we fail to generate sufficient revenue from operations.

Our independent registered public accounting firm has issued an unqualified opinion with an explanatory paragraph to the effect that there is substantial doubt about our ability to continue as a going concern. The factors giving rise to this unqualified opinion with an explanatory paragraph could have a material adverse effect on our business, financial condition, results of operations and cash flows. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources” and Note 2 to our financial statements included elsewhere in this prospectus.

Primarily as a result of our lack of revenue, history of losses to date and our lack of liquidity, there is substantial uncertainty as to our ability to continue as a going concern. If we are unable to raise additional capital or if we are unable to generate sufficient revenue from our operations, we may not stay in business. We have no committed sources of capital and there is no assurance whether additional financing will be available when needed on terms that are acceptable, if at all. We do not own any significant assets that we expect could serve as acceptable collateral for a bank or other commercial lender. The above circumstances may discourage some investors from purchasing our stock, lending us money, or from providing alternative forms of financing. The failure to satisfy our capital requirements would adversely affect our business, financial condition, results of operations and prospects. Unless we raise additional funds, either through the sale of equity securities or one or more collaborative arrangements, we will not have sufficient funds to continue operations. Even if we take these actions, they may be insufficient, particularly if our costs are higher than projected or unforeseen expenses arise.

We may have difficulty managing growth in our business.

As we expand our activities, there will be additional demands on our financial, technical, operational and management resources. The failure to continue to upgrade our technical, administrative, operating and financial control systems or the occurrence of unexpected expansion difficulties, including issues relating to our research and development activities and retention of experienced scientists, managers and engineers, could have a material adverse effect on our business, financial condition and results of operations and our ability to timely execute our business plan. If we are unable to implement these actions in a timely manner, our results may be adversely affected.

If we successfully commercially launch a product, and our product does not achieve widespread market acceptance, we will not be able to generate the revenue necessary to support our business.

Achieving acceptance of a wireless recharging system as a preferred method to recharge low-power fixed and mobile electronic devices will be crucial to our continued success. Consumers and commercial customers will not begin to use or increase the use of our product unless they agree that the convenience of our solution would be worth the additional expense of purchasing our system. We have no history of marketing any product and we may fail to generate significant interest in our initial commercial product or any other product we may develop. These and other factors, including the following factors, may affect the rate and level of the market acceptance:

- our system's price relative to other products or competing methods of recharging;
- the effectiveness of our sales and marketing efforts;
- perception by users, both individual and enterprise users, of our system's convenience, safety, efficiency, and benefits compared to competing methods of recharging;
- press and blog coverage, social media coverage, and other publicity and public relations factors which are not within our control; and
- regulatory developments related to marketing our products or their inclusion in others' products.

If we are unable to achieve or maintain market acceptance, our business would be significantly harmed.

If we successfully commercially launch a product, we may experience seasonality or other unevenness in our financial results in consumer markets or a long and variable sales cycle in enterprise markets.

While we do not now have revenue or a commercial product, our strategy depends on developing a successful commercial product and effectively licensing our technology into the consumer and enterprise markets. We will need to understand enterprise procurement and consumer buying cycles to be successful in licensing our technology into those markets. If we eventually generate a substantial portion of our revenues from licensing arrangements, we anticipate it is possible that demand for our technology could vary similarly with the market for products with which our technology may be used, for example, the market for new purchases of laptops, tablet, mobile phones, gaming systems, toys and the like. Such consumer markets are often seasonal, with peaks in and around the December holiday season and the August-September back-to-school season. Enterprises may have annual or other budgeting and buying cycles that could affect us, and, particularly if we are designated as a capital improvement project, we may have a long or unpredictable sales cycle.

We may not be able to achieve all the product features we seek to include in our product.

We have developed a prototype of our product concept that displays limited functionality in a laboratory setting. There are a variety of features we seek to include in our product that we have not yet achieved. For example, our prototype transmitter is capable of sending some wattage to three devices. While we believe recharging multiple devices on one transmitter at a commercially acceptable level may be possible theoretically, we have not yet achieved these results, even in the laboratory. We believe our research and development efforts will yield additional functionality over time. However, there can be no assurance that we will be successful in achieving all the features we are targeting and our inability to do so may limit the appeal of our product to consumers.

Use of our technology under development or other future products may require the user to purchase additional products to use with existing devices. To the extent these additional purchases are inconvenient, the adoption of our technology under development or other future products could be slowed, which would harm our business.

All rechargeable devices will require our receiver technology, which may be embedded in a sleeve, case or other enclosure. For example, certain products such as smoke detectors or toys equipped with replaceable AA size or other sized batteries, would need to be outfitted with enhanced batteries and other hardware that would enable the devices to be rechargeable by our system. In each case, to use a device with our system, an end user or enterprise customer will be required to retrofit the device with a receiver and may be required to upgrade the battery technology used with the device (unless, for example, a consumer electronics supply chain firm has built compatible battery technology and a receiver into the device). These additional steps and expenses may offset the convenience for some users and discourage some users from purchasing our technology under development or other future products. Such factors may inhibit adoption of our technology, which would harm our business. We have not developed the enhanced battery to be used in devices, and our ability to enable use of our technology with devices that will require an enhanced battery will depend on our ability to develop a commercial version of such an enhanced battery that could be manufactured at a reasonable cost. If we fail to develop or enable a commercially practicable enhanced battery, we expect our business would be harmed, and we may need to change our strategy and target markets.

Laboratory conditions differ from field conditions, which could affect the effectiveness of our technology under development or other future products. Failures to effectively move from laboratory to the field would harm our business.

Our technology, when used in the field, may not be able to match the observations, developments, test results and performance that our technology may be able to achieve (and we may be able to document) under controlled laboratory circumstances. As one example of the difference between ideal laboratory conditions and field use, consider that in the laboratory, we can arrange for the transmitter to have line-of-sight transmission to a receiver. If we intend to test the performance through obstructions, we can control the configurations of the obstructions and the materials from which such obstructions are made. In the field, however, the receiver may be obscured or obstructed, or placed around a corner. Also, in the field we will have no control over the configuration of the obstructions or the materials that comprise each obstruction. These conditions may significantly decrease or eliminate the power received at the receiver or the effective range, because the RF energy from the transmitter may be absorbed by obscuring or blocking material or may need to be reflected off of a surface to reach the receiver, making the transmission distance longer than straight-line distances. The failure of our technology under development or other future products to be able to meet the demands of users in the field would harm our business.

Safety concerns and legal action by private parties may affect our business.

While we believe our technology is safe, it is possible that some people may be concerned with wireless transmission of power in a manner that has occurred with some other wireless technologies as they were put into residential and commercial use, such as the safety concerns that were raised by some regarding the use of cellular telephones and other devices to transmit data wirelessly in close proximity to the human body. While we plan to at least partially address this potential concern by developing our management software to be configurable by users to selectively recharge devices in ways that would be intended to avoid recharging in close proximity to a human body, such as recharging only during predetermined time periods or recharging only when the device is not moving, we do not plan to conduct any tests to determine whether RF waves produce harmful effects on humans or other animals. We may be unable to effectively prevent recharging in close proximity to a user's body, which could affect the marketability of our technology or could result in requests for law or regulation governing our technology under development or a class of products in which our technology under development would be included. In addition, while we believe our technology is safe, users of our technology under development or other future products who suffer medical ailments may blame the use of our products, as occurred with a small number of users of cellular telephones. Any resulting legal action against us claiming our products caused harm could be expensive, divert management and adversely affect us or cause our business to fail, whether or not such legal actions were ultimately successful.

Our industry is subject to intense competition and rapid technological change, which may result in products or new solutions that are superior to our technology under development or other future products we may bring to market from time to time. If we are unable to anticipate or keep pace with changes in the marketplace and the direction of technological innovation and customer demands, our products may become less useful or obsolete and our operating results will suffer.

The consumer and commercial electronics industry in general and the power, recharging and alternative recharging segments of that industry in particular are subject to intense and increasing competition and rapidly evolving technologies. Because our products are expected to have long development cycles, we must anticipate changes in the marketplace and the direction of technological innovation and customer demands. To compete successfully, we will need to demonstrate the advantages of our products and technologies over well-established alternative solutions, products and technologies, as well as newer methods of power delivery and convince consumers and enterprises of the advantages of our products and technologies. Traditional wall plug-in recharging remains an inexpensive alternative to our technology under development. Also, directly competing products are offered by Powermat Technologies, Energizer's inductive charging business, PureEnergy Solutions, Inc., ecoupled and PowerCast Corporation, which have greater resources than us and are better established in the market than we are. We cannot be certain which other companies may have already decided to or may in the future choose to enter our markets. For example, consumer electronics products companies may invest substantial resources in wireless power or other recharging technologies and may decide to enter our target markets. Successful developments of competitors that result in new approaches for recharging could reduce the attractiveness of our products or render them obsolete.

Our future success will depend in large part on our ability to establish and maintain a competitive position in current and future technologies. Rapid technological development may render our technology under development or future products based on our technology obsolete. Many of our competitors have or may have greater corporate, financial, operational, sales and marketing resources, and more experience in research and development than we have. We cannot assure you that our competitors will not succeed in developing or marketing technologies or products that are more effective or commercially attractive than our products or that would render our technologies and products obsolete. We may not have or be able to raise or develop the financial resources, technical expertise, marketing, distribution or support capabilities to compete successfully in the future. Our success will depend in large part on our ability to maintain a competitive position with our technologies.

Our competitive position also depends on our ability to:

- generate widespread awareness, acceptance and adoption by the consumer and enterprise markets of our technology under development and future products;
- design a product that may be sold at an acceptable price point;
- develop new or enhanced technologies or features that improve the convenience, efficiency, safety or perceived safety, and productivity of our technology under development and future products;
- properly identify customer needs and deliver new products or product enhancements to address those needs;
- limit the time required from proof of feasibility to routine production;
- limit the timing and cost of regulatory approvals;
- attract and retain qualified personnel;
- protect our inventions with patents or otherwise develop proprietary products and processes; and
- secure sufficient capital resources to expand both our continued research and development, and sales and marketing efforts.

If our technology under development is not or our future products are not competitive based on these or other factors, our business would be harmed.

It is difficult and costly to protect our intellectual property and our proprietary technologies, and we may not be able to ensure their protection.

Our success depends significantly on our ability to obtain, maintain and protect our proprietary rights to the technologies used in our products. Patents and other proprietary rights provide uncertain protections, and we may be unable to protect our intellectual property. For example, we may be unsuccessful in defending our patents and other proprietary rights against third party challenges.

As of March 21, 2014, we have 37 pending U.S. patents and provisional patent applications on file, but do not have any issued patents to protect our technology.

In addition to patents, we expect to rely on a combination of trade secrets, copyright and trademark laws, nondisclosure agreements and other contractual provisions and technical security measures to protect our intellectual property rights. These measures may not be adequate to safeguard the technology underlying our products. If they do not protect our rights adequately, third parties could use our technology, and our ability to compete in the market would be reduced. Although we are attempting to obtain patent coverage for our technology where available and where we believe appropriate, there are aspects of the technology for which patent coverage may never be sought or received. We may not possess the resources to or may not choose to pursue patent protection outside the United States or any or every country other than the United States where we may eventually decide to sell our future products. Our ability to prevent others from making or selling duplicate or similar technologies will be impaired in those countries in which we have no patent protection. Although we have 37 pending U.S. patents and provisional patent applications on file in the United States protecting aspects of our technology under development, our patents may not issue as a result of those applications drawing priority or otherwise based on those patent applications, may issue only with limited coverage or may issue and be subsequently successfully challenged by others and held invalid or unenforceable.

Similarly, even if patents do issue based on our applications or future applications, any issued patents may not provide us with any competitive advantages. Competitors may be able to design around our patents or develop products that provide outcomes comparable or superior to ours. Our patents may be held invalid or unenforceable as a result of legal challenges by third parties, and others may challenge the inventorship or ownership of our patents and pending patent applications. In addition, if we choose to and are able to secure protection in countries outside the United States, the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of the United States. In the event a competitor infringes upon our patent or other intellectual property rights, enforcing those rights may be difficult and time consuming. Even if successful, litigation to enforce our intellectual property rights or to defend our patents against challenge could be expensive and time consuming and could divert our management's attention. We may not have sufficient resources to enforce our intellectual property rights or to defend our patents against a challenge.

We may also in the future as one of our strategies to deploy our technology into the market, license patent and other proprietary rights to aspects of our technology to third parties. Disputes with our licensors may arise regarding the scope and content of these licenses. Further, our ability to expand into additional fields with our technologies may be restricted by our existing licenses or licenses we may grant to third parties in the future.

The policies we use to protect our trade secrets may not be effective in preventing misappropriation of our trade secrets by others. In addition, confidentiality agreements executed by our employees, consultants and advisors may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure. Litigating a trade secret claim is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets. Moreover, our competitors may independently develop equivalent knowledge methods and know-how. If we are unable to protect our intellectual property rights, we may be unable to prevent competitors from using our own inventions and intellectual property to compete against us, and our business may be harmed.

Because our industry is characterized by competing intellectual property, we may be sued for violating the intellectual property rights of others. Determining whether a product infringes a patent involves complex legal and factual issues, and the outcome of patent litigation actions is often uncertain. We have not conducted any significant search of patents issued to third parties, and no assurance can be given that third party patents containing claims covering our products, parts of our products, technology or methods do not exist, have not been filed, or could not be filed or issued. Because of the number of patents issued and patent applications filed in our technical areas or fields (including some pertaining specifically to wireless charging technologies), our competitors or other third parties may assert that our products and the methods we employ in the use of our products are covered by United States or foreign patents held by them. In addition, because patent applications can take many years to issue and because publication schedules for pending applications vary by jurisdiction, there may be applications now pending of which we are unaware, and which may result in issued patents that our technology under development or other future products would infringe. Also, because the claims of published patent applications can change between publication and patent grant, there may be published patent applications that may ultimately issue with claims that we infringe. There could also be existing patents that one or more of our products or parts may infringe and of which we are unaware. As the number of competitors in the market for wireless power and alternative recharging solutions increases, and as the number of patents issued in this area grows, the possibility of patent infringement claims against us increases. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations.

In the event that we become subject to a patent infringement or other intellectual property lawsuit and if the relevant patents or other intellectual property were upheld as valid and enforceable and we were found to infringe or violate the terms of a license to which we are a party, we could be prevented from selling any infringing products of ours unless we could obtain a license or were able to redesign the product to avoid infringement. If we were unable to obtain a license or successfully redesign, we might be prevented from selling our technology under development or other future products. If there is an allegation or determination that we have infringed the intellectual property rights of a competitor or other person, we may be required to pay damages, or a settlement or ongoing royalties. In these circumstances, we may be unable to sell our products at competitive prices or at all, our business and operating results could be harmed.

We could become subject to product liability claims, product recalls, and warranty claims that could be expensive, divert management's attention and harm our business.

Our business exposes us to potential liability risks that are inherent in the marketing and sale of products used by consumers. We may be held liable if our technology under development now or in the future causes injury or death or are found otherwise unsuitable during usage. Our technology under development incorporates sophisticated components and computer software. Complex software can contain errors, particularly when first introduced. In addition, new products or enhancements may contain undetected errors or performance problems that, despite testing, are discovered only after installation. While we believe our technology is safe, users could allege or possibly prove defects (some of which could be alleged or proved to cause harm to users or others) because we design our products to perform complex functions involving RF energy, possibly in close proximity to users. A product liability claim, regardless of its merit or eventual outcome, could result in significant legal defense costs. The coverage limits of our insurance policies we may choose to purchase to cover related risks may not be adequate to cover future claims. If sales of our products increase or we suffer future product liability claims, we may be unable to maintain product liability insurance in the future at satisfactory rates or with adequate amounts. A product liability claim, any product recalls or excessive warranty claims, whether arising from defects in design or manufacture or otherwise, could negatively affect our sales or require a change in the design or manufacturing process, any of which could harm our reputation and business, harm our relationship with licensors of our products, result in a decline in revenue and harm our business.

In addition, if a product we designed is defective, whether due to design or manufacturing defects, improper use of the product or other reasons, we or our strategic partners may be required to notify regulatory authorities and/or to recall the product. A required notification to a regulatory authority or recall could result in an investigation by regulatory authorities of our products, which could in turn result in required recalls, restrictions on the sale of the products or other penalties. The adverse publicity resulting from any of these actions could adversely affect the perception of our customers and potential customers. These investigations or recalls, especially if accompanied by unfavorable publicity, could result in our incurring substantial costs, losing revenues and damaging our reputation, each of which would harm our business.

We expect to depend on consumer electronics supply chain firms to manufacture, market and distribute our technology under development. If these strategic partners fail to successfully manufacture, market and distribute our technology under development, our business will be materially harmed.

We currently intend to license our system architecture, proprietary waveform and application specific integrated circuit design to consumer electronics supply chain firms rather than manufacture our technology under development ourselves. We will not be able to control the efforts and resources these consumer electronics supply chain firms would devote to marketing our technology under development or other future products. Those third parties may not be able to successfully market and sell the products they develop based on our technology, may not devote sufficient time and resources to support the marketing and selling efforts and may not market those products at prices that will permit the products to develop, achieve or sustain market acceptance. Finding new licensors could be an expensive and time-consuming process and we may not be able to find suitable consumer electronics supply chain firms and other distribution strategic partners on acceptable terms or at all. If we cannot find suitable third party partners or our third party partners experience difficulties, do not actively market our technology under development or future products or do not otherwise perform under our license agreements, our potential for revenue may be dramatically reduced, and our business could be harmed. We have not dedicated any resources to investigating foreign markets or planning to satisfy import or export requirements to deliver our product to consumers or businesses outside the U.S.

We intend to pursue licensing of our technology as a primary means of commercialization but we may not be able to secure advantageous license agreements. If we are not able to secure advantageous license agreements, our business and results of operations will be adversely affected.

We intend to pursue licensing of our technology as a primary means of commercialization. We believe there are many companies that could be interested in implementing our technology into their devices. Many of these companies are well-known, world-wide companies. To date we do not have any specific business relationships with any potential licensees. Creating a license or other business relationship with these classes of companies will take a substantial effort, as we expect to have to convince them of the efficacy of our technology, meet their design and manufacturing requirements, satisfy their marketing and product needs, and comply with their selection, review and contracting requirements. There can be no assurance that we will be able to gain entry to these companies, or that they will ultimately decide to integrate our technology with their products. We may not be able to secure license agreements with customers on terms that are advantageous to us. Furthermore, the timing and volume of revenue earned from license agreements will be outside of our control. If the license agreements we enter into do not prove to be advantageous to us, our business and results of operations will be adversely affected.

We are highly dependent on certain key members of our executive management team. Our inability to retain these individuals could impede our business plan and growth strategies, which could have a negative impact on our business and the value of your investment.

Our ability to implement our business plan depends, to a critical extent, on the continued efforts and services of Steve Rizzone (Chief Executive Officer), Michael Leabman (Chief Technology Officer) and George Holmes (Vice President of Sales and Marketing). If we lose the services of any of these persons, we would likely be forced to expend significant time and money in the pursuit of replacements, which may result in a delay in the implementation of our business plan and plan of operations. We can give no assurance that we could find satisfactory replacements for these individuals on terms that would not be unduly expensive or burdensome to us. We do not currently carry a key-man life insurance policy that would assist us in recouping our costs in the event of the death or disability of either of these executives.

Risks Related to this Offering and Owning Our Common Stock

As an investor, you may lose all of your investment.

Investing in our common stock involves a high degree of risk. As an investor you may never recoup all, or even part of, your investment and you may never realize any return on your investment. You must be prepared to lose all of your investment.

Prior to the completion of our initial public offering, there was no public trading market for our common stock.

The offering under this prospectus is an initial public offering of our securities. Prior to the closing of the offering, there will have been no public market for our common stock. While we plan to list our common stock on the Nasdaq Capital Market, we cannot assure you that our listing application will be approved, and that a public market for our common stock will develop. If our application to the Nasdaq Capital Market is not approved or we otherwise determine that we will not be able to secure the listing of the common stock on the Nasdaq Capital Market, we will not complete the offering.

We are an “emerging growth company” under the JOBS Act of 2012 and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will remain an “emerging growth company” for up to five years, although we will lose that status sooner if our revenues exceed \$1 billion, if we issue more than \$1 billion in non-convertible debt in a three year period, or if the market value of our common stock that is held by non-affiliates exceeds \$700 million as of any June 30.

Our status as an “emerging growth company” under the JOBS Act of 2012 may make it more difficult to raise capital as and when we need it.

Because of the exemptions from various reporting requirements provided to us as an “emerging growth company,” we may be less attractive to investors and it may be difficult for us to raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our reporting is not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected.

If a public market for our common stock develops, it may be volatile. This may affect the ability of our investors to sell their shares as well as the price at which they sell their shares.

If a market for our common stock develops, the market price for the shares may be significantly affected by factors such as variations in quarterly and yearly operating results, general trends in the alternative energy industry, and changes in state or federal regulations affecting us and our industry. Furthermore, in recent years the stock market has experienced extreme price and volume fluctuations that are unrelated or disproportionate to the operating performance of the affected companies. Such broad market fluctuations may adversely affect the market price of our common stock, if a market for it develops.

We have not paid dividends in the past and have no immediate plans to pay dividends.

We plan to reinvest all of our earnings, to the extent we have earnings, in order to market our products and to cover operating costs and to otherwise become and remain competitive. We do not plan to pay any cash dividends with respect to our securities in the foreseeable future. We cannot assure you that we would, at any time, generate sufficient surplus cash that would be available for distribution to the holders of our common stock as a dividend. Therefore, you should not expect to receive cash dividends on the common stock we are offering.

Concentration of ownership among our existing executive officers, directors and significant stockholders may prevent new investors from influencing significant corporate decisions.

All decisions with respect to the management of the Company will be made by our board of directors and our officers, who, before this offering, beneficially own approximately 5% of our common stock, as calculated in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934. After the issuance of our common stock in this offering and the conversion of the Convertible Notes, management will beneficially own approximately 2% of our common stock, as calculated in accordance with Rule 13d-3. Additionally, the 210,526 shares issued to a strategic investor in March 2014 subject to a voting agreement between the Company and the investor pursuant to which the investor has agreed for a period of thirteen months to vote all of its shares in accordance with the recommendation of our board of directors on all matters brought to a stockholder vote. In addition, before this offering DvineWave Holdings LLC beneficially owns approximately 66% of our common stock and after this offering will beneficially own approximately 22% of our common stock, as calculated in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934. As a result, these stockholders will be able to exercise a significant level of control over all matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control of our Company or changes in management and will make the approval of certain transactions difficult or impossible without the support of these stockholders.

We will incur significant increased costs as a result of becoming a public company that reports to the Securities and Exchange Commission and our management will be required to devote substantial time to meet compliance obligations.

As a public company reporting to the Securities and Exchange Commission, we will incur significant legal, accounting and other expenses that we did not incur as a private company. We will be subject to reporting requirements of the Securities Exchange Act of 1934 and the Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the Securities and Exchange Commission that impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. In addition, on July 21, 2010, the Dodd-Frank Wall Street Reform and Protection Act was enacted. There are significant corporate governance and executive compensation-related provisions in the Dodd-Frank Act that are expected to increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on our personnel, systems and resources. Our management and other personnel will need to devote a substantial amount of time to these new compliance initiatives. In addition, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers.

Assuming a market for our common stock develops, shares eligible for future sale may adversely affect the market for our common stock.

After March 2015, we have agreed to register for resale 1,902,651 shares of common stock expected to be issued upon conversion of our senior secured convertible promissory notes and 431,006 shares of common stock underlying warrants. Furthermore, from time to time after we become subject to the reporting requirements of section 13 or section 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") for at least 90 days, certain of our stockholders may be eligible to sell all or some of their shares of common stock by means of ordinary brokerage transactions in the open market pursuant to Rule 144, promulgated under the Securities Act, subject to certain limitations. In general, pursuant to Rule 144, non-affiliate stockholders may sell freely after six months subject only to the current public information requirement (which disappears after one year). Of the 8,821,391 shares of our common stock expected to be outstanding following completion of the offering, approximately 6,816,378 shares will be held by "non-affiliates" and will be freely tradable without restriction pursuant to Rule 144, although all but 4,000,000 of such shares will be subject to either a six-month or one year lock-up.

Any substantial sale of our common stock pursuant to Rule 144 or pursuant to any resale prospectus (including sales by investors of securities acquired in connection with this offering) may have a material adverse effect on the market price of our common stock.

We may allocate the net proceeds from this offering in ways that differ from the estimates discussed in the section titled “Use of Proceeds” and with which you may not agree.

The allocation of net proceeds of the offering set forth in the “Use of Proceeds” section below represents our estimates based upon our current plans and assumptions regarding industry and general economic conditions, and our future revenues and expenditures. The amounts and timing of our actual expenditures will depend on numerous factors, including market conditions, cash generated by our operations, business developments and related rate of growth. We may find it necessary or advisable to use portions of the proceeds from this offering for other purposes. Circumstances that may give rise to a change in the use of proceeds and the alternate purposes for which the proceeds may be used are discussed in the section entitled “Use of Proceeds” below. You may not have an opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use our proceeds. As a result, you and other stockholders may not agree with our decisions. See “Use of Proceeds” for additional information.

You will experience immediate dilution in the book value per share of the common stock you purchase.

Because the price per share of our common stock being offered is substantially higher than the book value per share of our common stock, you will experience substantial dilution in the net tangible book value of the common stock you purchase in this offering. Based on the offering price of \$6.00 per share, if you purchase shares of common stock in this offering, you will experience immediate and substantial dilution of \$3.34 per share in the net tangible book value of the common stock at December 31, 2013. See the section titled “Dilution” below for a more detailed discussion of the dilution you will incur if you purchase common stock in this offering.

Our charter documents and Delaware law may inhibit a takeover that stockholders consider favorable.

Upon the closing of this offering, provisions of our Certificate of Incorporation (“Certificate”) and bylaws and applicable provisions of Delaware law may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. The provisions in our Certificate and bylaws:

- authorize our board of directors to issue preferred stock without stockholder approval and to designate the rights, preferences and privileges of each class; if issued, such preferred stock would increase the number of outstanding shares of our capital stock and could include terms that may deter an acquisition of us;
- limit who may call stockholder meetings;
- do not permit stockholders to act by written consent;

- do not provide for cumulative voting rights; and
- provide that all vacancies may be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum.

In addition, once we become a publicly traded corporation, Section 203 of the Delaware General Corporation Law may limit our ability to engage in any business combination with a person who beneficially owns 15% or more of our outstanding voting stock unless certain conditions are satisfied. This restriction lasts for a period of three years following the share acquisition. These provisions may have the effect of entrenching our management team and may deprive you of the opportunity to sell your shares to potential acquirers at a premium over prevailing prices. This potential inability to obtain a control premium could reduce the price of our common stock. See “Anti-Takeover Effects of Certain Provisions of Delaware Law and Our Charter Documents” for additional information.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION CONTAINED IN THIS PROSPECTUS

This prospectus contains forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. You can find many (but not all) of these statements by looking for words such as “approximates,” “believes,” “hopes,” “expects,” “anticipates,” “estimates,” “projects,” “intends,” “plans,” “would,” “should,” “could,” “may” or other similar expressions in this prospectus. These statements may be found under the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” included in this prospectus, as well as in this prospectus generally. In particular, these include statements relating to future actions, prospective products, applications, customers, technologies, future performance or results of anticipated products, expenses, and financial results. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

- our limited cash and a history of losses;
- our ability to achieve profitability;
- our limited operating history;
- emerging competition and rapidly advancing technology;
- customer demand for the products we develop;
- our ability to secure required FCC or other governmental approvals;
- the impact of competitive or alternative products, technologies and pricing;
- our ability to successfully license any products we develop to consumer electronics supply chain firms;
- general economic conditions and events and the impact they may have on us and our potential customers;
- the adequacy of protections afforded to us by the patents that we own and the cost to us of maintaining, enforcing and defending those patents;

- our ability to obtain, expand and maintain patent protection in the future, and to protect our non-patented intellectual property;
- our exposure to and ability to defend third-party claims and challenges to our patents and other intellectual property rights;
- our ability to obtain adequate financing in the future;
- our ability to continue as a going concern;
- our success at managing the risks involved in the foregoing items; and
- other factors discussed in the “Risk Factors” section of this prospectus.

The forward-looking statements are based upon management’s beliefs and assumptions and are made as of the date of this prospectus. We undertake no obligation to publicly update or revise any forward-looking statements included in this prospectus or to update the reasons why actual results could differ from those contained in such statements, whether as a result of new information, future events or otherwise, except to the extent required by federal securities laws. Actual future results may vary materially as a result of various factors, including, without limitation, the risks outlined under the section entitled “Risk Factors” and matters described in this prospectus generally. In light of these risks and uncertainties, we cannot assure you that the forward-looking statements contained in this prospectus will in fact occur. You should not place undue reliance on these forward-looking statements.

BUSINESS

Our Company

We are a development stage technology company. We are developing technology that can enable wireless charging or powering of electronic devices at distance. We believe our technology is a novel approach, in that it charges or powers devices by surrounding them with a three dimensional (“3D”) pocket of energy formed by radio frequencies (“RF pocket”). In our laboratory, our prototype devices have enabled wireless transmission of energy from a transmitter (similar in size and shape to a Wi-Fi router) to multiple receiver test boards at a distance of up to 15 feet. Our receiver test boards are constructed from commercially available parts and components, are not optimized for our receiver application and are too large to be incorporated in commercially marketed products. We intend to develop a receiver chip that we can integrate into additional test devices. We believe this receiver chip will optimize our technology into a significantly smaller space and allow for the incorporation of our receiver technology into various products. If the receiver chip we expect to develop is integrated into a low-power (under 10 watts) electronic device, the chip should be able to utilize the received energy to either power the device directly or charge the battery that powers the device. We are also developing management and control of our solution through a software application that will ultimately reside on the device being charged. We believe that if our development efforts are successful, our transmitter/receiver solution will initially be able to power or charge multiple electronic devices at up to 1.5 watts at distances of up to 30 feet. Subsequent development efforts will focus on increasing the charging wattage, increasing the distance of charging, enhancing reliability, enhancing management and control of the solution and reducing design cost.

In our operating history, we have developed a beta system consisting of a base station transmitter, a smart phone receiver case, receiver test boards and management software. In addition, we have designed and submitted for manufacturing an application specific integrated circuit (“ASIC”) to optimize our transmitter technology. Furthermore, we have designed but not yet submitted for manufacturing, an ASIC for the receiver. In connection with the receiver technology, we have designed multiple smart phone charging cases, which are still under development. Complementing our hardware designs, we have developed a software application that we believe allows for management, control, statistics and prioritization of the charging for the remote devices via a smartphone, tablet or PC.

We have pursued an aggressive intellectual property strategy and are developing new patents. As of March 21, 2014, we have 37 pending U.S. patents and provisional patent applications. Thus far we have identified more than 80 specific inventions we believe to be novel and patentable, and we intend to continue filing these inventions for patent protection.

We have recruited and hired a seasoned management team with public company and relevant industry experience to develop and execute the company’s operating plan. In addition, we have hired certain engineers (and have identified additional engineering candidates who we expect to engage with the Company) to build up the engineering capability of the internal team. Finally, we have identified and appointed four well qualified independent members to our board of directors whom we believe will provide valuable assistance to the Company in terms of industry credibility, corporate governance, and strategic direction. We were incorporated in Delaware in October 2012. Our corporate headquarters is at 303 Ray Street, Pleasanton, CA 94566. Our website can be accessed at www.energous.com. The information contained on, or that may be obtained from our website is not, and shall not be deemed to be, part of this prospectus.

Our Technology

The remote charging solution we are developing employs 3D “pocketforming” via a transmitter that creates a targeted RF pocket in a room around a receiving device (which may be mobile or fixed).

Figure 1 below shows a simple diagram of our solution. Today this solution is able to send wattage from the transmitter to individual receiver boards in our laboratory.

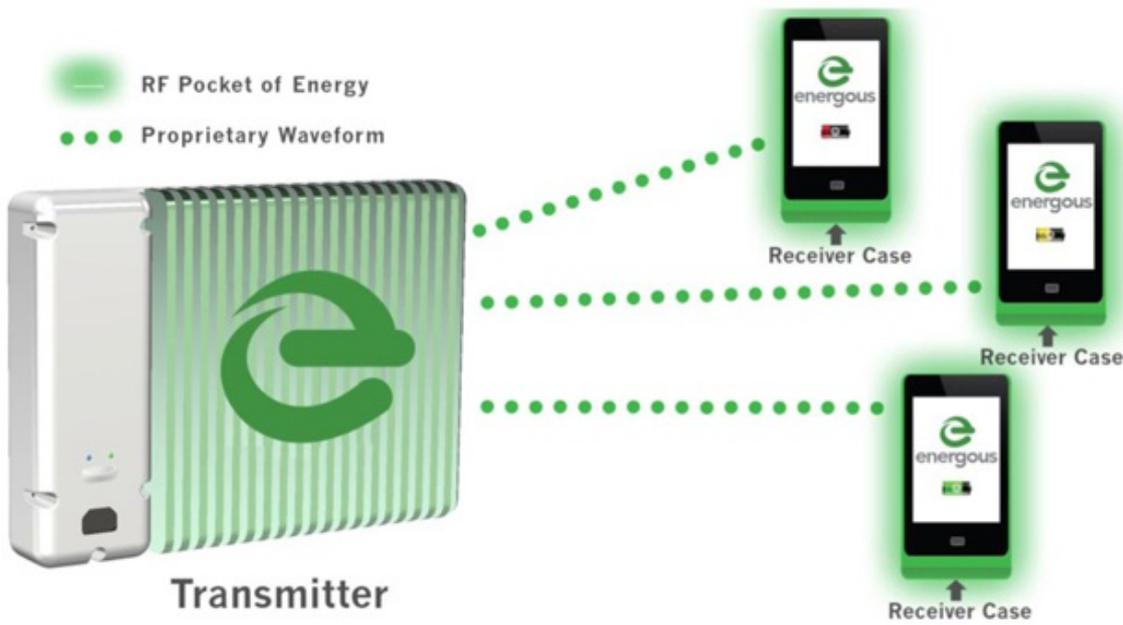


Figure 1: Our Remote Charging Solution Diagram

First, our proprietary transmitter locates the client receiver(s) in a 3-dimensional space. Next, the transmitter generates a proprietary waveform to create an RF pocket around the client receiver(s). We expect that the receiver chips that we intend to develop will gather power from this RF pocket. We believe that these proposed receiver chips will then be able to either charge rechargeable-battery devices or power low-power devices, such as smart phones, tablets, keyboards, mice, remote controls, rechargeable lights or any other device with similar charging requirements that would otherwise need a battery or a connection to a power outlet.

Our transmitter uses proprietary software algorithms to dynamically direct, focus and control our proprietary waveform in three dimensions. This control allows for very efficient transmission of energy to a moving object (such as a mobile phone in a user's pocket).

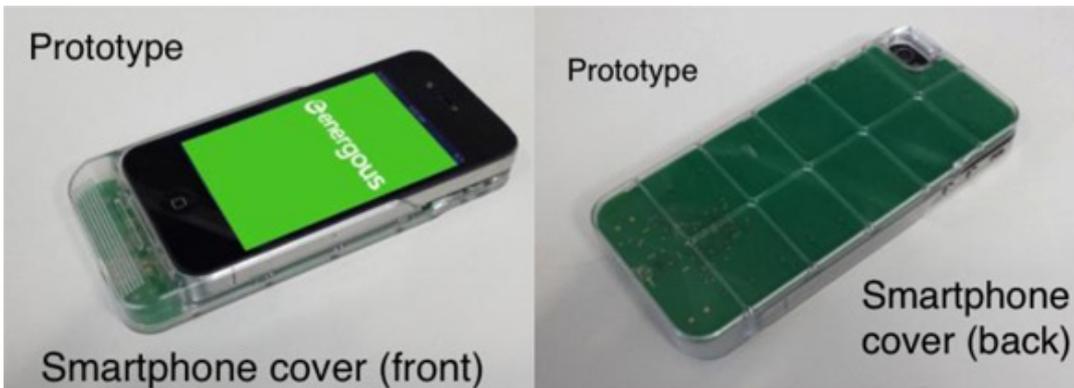
Figure 2 below shows our prototype transmitter in its current enclosure. This enclosure has dimensions of approximately 12" x 8.5" x 2".

Figure 2: Prototype Transmitter in Plastic Enclosure



Figure 3 below shows internal and external views, respectively, of the front and back of a smart phone case that integrates our receiver technology and will, if used with our transmitter within the appropriate range, wirelessly charge a smart phone.

Figure 3: Front and back of our prototype smart phone cover with embedded Energous receiver technology



Below, in Figure 4, are additional prototype receiver devices under development, including an e-book reader wirelessly charged cover and wirelessly charged universal receiver.

Figure 4: Computer generated images of additional prototype devices under development



Currently, our demonstration system is able to output wattage to three devices at a distance of 15 feet with the ability to refocus the RF pocket within approximately 1 second. While our demonstration system employs off-the-shelf components, we are developing several ASICs that we believe will enable our future system designs to deliver multiple watts at a distance of up to 30 feet, and to refocus the RF pocket within fractions of a second. We believe our ASICs in development will allow us to significantly reduce our transmitter size and costs and achieve higher delivered power.

We submitted our first design for production of our initial ASIC to our ASIC manufacturer in November 2013. We expect to receive the ASIC in our laboratory in late May 2014, after which it will be tested by our team and, if deemed acceptable by us, integrated into a newly designed prototype transmitter unit. Depending on the results of the initial transmitter ASIC and adequate funding, we expect to submit our second transmitter ASIC design for manufacturing in August 2014. Additional ASIC designs and manufacturing will be scheduled based upon the performance, attributes and cost efficiencies of each prior ASIC as determined by us.

Our Competition

There are numerous existing, widely commercially available methods to provide power to rechargeable low-power fixed and mobile devices, including wall plug-in recharging, inductive recharging, power-mat recharging, battery recharging stations and more. To our knowledge, almost all mobile consumer electronic devices equipped with a rechargeable battery come bundled with a method to recharge the device (for example, a power cord). This bundling makes the bundled recharging system effectively free to the user. We are depending on the development of a market that will sufficiently value the convenience of wireless recharging to pay the additional cost to purchase our remote charging solutions.

We believe that the main advantage of our remote charging technology, as compared to traditional charging technologies, will be the ability to charge multiple devices anywhere within the charging area (expected to be up-to 30 feet) without the use of a charging pad. We believe our technology is unique and flexible allowing us to target a fixed or mobile device, track that device if it moves or is moving, and focus and transmit pockets of energy to the targeted device to charge the device without having to remove the battery or plug in the device.

We are not currently aware of any company or researcher looking to develop a 3-D pocket-forming approach similar to our remote charging technology. However, there are other wireless charging technologies on the market today. These fall into the following categories:

Magnetic Induction : Magnetic Induction uses a magnetic coil to create resonance, which can transmit energy over very short distances. Magnetic induction delivers power as a function of coil size (the larger the coil, the more power), which must be directly paired (one receiver coil to one transmitter coil = directly coupled pair) over a typical distance of less than 1 inch. Products utilizing magnetic induction have been available for 10+ years in products such as rechargeable electronic toothbrushes.

The companies that have launched products using this technology are members of the wireless Power Consortium (Qi) and the Power Matters Alliance (PMA), the most prominent company being PowerMat. There is a new consortium called Alliance for Wireless Power (A4WP) which is working on a new inductive transmitter which uses overlapping coils in the transmitter, so that one transmitter will support multiple receivers over distances of less than 10 inches. Though we are not aware of a commercial product that utilizes the A4WP standard, prominent companies that are part of the A4WP consortium include Broadcom, HTC, and Intel.

Magnetic Resonance : Magnetic resonance is similar to magnetic induction, as it uses magnetic coils to transmit energy. This technology uses coils that range in size depending on the power being transmit. It has the ability to transmit power up to ~11 inches (30CM) which can be increased with the use of resonance repeaters.

We are aware of only one company working with magnetic resonance, which is WiTricity. WiTricity has evaluation systems available for purchase but we are not aware of any sales to commercial customers.

Conductive : Conductive charging uses conductive power transfer to eliminate wires between the charger (often a charging mat) and the charging device. It requires the use of a charging board as the power transmitter to deliver the power, and a charging device, with a built-in receiver, to receive the power. This technology requires direct metal contact between the charging board and the receiver. Once the charging board recognizes the receiver, the charging begins.

The company that commercialized this technology was PureEnergy (formerly WildCharge), which brought the technology to market under its own brand and under license to Duracell and RadioShack. Duracell no longer offers a conductive charging solution and has since partnered with PowerMat to bring to market an inductive solution. To our knowledge, RadioShack has also exited the conductive charging sector.

Radio Frequency (“RF”) Harvesting : At the core of what we are doing at Energous is the harvesting of RF energy. RF harvesting approaches typically utilize directional antennas to target and deliver energy. To our knowledge, there are only two other companies attempting to utilize a directional pocket of energy similar to that being developed by Energous.

PowerCast was the first company to commercialize RF harvesting. To the best of our knowledge, PowerCast products deliver only milliwatts of power at distances of up to 30 feet, so they are targeted for use in low-power applications (such as radio frequency identification (“RFID”) tags).

A new entrant into the RF harvesting space is Ossia. Ossia, which is developing a product under the name Cota, has received some recent press coverage with a large proof-of-concept transmitter that utilizes roughly 200 individually controlled antennas. In demonstrations, Ossia has been able to show Cota delivering wireless power at an unspecified level to a smart phone.

Laser : Laser charging technology uses very short wavelengths of light to create a collimated beam that maintains its size over distance, using what is described as distributed resonance to deliver power to an optical receiver.

To the best of our knowledge, there are two companies that are currently developing wireless power solutions using laser technology. LaserMotive & Wi-Charge are both working to commercialize laser-based solutions.

Ultrasound: Ultrasound charging technology converts electric energy into acoustic energy in the form of ultrasound waves. Then it reconverts those waves through an “energy-harvesting” receiver. The challenge with this technology is that acoustic energy only goes in a straight line and any obstacles in the path will drastically reduce performance.

To the best of our knowledge, Ubeam is the only company we have identified that is working with this technology.

Our Business Strategy

We intend to license our solution to the designers of devices that would benefit from remote charging. We intend to pursue this licensing path because we believe there are several market verticals to which our technology can apply, and we believe that this is the most capital-efficient manner in which we can address many of them at once.

In addition, we believe that our greatest market opportunity is to create a standard protocol for wireless charging at a distance, in much the same way that Wi-Fi is the standard for wireless data. The goal is to ensure interoperability between base stations and receivers that are based on our technology, regardless of who made them, installed them into finished goods, or marketed them. The implementation of previous standards such as Wi-Fi and Bluetooth should help to illustrate our goal; Wi-Fi routers, regardless of their designer or manufacturer, work with Wi-Fi receivers installed in various consumer electronic devices, regardless of the manufacturer.

In order to make our solution the standard for charging at distance, we intend to pursue an ecosystem strategy for our solution, engaging not only potential licensees for our base station and transmitter, but also their upstream and downstream value chain partners. We also intend to prioritize protecting our intellectual property portfolio, as we believe that keeping a firm grasp on that will make it less likely that a competing platform will be able to compete with our technology in a “standards battle.”

We believe strategic relationships with key licensees will enable us to reap the benefits of our technology much faster, with greater penetration, than by manufacturing, distributing or installing products ourselves. We believe this business model will also allow us to concentrate our efforts and resources on projects more in line with our expertise as a research-and-development oriented company that is focused on generating licensable intellectual property. As we develop new applications for our technology, we expect to target new strategic relationships in different market sectors.

In order to demonstrate the capability of our technology to potential partners, we are currently developing complete products, which our licensees modify and remanufacture to fit their own needs. These products are what are known as “reference designs” of our integrated solution. These reference designs will be licensed to key potential partners, which we believe will allow them to speed up incorporation of technology into their product lines, create awareness and demand, and bring our power solution to market faster. Our initial reference designs currently under development are being designed for use with smart phones and e-book readers. However, we believe that there is a wide variety of potential uses for our proprietary technology, including tablets, keyboards, mice, remote controls, rechargeable lights or any other device with similar charging requirements that would otherwise need a battery or a connection to a power outlet.

Since we are a development stage company, we have not yet finalized some aspects of our strategy. For example, we may decide to sell our ASICs ourselves, rather than license the design of those ASICs. That decision would depend whether we believe selling ASICs ourselves would help meet the market demand of potential customers who require our ASICs to provide their solution to the marketplace. However, we do not intend to manufacture our own ASICs; if we decide to sell ASICs rather than license their designs, we will utilize a contract manufacturer to manufacture the ASICs. In any event, we do not intend to produce finished goods consumer products.

Our Initial Target Markets

We believe that our technology will be compelling to many end markets, each of which may have several potential customers. In an effort to focus our activities, we have selected certain initial target markets based on the potential value we would be able to create in these markets. As we continue to develop our technology, we may find that it creates more value in other markets; if that is the case, we intend to shift our focus to those other markets. As we have already discussed, our solution consists of two components: our base station and our receiver. Consequently, we view our initial target markets in these two categories.

Base Station Target Markets

Wi-Fi Routers

We believe that consumers will be best able to understand our technology in the context of the wireless data industry, since our technology allows devices to receive power while unplugged in much the same way that the Wi-Fi router allowed devices to receive data while unplugged. In addition, we believe our base station technology can integrate well into form factors of a similar size to that of existing wireless data routers. Our current prototype is approximately 12" X 8.5" X 2", which is slightly larger than a typical commercial wireless data router; after our transmitter ASIC is complete, we expect to be able to integrate our technology into the form factor demanded by branded consumer electronics router marketers. We also believe that our 3-D pocketforming technology may be able to enhance the data signal of a Wi-Fi router, which we believe will provide an even stronger value proposition to wireless data router manufacturers.

According to Infonetics Research, the wireless local area network ("WLAN") market was approximately \$4 billion in 2012. This includes enterprise access points, WLAN controllers, and Wi-Fi phone access points. The Wi-Fi router market has two segments: commercial and residential. The key differentiator between these segments is that commercial routers tend to have much more robust security features, including virtual private networks and advanced content filtering. We believe that our technology is applicable to both the commercial and residential Wi-Fi router markets. Consequently, we have begun to engage with some of these leading firms in both of these segments.

In addition, the Wi-Fi router market has other key players. These include consumer electronics supply chain firms, including original equipment manufacturers ("OEMs"), original design manufacturers ("ODMs"), component manufacturers and branded consumer electronics firms. We believe that each of these categories of players can help to integrate our technology into a commercially available Wi-Fi router.

An ODM designs products either collaboratively with their customers or on their own and manufactures them for sale to companies under the end customer's brand. Additionally, an ODM may engage multiple companies with similar designs that are then marketed under several different end customers' brands. An OEM manufactures products for sale under another firm's brand. We believe that engaging with both types of organizations will be necessary to speed our entry into the market and extend our market reach.

Component suppliers are also a key part of our go-to-market strategy, as most ODMs and OEMs do not design their own components. We expect to be actively engaged with component companies that supply, antennas, mixed signal, power and RF components to the major ODM and OEMs in the Wi-Fi router market.

As part of our go-to-market strategy, we will be marketing to major infrastructure developers, both for the consumer and commercial applications. The consumer market will primarily include engagements with the major residential home builders. For commercial installations we will be engaging with the wireless network operators and private Wi-Fi system operators. We will also be engaging with concentrated consumer destinations (for example, coffee shop and restaurant chains, airport lounges and airports). We will be educating these concentrated consumer destinations on the benefits of our solutions to drive them to specify and demand our solution from their vendors and suppliers.

Receiver Target Markets

Cases for Mobile Devices (Phones and Tablets)

We believe that aftermarket cases for mobile devices (which include both phones and tablets) are an attractive initial market for our receiver. This is because this market is large and growing. According to ABI Research, the smartphone accessory market (which includes headphones and chargers as well as cases) was \$20 billion in 2012. According to the NPD Group, the mobile phone case industry was approximately 36% of the overall mobile phone market for the first half of 2012. If both of these estimates are correct, the smartphone case market was approximately \$7 billion in 2012. According to the NPD Group, this market grew 69% year-over-year from the first half of 2011 to the first half of 2012.

In addition, this is a fiercely competitive market, with dozens of players looking for a way to differentiate themselves. There are hundreds of different types of mobile phone cases that range in price from under \$10 to over \$100, and are made of materials from simple polymers to full-grain leather. Some of these cases differentiate themselves by being thin and light, while others differentiate themselves by providing advanced features such as external battery packs, waterproofing or credit card slots. We believe that this competition makes it more likely that we will be able to find a partner that chooses to differentiate itself by licensing our technology. We have begun to engage some of the leading firms in this space in our initial conversations.

We further believe that this is an attractive market because the design cycles for these cases tend to be much shorter than those for the devices themselves. Though our longer-term goal remains integrating our receiver technology into the mobile devices themselves (through the branded consumer electronics firms that market them or the OEM or ODM that manufactures them), we believe that initially putting our receivers into cases will provide industry validation and “pull” our technology into the original manufacture of mobile devices.

Mobile Devices (Phones and Tablets)

Our medium-term goal is to be “pulled” into original manufacture of mobile devices because we believe our technology scales well into that market; while there are potentially dozens of licensees for phone cases, as discussed above, there are relatively fewer and larger manufacturers of mobile devices. In January 2013, Gartner estimated that the size of the smart phone industry was approximately \$117.5 billion in 2012, and would grow to approximately \$175.4 billion in 2016 (which would represent a compound annual growth rate of approximately 10.5%). Gartner also estimated that the size of the combined media tablet and premium tablet industry was approximately \$32 billion in 2012, and would grow to approximately \$62.8 billion in 2016 (which would represent a compound annual growth rate of 19.5%).

The major issue we confront in having our receiver integrated into mobile devices is that building relationships with branded consumer electronics firms and their large OEM/ODM partners is complicated, because these firms tend to be risk-averse.

Therefore, we believe that our best strategy in approaching these firms is to also build relationships across the value chain of these devices. We believe that triangulating mobile device branded consumer electronics firms and their OEM/ODM partners across their value chains is the best route to providing them with comfort that our solution will work for their devices.

We have identified the key players in this value chain. We categorize these players as upstream providers (which produce components for OEMs and ODMs, such as baseband integrated circuits, application processors, Bluetooth modules, memory and batteries), midstream providers (which assemble devices for branded firms and test components for OEMs and ODMs) and downstream providers (which provide end-use services for consumers of devices sold by branded consumer electronics firms and include telecom operators and channel distributors). We have begun to engage key players in each of these segments.

Other Markets

We believe there are many more potential markets for our technology in the longer term. We are pursuing a licensing strategy so that we can bring our technology to multiple markets simultaneously.

Some potential long-term markets for our technology include:

- Light switches
- Audio speakers
- Sensors (such as thermostats or smoke detectors)
- Remote controls
- Toys
- Rechargeable batteries
- Automotive accessories
- Personal care products (such as toothbrushes or shavers)
- Retail inventory management (such as RFID tags)
- Hand-held industrial devices (such as scanners or keypads)
- Hand-held healthcare devices (such as tablets or electronic thermometers)

This list is meant for illustrative purposes only; we cannot guarantee that we will address any of these markets, and we may decide to address a market that is not on the above list. We intend to continuously evaluate our target markets and choose new markets based on factors including (but not limited to) time-to-market, market size and growth, and the strength of our value proposition for a specific application.

Our Intellectual Property

As a company primarily focused on licensing, we expect that our most valuable asset will be our intellectual property. This includes U.S. and foreign patents, patent applications and know-how. We are pursuing an aggressive intellectual property strategy and developing new patents.

As of March 21, 2014, we have 37 pending U.S. patents and provisional patent applications. Thus far we have identified more than 80 specific inventions we believe to be novel and patentable, and we intend to continue filing these inventions for patent protection.

Government Regulation

Our remote charging technology involves the transmission of power using RF energy waves, which are subject to regulation by the Federal Communications Commission (“FCC”), and may be subject to regulation by other federal, state and local agencies. To our knowledge, the transmission of power in this manner by a consumer product at the ranges we are proposing is novel. We believe our technology is safe, and we intend to demonstrate that to the FCC as soon as practicable.

We believe our technology is safe because our proprietary waveform operates in the 2.4/5.8 GHz radio frequency range, which is the same range as Wi-Fi routers and several other wireless consumer electronics. For those types of products, the FCC grants what is known as Part 15 approval if, among other things, the specific absorption rate ("SAR") is below certain thresholds. Based on our preliminary calculations, the SAR at our receiver should be well below that of a typical cellular signal, so we believe we will be able to gain FCC Part 15 approval for each of our reference designs currently in development. In addition, because our technology involves the transmission of power greater than the power threshold limits of Part 15, we also expect to need to obtain FCC Part 18 approval. To our knowledge, the transmission of power in this manner by a consumer product at the ranges we are proposing is novel and there can be no assurance that we will be able to obtain this approval or that other governmental approvals will not be required.

We also plan to combat any perception of safety risk by developing the management software of our transmitter to be configurable by users to selectively transmit power to devices based on the device's proximity to the human body, such as only transmitting during certain times or transmitting only when the device is not moving. We do not believe users will need to use that configuration to ensure safety, and we expect that we will get FCC approval that will confirm our belief. However, we believe that offering that configuration option will assuage users who need more assurance on safety.

Employees

As of March 21, 2014, we had 9 full-time employees. None of these employees are covered by a collective bargaining agreement, and we believe our relationship with our employees is good. We also employ consultants, including technical advisors, on an as-needed basis to supplement existing staff. Consultants and technical advisors provide us with expertise in electrical engineering, software development, and other specialized areas of engineering and science.

Industry Certifications

We expect that our products and/or the reference designs will undergo UL/CE as well as FCC Part 15, FCC Part 18, SAR, California Energy Star and Apple compliance testing. While this list of required certifications may change or expand from time to time, it is our expectation, based on similar products and designs developed by our team, that we will conduct and complete these certification tests as part of the Company's standard course of business and planning process.

Properties

Our principal office is located at 303 Ray Street, Pleasanton, CA 94566. We currently lease approximately 3,500 square feet of office and laboratory space under a lease that is due to expire in June 2014. The rent is approximately \$6,000 per month.

Legal Proceedings

We are not a party to any pending legal proceedings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the section of this prospectus titled "Summary Selected Financial Information" and our financial statements and related notes appearing elsewhere in this prospectus. In addition to historical information, this discussion and analysis here and throughout this prospectus contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited, to those set forth under "Risk Factors" and elsewhere in this prospectus.

Overview

We were incorporated in Delaware on October 30, 2012 under the name DvineWave Inc. and in January 2014 we changed our name to Energeous Corporation. We were formed to develop and commercialize our technology, which enables wireless charging of electronic devices at a distance. We are located in Pleasanton, CA. To date, our operations have been funded through the sale of our common stock and convertible debt. We have not generated any revenue to date.

We intend to license our technology to various consumer electronics companies, including component manufacturers, original equipment manufacturers ("OEMs"), original design manufacturers ("ODMs") and branded consumer electronics firms. We believe strategic relationships with key consumer electronics supply chain licensees will enable us to reap the benefits of our technology much faster than by manufacturing, distributing or installing products ourselves.

In our operating history, we have developed a beta system consisting of a base station transmitter, a smart phone receiver case, receiver test boards and management software. In addition, we have designed and submitted for manufacturing an application specific integrated circuit ("ASIC") to optimize our transmitter technology. Furthermore, we have designed, but not yet submitted for manufacturing, an ASIC to optimize our receiver technology. In connection with the receiver technology, we have designed multiple smart phone charging cases, which are still under development. Complementing our hardware designs, we have developed a software application that we believe allows for management, control, statistics and prioritization of the charging for the remote devices via a smartphone, tablet or PC.

We have pursued an aggressive intellectual property strategy and are developing new patents. As of March 21, 2014, we have 37 pending U.S. patents and provisional patent applications. Thus far we have identified more than 80 specific inventions we believe to be novel and patentable, and we intend to continue filing these inventions for patent protection.

We have recruited and hired a seasoned management team with public company and relevant industry experience to develop and execute our operating plan. In addition, we have hired and have identified additional engineering resources, which we expect will build up the engineering capability of our internal team. Finally, we have started the selection process for the independent members of our board of directors, which we intend to rely upon for valuable assistance in terms of industry credibility, corporate governance, and strategic direction.

Our financial statements contemplate the continuation of our business as a going concern. We are subject to the risks and uncertainties associated with a new business, including lack of operating capital, lack of personnel and lack of demand for our products. We are a development stage company and have not yet generated any revenue, have no established source of capital, and we have incurred significant debt and significant losses from operations since inception. These matters raise substantial doubt about our ability to continue as a going concern.

Plan of Operation

Our strategy is to continue to focus on the development of our remote charging technology with our current goal being to license this technology to consumer electronics supply chain firms or manufacturers or developers of toys and other devices that would benefit from remote charging. We expect that our remote charging technology will be made commercially available to potential licensees during the fourth quarter of 2014; however, we believe that potential licensees of our remote charging technology will take at least one to two years to incorporate the Company's technology into commercial products available for sale. We expect to use the net proceeds received from this offering to continue our remote charging technology development, develop product reference designs, complete certification testing, protect our intellectual property, pursue licensing partners and for working capital and other general corporate purposes. The net proceeds from this offering are anticipated to be approximately \$21.33 million, which we expect to be sufficient to fund our activities through April 30, 2016. We intend to use the net proceeds from our sale of common stock in this offering as follows: approximately \$12.4 million will be used for product research, development, reference design development and product certifications, approximately \$0.7 million will be used for the protection of our intellectual property, approximately \$3.4 million will be used for sales and marketing activities, approximately \$0.8 million will be used for the purchase of fixed assets which consists primarily of computer equipment and software, and the balance of the funds will be used for general and administrative expenses and other general corporate purposes. Our anticipated costs include employee salaries and benefits, compensation paid to consultants and independent contractors, capital costs for research and other equipment, cost for ASIC manufacturing and testing, cost associated with governmental certification testing, costs associated with development activities including travel and administration, legal expenses, sales and marketing costs, general and administrative expenses, and other costs associated with an early stage, publicly-traded technology company. We anticipate increasing the number of employees by up to approximately 39 employees; however, this is highly dependent on the progress of our development efforts. We anticipate adding employees in the areas of research and development, sales and marketing, operations and general and administrative functions required to support our efforts. We expect to incur consulting expenses related to technology development and other efforts as well as legal and related expenses to protect our intellectual property. We expect annual capital expenditures to be approximately \$0.5 million and \$0.3 million for 2014 and 2015, respectively.

The amounts that we actually spend for any specific purpose may vary significantly and will depend on a number of factors including, but not limited to, the pace of progress of our development and licensing efforts, unexpected difficulties arising in the process of protecting our intellectual property, market conditions, and changes in or revisions to our marketing strategies. In addition, we may use a portion of any net proceeds to acquire complementary products, technologies or businesses; however, we do not have plans for any acquisitions at this time. We will have significant discretion in the use of any net proceeds. Investors will be relying on the judgment of our management regarding the application of the proceeds of any sale of our common stock.

CRITICAL ACCOUNTING POLICIES

The following discussion and analysis of financial condition and results of operations is based upon our financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States of America. Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, the terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. Please see Note 3 to our financial statements for a more complete description of our significant accounting policies.

Basis of Presentation. Our financial statements have been prepared in conformity with accounting principles generally accepted in the United States, which contemplate continuation of the Company as a going concern. However, we are subject to the risks and uncertainties associated with a new business, we have limited sources of revenue, and we have incurred significant losses from operations since inception. Our operations are dependent upon it raising additional capital. These matters raise substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that could result from the outcome of this uncertainty.

Research and Development. Research and development expenses are charged to operations as incurred. For internally developed patents, all costs incurred to the point when a patent application is to be filed are expensed as incurred as research and development expense. Patent application costs, generally legal costs, are expensed as research and development costs until such time as the future economic benefits of such patents become more certain.

Income Taxes. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of items that have been included or excluded in the financial statements or tax returns. Deferred tax assets and liabilities are determined on the basis of the difference between the tax basis of assets and liabilities and their respective financial reporting amounts (“temporary differences”) at enacted tax rates in effect for the years in which the temporary differences are expected to reverse.

For the year ended December 31, 2013 and for the period October 30, 2012 (inception) through December 31, 2012, the Company had approximately \$2,108,000 and \$17,000, respectively, of research and development expenses capitalized for federal income tax purposes, with amortization commencing upon the Company receiving an economic benefit from the related research. For the period October 30, 2012 (inception) through December 31, 2012, \$4,000 of organization costs were capitalized and will be amortized for federal income tax purposes over 15 years. Accordingly, as of December 31, 2013, the Company had approximately \$2,263,391 gross federal and state net operating loss carryovers (“NOLs”). For the year ended December 31, 2013 and for the period October 30, 2012 (inception) through December 31, 2012, the deferred tax assets in connection with the net operating loss carryover, the research and development costs and the organizational costs were fully reserved, and the Company’s effective tax rate was 0%.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the future generation of taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and taxing strategies in making this assessment. Based on this assessment, management has established a full valuation allowance against all of the net deferred tax assets for each period, since it is more likely than not that all of the deferred tax assets will not be realized.

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for “unrecognized tax benefits” is recorded for any tax benefits claimed in the Company’s tax returns that do not meet these recognition and measurement standards. As of December 31, 2013, no liability for unrecognized tax benefits was required to be reported. The guidance also discusses the classification of related interest and penalties on income taxes. The Company’s policy is to record interest and penalties on uncertain tax positions as a component of income tax expense. No interest or penalties were recorded for the year ended December 31, 2013 or for the period October 30, 2012 (inception) through December 31, 2012.

Convertible Instruments. The Company accounts for hybrid contracts that feature conversion options in accordance with ASC 815 “Derivatives and Hedging Activities,” (“ASC 815”) and ASC 480 “Distinguishing Liabilities from Equity” (“ASC 480”), which require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria includes circumstances in which (i) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (ii) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (iii) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. The Company accounts for convertible instruments that have been determined to be free standing derivative financial instruments (when the Company has determined that the embedded conversion options should be bifurcated from their host instruments) in accordance with ASC 815. Under ASC 815, a portion of the proceeds received upon the issuance of the hybrid contract is allocated to the fair value of the derivative. The derivative is subsequently marked to market at each reporting date based on current fair value, with the changes in fair value reported in results of operations.

Conversion options that contain variable settlement features such as provisions to adjust the conversion price upon subsequent issuances of equity or equity linked securities at exercise prices more favorable than that featured in the hybrid contract generally result in their bifurcation from the host instrument.

The Company accounts for convertible debt instruments, when the Company has determined that the embedded conversion options should not be bifurcated from their host instruments, in accordance with ASC 470-20 “Debt with Conversion and Other Options”. The Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized under the effective interest method over the term of the related debt.

Common Stock Purchase Warrants and Other Derivative Financial Instruments. The Company classifies as equity any contracts that (i) require physical settlement or net-share settlement or (ii) provides a choice of net-cash settlement or settlement in the Company’s own shares (physical settlement or net-share settlement) providing that such contracts are indexed to the Company’s own stock as defined in ASC 815-40 “Contracts in Entity’s Own Equity” (“ASC 815-40”). The Company classifies as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the Company’s control) or (ii) gives the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). The Company assesses classification of common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities or equity is required.

RESULTS OF OPERATIONS

Revenues. To date we have not generated any revenues.

Operating Expenses and Loss from Operations. Operating expenses are made up of derivative issuance, research, development and general and administrative and marketing expenses. Loss from operations for the year ended December 31, 2013, the period October 30, 2012 (inception) through December 31, 2012 and for the period October 30, 2012 (inception) through December 31, 2013 were \$4,435,470, \$21,287 and. \$4,456,757, respectively. General and administrative expenses include costs for general and corporate functions, including facility fees, travel, telecommunications, insurance, professional fees, consulting fees and other overhead.

Change in Fair Value of Derivative Liabilities. Change in fair value of derivative liabilities for the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012 and for the period October 30, 2012 (inception) through December 31, 2013 was \$177,000, \$0 and \$177,000, respectively.

Interest Expense. Interest expense for the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012 and for the period October 30, 2012 (inception) through December 31, 2013 was \$908,611, \$0 and \$908,611, respectively, and included amortization of debt discount for the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012 and for the period October 30, 2012 (inception) through December 31, 2013 of \$705,289, \$0 and \$705,289, respectively.

Net Loss. Net loss for the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012 and for the period October 30, 2012 (inception) through December 31, 2013 was \$5,521,081, \$21,287 and \$5,542,368, respectively.

Liquidity and Capital Resources

As of December 31, 2013, the Company's cash on hand was \$1,953,780. The Company has not generated revenues since its inception and has incurred net losses of \$5,521,081 for the year ended December 31, 2013, \$21,287 for the period October 30, 2012 (inception) through December 31, 2012, and \$5,542,368 for the period October 30, 2012 (inception) through December 31, 2013. During the year ended December 31, 2013, the Company has met its liquidity requirements principally through the private placement of convertible notes.

As of December 31, 2013, the Company had a working capital deficiency and a stockholders' deficit of \$5,629,982 and \$5,345,092, respectively.

During the year ended December 31, 2013, cash flows used in operating activities were \$3,430,978, consisting of a net loss of \$5,521,081 less non-cash expenses aggregating \$1,631,879 (representing principally amortization of debt discount of \$705,289, warrant expense of \$724,000 and change in fair value of derivative liabilities of \$177,000), offset by net changes in operating assets and liabilities of \$458,224. During the period October 30, 2012 (inception) through December 31, 2012, cash flows used in operating activities were \$9,006, consisting of a net loss of \$21,287 less \$1,875 and \$10,406 representing increases in accounts payable and accrued expenses, respectively. During the period October 30, 2012 (inception) through December 31, 2013, cash flows used in operating activities were \$3,439,984, consisting of a net loss of \$5,542,368 less non-cash expenses aggregating \$1,631,879 (representing principally amortization of debt discount of \$705,289, warrant expense of \$724,000 and change in fair value of derivative liabilities of \$177,000), offset by net changes in operating assets and liabilities of \$470,505.

During the year ended December 31, 2013 and during the period October 30, 2012 (inception) through December 31, 2012, and during the period October 30, 2012 (inception) through December 31, 2013, cash flows from investing activities were \$199,054, \$0 and \$199,054, respectively. The increase for the year ended December 31, 2013 and during the period October 30, 2012 (inception) through December 31, 2013, consisted principally of \$194,329 for the costs incurred for the purchase of property and equipment.

During the year ended December 31, 2013, cash flows from financing activities were \$5,582,818 and consisted of \$5,500,009 in proceeds from the issuance of Convertible Notes and \$200,681 in proceeds from the sale of the Company's common stock offset by \$29,553 used to repurchase restricted common stock and \$88,319 used in the payment of deferred offering costs. During the period October 30, 2012 (inception) through December 31, 2012, cash flows from financing activities were \$10,000 and consisted of proceeds from the sale of the Company's common stock. During the period October 30, 2012 (inception) through December 31, 2013, cash flows from financing activities were \$5,592,818 and consisted of \$5,500,009 in proceeds from the issuance of Convertible Notes and \$210,681 in proceeds from the sale of the Company's common stock offset by \$29,553 used to repurchase restricted common stock and \$88,319 used in the payment of deferred offering costs.

Off Balance Sheet Transactions

We do not have any off-balance sheet transactions.

Trends, Events and Uncertainties

Research and development of new technologies is, by its nature, unpredictable. Although we will undertake development efforts with commercially reasonable diligence, there can be no assurance that the net proceeds from this offering will be sufficient to enable us to develop our technology to the extent needed to create future revenues to sustain operations as contemplated herein. Accordingly, we expect that we may require additional financing, which could include follow-on equity offerings, debt financing, co-development agreements or other alternatives.

We cannot assure you that our technology will be adopted, that we will ever earn revenues sufficient to support our operations, or that we will ever be profitable. Furthermore, since we have no committed source of financing, we cannot assure you that we will be able to raise money as and when we need it to continue our operations. If we cannot raise funds as and when we need them, we may be required to severely curtail, or even to cease, our operations.

Other than as discussed above and elsewhere in this prospectus, we are not aware of any trends, events or uncertainties that are likely to have a material effect on our financial condition.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth the names and ages of all of our directors and executive officers. Our officers are appointed by, and serve at the pleasure of, the board of directors.

Name	Age	Position
Stephen R. Rizzone	64	President, Chief Executive Officer and Chairman
Michael Leabman	40	Chief Technology Officer and Director
Thomas Iwanski	56	Interim Chief Financial Officer
George B. Holmes	50	Vice President of Sales and Marketing
Billy Crotty	46	Vice President of Operations
Nicolaos G. Alexopoulos	72	Director
John R. Gaulding	68	Director
Robert J. Griffin	47	Director
Rex S. Jackson	54	Director

Biographical information with respect to our executive officers and directors is provided below. There are no family relationships between any of our executive officers or directors.

Stephen R. Rizzone – President, Chief Executive Officer and Chairman

Mr. Stephen R. Rizzone joined the Company as President, Chief Executive Officer and chairman of the board of directors in October 2013. Mr. Rizzone has more than 35 years of executive management, marketing, sales and entrepreneurial experience in the data communications hardware, networking hardware and software, silicon and optical components markets. Prior to joining the Company, Mr. Rizzone served as Chief Executive Officer and chairman of the board of directors of Active Storage, Inc. from June 2011 until December 2012 and as the Chief Executive Officer and chairman of the board of directors of Comunicado, Inc. from April 2006 to September 2009. Mr. Rizzone previously served as member of the board of directors of Katzkin Leather from June 2011 to November 2013 and the Los Angeles Regional Technology Alliance (LARTA) from February 2009 to November 2011. Mr. Rizzone holds a BA in Public Administration from California State University at Fullerton. Mr. Rizzone's extensive industry, executive and board experience position him well to serve as our Chief Executive Officer and a member of our board of directors.

Michael Leabman – Chief Technology Officer, Director and Founder

Mr. Leabman founded the Company in October 2012 and became the Company's Chief Technology Officer in October 2013. Mr. Leabman has been a member of the Company's board of directors since its founding and served as the Company's President, Chief Financial Officer, Treasurer and Secretary until October 2013. From September 2010 to September 2013, Mr. Leabman served as President of TruePath Wireless, a service provider and equipment provider in the broadband communications industry. Mr. Leabman has served on the board of directors of TruePath Holdings since 2010 and continues to serve on the board today. From 2008 to 2010, Mr. Leabman served as Chief Technology Officer for DataRunway Inc., a wireless communication company providing broadband internet to airlines. Mr. Leabman received both his Bachelor of Science degree and Master of Engineering degree in electrical engineering from the Massachusetts Institute of Technology. Mr. Leabman's extensive knowledge the Company, its technology and the consumer and commercial electronics industry position him well for service on our board of directors.

Thomas Iwanski – Interim Chief Financial Officer

Mr. Iwanski joined the Company in October 2013 as a financial consultant and in December 2013 was appointed Interim Chief Financial Officer. Mr. Iwanski has more than 23 years (18 years of which were with publicly traded companies) of executive management and financial experience in the data communications hardware, networking and storage hardware and software, silicon and optical components markets in addition to almost 10 years of prior auditing experience at KPMG LLP. Mr. Iwanski was self-employed as a financial consultant from May 2007 until he joined the Company. In addition, Mr. Iwanski has served as an independent director at Pacific Health Care Organization, Inc. a publicly traded healthcare management and claims administration company, since 2004. Mr. Iwanski filed a personal bankruptcy petition in June 2013 in connection with alleged guarantees of debt of Live-Vu Communications, Inc., a private company in which Mr. Iwanski made a significant personal investment and for which he served as a key consultant, officer and director. Mr. Iwanski holds a bachelor of business administration with a major in accounting from the University of Wisconsin-Madison and is a Certified Public Accountant.

George Holmes – Vice President of Sales and Marketing

Mr. Holmes joined the Company as Vice President of Sales and Marketing in October 2013. Prior to joining the Company, Mr. Holmes served as Vice President of Sales at SolarBridge Technologies from February 2011 until June 2013 where he was responsible for all sales, business development, applications and sales operations activities for the company. Mr. Holmes served as Senior Vice President Sales and Marketing from January 2008 until December 2010 for PureEnergy Solutions, a developer and manufacturer of wireless power products. Since 2007, Mr. Holmes has served as been a partner at aAgave Solutions, LLC, a provider of sales at marketing consulting services. He has served in strategic executive management and sales roles for companies including PowerCast, X1 Technologies, Agere Systems (formerly Lucent MicroElectronics), Ortel Corp. (acquired by Lucent), Level One Communications and Symmetricom. Mr. Holmes holds a B.A. in business from the University of Puget Sound, a diploma in international business from Nyenrode University and has completed the AEA Executive Institute, Management of Technology Companies program at Stanford University.

Billy Crotty – Vice President of Operations

Billy Crotty joined the Company as Vice President of Operations in October 2013. Prior to joining the Company, Mr. Crotty served a General Manager Strategic Business Unit at Personal Communications Devices, LLC from October 2012 until October 2013, where he was charged with expanding the company's offerings into the accessory world and establishing its e-commerce business. From January 2011 to October 2012, Mr. Crotty served as Executive Vice President of Global Operations at Skinit Inc., a leading supplier of personalized for electronic devices. From March 2010 to January 2011, Mr. Crotty served as Vice President of Engineering and Operations at Pure Energy, a developer and manufacturer of wireless power products. From July 2007 to March 2010 Mr. Crotty served as Vice President of Engineering and Operations at Superior Communications, a leading provider of accessories to big box and carrier retail stores. Prior to joining Superior Communications, Mr. Crotty held executive positions at Airgain, Esmertec AG and Cellon Inc. Mr. Crotty received the 2009 Top 25 Supply Chain Executives Award from the Global Supply Chain Leaders Group and led the Skinit team that was named to the Supply & Demand Chain Executive magazine's 100 list in 2012. Mr. Crotty holds a B.S., Production Engineering from UCL Ireland and a MBA in International Studies from the Babson School of Business.

Nicolaos G. Alexopoulos – Director

Dr. Nicolaos (Nick) G. Alexopoulos joined the Company's board of directors in February 2014. Dr. Alexopoulos is Vice President for RF Technologies, Antennas and University Relations at Broadcom Corporation, where he has been employed since August 2008. Prior to joining Broadcom, Dr. Alexopoulos served as the Dean of the Henry Samueli School of Engineering at UC Irvine from 1997 until 2008 and Chair of the Electrical Engineering Department at UCLA from 1987 until 1992. Dr. Alexopoulos holds a BSEE, MSEE and PhD Degrees in Electrical Engineering from the University of Michigan, Ann Arbor, Michigan. He has an Honorary Doctorate from the National Technical University of Athens and has published extensively on the topics of antennas and microwave circuits, artificial materials and other technologies. In addition, he has served over the years as a consultant to various high tech corporations, founded Kimalink Inc. (bought by Broadcom Corporation in 2001) and holds many US patents. In addition, he is a Fellow of the Institute of Electrical and Electronics Engineers, has been elected to the United States National Academy of Engineering and serves on university advisory boards. Dr. Alexopoulos' unique and extensive scientific/technical and business expertise position him well to serve on our board of directors.

John R. Gauling – Director

Mr. John R. Gauling joined the Company's board of directors in March 2014. Since July 1996, Mr. Gauling has been a private investor and business consultant in the fields of strategy and organization. Mr. Gauling is a Co-Founder and Director Emeritus of Sage Partners, an advisory firm providing counsel on strategy and corporate governance issues. He is also Chairman Emeritus of Dominican University of California where he served for 7 years as Chairman and 16 years as a Trustee. From 1996-1999 and again from 2001 to the present, Mr. Gauling has been an independent director of Monster, Worldwide (NYSE:MWW), where he serves on the Audit Committee and chairs the Corporate Governance and Nominating Committee. From 2002-2012, he served as a Director for Yellow Media, Inc. (TSE:Y) where he also chaired the Corporate Governance and Nominating Committee and the Compensation Committee. Mr. Gauling's extensive corporate board experience includes ANTs Software, Inc. where he was lead director and Chairman of the Audit Committee, and ORTEL (NASDAQ:ORTL), a high-technology manufacturer of electro-optical devices used in the telecommunications industry. In addition, he served as the executive Chairman and CEO of National Insurance Group, Inc. (NASDAQ:NAIG). Mr. Gauling has also served as non-executive Chairman of Novo Media, Inc., one of the first digital agencies, sold to BCOM3 and in the same capacity with GetMeIn, a secondary ticketing agency headquartered in London and sold to Ticketmaster. Finally, he was a founding director of the popular in-airport wine lounge, Vino Volo. Mr. Gauling's industry experience includes 15 years as a corporate officer, serving as Vice-President for Corporate Strategy and Development for Pacific Telesis Group, President and CEO for Pacific Bell Yellow Pages, and President and CEO for ADP Claims Solutions Group. Mr. Gauling holds a BS in Engineering from UCLA, an MBA with honors from the University of Southern California, and an honorary Doctor of Laws from Dominican University of California. Mr. Gauling's extensive executive and managerial experience position him well to serve as a member of our Board of Directors.

Robert J. Griffin - Director

Mr. Robert J. Griffin joined the Company's board of directors in February 2014. Mr. Griffin is the Founder and Chief Executive Officer of Griffin International Companies, a Minneapolis-based retail sales and marketing firm. Since founding Griffin International Companies in 1997, Mr. Griffin has led the expansion of the company's business across three continents and secured the license of brands and technologies from a number of large, well known companies. Prior to founding Griffin International Companies, Mr. Griffin spent 6 years at Best Buy Co. in various management roles. Mr. Griffin holds a BA in Economics from Gustavus Adolphus College. Mr. Griffin's extensive executive leadership experience and his in-depth knowledge of the retail industry and technology licensing make him well qualified to serve on our board of directors.

Rex S. Jackson – Director

Mr. Rex S. Jackson joined the Company's board of directors in March 2014. Mr. Jackson has served as Executive Vice President and Chief Financial Officer of JDS Uniphase Corporation ("JDSU") (NASDAQ:JDSU), a provider of network and service enablement solutions and optical products for telecommunications service providers, cable operators, and network equipment manufacturers, since January 2013. Mr. Jackson joined JDSU in January 2011 as senior vice president, Business Services, with responsibility for several corporate functions, including Information Technology, where he drove significant operational improvements. Prior to JDSU, Mr. Jackson served as executive vice president and chief financial officer at Symyx Technologies from 2007 to 2010, where he had responsibility for finance, legal, IT and other corporate functions and where he led the company's acquisition of MDL Information Systems and subsequent merger with Accelrys. Mr. Jackson also previously served as acting CFO at Synopsys and held executive positions with Avago, AdForce and Read-Rite. Mr. Jackson holds a B.A. degree from Duke University and earned his J.D. from Stanford University Law School. Mr. Jackson's accounting and financial expertise, general business acumen and significant executive leadership experience position him well to make valuable contributions to our board of directors.

Director Independence

Our board of directors has determined that Dr. Alexopoulos, Mr. Gauling, Mr. Griffin and Mr. Jackson are "independent directors" as such term is defined by Nasdaq Marketplace Rule 5605(a)(2). We have established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each of Dr. Alexopoulos, Mr. Gauling, Mr. Griffin and Mr. Jackson serve as members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Our board of directors has determined that both Mr. Gauling and Mr. Jackson are audit committee financial experts, as defined under the applicable rules of the SEC, and that all members of the Audit Committee are "independent" within the meaning of the applicable Nasdaq listing standards and the independence standards of rule 10A-3 of the Securities Exchange Act of 1934. Each of the members of the Audit Committee meets the requirements for financial literacy under the applicable rules and regulations of the SEC and The Nasdaq Stock Market.

EXECUTIVE COMPENSATION

Our compensation philosophy is to offer our executive officers compensation and benefits that are competitive and meet our goals of attracting, retaining and motivating highly skilled management, which is necessary to achieve our financial and strategic objectives and create long-term value for our stockholders. We believe the levels of compensation we provide should be competitive, reasonable and appropriate for our business needs and circumstances. The principal elements of our executive compensation program have to date included base salary, and long-term equity compensation in the form of stock options. We believe successful long-term Company performance is more critical to enhancing stockholder value than short-term results. For this reason and to conserve cash and better align the interests of management and our stockholders, we emphasize long-term performance-based equity compensation over base annual salaries.

The following table sets forth information concerning the compensation earned by the individual that served as our Principal Executive Officer during 2013 and our two most highly compensated executive officers other than the individual who served as our Principal Executive Officer during 2013 (collectively, the “named executive officers”):

2013 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)(1)	All Other Compensation (\$)	Total (\$)
Stephen R. Rizzone Chief Executive Officer and President	2013	37,500	-	258,373	-	295,873
	2012	-	-	-	-	-
Michael Leabman Chief Technology Officer	2013	86,500	100,000(2)	-	-	186,500
	2012	-	-	-	-	-
Thomas Iwanski Chief Financial Officer	2013	37,500	-	-	-	37,500
	2012	-	-	-	-	-

(1) The amounts shown in this column indicate the grant date fair value of option awards granted in the subject year computed in accordance with FASB ASC Topic 718. For additional information regarding the assumptions made in calculating these amounts, see notes 3 and 9 to our audited financial statements included herein.

(2) Mr. Leabman’s bonus must be repaid in full if his employment with the Company is terminated for any reason prior to September 27, 2014.

In December 2013, Mr. Rizzone was granted an option award covering 275,689 shares of common stock under our 2013 Equity Incentive Plan that vests over four years in 48 equal monthly installments beginning October 1, 2013.

Outstanding Equity Awards at 2013 Fiscal Year-End

The following table provides information regarding equity awards held by the named executive officers as of December 31, 2013.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Stephen R. Rizzone	17,230	258,459 ⁽¹⁾	\$ 1.68	12/12/23

(1) Reflects the unvested portion of an option grant which vests in equal monthly installments through October 2017.

Employment Agreements and Change of Control Arrangements

Employment Agreements

The following is a summary of the employment arrangements with our executive officers as currently in effect.

Stephen Rizzone. We entered into an employment agreement with Stephen Rizzone, our President, Chief Executive Officer and chairman of our board of directors, effective October 1, 2013. The employment agreement has no specific term and constitutes at-will employment. Mr. Rizzone's current annual base salary is \$150,000, although his annual base salary will increase to \$300,000 immediately following our initial public offering, and he is eligible for up to five annual cash bonuses of up to \$30,000 each (one each with respect to our fiscal quarters and one with respect to our fiscal year) based upon achievement of performance-based objectives established by our board of directors. Pursuant to Mr. Rizzone's employment agreement, he was granted a ten year option to purchase 275,689 shares of common stock on December 12, 2013 under our 2013 Equity Incentive Plan that vests over four years in 48 equal monthly installments beginning October 1, 2013, the start of the requisite service period. Mr. Rizzone's employment agreement provides that upon the consummation of our initial public offering he will receive an additional option award so that together with Mr. Rizzone's December 2013 option award the two option awards combined represent six percent (6%) of the Company's outstanding shares on a fully-diluted basis. The second option award, if issued, will vest over the same vesting schedule as Mr. Rizzone's December, 2013 option award.

If Mr. Rizzone's employment is terminated due to his death or disability, by the Company without cause or if Mr. Rizzone resigns for good reason, Mr. Rizzone will be entitled to receive (i) one year of his base salary at the rate then in effect, (ii) five performance bonuses (each equal to the average of the performance bonus paid with respect to the two fiscal quarters, or the fiscal quarter-end and fiscal year-end, as applicable, immediately preceding Mr. Rizzone's termination or resignation) (iii) reimbursement of Mr. Rizzone's cost of COBRA coverage for one year, and (iv) twenty-five percent (25%) of the options to purchase shares of common stock subject to Mr. Rizzone's option awards described above will vest immediately and become exercisable, and, along with any previously vested and unexercised options, may be exercised by Mr. Rizzone within one year following his termination or resignation. However, if a Liquidation Event (as defined below) shall occur within one year of Mr. Rizzone's termination without cause or his resignation for good reason, all of Mr. Rizzone's option awards described above will vest immediately and become exercisable.

Mr. Rizzone's employment agreement provides that if the Company experiences a Liquidation Event (as defined below), Mr. Rizzone's employment with the Company will be terminated and the Company will enter into a consulting agreement with Mr. Rizzone that entitles him to the following during its term: (i) continued payment of Mr. Rizzone's base salary at the rate then in effect, (ii) continued payment of Mr. Rizzone's performance bonuses described above, and (iii) continued payment of benefits that are substantially similar to those of the Company's other senior executive officers, and (iv) continuation of the vesting period of the option awards described above. The term of the consulting agreement between the Company and Mr. Rizzone shall expire on the later of two years from the date of the Liquidation event or October 1, 2017. For purposes of Mr. Rizzone's employment agreement, a Liquidation Event means a merger, acquisition, consolidation or other transaction (other than an equity financing) following which our stockholders prior to such transaction hold less than fifty percent (50%) of our outstanding voting securities of the acquiring or surviving entity, or a sale, license or transfer of all or substantially all of our assets.

If Mr. Rizzone resigns without good reason, he will be entitled to his base salary at the rate then in effect up to and through the effective date of his resignation, along with any unreimbursed reasonable, out-of-pocket business expenses incurred by Mr. Rizzone in the performance of his duties.

Mr. Rizzone is also eligible to receive benefits that are substantially similar to those of the Company's other senior executive officers. Mr. Rizzone is subject to certain restrictive covenants, including non-solicitation of employees, consultants and customers and non-competition each for a period one year following termination of his employment with the Company.

Michael Leabman. We entered into an employment agreement with Michael Leabman, our Chief Technology Officer, effective October 1, 2013. The employment agreement has no specific term and constitutes at-will employment. Mr. Leabman's current annual base salary is \$250,000, and he is eligible for an annual performance based bonus award of up to twenty percent (20%) of his base salary based upon achievement of performance-based objectives established by our Chief Executive Officer and board of directors. Pursuant to Mr. Leabman's employment agreement, in January 2013, he was granted a ten year option to purchase 57,644 shares of common stock under our 2013 Equity Incentive Plan that vested $\frac{3}{48}$ ^{ths} on the date of grant, and will vest $\frac{1}{48}$ th monthly over the following 45 months. Mr. Leabman's employment agreement provides that upon the consummation of our initial public offering, if Mr. Leabman's option award plus any Company securities he currently owns represent less than three percent (3%) of the Company's outstanding shares on a fully-diluted basis, he shall be entitled to a second option award which will entitle him to purchase that number of shares of our common stock such that the two option awards combined plus any Company securities he currently owns represent three percent (3%) of the Company's outstanding shares on a fully-diluted basis. The second option award, if issued, will vest over the same vesting schedule as Mr. Leabman's initial option award.

If Mr. Leabman's employment is terminated due to his death or disability, by the Company without cause or if Mr. Leabman resigns for good reason, Mr. Leabman will be entitled to receive (i) one year of his base salary at the rate then in effect, (ii) a performance bonuses each equal to the total performance bonuses paid to Mr. Leabman in the calendar year immediately preceding Mr. Leabman's termination or resignation (iii) reimbursement of Mr. Leabman's cost of COBRA coverage for one year, and (iv) twenty-five percent (25%) of the options to purchase shares of common stock subject to Mr. Leabman's option awards described above will vest immediately and become exercisable, and, along with any previously vested and unexercised options, may be exercised by Mr. Leabman within one year following his termination or resignation. However, if a Liquidation Event (as defined below) shall occur within one year of Mr. Leabman's termination without cause or his resignation for good reason, all of Mr. Leabman's options to purchase shares of common stock pursuant to the option awards described above will vest immediately and become exercisable.

In addition to those benefits described above, if Mr. Leabman's employment is terminated by the Company without cause or he resigns for Good Reason within 18 months of a Liquidation Event (as defined below), all of Mr. Leabman's options to purchase shares of common stock pursuant to the option awards described above will vest immediately and become exercisable. For purposes of Mr. Leabman's employment agreement, a Liquidation Event has the same meaning as in Mr. Rizzone's employment agreement.

If Mr. Leabman resigns without good reason, he will be entitled to his base salary at the rate then in effect up to and through the effective date of his resignation, along with any unreimbursed reasonable, out-of-pocket business expenses incurred by Mr. Leabman in the performance of his duties.

Mr. Leabman is also eligible to receive benefits that are substantially similar to those of the Company's other senior executive officers. Mr. Leabman is subject to certain restrictive covenants, including non-solicitation of employees, consultants and customers and non-competition each for a period one year following termination of his employment with the Company.

Thomas Iwanski and George Holmes. Mr. Iwanski and Mr. Holmes are currently providing services to the Company pursuant to consulting arrangements under which they are being paid \$12,500 and \$10,000 per month, respectively.

Director Compensation

Members of our board of directors did not receive compensation for their service as directors for the year ended December 31, 2013. In March 2014 we adopted a non-employee director policy pursuant to which our non-employee directors receive on an annual basis \$50,000 of cash compensation and an annual equity award with a value of \$50,000. In February 2014, Dr. Alexopoulos and Mr. Griffin were each granted a non-statutory stock option award for 2014 covering 25,979 shares of common stock. In March 2014, Mr. Gaulding and Mr. Jackson were each granted a non-statutory stock option award for 2014 covering 19,013 and 15,768 shares of common stock, respectively.

DESCRIPTION OF CAPITAL STOCK

The following is a brief description of our capital stock. This summary does not purport to be complete in all respects. This description is subject to and qualified entirely by the terms of our Second Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), and our bylaws, copies of which have been filed with the SEC and are also available upon request from us.

Authorized Capitalization

We have 40,000,000 shares of capital stock authorized under our Certificate of Incorporation, consisting of 40,000,000 shares of common stock with a par value of \$0.00001 per share. As of March 21, 2014, we had 2,918,740 shares of common stock outstanding. Our authorized but unissued shares of common stock are available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded.

Common Stock

Holders of our common stock are entitled to such dividends as may be declared by our board of directors out of funds legally available for such purpose. The shares of common stock are neither redeemable nor convertible. Holders of common stock have no preemptive or subscription rights to purchase any of our securities.

Each holder of our common stock is entitled to one vote for each such share outstanding in the holder's name. No holder of common stock is entitled to cumulate votes in voting for directors.

In the event of our liquidation, dissolution or winding up, the holders of our common stock are entitled to receive pro rata our assets, which are legally available for distribution, after payments of all debts and other liabilities. All of the outstanding shares of our common stock are fully paid and non-assessable. The shares of common stock offered by this prospectus will also be fully paid and non-assessable.

There is no public market for our common stock. We have applied for listing of our common stock on the Nasdaq Capital Market. If our application to the Nasdaq Capital Market is not approved or we otherwise determine that we will not be able to secure the listing of the common stock on the Nasdaq Capital Market, we will not complete the offering.

Stock Options and Warrants

As of March 21, 2014, we had reserved the following shares of common stock for issuance pursuant to stock options, warrants and equity plans:

- 848,315 shares of our common stock reserved for issuance under stock option agreements issued pursuant to our 2013 Equity Incentive Plan and 2014 Non-Employee Equity Compensation Plan at a weighted average exercise price of \$2.58 per share;
- 482,964 shares of common stock reserved for issuance under outstanding warrants and non-statutory stock options at a weighted average exercise price of \$1.55 per share (and 36,000 shares of common stock underlying warrants expected to be issued to a service provider following completion of the offering);
- 1,377,443 shares of our common stock estimated to be reserved for future issuance under our 2013 Equity Incentive Plan; and
- 215,219 shares of our common stock for future issuance under our 2014 Non-Employee Equity Compensation Plan.

In March 2014, our board of directors and stockholders approved an amendment to our 2013 Equity Incentive Plan pursuant to which effective following completion of the offering, the total number of such available shares under such plan shall equal 18% of the total number of shares of common stock outstanding immediately following the completion of the offering (assuming for this purpose the issuance of all shares issuable under the Company's equity plans, the conversion into common stock of all outstanding securities that are convertible by their terms into common stock and the exercise of all options and warrants exercisable for shares of common stock and including shares and warrants issued to the underwriter pursuant to such offering upon exercise of its over-allotment option, if any) (i.e. on a "fully diluted basis"). Concurrently with the closing of the offering we expect to grant stock option and restricted stock unit awards to our executive officers and employees covering a significant number of shares. Following such grants we estimate that the shares remaining available for grant under the 2013 Equity Incentive Plan will approximate three percent of the total number of shares of common stock outstanding on a fully diluted basis following completion of the offering.

Holders of our outstanding warrants are entitled to one-time demand registration rights and certain piggyback registration rights with respect to the shares of common stock issuable upon exercise thereof.

Convertible Promissory Notes

We have issued \$5.5 million in senior secured convertible promissory notes that bear simple interest at 6% and must be paid or converted into shares of our common stock on or before August 16, 2014. We refer to these promissory notes as the "Convertible Notes" in this prospectus. Upon consummation of a public offering of our common stock yielding gross proceeds of at least \$10 million in this offering, all of the outstanding principal and interest accrued on the Convertible Notes will be converted in full into shares of our common stock. Assuming that this offering was completed on December 31, 2013, based on interest accrued through such date the Convertible Notes would have been converted into 1,902,651 shares of our common stock. Because interest that accrues after December 31, 2013 will also be converted, the actual number of shares to be issued upon conversion of the Convertible Notes will exceed this number of shares of common stock. Holders of the Convertible Notes are entitled to one-time demand registration rights and certain piggyback registration rights with respect to the shares of common stock issuable upon conversion thereof.

Anti-Takeover Effects of Certain Provisions of Delaware Law and Our Charter Documents

The following is a summary of certain provisions of Delaware law, our Certificate of Incorporation and our bylaws. This summary does not purport to be complete and is qualified in its entirety by reference to the corporate law of Delaware and our Certificate of Incorporation and bylaws.

Effect of Delaware Anti-Takeover Statute. We are subject to Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, Section 203 prohibits a Delaware corporation from engaging in any business combination (as defined below) with any interested stockholder (as defined below) for a period of three years following the date that the stockholder became an interested stockholder, unless:

- prior to that date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares of voting stock outstanding (but not the voting stock owned by the interested stockholder) those shares owned by persons who are directors and officers and by excluding employee stock plans in which employee participants do not have the right to determine whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or subsequent to that date, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 defines “business combination” to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to limited exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation, or who beneficially owns 15% or more of the outstanding voting stock of the corporation at any time within a three-year period immediately prior to the date of determining whether such person is an interested stockholder, and any entity or person affiliated with or controlling or controlled by any of these entities or persons.

Effect of California Corporation Long-Arm Statute. We are a Delaware corporation, governed by the Delaware General Corporation Law; however, our headquarters, property and officers are located in California. Section 2115 of the California Corporations Code (the “California Corporation Long-Arm Statute”) purports to impose on corporations like the Company certain portions of California’s laws governing corporations formed under the laws of the State of California. While disputes have arisen regarding the enforceability of the California Corporation Long-Arm Statute, the statute purports to apply the California Corporations Code in the following areas of governance to corporations that meet the test for applicability for the California Corporation Long-Arm Statute: Chapter 1 (general provisions and definitions), to the extent applicable to the following provisions; Section 301 (annual election of directors); Section 303 (removal of directors without cause); Section 304 (removal of directors by court proceedings); Section 305, subdivision (c) (filling of director vacancies where less than a majority in office elected by shareholders); Section 309 (directors’ standard of care); Section 316 (excluding paragraph (3) of subdivision (a) and paragraph (3) of subdivision (f)) (liability of directors for unlawful distributions); Section 317 (indemnification of directors, officers, and others); Sections 500 to 505, inclusive (limitations on corporate distributions in cash or property); Section 506 (liability of shareholder who receives unlawful distribution); Section 600, subdivisions (b) and (c) (requirement for annual shareholders’ meeting and remedy if same not timely held); Section 708, subdivisions (a), (b), and (c) (shareholder’s right to cumulate votes at any election of directors); Section 710 (supermajority vote requirement); Section 1001, subdivision (d) (limitations on sale of assets); Section 1101 (provisions following subdivision (e)) (limitations on mergers); Section 1151 (first sentence only) (limitations on conversions); Section 1152 (requirements of conversions); Chapter 12 (commencing with Section 1200) (reorganizations); Chapter 13 (commencing with Section 1300) (dissenters’ rights); Sections 1500 and 1501 (records and reports); Section 1508 (action by Attorney General); Chapter 16 (commencing with Section 1600) (rights of inspection).

We believe it is likely that we meet the test for the application of the California Corporation Long-Arm Statute and do not anticipate a specific time in the future when we would not meet such test. The California Corporation Long-Arm Statute, if applicable, would purport to require a different outcome for certain important activities fundamental to the governance of corporations, and you are encouraged to review the effect of the California Long-Arm Statute to determine whether the differences from the Delaware General Corporation Law are important to you.

Our Charter Documents. Our charter documents include provisions that may have the effect of discouraging, delaying or preventing a change in control or an unsolicited acquisition proposal that a stockholder might consider favorable, including a proposal that might result in the payment of a premium over the market price for the shares held by our stockholders. Certain of these provisions are summarized in the following paragraphs.

Effects of authorized but unissued common stock. One of the effects of the existence of authorized but unissued common stock may be to enable our board of directors to make more difficult or to discourage an attempt to obtain control of our Company by means of a merger, tender offer, proxy contest or otherwise, and thereby to protect the continuity of management. If, in the due exercise of its fiduciary obligations, the board of directors were to determine that a takeover proposal was not in our best interest, such shares could be issued by the board of directors without stockholder approval in one or more transactions that might prevent or render more difficult or costly the completion of the takeover transaction by diluting the voting or other rights of the proposed acquirer or insurgent stockholder group, by putting a substantial voting block in institutional or other hands that might undertake to support the position of the incumbent board of directors, by effecting an acquisition that might complicate or preclude the takeover, or otherwise.

Cumulative Voting. Our Certificate of Incorporation does not provide for cumulative voting in the election of directors, which would allow holders of less than a majority of the stock to elect some directors.

Vacancies. Our Certificate of Incorporation provides that all vacancies may be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum.

Special Meeting of Stockholders. A special meeting of stockholders may only be called by the President, the Chief Executive Officer, or the board of directors at any time and for any purpose or purposes as shall be stated in the notice of the meeting, or by request of the holders of record of at least 10% of the outstanding shares of common stock. This provision could prevent stockholders from calling a special meeting because, unless certain significant stockholders were to join with them, they might not obtain the percentage necessary to request the meeting. Therefore, stockholders holding less than 10% of the issued and outstanding common stock, without the assistance of management, may be unable to propose a vote on any transaction that would delay, defer or prevent a change of control, even if the transaction were in the best interests of our stockholders.

MARKET FOR OUR COMMON STOCK, DIVIDEND POLICY AND OTHER STOCKHOLDER MATTERS

There is no established public trading market for our common stock. We have never paid cash dividends on our securities and we do not anticipate paying any cash dividends on our shares of common stock in the foreseeable future. We intend to retain any future earnings for reinvestment in our business. Any future determination to pay cash dividends will be at the discretion of our board of directors, and will be dependent upon our financial condition, results of operations, capital requirements and such other factors as our board of directors deems relevant.

We have applied for the listing of our common stock on the Nasdaq Capital Market but we cannot assure you that our application will be approved. If our application to the Nasdaq Capital Market is not approved or we otherwise determine that we will not be able to secure the listing of the common stock on the Nasdaq Capital Market, we will not complete the offering.

As of March 21, 2014, we had 2,918,740 shares of common stock outstanding, held of record by five stockholders.

The name, address and telephone number of our stock transfer agent is Wells Fargo Shareowner Services; 1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120-4101; 1 (800) 689-8788.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

We have set forth in the following table certain information regarding our common stock beneficially owned by (i) each stockholder we know to be the beneficial owner of 5% or more of our outstanding common stock, (ii) each of our directors and named executive officers, and (iii) all executive officers and directors as a group. Generally, a person is deemed to be a “beneficial owner” of a security if that person has or shares the power to dispose or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which the person has the right to acquire beneficial ownership within 60 days pursuant to options, warrants, conversion privileges or similar rights. Unless otherwise indicated, ownership information is as of March 21, 2014, and is based on 2,918,740 shares of common stock outstanding on that date. The percentage ownership after the offering is based on 8,821,391 shares of common stock outstanding.

Name and Address of Beneficial Owner (1)	Common Stock	Shares Underlying Options	Number of Shares Beneficially Owned (2)	Percentage of Class Prior to the Offering	Percentage of Class After the Offering
Directors and Executive Officers					
Nicolaus Alexopoulos	-	6,495	6,495 (3)	*	*
Billy Crotty	-	-	-	*	*
John Gaulding	-	4,753	4,753 (4)	*	*
Robert Griffin	-	6,495	6,495 (3)	*	*
George Holmes	-	-	-	*	*
Thomas Iwanski	-	-	-	*	*
Rex Jackson	-	3,942	3,942 (5)		
Michael Leabman	80,201	8,406	88,607 (6)	3.0%	1.0%
Stephen Rizzzone	-	40,205	40,205 (7)	1.4%	*
Directors and Executive Officers as a group (9 persons)	80,201	70,296	150,497	5.0%	1.7%
Five Percent Stockholders					
DvineWave Holdings LLC (8)	1,924,812	-	1,924,812	65.9%	21.8%
Gregory Brewer (9)	668,337	-	668,337	22.9%	7.6%
Hanbit Electronics Co. Ltd. (10)	210,526	-	210,526	7.2%	2.4%
Shares Outstanding Pre	2,918,740				

(1) The address of each officer and director is 303 Ray Street, Pleasanton, CA, 94566.

(2) Beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, and is generally determined by voting powers and/or investment powers with respect to securities. Unless otherwise noted, the shares of common stock listed above are owned as of March 21, 2014, and are owned of record by each individual named as beneficial owner and such individual has sole voting and dispositive power with respect to the shares of common stock owned by each of them.

(3) Includes 6,495 shares subject to options to purchase common stock.

(4) Includes 4,753 shares subject to options to purchase common stock.

(5) Includes 3,942 shares subject to options to purchase common stock.

(6) Includes 8,406 shares subject to options to purchase common stock.

(7) Includes 40,205 shares subject to options to purchase common stock.

- (8) DvineWave Holdings LLC was formed by the parents of Mr. Leabman to make an investment in the Company when it was founded. DvineWave Irrevocable Trust dated December 12, 2012 is the manager of DvineWave Holdings LLC. Gregory Tamkin, the trustee of the DvineWave Irrevocable Trust, has sole voting and investment power with respect to the entity's shares of common stock. The address is for DvineWave Holdings LLC is 8010 East Cedar Ave, Denver CO 80230.
- (9) Represents shares held by Absolute Ventures, LLC. Gregory Brewer has sole voting and investment power with respect to Absolute Ventures, LLC's shares of common stock. The address for Mr. Brewer is 1599 Greenville Road, Livermore, CA 94568.
- (10) On March 7, 2014, we entered into a stock purchase agreement with Hanbit Electronics Co. Ltd. pursuant to which Hanbit agreed to purchase 210,526 shares of our common stock for gross proceeds of \$1,000,000. Upon issuance these shares will be subject to a voting agreement pursuant to which the stockholder has agreed for a period of thirteen months to vote all of its shares in accordance with the recommendation of our board of directors on all matters (including election of the board of directors) brought to a stockholder vote. The address for Hanbit Electronics Co. Ltd. is 494, Gajang-ro, Gajang-dong, Osan-si, Gyeonggi-do, Korea.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

We have applied for the listing of our common stock on the Nasdaq Capital Market, therefore, our determination of the independence of directors is made using the definition of "independent" contained in the listing standards of the Nasdaq Stock Market. On the basis of information solicited from each director, the board has determined that each of Dr. Alexopoulos, Mr. Gaulding, Mr. Griffin and Mr. Jackson has no material relationship with the Company and is independent within the meaning of such rules.

SEC regulations define the related person transactions that require disclosure to include any transaction, arrangement or relationship in which the amount involved exceeds the lesser of \$120,000 or one percent of the average of the Company's total assets at year end for the last two completed fiscal years in which we were or are to be a participant and in which a related person had or will have a direct or indirect material interest. A related person is: (i) an executive officer, director or director nominee of the Company, (ii) a beneficial owner of more than 5% of our common stock, (iii) an immediate family member of an executive officer, director or director nominee or beneficial owner of more than 5% of our common stock, or (iv) any entity that is owned or controlled by any of the foregoing persons or in which any of the foregoing persons has a substantial ownership interest or control.

For the period from our inception, through the date of this prospectus (the "Reporting Period"), described below are certain transactions or series of transactions between us and certain related persons.

On November 8, 2012, DvineWave Holdings LLC, an entity formed by the parents of Michael Leabman, our Chief Technology Officer, to make an investment in the Company, purchased 1,924,812 shares of common stock in exchange for \$10,000.

On January 28, 2013, Mr. Leabman purchased 80,201 shares of common stock in exchange for \$417.

On March 1, 2013, Absolute Ventures LLC, an affiliate of a director of the Company, Greg Brewer, purchased 668,337 shares of common stock in exchange for \$160,000.

Set forth in the table below is information relating to stock option grants made to our executive officers and directors. The option awards to our executive officers were granted under our 2013 Equity Incentive Plan. The option awards to Mr. Gaulding and Mr. Jackson were granted under our 2014 Non-Employee Equity Compensation Plan. The term of each grant is ten years. The option award granted to Mr. Rizzone vests over four years in 48 equal monthly installments beginning October 1, 2013, the start of the requisite service period. The option award granted to Mr. Leabman vested 3/48th on the grant date and 1/48th monthly through September 30, 2017. The option awards granted to Mr. Iwanski, Mr. Holmes and Mr. Crotty vest 25% of award amount as of October 1, 2014 and 1/48th of the award amount per month for the three years thereafter with the award fully vested on October 1, 2017. The option awards to Dr. Alexopoulos, Mr. Griffin, Mr. Gaulding and Mr. Jackson vest in four equal installments on each of March 31, 2014, June 30, 2014, September 30, 2014 and December 31, 2014.

Name of Officer	Number of Option Shares	Exercise Price
Stephen Rizzone	275,689	\$ 1.68
Michael Leabman	57,644	\$ 2.49
George Holmes	80,201	\$ 2.49
Thomas Iwanski	80,201	\$ 2.49
Bill Crotty	64,160	\$ 2.49
Nicolaos Alexopolous	25,980	\$ 3.63
Robert Griffin	25,980	\$ 3.63
John Gaulding	19,013	\$ 4.99
Rex Jackson	15,768	\$ 6.00

Certain of our current officers have executed employment agreements with us or have received shares of common stock or options to purchase common stock as compensation. Our independent directors also will receive compensation for their services to us. See the section of this prospectus titled "Executive Compensation" for a discussion of these transactions.

On October 4, 2013, we entered into a Standard Industrial/Commercial Multi-Tenant Lease with ProSoft Engineering, Inc. for our principal office space located at 303 Ray Street, Pleasanton, CA 94566. The lease covers approximately 3500 square feet of office and laboratory space and expires on June 4, 2014. The monthly rental rate under the lease is \$6,055 and the aggregate amount payable to ProSoft Engineering under the lease is approximately \$48,440 plus an additional security deposit of \$6,055. Greg Brewer, a former member of our board of directors, is the owner and founder of ProSoft Engineering, Inc.

UNDERWRITING

We are offering the shares of common stock described in this prospectus through the underwriter, MDB Capital Group, LLC, which is acting as lead managing underwriter of the offering. MDB Capital Group, LLC has rendered advisory services to us in the past and has acted as our placement agent in connection with the placement of our senior secured convertible promissory notes, which was consummated in May 2013.

We have agreed to enter into an underwriting agreement with the underwriter prior to the closing of this offering. Subject to the terms and conditions of the underwriting agreement, we will agree to sell to the underwriter, and the underwriter will agree to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, as it may be supplemented, shares of common stock.

The underwriter is committed to purchase all of the common shares offered by us, other than those covered by the option to purchase additional shares described below, if they purchase any shares. The underwriting agreement provides that the underwriter's obligations to purchase shares of our common stock are subject to conditions contained in the underwriting agreement. A copy of the underwriting agreement has been filed as an exhibit to the registration statement of which this prospectus forms a part.

We have been advised by the underwriter that the underwriter proposes to offer shares of our common stock directly to the public at the public offering price set forth on the cover page of this prospectus and to certain dealers that are members of the Financial Industry Regulatory Authority (FINRA). Any securities sold by the underwriter to such securities dealers will be sold at the public offering price less a selling concession not in excess of \$0.288 per share. After the public offering of the shares, the offering price and other selling terms may be changed by the underwriter.

None of our securities included in this offering may be offered or sold, directly or indirectly, nor may this prospectus and any other offering material or advertisements in connection with the offer and sales of any of our common stock, be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons who receive this prospectus are advised to inform themselves about and to observe any restrictions relating to this offering of our common stock and the distribution of this prospectus. This prospectus is neither an offer to sell nor a solicitation of any offer to buy any of our common stock included in this offering in any jurisdiction where that would not be permitted or legal.

The underwriter has advised us that it does not intend to confirm sales to any accounts over which they exercise discretionary authority.

Underwriting Discount and Expenses

The following table summarizes the underwriting discount and commission to be paid to the underwriter by us.

	Without Over- Allotment	With Over- Allotment
Public offering price	\$ 24,000,000	\$ 27,600,000
Underwriting discount to be paid to the underwriter	\$ 1,920,000	\$ 2,208,000
Non-accountable expense allowance	\$ 175,000	\$ 175,000
Net proceeds, before other expenses	\$ 21,905,000	\$ 25,217,000

We estimate the total expenses payable by us for this offering to be approximately \$2.67 million, which amount includes (i) the underwriting discount of \$1.92 million (\$2.21 million if the underwriter's over-allotment option is exercised in full), (ii) reimbursement of the non-accountable expenses of the underwriter equal to \$175,000 (none of which has been paid in advance), including the legal fees of the underwriter being paid by us, and (iii) other estimated company expenses of approximately \$575,000, which includes legal, accounting, printing costs and various fees associated with the registration and listing of our shares. In no event will the aggregated expenses reimbursed to MDB Capital Group, LLC exceed \$175,000.

Over-allotment Option

We have granted to the underwriter an option, exercisable not later than 45 days after the date of this prospectus, to purchase up to an additional 600,000 shares of our common stock (up to 15% of the shares firmly committed in this offering) at the public offering price, less the underwriting discount, set forth on the cover page of this prospectus. The underwriter may exercise the option solely to cover over-allotments, if any, made in connection with this offering. If any additional shares of our common stock are purchased pursuant to the over-allotment option, the underwriter will offer these additional shares of our common stock on the same terms as those on which the other shares of common stock are being offered hereby.

Determination of Offering Price

There is no current market for our common stock. Our underwriter, MDB Capital Group, LLC, is not obligated to make a market in our securities, and even if it chooses to make a market, can discontinue at any time without notice. Neither we nor the underwriter can provide any assurance that an active and liquid trading market in our securities will develop or, if developed, that the market will continue.

The public offering price of the shares offered by this prospectus has been determined by negotiation between us and the underwriter. Among the factors considered in determining the public offering price of the shares were:

- our history and our prospects;
- the industry in which we operate;
- our past and present operating results;
- the previous experience of our executive officers; and
- the general condition of the securities markets at the time of this offering.

The offering price stated on the cover page of this prospectus should not be considered an indication of the actual value of the shares. That price is subject to change as a result of market conditions and other factors, and we cannot assure you that the shares can be resold at or above the public offering price.

Underwriter Warrant

We have agreed to issue to MDB Capital Group, LLC and its designees a warrant to purchase shares of our common stock (up to 10% of the shares of common stock sold in this offering). This warrant is exercisable at \$7.50 per share (125% of the price of the common stock sold in this offering), commencing on the effective date of this offering and expiring five years from the effective date of this offering. The warrant and the shares of common stock underlying the warrant have been deemed compensation by FINRA and are therefore subject to a 180 day lock-up pursuant to Rule 5110(g)(1) of FINRA. MDB Capital Group, LLC (or permitted assignees under the Rule) will not sell, transfer, assign, pledge, or hypothecate this warrant or the securities underlying this warrant, nor will it engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of this warrant or the underlying securities for a period of 180 days from the effective date of the offering.

Pursuant to engagement agreements entered into on January 23, 2013 with MDB Capital Group, LLC, on May 16, 2013 we issued warrants to purchase an aggregate of 431,006 shares of our common stock to MDB Capital Group, LLC. These warrants are exercisable at any time commencing six months after completion of this offering through May 16, 2018. 278,228 of these warrants have an exercise price of \$0.04 per share and 152,778 of these warrants have an exercise price of \$3.60 per share. We issued these warrants to MDB Capital Group, LLC for advisory services performed prior to May 16, 2013 and private placement agency services rendered in connection with the May 16, 2013 private placement of our senior secured convertible promissory notes. In January 2014 MDB Capital Group, LLC transferred 50% of these warrants to certain transferees.

Lock-Up Agreements

All of our officers, directors, employees, stockholders beneficially owning 5% or more of our common stock and MDB Capital Group, LLC and its transferees (with respect to the warrants originally issued on May 16, 2013) have agreed that, until the one year anniversary of the date of the Underwriting Agreement we will enter into in conjunction with this offering, they will not sell, contract to sell, grant any option for the sale or otherwise dispose of any of our equity securities, or any securities convertible into or exercisable or exchangeable for our equity securities, without the consent of MDB Capital Group, LLC (and in the case of MDB Capital Group, also the Company), except for exercise or conversion of currently outstanding warrants, options and convertible securities, as applicable; and exercise of options under our stock incentive plan (the "One Year Lock-Up"). The number of currently outstanding shares of common stock subject to the One Year Lock-Up totals 2,918,740 shares, the number of shares underlying options and warrants subject to the One Year Lock-Up totals 1,331,279 shares.

The purchasers of our senior secured convertible promissory notes are subject to lock-up requirements for periods that may last no more than 180 days following the date of this prospectus (the "180 Days Lock-Up"). The number of shares of common stock to be issued to the holders of our senior secured convertible promissory notes that will be subject to the 180 Days Lock-Up as of December 31, 2013 totals 1,902,651 shares. The warrant to purchase up to 10% of the shares of common stock sold in this offering that we have agreed to issue MDB Capital Group, LLC in connection with this offering will also be subject to the 180 Days Lock-up.

Other than in respect of the 10% warrant being issued to MDB Capital Group, LLC in connection with this offering, the underwriter may consent to an early release from the lock-up period if, in its opinion, the market for the common stock would not be adversely impacted by sales and in cases of a financial emergency of an officer, director or other stockholder. We are unaware of any security holder who intends to ask for consent to dispose of any of our equity securities during the relevant lock-up periods.

Indemnification

We will agree to indemnify the underwriter against certain liabilities, including certain liabilities arising under the Securities Act, and to contribute to payments that the underwriter may be required to make for these liabilities.

Short Positions and Penalty Bids

The underwriter may engage in over-allotment, syndicate covering transactions, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the common stock, in accordance with Regulation M under the Exchange Act.

- Over-allotment involves sales by the underwriter of shares in excess of the number of shares the underwriter is obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by an underwriter is not greater than the number of shares that it may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriter may close out any short position by either exercising its over-allotment option and/or purchasing shares in the open market.
- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriter will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which it may purchase shares through the over-allotment option. If an underwriter sells more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if an underwriter is concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Penalty bids permit an underwriter to reclaim a selling concession from a syndicate member when the shares originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NASDAQ Capital Market, and if commenced, they may be discontinued at any time.

Neither we nor the underwriter make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor the underwriter make any representation that the underwriter will engage in these transactions or that any transaction, once commenced, will not be discontinued without notice.

Electronic Distribution

A prospectus in electronic format may be made available on the Internet sites or through other online services maintained by the underwriter, or by its affiliates. In those cases, prospective investors may view offering terms online and, depending upon the underwriter, prospective investors may be allowed to place orders online. The underwriter may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriter on the same basis as other allocations.

Other than the prospectus in electronic format, the information on the underwriter's website and any information contained in any other website maintained by the underwriter is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or the underwriter in its capacity as underwriter and should not be relied upon by investors.

The underwriter's compensation in connection with this offering is limited to the fees and expenses described above under "Underwriting Discount and Expenses."

USE OF PROCEEDS

We estimate the gross proceeds from the sale of 4,000,000 shares of common stock in this offering, prior to deducting underwriting discounts and commissions and the estimated offering expenses payable by us, will be approximately \$24.00 million (approximately \$27.60 million if the over-allotment option granted to the underwriter is exercised in full).

We estimate that we will receive net proceeds of approximately \$21.33 million, after deducting underwriting discounts and commissions and our underwriter's expense allowance, and other estimated expenses of approximately \$2.67 million, which includes legal, accounting, printing costs and various fees associated with the registration and listing of our shares. If the underwriter exercises its right to purchase an additional 600,000 shares of common stock to cover over-allotments, we will receive an additional approximately \$3.31 million, after deducting \$288,000 for underwriting discounts and commissions.

We intend to use the net proceeds from our sale of common stock in this offering as follows: approximately \$12.4 million will be used for product research, development, reference design development and product certifications, approximately \$0.7 million will be used for the protection of our intellectual property, approximately \$3.4 million will be used for sales and marketing activities, approximately \$0.8 million will be used for the purchase of fixed assets which consists primarily of computer equipment and software, and the balance of the funds will be used for general and administrative expenses and other general corporate purposes.

The amounts and timing of our actual expenditures will depend on numerous factors, including market conditions, results from our research and development efforts, business developments and opportunities and related sales and marketing activities. Accordingly, our management will have broad discretion in the application of the net proceeds, and investors will be relying on the judgment of our management regarding the application of the proceeds from this offering. We may find it necessary or advisable to use portions of the proceeds from this offering for other purposes. Circumstances that may give rise to a change in the use of proceeds and the alternate purposes for which the proceeds may be used include:

- the existence of unforeseen or other opportunities or the need to take advantage of changes in timing of our existing activities;
- the need or desire on our part to accelerate, increase, reduce or eliminate one or more existing initiatives due to, among other things, changing market conditions and competitive developments or interim results of research and development efforts;
- results from our business development and marketing efforts;
- the effect of federal, state, and local regulation on our business; and
- the presentation of strategic opportunities of which we are not currently aware (including acquisitions, joint ventures, licensing and other similar transactions).

From time to time, we evaluate these and other factors and we anticipate continuing to make such evaluations to determine if the existing allocation of resources, including the proceeds of this offering, is being optimized.

CAPITALIZATION

The following table sets forth our actual cash and cash equivalents and capitalization, each as of December 31, 2013:

- on an actual basis;
- on a pro forma as adjusted basis to give effect to the reverse stock split and conversion of the convertible debt into common stock; and
- on a pro forma as adjusted basis to give effect to the reverse stock split, conversion of the convertible debt into common stock and issuance of the common stock offered hereby and the use of proceeds, as described in the section entitled "Use of Proceeds."

You should consider this table in conjunction with our financial statements and the notes to those financial statements included in this prospectus.

	Actual	As adjusted for the effect of the reverse stock split, the sale of 210,526 shares of stock and the conversion of the senior secured convertible notes (1)	As adjusted for the offering
Total debt at face value, net of debt discount			
Convertible debt less debt discount	\$ 829,298	\$ -	\$ -
Stockholders' equity			
Common stock, par value \$0.00001 per share – 40,000,000 shares of common stock authorized at December 31, 2013; 10,805,773 shares issued and outstanding as of December 31, 2013; 4,843,693 shares issued and outstanding after giving effect to the reverse stock split, the sale of 210,526 shares of stock and the conversion of the senior secured convertible notes; 8,843,693 shares issued and outstanding, as adjusted after giving effect to the offering.	\$ 108	\$ 48.00	\$ 88.00
Additional paid-in-capital	197,168	12,513,134	33,843,094
Accumulated deficit	(5,542,368)	(10,555,976)	(10,555,976)
Total stockholders' equity (deficit)	(5,345,092)	1,957,206	23,287,206
Total capitalization	(4,515,794)	1,957,206	23,287,206
Stockholders' equity (deficit) per share	\$ (0.49)	\$ 0.41	\$ 2.64
Shares outstanding	10,805,773	4,821,391	8,821,391

(1) Assumes that 4,000,000 shares of common stock are sold in this offering and that the net proceeds thereof are approximately \$21.33 million after deducting underwriting discounts and commissions and our estimated expenses. If the underwriter's over-allotment option is exercised in full, net proceeds will increase to approximately \$24.64 million.

The following shares were not included in the above calculations:

- 275,689 shares of our common stock reserved for issuance under stock option agreements outstanding at December 31, 2013 with a weighted average exercise price of \$1.68 per share;
- 431,006 shares of common stock reserved for issuance under warrants outstanding at December 31, 2013 with a weighted average exercise price of \$1.30 per share; and
- 766,478 shares of our common stock reserved for future issuance under our 2013 Equity Incentive Plan as of December 31, 2013;
- shares to be issued upon conversion of interest accrued on our senior secured convertible promissory notes after December 31, 2013; and
- shares of our common stock issuable upon exercise of the warrant to be issued to the underwriter representing ten percent of the number of shares offered by this prospectus.

DILUTION

Our net tangible book value as of December 31, 2013 was (\$5,345,092), or (\$1.97) per share of common stock. Net tangible book value per share represents total tangible assets less total liabilities, divided by the number of shares of common stock outstanding. On a pro forma basis after giving effect to our issuance of 210,526 shares of common stock to a strategic investor pursuant to a stock purchase agreement dated March 7, 2014, and assuming the conversion of \$5,707,954 of senior secured convertible notes and accrued interest, our net tangible book value as of December 31, 2013 would have been \$2,165,151 or \$0.45 per share. After giving effect to our sale of 4,000,000 shares in this offering at the public offering price of \$6.00 per share, after deducting the commissions and estimated offering expenses payable by us, our net tangible book value as of December 31, 2013 would have been \$23,495,151 or \$2.66 per share. This represents an immediate increase in net tangible book value of \$2.21 per share to existing stockholders and an immediate dilution in net tangible book value of \$3.34 per share to investors in this offering. The following table illustrates this calculation.

Public offering price	\$	6.00
Pro forma net tangible book value per share as of December 31, 2013	\$	0.45
Increase per share attributable to this offering	\$	2.21
As adjusted tangible book value per share after this offering	\$	2.66
Dilution per share to new investors in this offering	\$	3.34

The following shares were not included in the above calculations:

- 275,689 shares of our common stock reserved for issuance under stock option agreements outstanding at December 31, 2013 with a weighted average exercise price of \$1.68 per share;
- 431,006 shares of common stock reserved for issuance under warrants outstanding at December 31, 2013 with a weighted average exercise price of \$1.30 per share; and
- 766,478 shares of our common stock reserved for future issuance under our 2013 Equity Incentive Plan as of December 31, 2013;
- shares to be issued upon conversion of interest accrued on our senior secured convertible promissory notes after December 31, 2013; and
- shares of our common stock issuable upon exercise of the warrant to be issued to the underwriter representing ten percent of the number of shares offered by this prospectus.

LEGAL MATTERS

K&L Gates LLP, with an office at Hearst Tower, 47th Floor, 214 North Tryon Street, Charlotte, North Carolina 28202, will pass upon the validity of the shares of common stock offered by this prospectus and certain other legal matters. Golenbock Eiseman Assor Bell & Peskoe LLP, with an office at 437 Madison Avenue, New York, New York 10022-7020, is legal counsel to MDB Capital Group, LLC.

EXPERTS

The financial statements of Energois Corporation (F/K/A DvineWave, Inc.) as of December 31, 2013 and 2012 and for the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 30, 2012 and for the period October 30, 2012 (Inception) through December 31, 2013 included in this prospectus have been audited by Marcum LLP, independent registered public accounting firm (which contain an explanatory paragraph related to our ability to continue as a going concern as described in Note 2 to our financial statements) as set forth in their report. We have included these financial statements in this prospectus in reliance upon the report of Marcum LLP, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act that registers the shares of our common stock to be sold in this offering. Our SEC filings are and will become available to the public over the Internet at the SEC's website at www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street N.E., Washington, D.C. 20549. You can also obtain copies of the documents upon the payment of a duplicating fee to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. Some items are omitted in accordance with the rules and regulations of the SEC. You should review the information and exhibits included in the registration statement for further information about us and the securities we are offering. Statements in this prospectus concerning any document we filed as an exhibit to the registration statement or that we otherwise filed with the SEC are not intended to be comprehensive and are qualified by reference to these filings. You should review the complete document to evaluate these statements.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Company, we have been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Energous Corporation

(f/k/a DvineWave Inc.)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
of Energous Corporation (f/k/a DvineWave Inc.)

We have audited the accompanying balance sheets of Energous Corporation (f/k/a DvineWave Inc.) (a development stage company) (the "Company") as of December 31, 2013 and 2012 and the related statements of operations, changes in stockholders' deficit and cash flows for the year ended December 31, 2013, for the period from October 30, 2012 (inception) through December 31, 2012 and for the period October 30, 2012 (inception) through December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Energous Corporation (a development stage company) as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the year ended December 31, 2013, for the period from October 30, 2012 (inception) through December 31, 2012 and for the period from October 30, 2012 (inception) through December 2013, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, at December 31, 2013, the Company is in its development stage, has not yet generated revenues and is dependent upon future sources of equity or debt financing in order to fund its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding those matters also are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Marcum LLP
Marcum LLP
Melville, NY
March 21, 2014

Energous Corporation
(f/k/a DvineWave Inc.)
(A Development Stage Company)
BALANCE SHEETS

	As of December 31,	
	2013	2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,953,780	\$ 994
Prepaid expenses and other current assets	127,197	-
Total current assets	2,080,977	994
Property and equipment, net	189,612	-
Deferred offering costs	88,319	-
Other assets	6,959	-
Total assets	\$ 2,365,867	\$ 994
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 361,038	\$ 1,875
Accrued expenses	243,623	10,406
Convertible promissory notes, net	829,298	-
Derivative liabilities	6,277,000	-
Total liabilities	7,710,959	12,281
Commitments and contingencies		
Stockholders' deficit		
Preferred Stock, \$0.00001 par value, 0 and 5,000,000 shares authorized at December 31, 2013 and December 31, 2012, respectively; no shares issued or outstanding.	-	-
Common Stock, \$0.00001 par value, 40,000,000 and 18,000,000 shares authorized at December 31, 2013 and December 31, 2012, respectively; 10,805,773 and 7,680,000 shares issued and outstanding at December 31, 2013 and December 31, 2012, respectively.	108	77
Additional paid-in capital	197,168	9,923
Deficit accumulated during the development stage	(5,542,368)	(21,287)
Total stockholders' deficit	(5,345,092)	(11,287)
Total liabilities and stockholders' deficit	\$ 2,365,867	\$ 994

The accompanying notes are an integral part of these financial statements.

Energous Corporation
(f/k/a DvineWave Inc.)
(A Development Stage Company)
STATEMENTS OF OPERATIONS

	For the Year Ended December 31, 2013	For the Period October 30, 2012 (Inception) through December 31, 2012	For the Period October 30, 2012 (Inception) through December 31, 2013
STATEMENTS OF OPERATIONS:			
Operating expenses:			
Derivative instrument issuance expenses	\$ 887,062	\$ -	\$ 887,062
Research and development expenses	2,109,890	17,103	2,126,993
General and administrative expenses	1,204,896	4,184	1,209,080
Marketing expenses	233,622	-	233,622
Loss from operations	(4,435,470)	(21,287)	(4,456,757)
Other (expense) income:			
Change in fair value of derivative liabilities	(177,000)	-	(177,000)
Interest expense	(908,611)	-	(908,611)
Other (expense) income, net	(1,085,611)	-	(1,085,611)
Net loss	\$ (5,521,081)	\$ (21,287)	\$ (5,542,368)
Basic and diluted net loss per common share	\$ (0.53)	\$ (0.00)	
Weighted average shares outstanding, basic and diluted	10,441,916	7,680,000	
Proforma net loss per share - basic and diluted (unaudited). See Note 12.	\$ (2.11)	\$ (0.01)	
Proforma weighted average shares outstanding (unaudited). See Note 12.	2,617,022	1,924,812	

The accompanying notes are an integral part of these financial statements.

Energous Corporation
(f/k/a DvineWave Inc.)
(A Development Stage Company)
STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT

	Common Stock		Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Deficit
	Shares	Amount			
Balance, October 30, 2012 (inception)	-	\$ -	\$ -	\$ -	\$ -
Common stock sold on November 8, 2012 to third party investor at \$0.0013 per share	7,680,000	77	9,923	-	10,000
Net loss for the period from October 30, 2012 (inception) through December 31, 2012	-	-	-	(21,287)	(21,287)
Balance, December 31, 2012	7,680,000	77	9,923	(21,287)	(11,287)
Common stock sold on January 28, 2013 to founder at \$0.0013 per share	320,000	3	414	-	417
Common stock sold on March 4, 2013 to affiliate of a director at \$0.06 per share	2,666,666	27	159,973	-	160,000
Common stock sold on May 7, 2013 to third party investor at \$0.06 per share	80,000	1	4,799	-	4,800
Restricted common stock sold on May 14, 2013 under the 2013 Stock Plan of DvineWave, Inc., to consultant at \$0.10 per share	354,640	3	35,461	-	35,464
Repurchase and retirement of restricted common stock from consultant on November 30, 2013 at \$0.10 per share	(295,533)	(3)	(29,550)	-	(29,553)
Stock-based compensation	-	-	16,148	-	16,148
Net loss for the year ended December 31, 2013	-	-	-	(5,521,081)	(5,521,081)
Balance, December 31, 2013	<u>10,805,773</u>	<u>\$ 108</u>	<u>\$ 197,168</u>	<u>\$ (5,542,368)</u>	<u>\$ (5,345,092)</u>

The accompanying notes are an integral part of these financial statements.

Energous Corporation
(f/k/a DvineWave Inc.)
(A Development Stage Company)
STATEMENTS OF CASH FLOWS

	For the Year Ended December 31, 2013	For the Period October 30, 2012 (inception) through December 31, 2012	For the Period October 30, 2012 (inception) through December 31, 2013
Cash flows from operating activities:			
Net loss	\$ (5,521,081)	\$ (21,287)	\$ (5,542,368)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	4,717	-	4,717
Stock based compensation	16,148	-	16,148
Amortization of debt discount	705,289	-	705,289
Warrant expense	724,000	-	724,000
Change in fair market value of derivative liabilities	177,000	-	177,000
Write off of abandoned trademark	4,725	-	4,725
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(127,197)	-	(127,197)
Other assets	(6,959)	-	(6,959)
Accounts payable	359,163	1,875	361,038
Accrued expenses	233,217	10,406	243,623
Net cash used in operating activities	<u>(3,430,978)</u>	<u>(9,006)</u>	<u>(3,439,984)</u>
Cash flows from investing activities:			
Purchase of property and equipment	(194,329)	-	(194,329)
Costs of trademark	(4,725)	-	(4,725)
Net cash used in investing activities	<u>(199,054)</u>	<u>-</u>	<u>(199,054)</u>
Cash flows from financing activities:			
Proceeds from the sale of common stock	200,681	10,000	210,681
Payment of deferred offering costs	(88,319)	-	(88,319)
Repurchase of restricted common stock	(29,553)	-	(29,553)
Proceeds from the sale of senior secured convertible notes	5,500,009	-	5,500,009
Net cash provided by financing activities	<u>5,582,818</u>	<u>10,000</u>	<u>5,592,818</u>
Net increase in cash and cash equivalents	1,952,786	994	1,953,780
Cash and cash equivalents - beginning	994	-	-
Cash and cash equivalents - ending	<u>1,953,780</u>	<u>994</u>	<u>1,953,780</u>

The accompanying notes are an integral part of these financial statements.

ENERGOUS CORPORATION
(F/K/A DvineWave, Inc.)
(A Development Stage Company)
Notes to Financial Statements

Note 1 - Business Organization, Nature of Operations

Energous Corporation (f/k/a DvineWave Inc.) (the "Company") was incorporated in Delaware on October 30, 2012 (inception). The Company is a development stage technology company focused on developing a solution to delivering a wireless charging system, as a means of providing convenient, adaptive wireless power charging capabilities to low power fixed and mobile devices, such as mobile phones, tablets, toys, videogame controllers, watches, remote controls, smoke alarms, window covering deployment and retraction motors, installed sensors and night and emergency lighting fixtures that use or are capable of using a rechargeable battery. The Company is targeting both consumer and commercial enterprise markets that use such rechargeable fixed and mobile devices.

As of December 31, 2013, the Company had not yet completed the development of its product and has not yet recorded any revenues. Since inception, the Company's primary activities have consisted of developing its business plan, raising capital, recruiting and hiring its executive team and developing its technology. To date, these activities have been funded through sales of common stock and the sale of Senior Secured Convertible Notes ("Convertible Notes") (See Note 7, Private Placement).

The Company is considered to be in the development stage, and as such, the Company's financial statements are prepared in accordance with the Accounting Standards Codification ("ASC") topic 915, "Development Stage Entities." The Company is subject to all of the risks associated with development stage companies.

Note 2 – Going Concern and Management Plans

As of December 31, 2013, the Company's cash on hand was \$1,953,780. The Company has not generated revenues since its inception and has incurred net losses for the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012 and for the period October 30, 2012 (inception) through December 31, 2013 of \$5,521,081, \$21,287 and \$5,542,368, respectively. During the year ended December 31, 2013, the Company has met its liquidity requirements principally through the private placement of convertible notes.

As of December 31, 2013, the Company had a working capital deficiency and a stockholders' deficit of \$5,629,982 and \$5,345,092, respectively.

The Company expects that the cash it has available as of March 12, 2014 will fund its operations only until May, 2014. The Company intends to raise additional capital through its initial public offering ("IPO"), though there is no assurance that it will be able to do so. If the Company is unable to raise additional capital, the Company may have to curtail its research and development efforts, delay repayments of its Convertible Notes, delay payments to vendors, and/or initiate cost reductions, which would have a material adverse effect on the Company's business, financial condition and results of operations. These matters raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statement do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

ENERGOUS CORPORATION
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Notes to Financial Statements

Note 3 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), and pursuant to the accounting and disclosure rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements as well as the reported expenses during the reporting periods.

The Company’s significant estimates and assumptions include the valuation of the Company’s common stock and the valuation of derivative financial instruments, the amortization of deferred financing costs, the amortization and recoverability of capitalized patent costs and useful lives of long-lived assets, and income tax expense, some of these judgments can be subjective and complex, and, consequently, actual results may differ from these estimates. Although the Company believes that its estimates and assumptions are reasonable, they are based upon information available at the time the estimates and assumptions were made. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company maintains cash in bank accounts, consisting solely of deposits held at major banks, which, at times, may exceed federally insured limits. Cash equivalents include investments in open ended money market accounts held at the same major banks. The Company has not experienced any losses in such accounts and periodically evaluates the credit worthiness of the financial institutions and has determined the credit exposure to be negligible.

Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation, which is recorded using the straight line method at rates sufficient to charge the cost of depreciable assets to operations over their estimated useful lives, which range from 3 to 7 years. Maintenance and repairs are charged to operations as incurred.

ENERGOUS CORPORATION
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Notes to Financial Statements

Note 3 – Summary of Significant Accounting Policies, continued

Deferred Offering Costs

Deferred offering costs consist principally of legal, accounting and other fees incurred through the balance sheet date that are directly related to the Company's IPO and that will be charged to stockholders' equity upon the receipt of the capital raised.

Trademarks

Legal and filing fees incurred in connection with the registration of trademarks are capitalized.

Research and Development

Research and development expenses are charged to operations as incurred. For internally developed patents, all costs incurred to the point when a patent application is to be filed are expensed as incurred as research and development expense. Patent application costs, generally legal costs, are expensed as research and development costs until such time as the future economic benefits of such patents become more certain. The Company incurred research and development costs of \$2,109,890, \$17,103 and \$2,126,993 for the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012 and during the period from October 31, 2012 (inception) through December 31, 2013, respectively.

Impairment of Long-lived Assets

The Company reviews for the impairment of long-lived assets, including trademarks, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. Included in general and administrative expenses for the write off of an abandoned trademark is \$4,725, \$0 and \$4,725 for the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012 and during the period from October 31, 2012 (inception) through December 31, 2013, respectively.

Income Taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of items that have been included or excluded in the financial statements or tax returns. Deferred tax assets and liabilities are determined on the basis of the difference between the tax basis of assets and liabilities and their respective financial reporting amounts ("temporary differences") at enacted tax rates in effect for the years in which the temporary differences are expected to reverse.

For the year ended December 31, 2013 and for the period October 30, 2012 (inception) through December 31, 2012, the Company had approximately \$2,108,000 and \$17,000, respectively, of research and development expenses capitalized for federal income tax purposes, with amortization commencing upon the Company receiving an economic benefit from the related research. For the period October 30, 2012 (inception) through December 31, 2012, \$4,000 of organization costs were capitalized and will be amortized for federal income tax purposes over 15 years. Accordingly, as of December 31, 2013, the Company had approximately \$2,263,391 gross federal and state net operating loss carryovers ("NOLs"). For the year ended December 31, 2013 and for the period October 30, 2012 (inception) through December 31, 2012, the deferred tax assets in connection with the net operating loss carryover, the research and development costs and the organizational costs were fully reserved, and the Company's effective tax rate was 0%.

ENERGOUS CORPORATION
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Notes to Financial Statements

Note 3 – Summary of Significant Accounting Policies, continued

Income Taxes, continued

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the future generation of taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and taxing strategies in making this assessment. Based on this assessment, management has established a full valuation allowance against all of the net deferred tax assets for each period, since it is more likely than not that all of the deferred tax assets will not be realized.

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for “unrecognized tax benefits” is recorded for any tax benefits claimed in the Company’s tax returns that do not meet these recognition and measurement standards. As of December 31, 2013, no liability for unrecognized tax benefits was required to be reported. The guidance also discusses the classification of related interest and penalties on income taxes. The Company’s policy is to record interest and penalties on uncertain tax positions as a component of income tax expense. No interest or penalties were recorded for the year ended December 31, 2013 or for the period October 30, 2012 (inception) through December 31, 2012.

Net Loss Per Common Share

Basic net loss per share is computed by dividing net loss available to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share are computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of the conversion of the Company’s convertible notes and warrants (using the if-converted method). The computation of basic loss per share for the year ended December 31, 2013 and for the period October 30, 2012 (inception) through December 31, 2012 excludes potentially dilutive securities of 14,068,358 and 0, respectively, because their inclusion would be antidilutive. As a result, the computations of net loss per share for each period presented is the same for both basic and fully diluted.

Potentially dilutive securities outlined in the table below have been excluded from the computation of diluted net loss per share, because the effect of their inclusion would have been anti-dilutive.

	For the Year Ended December 31, 2013	For the Period October 30, 2012 (Inception) Through December 31, 2012
Convertible Notes – principal	10,576,923	-
Convertible Notes – accrued interest	399,894	-
Consulting Warrant to purchase common stock	1,110,131	-
Financing Warrant to purchase common stock	881,410	-
Options to purchase common stock	1,100,000	-
Total potentially dilutive securities	<u>14,068,358</u>	<u>-</u>

ENERGOUS CORPORATION
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Notes to Financial Statements

Note 3 – Summary of Significant Accounting Policies, continued

Fair Value Measurements

The carrying amounts of cash and cash equivalents, accounts payable and accrued expenses, approximate fair value due to the short-term nature of these instruments.

Fair value is defined as an exit price, representing the amount that would be received upon the sale of an asset or payment to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable, either directly or indirectly.
- Level 3 Significant unobservable inputs that cannot be corroborated by market data.

The assets or liability's fair value measurement within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. The following table provides a summary of the assets that are measured at fair value on a recurring basis.

	Total	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Quoted Prices for Similar Assets or Liabilities in Active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Derivative Liabilities:				
December 31, 2012	\$ -	\$ -	\$ -	\$ -
December 31, 2013:				
Conversion Feature	\$ 5,573,000	\$ -	\$ -	\$ 5,573,000
Financing Warrant	175,000	-	-	175,000
Consulting Warrant	529,000	-	-	529,000
Total	\$ 6,277,000	\$ -	\$ -	\$ 6,277,000

ENERGOUS CORPORATION
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Notes to Financial Statements

Note 3 – Summary of Significant Accounting Policies, continued

Fair Value Measurements, continued

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities that are measured at fair value on a recurring basis:

	For the Year Ended December 31, 2013	For the Period October 30, 2012 (inception) Through December 31, 2012
Beginning balance	\$ -	\$ -
Aggregate fair value of conversion feature and warrants upon issuance	6,100,000	-
Change in fair value of conversion feature and warrants	177,000	-
Ending balance	<u>\$ 6,277,000</u>	<u>\$ -</u>

The conversion feature of the Convertible Notes was measured at fair value using a Monte Carlo simulation and is classified within Level 3 of the valuation hierarchy. The warrant liabilities for the Financing Warrant and the Consulting Warrant were measured at fair value using a Monte Carlo simulation and are classified within Level 3 of the valuation hierarchy. The significant assumptions and valuation methods that the Company used to determine fair value and the change in fair value of the Company's derivative financial instruments are discussed in Note 7 – Private Placement.

Level 3 liabilities are valued using unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the derivate liabilities. For fair value measurements categorized within Level 3 of the fair value hierarchy, the Company's Chief Financial Officer determined its valuation policies and procedures. The development and determination of the unobservable inputs for Level 3 fair value measurements and fair value calculations are the responsibility of the Company's Chief Financial Officer with support from the Company's consultants and which are approved by the Chief Financial Officer.

Level 3 financial liabilities consist of the derivative liabilities for which there is no current market for these securities such that the determination of fair value requires significant judgment or estimation. Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate.

The Company uses a Monte Carlo model to value Level 3 financial liabilities at inception and on subsequent valuation dates. This simulation incorporates transaction details such as the Company's stock price, contractual terms, maturity, risk free rates, as well as, volatility. The Company also used a binomial simulation and Black-Scholes economic model as supplemental valuation tools in order to validate the reasonableness of the results of the Monte Carlo simulation when measuring the Financing Warrant and the Consulting Warrant.

ENERGOUS CORPORATION
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Notes to Financial Statements

Note 3 – Summary of Significant Accounting Policies, continued

Fair Value Measurements, continued

A significant decrease in the volatility or a significant decrease in the Company's stock price, in isolation, would result in a significantly lower fair value measurement. Changes in the values of the derivative liabilities are recorded in Change in Fair Value of Derivative Liabilities within Other Expense (Income) on the Company's Statements of Operations.

As of December 31, 2013 and 2012, there were no transfers in or out of level 3 from other levels in the fair value hierarchy.

In accordance with the provisions of ASC 815, the Company presented the conversion feature and warrant liabilities at fair value on its balance sheet, with the corresponding changes in fair value recorded in the Company's statement of operations for the applicable reporting periods.

The fair value of the Company's common stock was determined by a third party valuation consultant, and was derived from the valuation of the Company using a methodology which back-solved to the fair value of the common stock on May 16, 2013 and December 31, 2013, based upon the Company's capitalization, existing dilutive securities and the proceeds received from the issuance of the Convertible Notes. For the purposes of this back-solve computation, management assumed that the Convertible Notes would convert at \$0.52 per share (the floor level), and that the Financing Warrant would have an exercise price of \$0.624 per common share or, 120% of the exercise price of the Convertible Notes.

Management determined that the results of its valuations are reasonable.

ENERGOUS CORPORATION
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Notes to Financial Statements

Note 3 – Summary of Significant Accounting Policies, continued

Convertible Instruments

The Company accounts for hybrid contracts that feature conversion options in accordance with ASC 815 “Derivatives and Hedging Activities,” (“ASC 815”) and ASC 480 “Distinguishing Liabilities from Equity” (“ASC 480”), which require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria includes circumstances in which (i) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (ii) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (iii) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. The Company accounts for convertible instruments which have been determined to be free standing derivative financial instruments (when the Company has determined that the embedded conversion options should be bifurcated from their host instruments) in accordance with ASC 815. Under ASC 815, a portion of the proceeds received upon the issuance of the hybrid contract are allocated to the fair value of the derivative. The derivative is subsequently marked to market at each reporting date based on current fair value, with the changes in fair value reported in results of operations.

Conversion options that contain variable settlement features such as provisions to adjust the conversion price upon subsequent issuances of equity or equity linked securities at exercise prices more favorable than that featured in the hybrid contract generally result in their bifurcation from the host instrument.

The Company accounts for convertible debt instruments, when the Company has determined that the embedded conversion options should not be bifurcated from their host instruments, in accordance with ASC 470-20 “Debt with Conversion and Other Options”. The Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt.

ENERGOUS CORPORATION
(F/K/A DvineWave, Inc.)
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Notes to Financial Statements

Note 3 – Summary of Significant Accounting Policies, continued

Common Stock Purchase Warrants and Other Derivative Financial Instruments

The Company classifies as equity any contracts that (i) require physical settlement or net-share settlement or (ii) provides a choice of net-cash settlement or settlement in the Company's own shares (physical settlement or net-share settlement) providing that such contracts are indexed to the Company's own stock as defined in ASC 815-40 "Contracts in Entity's Own Equity" ("ASC 815-40"). The Company classifies as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the Company's control) or (ii) gives the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). The Company assesses classification of common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities or equity is required.

Management's Evaluation of Subsequent Events

The Company evaluates events that have occurred after the balance sheet date of December 31, 2013, through the date which the financial statements were available to be issued. Based upon the review, other than described in Note 12 – Subsequent Event, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements.

Note 4 – Property and Equipment

Property and equipment are as follows:

	<u>As of December 31,</u>	
	<u>2013</u>	<u>2012</u>
Computer software	\$ 114,876	-
Computer hardware	28,779	-
Furniture and fixtures	35,919	-
Leasehold improvements	14,755	-
	<u>194,329</u>	<u>-</u>
Less – Accumulated depreciation	(4,717)	-
Total property and equipment, net	<u>\$ 189,612</u>	<u>-</u>

Total depreciation and amortization expense of the Company's property and equipment was \$4,717, \$0 and \$4,717, for the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012 and for the period October 30, 2012 (inception) through December 31, 2013, respectively. For the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012 and for the period October 30, 2012 (inception) through December 31, 2013, depreciation and amortization charged to general and administrative expenses was \$3,102, \$0 and \$3,102 and charged to research and development expense was \$1,615, \$0 and \$1,615, respectively.

ENERGOUS CORPORATION
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Notes to Financial Statements

Note 5 – Accrued Expenses and Other Current Liabilities

Accrued expenses consist of the following:

	As of December 31,	
	2013	2012
Accrued interest payable	\$ 207,945	\$ -
Accrued compensation	19,894	-
Other accrued expenses	15,784	10,406
Total	\$ 243,623	\$ 10,406

Note 6 – Private Placement

Senior Secured Convertible Notes

On May 16, 2013, the Company entered into a securities purchase agreement (the “Securities Purchase Agreement”) with accredited investors (the “Investors”), pursuant to which the Company sold an aggregate of (i) \$5,500,009 principal amount of senior secured convertible notes (the “Convertible Notes”). In connection with the sale of the Convertible Notes (the “Bridge Financing”), the Company entered into a registration rights agreement (the “Registration Rights Agreement”) and a security agreement (the “Security Agreement”) with the Investors. The closing of the Bridge Financing was completed on May 16, 2013. The Convertible Notes bear interest at 6% per annum and mature on August 16, 2014.

The principal and interest of the Convertible Notes are convertible into the Company’s common stock at a conversion price between \$0.52 and \$1.04 per share depending on the facts and circumstances at the time of the conversion (see below). Upon issuance, the Convertible Notes bear simple interest at 6% per annum, and upon the occurrence of any specified event of default, the Convertible Notes would bear interest at 12% per annum. The Convertible Notes may be prepaid or converted into Common Stock with consent of the holder or the holders of a majority of the principal then outstanding under all the Convertible Notes (the "Required Holders") and upon certain events constituting a change in control of the Company. The Convertible Notes are required to be converted upon a qualifying initial public offering of at least \$10,000,000 (the “IPO”), if any, in which case the conversion price is to be equal to 50% of the price to the public in such offering (but not more than \$1.04 or less than \$0.52 per share). A Convertible Note may also be converted in certain circumstances at the election of the holder of the Convertible Note in connection with a financing that is not an initial public offering, in which case the conversion price is to be equal to 50% of the price paid by the investors in such financing (but not more than \$1.04 or less than \$0.52 per share). In the event of an optional conversion by the holder of a Convertible Note during a continuing event of default, the conversion price would be \$0.52; otherwise the optional conversion price would be \$1.04. The conversion price under the Convertible Notes is further subject to adjustment in the event of stock splits, combinations or the like and upon certain other events, all as provided in the Convertible Notes.

The aggregate amount of accrued interest on the Convertible Notes was \$207,945 and \$0 as of December 31, 2013 and December 31, 2012, respectively. As of December 31, 2013, the principal and accrued interest on the Convertible Notes were convertible into 10,576,923 and 399,894 shares of the Company’s common stock, respectively, assuming a conversion price of \$0.52 per share.

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Notes to Financial Statements

Note 6 – Private Placement, continued

Accounting for the Senior Secured Convertible Notes

Pursuant to the terms of the Convertible Notes, the conversion price is subject to adjustment in the event of an IPO, other financing and upon certain other events. The embedded conversion feature was not clearly and closely related to the host instrument and was bifurcated from the host Convertible Notes as a derivative, principally because the instrument's variable exercise price terms would not qualify as being indexed to the Company's own common stock. Accordingly, this conversion feature instrument has been classified as a derivative liability in the accompanying balance sheet as of December 31, 2013. Derivative liabilities are initially recorded at fair value and are then re-valued at each reporting date, with changes in fair value recognized in earnings during the reporting period.

The Company determined that the initial fair value of the embedded conversion option was \$5,376,000. From the gross proceeds upon the issuance of the Convertible Notes of \$5,500,009, the Company deducted in full the fair value of the embedded conversion feature of \$5,376,000 as a debt discount, as shown below. The debt discount is being amortized under the effective interest method over the term of the Convertible Notes.

Face value of the Convertible Notes	\$ 5,500,009
Discount-fair value of embedded conversion feature	(5,376,000)
Proceeds attributable to the Convertible Notes	<u>\$ 124,009</u>

The Company calculated the fair value of the embedded conversion feature of the Convertible Notes using a Monte Carlo simulation, with the observable assumptions as provided in the table below. The significant unobservable inputs used in the fair value measurement of the reporting entity's embedded conversion feature are expected stock prices, levels of trading and liquidity of the Company stock. Significant increases in the expected stock prices and expected liquidity would result in a significantly higher fair value measurement. Significant increases in either the probability or severity of default of the host instrument would result in a significantly lower fair value measurement.

	As of	
	May 16, 2013	December 31, 2013
Stock price on valuation date	\$ 0.42	\$ 0.42
Conversion price	0.52	0.52
Term (years)	1.25	.26
Expected volatility	60%	60%
Dividend yield	0%	0%
Weighted average risk-free interest rate	0.79%	1.75%
Trials	20,000	20,000
Aggregate fair value	\$ 5,376,000	\$ 5,573,000

The amortization of debt discount related to the Convertible Notes was \$705,289, \$0 and \$705,289, respectively, for the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012, and for the period October 30, 2012 (inception) through December 31, 2013. As of December 31, 2013, the debt discount will be amortized over a remaining period of 0.6 years. The derivative liability related to the embedded conversion feature is revalued at each reporting period. During the year ended December 31, 2013, for the period October 30, 2012 (inception) through December 31, 2012 and for the period October 30, 2012 (inception) through December 31, 2013, the Company recorded an increase of \$197,000, \$0 and \$197,000, respectively, in the fair value of the derivative liability for the conversion feature of the Convertible Notes, which was recorded as a change in the fair value of derivative liabilities within the statement of operations.

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Notes to Financial Statements

Note 6 – Private Placement, continued

Placement Agent Agreement

On January 23, 2013, the Company entered into an agreement (the “Placement Agent Agreement”) with MDB Capital Group, Inc. (“MDB”), pursuant to which the Company appointed MDB to act as the Company’s placement agent in connection with the sale of the Company’s securities (“Offering or Offerings”). Specifically, MDB was the placement agent in connection with the sale of its Convertible Notes. The Placement Agent Agreement had an initial term of 180 days, and was renewed automatically upon the expiration of its initial term, after which it will continue in effect until it is terminated by either party with 60 days written notice to the other party.

In connection with the sale of the Convertible Notes, the Company paid MDB a cash fee of \$538,393 and sold to MDB for \$1,000 in cash, a warrant issued on May 16, 2013 (the “Financing Warrant”) to purchase shares of the Company’s common stock. The Financing Warrant was fully vested upon issuance, has a term of five years and may not be exercised until six months after the consummation of a qualifying firm commitment underwritten initial public offering. Pursuant to the terms of the Financing Warrant, the aggregate exercise price is fixed at \$550,000, with the per share exercise price determined based upon 120% of the conversion price of the Convertible Notes upon the consummation of the IPO, or upon other events under which the Convertible Notes may convert. As of December 31, 2013, the Financing Warrant is exercisable into 881,410 shares of the Company’s common stock, respectively, assuming an exercise price of \$0.624 per share (or 120% of the Convertible Notes conversion price of \$0.52 per share)

In addition, in the event of a non-liquid exit transaction, as defined in the Financing Warrant agreement, the holder of the Financing Warrant may put the Financing Warrant back to the Company for a cash settlement at a fair value amount to be determined by appraisal and agreed to by both parties.

MDB shall have certain registration rights with respect to the common stock issued upon exercise of the Financing Warrant, including a one-time demand registration right with respect to such common stock.

Consulting Agreement

On January 23, 2013, the Company entered into a consulting agreement with MDB (the “Consulting Agreement”), pursuant to which MDB agreed to provide financial, strategic and intellectual property advisory services. The Consulting Agreement had an initial term of 180 days, and was renewed automatically upon the expiration of its initial term, after which it will continue in effect until it is terminated by either party with 30 days written notice to the other party.

As consideration for services provided under the Consulting Agreement prior to May 16, 2013, the Company sold to MDB for \$1,500 in cash, a warrant (the “Consulting Warrant”) for the purchase of an aggregate of 1,110,131 shares of the Company’s common stock.

The Consulting Warrant was fully vested upon issuance, has a term of five years, an exercise price of \$0.01 per share and may not be exercised until six months after the consummation of a qualifying firm commitment underwritten initial public offering. The Consulting Warrant may be exercised on a cashless basis. In addition, in the event of a non-liquid exit transaction, as defined in the Consulting Warrant, the holder of the Consulting Warrant may put the Consulting Warrant back to the Company for a cash settlement at a fair value amount to be determined by appraisal and agreed to by both parties.

MDB shall have certain registration rights with respect to the common stock issued upon exercise of the Consulting Warrant, including a one-time demand registration right with respect to such common stock.

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Note 6 – Private Placement, continued

Accounting for the Financing Warrant and the Consulting Warrant

The Company determined, based upon authoritative guidance, that both the Financing Warrant and the Consulting Warrant qualified as derivative instruments. Accordingly, these instruments have been classified as derivative liabilities in the accompanying balance sheet as of December 31, 2013. Derivative liabilities are initially recorded at fair value and are then re-valued at each reporting date, with changes in fair value recognized in earnings during the reporting period.

The Company calculated the fair value of the Financing Warrant and the Consulting Warrant using a Monte Carlo simulation, with the observable assumptions as provided in the table below. The significant unobservable inputs used in the fair value measurement of the reporting entity's Financing Warrant and the Consulting Warrant are expected stock prices, levels of trading and liquidity of the Company's common stock. Significant increases in the expected stock prices and expected liquidity would result in a significantly higher fair value measurement. Significant increases in either the probability or severity of default of the host instrument would result in a significantly lower fair value measurement.

Provided below are the principal assumptions used in the measurement of the fair values of the Financing Warrant and the Consulting Warrant as of May 16, 2012 and December 31, 2013.

	As of May 16, 2012		As of December 31, 2013	
	Financing Warrant	Consulting Warrant	Financing Warrant	Consulting Warrant
Stock price on valuation date	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.42
Exercise price	\$ 0.624	\$ 0.01	\$ 0.624	\$ 0.01
Term (years)	5.00	5.00	4.38	4.38
Expected volatility	60%	60%	60%	60%
Dividend yield	0%	0%	0%	0%
Weighted average risk-free interest rate	0.79%	0.79%	1.75%	1.75%
Number of warrants	881,410	1,110,131	881,410	1,110,131
Number of trials	20,000	20,000	20,000	20,000
Aggregate fair value	\$ 186,500	\$ 537,500	\$ 175,000	\$ 529,000

The initial fair value of the Financing Warrant was \$186,500 and was accounted for as derivative issuance expense and along with the other derivative issuance expenses (see below), was expensed upon the issuance of the Convertible Notes. The initial fair value of the Consulting Warrant was \$537,500, and was expensed immediately as a consulting fee and was recorded within general and administrative expenses in the statement of operations for the year ended December 31, 2013. During the year ended of December 31, 2013, the Company recorded an aggregate decrease of \$20,000 in the fair value of the derivative liability for the Financing Warrant and the Consulting Warrant, which was recorded as a change in the fair value of derivative liabilities within the statement of operations.

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Note 6 – Private Placement, continued

Derivative Issuance Expenses

Derivative issuance expenses incurred in connection with the Private Placement are shown below and were expensed upon the issuance of the Convertible Notes, as substantially all the value was attributable to the derivative instruments.

	For the Year Ended December 31, 2013
Fair value of Financing Warrant	\$ 186,500
Cash placement agent fee	538,393
Legal and other expenses	162,169
Total	<u>\$ 887,062</u>

Patent Assignment

On May 16, 2013, the Company entered into a patent assignment and Security Agreement with the Investors, in order to grant a continuing security interest in the patents included as collateral pledged in connection with the Convertible Notes.

Note 7 – Commitments and Contingencies

Consulting Agreements

On May 14, 2013, the Company entered into a consulting agreement with Cheryl Sanchez, the sister of one of the directors and stockholders of the Company, for Ms. Sanchez to provide finance, accounting and other advisory services (“Finance Consulting Agreement”). Ms. Sanchez was paid at a rate of \$21,550 per month. In connection with the execution of the Finance Consulting Agreement, Ms. Sanchez purchased for \$35,464 in cash, 354,640 shares of the Company’s common stock, under the Company’s 2013 Stock Plan (See Note 9 – Stock Based Compensation). The Company’s board of directors determined that the purchase price of \$0.10 per share represented the fair value of these shares upon issuance, and further concluded that no compensation was deemed to be awarded to Ms. Sanchez in connection with this share issuance. The Finance Consulting Agreement was terminated effective November 30, 2013. In connection with the termination of the Finance Consulting Agreement, the Company repurchased for \$29,533 a total of 295,533 shares of restricted common stock from Ms. Sanchez.

Operating Lease

On October 4, 2013, the Company executed an eight month lease for 3,562 square feet of office space in Pleasanton California from an affiliate of Greg Brewer, one of the Company’s directors. The base rent is \$6,055 per month. The Company has the right to terminate the lease upon 30 days written notice.

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Notes to Financial Statements

Note 7 – Commitments and Contingencies, *continued*

Employment Agreements

The following is a summary of the employment arrangements with our executive officers as currently in effect.

Stephen Rizzone

The Company entered into an employment agreement with Stephen Rizzone, the Company's President, Chief Executive Officer and chairman of the board of directors, effective October 1, 2013. The employment agreement has no specific term and constitutes at-will employment. Mr. Rizzone's current annual base salary is \$150,000, although his annual base salary will increase to \$300,000 immediately following our initial public offering, and he is eligible for up to five annual cash bonuses of up to \$30,000 each (one each with respect to our fiscal quarters and one with respect to our fiscal year) based upon achievement of performance-based objectives established by our board of directors. Pursuant to Mr. Rizzone's employment agreement, he was granted a ten year option to purchase 1,100,000 shares of common stock on December 12, 2013 under our 2013 Equity Incentive Plan that vests over four years in 48 equal monthly installments. Mr. Rizzone's employment agreement provides that upon the consummation of our initial public offering he will receive an additional option award so that together with Mr. Rizzone's December 2013 option award the two option awards combined represent six percent (6%) of the Company's outstanding shares on a fully-diluted basis. The second option award, if issued, will vest over the same vesting schedule as Mr. Rizzone's December, 2013 option award.

If Mr. Rizzone's employment is terminated due to his death or disability, by the Company without cause or if Mr. Rizzone resigns for good reason, Mr. Rizzone will be entitled to receive (i) one year of his base salary at the rate then in effect, (ii) five performance bonuses (each equal to the average of the performance bonus paid with respect to the two fiscal quarters, or the fiscal quarter-end and fiscal year-end, as applicable, immediately preceding Mr. Rizzone's termination or resignation) (iii) reimbursement of Mr. Rizzone's cost of COBRA coverage for one year, and (iv) twenty-five percent (25%) of the options to purchase shares of common stock subject to Mr. Rizzone's option awards described above will vest immediately and become exercisable, and, along with any previously vested and unexercised options, may be exercised by Mr. Rizzone within one year following his termination or resignation. However, if a Liquidation Event (as defined below) shall occur within one year of Mr. Rizzone's termination without cause or his resignation for good reason, all of Mr. Rizzone's option awards described above will vest immediately and become exercisable. Mr. Rizzone's employment agreement provides that if the Company experiences a Liquidation Event (as defined below), Mr. Rizzone's employment with the Company will be terminated and the Company will enter into a consulting agreement with Mr. Rizzone that entitles him to the following during its term: (i) continued payment of Mr. Rizzone's base salary at the rate then in effect, (ii) continued payment of Mr. Rizzone's performance bonuses described above, and (iii) continued payment of benefits that are substantially similar to those of the Company's other senior executive officers, and (iv) continuation of the vesting period of the option awards described above. The term of the consulting agreement between the Company and Mr. Rizzone shall expire on the later of two years from the date of the Liquidation event or October 1, 2017. For purposes of Mr. Rizzone's employment agreement, a Liquidation Event means a merger, acquisition, consolidation or other transaction (other than an equity financing) following which our stockholders prior to such transaction hold less than fifty percent (50%) of our outstanding voting securities of the acquiring or surviving entity, or a sale, license or transfer of all or substantially all of our assets.

If Mr. Rizzone resigns without good reason, he will be entitled to his base salary at the rate then in effect up to and through the effective date of his resignation, along with any unreimbursed reasonable, out-of-pocket business expenses incurred by Mr. Rizzone in the performance of his duties.

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Note 7 – Commitments and Contingencies, continued

Stephen Rizzone, continued

Mr. Rizzone is also eligible to receive benefits that are substantially similar to those of the Company's other senior executive officers. Mr. Rizzone is subject to certain restrictive covenants, including non-solicitation of employees, consultants and customers and non-competition each for a period one year following termination of his employment with the Company.

Michael Leabman

We entered into an employment agreement with Michael Leabman, the Company's Chief Technology Officer, effective October 1, 2013. The employment agreement has no specific term and constitutes at-will employment. Mr. Leabman's current annual base salary is \$250,000, and he is eligible for an annual performance based bonus award of up to twenty percent (20%) of his base salary based upon achievement of performance-based objectives established by our Chief Executive Officer and board of directors. Pursuant to Mr. Leabman's employment agreement, he is entitled to a ten year option to purchase 230,000 shares of common stock under our 2013 Equity Incentive Plan that vests 3/48th on the date of grant, and will vest 1/48th monthly over the following 45 months. Mr. Leabman's employment agreement provides that upon the consummation of our initial public offering, if Mr. Leabman's option award plus any Company securities he currently owns represent less than three percent (3%) of the Company's outstanding shares on a fully-diluted basis, he shall be entitled to a second option award which will entitle him to purchase that number of shares of our common stock such that the two option awards combined plus any Company securities he currently owns represent three percent (3%) of the Company's outstanding shares on a fully-diluted basis. The second option award, if issued, will vest over the same vesting schedule as Mr. Leabman's initial option award.

If Mr. Leabman's employment is terminated due to his death or disability, by the Company without cause or if Mr. Leabman resigns for good reason, Mr. Leabman will be entitled to receive (i) one year of his base salary at the rate then in effect, (ii) a performance bonuses each equal to the total performance bonuses paid to Mr. Leabman in the calendar year immediately preceding Mr. Leabman's termination or resignation (iii) reimbursement of Mr. Leabman's cost of COBRA coverage for one year, and (iv) twenty-five percent (25%) of the options to purchase shares of common stock subject to Mr. Leabman's option awards described above will vest immediately and become exercisable, and, along with any previously vested and unexercised options, may be exercised by Mr. Leabman within one year following his termination or resignation. However, if a Liquidation Event (as defined below) shall occur within one year of Mr. Leabman's termination without cause or his resignation for good reason, all of Mr. Leabman's options to purchase shares of common stock pursuant to the option awards described above will vest immediately and become exercisable.

In addition to those benefits described above, if Mr. Leabman's employment is terminated by the Company without cause or he resigns for Good Reason within 18 months of a Liquidation Event (as defined below), all of Mr. Leabman's options to purchase shares of common stock pursuant to the option awards described above will vest immediately and become exercisable. For purposes of Mr. Leabman's employment agreement, a Liquidation Event has the same meaning as in Mr. Rizzone's employment agreement.

If Mr. Leabman resigns without good reason, he will be entitled to his base salary at the rate then in effect up to and through the effective date of his resignation, along with any unreimbursed reasonable, out-of-pocket business expenses incurred by Mr. Leabman in the performance of his duties.

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Note 7 – Commitments and Contingencies, continued

Michael Leabman, continued

Mr. Leabman is also eligible to receive benefits that are substantially similar to those of the Company's other senior executive officers. Mr. Leabman is subject to certain restrictive covenants, including non-solicitation of employees, consultants and customers and non-competition each for a period one year following termination of his employment with the Company.

Note 8 – Stockholders' Deficiency

Authorized Capital

The holders of the Company's common stock are entitled to one vote per share. Holders of common stock are entitled to receive ratably such dividends, if any, as may be declared by the board of directors out of legally available funds. Upon the liquidation, dissolution or winding up of the Company, holders of common stock are entitled to share ratably in all assets of the Company that are legally available for distribution.

Series AA Preferred Stock

During the period from October 30, 2012 (inception) through May 9, 2013, the Company was authorized to issue shares of its Series AA Preferred Stock. The Series AA Preferred Stock ranked senior to the Company's common stock. The Series AA Preferred Stock was subordinate and ranked junior to all indebtedness of the Company. No shares of the Series AA Preferred Stock were ever issued.

Common Stock Issued

On November 8, 2012, the Company sold 7,680,000 shares of its common stock at a price of approximately \$.0013 per share and representing aggregate proceeds of \$10,000 to DvineWave Holdings LLC, an entity formed by the parents of Michael Leabman, the Company's founder and prior to September 30, 2013, also its President and its Chief Technology Officer, to make an investment in the Company.

On January 28, 2013, Company sold 320,000 shares of its common stock to Michael Leabman at a price of approximately \$.0013 per share for aggregate proceeds of \$417.

On March 4, 2013, the Company sold 2,666,666 shares of its common stock at a price of \$0.06 per share to Absolute Ventures LLC, an affiliate of Mr. Greg Brewer, one of the Company's directors for aggregate proceeds of \$160,000.

On May 7, 2013, the Company sold 80,000 shares of its common stock at a price of \$0.06 per share to MS Investments, an affiliate of one of the company's legal firms, Much Shelist, P.C. for aggregate proceeds of \$4,800.

Reverse Stock Split

In December 2013 the Company's board of directors and stockholders holding a majority of outstanding voting power, approved resolutions authorizing the Company's board of directors to effect a reverse split of the Company's common stock at an exchange ratio of between one-for-two and one-for-ten, with the board of directors retaining the discretion as to whether to implement the reverse split and which exchange ratio to implement. Share numbers in these financial statements do not reflect the effect of the anticipated reverse stock split.

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Note 9 – Stock Based Compensation

Adoption of 2013 Stock Plan

Effective as of May 9, 2013, the Board adopted the 2013 Stock Plan of DvineWave Inc. (the “2013 Stock Plan”). The 2013 Stock Plan was administered by the Board, and provided for the issuance of incentive and non-incentive stock options, stock purchase rights and restricted stock units, for the purchase of up to a total of 4,217,352 shares of the Company’s common stock to the Company’s employees and consultants (as determined by the Board). The Board, or a committee of the Board, had the authority to determine the amount, type and terms of each award. Pursuant to the 2013 Stock Plan, each option grant must have had an exercise price at or above the fair market value of the Company’s common stock on the date of grant in the case of a non-statutory stock option, or until the Company’s securities are listed on a recognized exchange, at 85% of fair value (as determined) under the 2013 Stock Plan of DvineWave Inc. (See Note 8 – Commitments and Contingencies).

Adoption of Equity Incentive Plan

In December 2013 the Company’s board and stockholders approved the “2013 Equity Incentive Plan”, providing for the issuance of equity based instruments aggregating an initial total of 4,158,245 shares which completely replaces the 2013 Stock Plan.

Grant of Stock Option

On December 12, 2013, Mr. Rizzone, the Company’s Chief Executive Officer, was granted an option under the 2013 Equity Incentive Plan to purchase 1,100,000 shares of the Company’s common stock, at a price of \$0.42 per share, with a term of ten years and which vests 1/48 for each completed month of service and for purposes of vesting only, the first completed month of service was determined to be October 2013.

The option has a grant date fair value of \$258,373 utilizing the Black-Scholes option pricing model. The fair value of the employee stock option granted was estimated using the following assumptions:

	<u>December 12, 2013</u>
Price of Company’s stock	\$ 0.42
Dividend yield	0.00%
Expected volatility	60.0%
Risk-free interest rate	1.79%
Expected life	5.93 years

As of December 31, 2013 unamortized compensation expense related to unvested stock options was \$240,225 which is expected to be recognized over a weighted average period of 3.7 years.

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Notes to Financial Statements

Note 9 – Stock Based Compensation

Stock Option Award Activity

A summary of the status of the Company's stock option plans and the changes during the years ended December 31, 2013 and 2012, is presented in the table below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Life In Years	Intrinsic Value
Outstanding October 30, 2012 (inception)	-				
Issued	-				
Exercised	-				
Forfeited	-				
Outstanding December 31, 2012	-				
Issued	1,100,000	\$ 0.42	\$ 0.23		
Exercised	-				
Forfeited	-				
Outstanding December 31, 2013	<u>1,100,000</u>	<u>\$ 0.42</u>	<u>\$ 0.23</u>	<u>9.9 years</u>	<u>\$ -</u>
Exercisable at December 31, 2013	<u>68,750</u>	<u>\$ 0.42</u>	<u>\$ 0.23</u>	<u>9.9 years</u>	<u>\$ -</u>

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10. Income Taxes

For the year ended December 31, 2013 and for the period October 30, 2012 (inception) through December 31, 2012, we incurred losses of \$5,521,081 and \$21,287, respectively.

Significant components of the Company's net deferred tax assets at December 31, 2013 and 2012 are as follows:

Deferred tax assets:	December 31,	
	2013	2012
Net operating loss carryforwards	\$ 900,830	\$ -
Research and development costs	845,900	6,807
Start-up and organizational costs	1,554	1,665
Stock-based compensation	647	-
Other accruals	90,680	-
Total gross deferred tax assets	1,839,611	8,472
Less: valuation allowance	(1,839,611)	(8,472)
Deferred tax assets, net	\$ -	\$ -

As of December 31, 2013, the Company had approximately \$2,263,391 of federal and state net operating losses ("NOL"), available for income tax purposes that may be carried forward to offset future taxable income, if any. The federal carryforwards expire in the year 2033.

If not used, these NOL's may be subject to limitation under Section 382 of the Internal Revenue Code ("IRC") should there be a greater than 50% ownership change as determined under the regulations. The Company's net deferred tax assets are subject to a 100% valuation allowance because it is currently more likely than not that the benefit of the net deferred tax asset will not be realized in future periods. The valuation allowances related to the Company's net deferred tax assets increased by approximately \$1,831,139 and \$8,472 for the periods ended December 31, 2013 and 2012, respectively.

A reconciliation of the statutory federal income tax rate to the Company's effective tax rate is as follows:

	For the Year Ended December 31, 2013	For the period October 30, 2012 (Inception) through December 31, 2012
Tax benefit at federal statutory rate	(34.0)%	(34.0)%
State income taxes	(5.8)	(5.8)
Permanent difference:		
Stock based compensation	0.1	-
Derivative instrument issuance - financing warrant	1.3	-
General and administrative expense - consulting warrant	3.9	-
Change in fair value of derivative liability	1.3	-
Increase in valuation allowance	33.2	39.8
Effective income tax rate	0.0%	0.0%

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Note 11 – Subsequent Events

Employee Option Grants

On January 7, 2014, the Company's board of directors granted, net of forfeitures through March 20, 2014, to various employees and consultants, stock options to purchase an aggregate of 1,826,000 shares of our common stock at an exercise price of \$0.625 per share. Included in the grant was an option to purchase 230,000 shares of common stock to Michael Leabman, Chief Technical Officer pursuant to his employment contract and an option to purchase 320,000 shares of common stock to Thomas Iwanski, Interim Chief Financial Officer, 320,000 shares of common stock to George Holmes, Vice President of Sales and Marketing and 1,276,000 to other employees of the Company. These stock option grants were issued from the 2013 Stock Plan. The option awards granted to Mr. Leabman vested 3/48^{ths} on the date of grant, and will vest 1/48th monthly over the following 45 months. The option award granted to Mr. Iwanski and Mr. Holmes will cliff vest 25% of the award on October 1, 2014 and then will vest 1/48th of the initial award monthly for the following 36 months. Option awards granted to all other employees and consultants cliff vest 25% of the award on the later of the first anniversary of the date they started working for the Company or October 1, 2014 and then will vest 1/48th of the initial award monthly for the following 36 months.

On March 15, 2014, the Company's board of directors granted to a single employee a stock option to purchase 320,000 shares of the Company's common stock at an exercise price of \$1.25. The option award granted to the employee cliff vests 25% of the award on the anniversary of the employee's start date and then will vest 1/48th of the initial award monthly during the following 36 months.

Investor Relations Agreement

Effective January 13, 2014, the Company entered into an agreement with a vendor ("IR Firm") to provide investor relations services to the Company. Pursuant to the agreement, in addition to monthly cash compensation of \$8,000 per month, upon the consummation of the IPO the Company will issue a consulting warrant ("IR Consulting Warrant") for the purchase of 143,640 shares of common stock. The IR Consulting Warrant will have a strike price equivalent to 130% of the IPO price. The IR Consulting Warrant will have an initial catch up vesting equivalent to 11,970 shares per month of service, partial months to be prorated on a thirty (30) day basis, from the effective date of this agreement until the date the IPO is effective. Thereafter, the IR Consulting Warrant will vest at a rate of 11,970 shares per month of service. In addition, the Company will issue to the IR Firm incentive warrants ("IR Incentive Warrants") to purchase 19,950 shares of common stock with a strike price equal to the IPO price plus 30% for each qualified investor, institutional or brokerage firm that purchases at least \$250,000 in value of the Company's common shares at the IPO price or greater in the open market on or after the 46th day following completion of the IPO. All IR Incentive Warrants granted during a six month period will collectively vest at each six-month anniversary. Shares underlying both the IR Consulting Warrant and the IR Incentive Warrants will be subject to any Company lock-up period consistent with other stockholders. Both the IR Consulting Warrant and IR Incentive Warrants will have an expiration date four (4) years from the grant date. The shares underlying both the IR Consulting Warrant and the IR Incentive Warrants will either be registered at the next available opportunity or the warrants will include a cashless exercise provision.

2014 Non-Employee Equity Compensation Plan

On March 6, 2014, after the Company received waivers and consents from MDB and greater than 50% of the holders of the Convertible Notes, the Company's board of directors and stockholders approved the 2014 Non-Employee Equity Compensation Plan for the issuance of 997,000 shares of common stock to directors and other non-employees.

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Notes to Financial Statements

Note 11 – Subsequent Events, continued

Amendment to 2013 Equity Incentive Plan

On March 6, 2014, after the Company received waivers and consents from MDB and greater than 50% of the holders of the Convertible Notes, the Company's board of directors and stockholders approved the First Amendment to the 2013 Equity Incentive Plan which provided for an increase in the aggregate number of shares of common stock that may be issued pursuant to the Plan to equal 18% of the total number of shares of common stock outstanding immediately following the completion of the IPO (assuming for this purpose) the issuance of all shares issuable under the Company's equity plans, the conversion into common stock of all outstanding securities that are convertible by their terms into common stock and the exercise of all options and warrants exercisable for shares of common stock and including shares and warrants issued to the underwriters for such IPO upon exercise of its over-allotment options.

Director Option Grants

On February 27, 2014, the Company granted non-qualified stock options for the purchase of 103,656 shares of the Company's common stock each to two new independent directors of the Company as part of their compensation for serving on the Company's board of directors. The options have an exercise price of \$0.91 per share and have a term of ten years. The Options vest 25% on March 31, 2014, June 30, 2014, September 30, 2014 and December 31, 2014. Unless otherwise modified, the grantees have one-year after separation of service to exercise any vested options. The shares underlining these options are subject to a one year lock-up beginning with the effective date of the IPO.

On March 15, 2014 and March 20, 2014, the Company granted non-qualified stock options from the 2014 Non-Employee Equity Compensation Plan for the purchase of an aggregate of 138,776 shares of the Company's common stock to two new independent directors of the Company as part of their compensation for serving on the Company's board of directors. The options have a weighted average exercise price of \$1.37 per share and have a term of ten years. The Options vest 25% on March 31, 2014, June 30, 2014, September 30, 2014 and December 31, 2014. Unless otherwise modified, the grantees have one year after separation of service to exercise any vested options. The shares underlying these options are subject to a one year lock up beginning with the effective date of the IPO.

Company Name Change

On January 2, 2014, the board of directors and stockholders approved the name change for the Company to Energoous Corporation from DvineWave Inc.

Sale of Common Stock

The Company entered into a stock purchase agreement dated March 7, 2014, under which a strategic investor has agreed to purchase 840,000 shares of our common stock \$0.0001 par value for gross proceeds of \$1,000,000. In connection with this sale, the Company will pay a commission of \$100,000 to MDB. The shares to be issued are subject to the one year lock-up and a one year voting control agreement.

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Notes to Financial Statements

Note 11 – Subsequent Events, continued

Amendment to Certificate of Incorporation

On February 25, 2014, the Company's board of directors and stockholders approved the Second Amended and Restated Certificate of Incorporation which increased the authorized shares to 60,000,000 of which 10,000,000 shares are designated as preferred stock. In addition, a special meeting of stockholders can only be called by the Chairman, Chief Executive Officer, President or the majority of the board of directors and shall be limited to matters relating to the purpose or purposes stated in the notice of meeting. Any actions required, as a result of a special stockholder meeting, can only be taken upon the vote of the stockholders and not by written consent. The stockholders empowered the board of directors at any time prior to the effectiveness of the filing of this Second Amendment and Restated Certificate to abandon the proposed amendment.

Note 12 – Unaudited Pro Forma Earnings per Share

The Company has filed a registration statement on Form S-1 with the U.S. Securities and Exchange Commission in connection with a proposed offering of its securities. The board of directors has been authorized by the Company's stockholders to effect a reverse stock split of its common stock following the effectiveness of the registration statement and prior to the closing of the offering at an exchange ratio of between one-for-two and one-for-ten. The reverse stock split is subject to adjustment at the discretion of the Board of Directors. The unaudited proforma basic and diluted earnings per share for the year ended December 31, 2013 and for the period October 30, 2012 (inception) through December 31, 2012 gives effect to the assumed 1-for-3.99 reverse stock split.

Since the 1-for-3.99 reverse stock split is to be effected after the effectiveness of the registration statement, the historical share information included in the accompanying consolidated financial statements and notes hereto do not assume the 1 for 3.99 reverse stock split, and accordingly have not been adjusted.

4,000,000 Shares of Common Stock



Energous Corporation

PROSPECTUS

MDB Capital Group, LLC

Until _____, 2014, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the various expenses to be incurred in connection with the sale and distribution of our common stock being registered hereby, all of which will be borne by us (except any underwriting discounts and commissions and expenses incurred for brokerage, accounting, tax or legal services or any other expenses incurred in disposing of the shares). All amounts shown are estimates except the SEC registration fee.

SEC Filing Fee	\$	4,000
FINRA Fee	\$	5,200
Underwriter's Legal Fees and Expenses.	\$	175,000
Nasdaq Fee	\$	50,000
Printing Expenses	\$	10,000
Accounting Fees and Expenses	\$	100,000
Legal Fees and Expenses	\$	250,000
Transfer Agent and Registrar Expenses	\$	10,000
Miscellaneous	\$	145,800
Total	\$	750,000

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The following summary is qualified in its entirety by reference to the complete text of any statutes referred to below and the certificate of incorporation of Energeous Corporation, a Delaware corporation.

Section 145 of the General Corporation Law of the State of Delaware (the "DGCL") permits a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person 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 or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person 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, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful.

In the case of an action by or in the right of the corporation, Section 145 of the DGCL permits a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by reason of the fact that the person 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 or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person 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 and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Chancery or such other court shall deem proper.

Section 145 of the DGCL also permits a Delaware corporation to purchase and maintain insurance 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 or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under Section 145 of the DGCL.

Article IX of our Amended and Restated Certificate of Incorporation states that our directors shall not be personally liable to us or to our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to us or to our stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is amended after the date hereof to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Article X of our Amended and Restated Certificate of Incorporation authorizes us, to the fullest extent permitted by applicable law, to provide indemnification of (and advancement of expenses to) our directors, officers, employees and agents (and any other persons to which the Delaware General Corporation Law permits us to provide indemnification) through bylaw provisions, agreements with such directors, officers, employees, agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the Delaware General Corporation Law, subject only to limits created by the Delaware General Corporation Law, with respect to actions for breach of duty to this corporation, its stockholders, and others.

Article VI of our Bylaws provides that we shall, to the maximum extent and in the manner permitted by the Delaware General Corporation Law, indemnify each of our directors and officers against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of the Company. The right to indemnification conferred by Article VI is a contract right and includes the right to be paid by us the expenses incurred in defending any action or proceeding for which indemnification is required or permitted following authorization thereof by the Board of Directors shall be paid in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that the indemnified party is not entitled to be indemnified as authorized in Article VI. We may maintain insurance, at our expense, to protect the Company and any of our directors, officers, employees or agents against any such expense, liability or loss, whether or not we have the power to indemnify such person.

As permitted by the DGCL, we have entered into indemnification agreements with each of our directors and executive officers that require us to indemnify such persons against various actions including, but not limited to, third-party actions where such director or executive officer, by reason of his or her corporate status, is a party or is threatened to be made a party to an action, or by reason of anything done or not done by such director in any such capacity. We intend to indemnify directors and executive officers against all costs, judgments, penalties, fines, liabilities, amounts paid in settlement by or on behalf such directors or executive officers and for any expenses actually and reasonably incurred by such directors or executive officers in connection with such action, if such directors or executive officers acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal proceeding, had no reasonable cause to believe their conduct was unlawful. We also intend to advance to our directors and executive officers expenses (including attorney's fees) incurred by such directors and executive officers in advance of the final disposition of any action after the receipt by the Company of a statement or statements from directors or executive officers requesting such payment or payments from time to time, provided that such statement or statements are accompanied by an undertaking, by or on behalf of such directors or executive officers, to repay such amount if it shall ultimately be determined that they are not entitled to be indemnified against such expenses by the Company.

The indemnification agreements also set forth certain procedures that will apply in the event of a claim for indemnification or advancement of expenses, including, among others, provisions about providing notice to the Company of any action in connection with which a director or executive officer seeks indemnification or advancement of expenses from the Company and provisions concerning the determination of entitlement to indemnification or advancement of expenses.

Prior to the closing of this offering we plan to enter into an underwriting agreement, which will provide that the underwriters are obligated, under some circumstances, to indemnify our directors, officers and controlling persons against specified liabilities.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

During the past three years, we issued the following securities without registration under the Securities Act of 1933, as amended (the "Securities Act").

Stock, Warrants and Convertible Subordinated Notes

On May 14, 2013, we sold 354,640 shares of common stock to a former consultant of the Company for proceeds of \$35,464. We relied on the exemption provided by Section 4(a)(2) of the Securities Act of 1933 to make the offering inasmuch as the investor was accredited and there was no form of general solicitation or general advertising relating to the offer. On December 12, 2013, pursuant to the restricted stock purchase agreement between the Company and the consultant, the Company repurchased 295,533 shares of common stock from the consultant at the original purchase price per share paid by the consultant.

On May 7, 2013, we sold 80,000 shares of common stock to MS Investments, LLC for proceeds of \$4,800. We relied on the exemption provided by Section 4(a)(2) of the Securities Act of 1933 to make the offering inasmuch as the investor was accredited and there was no form of general solicitation or general advertising relating to the offer.

On March 1, 2013, we sold 2,666,666 shares of common stock to Absolute Ventures LLC for proceeds of \$160,000. We relied on the exemption provided by Section 4(a)(2) of the Securities Act of 1933 to make the offering inasmuch as the investor was accredited and there was no form of general solicitation or general advertising relating to the offer.

On November 8, 2012, we sold 7,680,000 shares of common stock to DvineWave Holdings LLC, an entity formed by the parents of Michael Leabman, our Chief Technology Officer, to make an investment in the Company, for proceeds of \$10,000. We relied on the exemption provided by Section 4(a)(2) of the Securities Act of 1933 to make the offering inasmuch as the investor was accredited and there was no form of general solicitation or general advertising relating to the offer.

On January 28, 2013, we sold 320,000 shares of common stock to Michael Leabman, our Chief Technology Officer, for proceeds of \$417. We relied on the exemption provided by Section 4(a)(2) of the Securities Act of 1933 to make the offering inasmuch as the investor was accredited and there was no form of general solicitation or general advertising relating to the offer.

On May 16, 2013, we completed an offering of \$5.5 million in principal amount of our senior secured convertible promissory notes. The notes bear simple interest at 6%, and upon and during the occurrence of any specified event of default, the notes bear interest at 12%. The notes may be prepaid or converted into common stock with consent of the holder or the holders of a majority of the principal then outstanding under all the notes and upon certain events constituting a change in control of the Company. If we proceed with an initial public offering of our securities, as defined in the Securities Purchase Agreement, then there will be a mandatory conversion of the notes at a conversion price equal to a 50% discount to the per share initial public offering price (but not less than \$0.52 or more than \$1.04 per share). A note may also be converted in certain circumstances at the election of the holder of the note connection with a financing that is not an initial public offering, in which case the conversion price is to be equal to 50% of the price paid by the investors in such financing (but not less than \$0.52 or more than \$1.04 per share). In the event of an optional conversion by the holder of a Note during a continuing event of default, the conversion price would be \$0.52; otherwise the optional conversion price would be \$1.04. We relied on the exemption provided by Rule 506 of Regulation D of the Securities Act of 1933 to make the offerings inasmuch as all of the investors were accredited and there was no form of general solicitation or general advertising relating to the offers.

On May 16, 2013, we issued to MDB Capital Group, LLC a warrant, subsequently amended, to purchase shares of our common stock as consideration for its service as placement agent in connection with our May 16, 2013 offering of senior secured convertible promissory notes. This warrant has a term of five years, an aggregate exercise price fixed at \$550,000 and an initial per share exercise price of \$0.52; provided that the per share exercise price for which the warrant is exercisable will be adjusted upon consummation of a qualifying firm commitment underwritten initial public offering, if any, based on the actual conversion price of the notes in such initial public offering or shall be adjusted to 120% of the then in effect conversion price of the notes upon the occurrence of a merger, acquisition, sale or other disposition of substantially all assets, certain transactions involving the acquisition of voting control of the Company or certain stock splits or similar transactions not effected in connection with any initial public offering of the Company. We relied on the exemption provided by Section 4(a)(2) of the Securities Act of 1933 to make the offering inasmuch as the investors were accredited and there was no form of general solicitation or general advertising relating to the offer. This warrant was subsequently amended and restated on December 13, 2013, solely to provide that it may not be exercised, except in certain circumstances, until six months following the Company's initial public offering, to which this registration statement relates.

On May 16, 2013, we issued to MDB Capital Group, LLC, as consideration for consulting services rendered prior to the issuance date, a warrant to purchase 1,110,131 shares of our common stock. This warrant has a term of five years and a per share exercise price of \$0.01. We relied on the exemption provided by Section 4(a)(2) of the Securities Act of 1933 to make the offering inasmuch as the investors were accredited and there was no form of general solicitation or general advertising relating to the offer. This warrant was subsequently amended and restated on December 13, 2013, solely to provide that it may not be exercised, except in certain circumstances, until six months following the Company's initial public offering, to which this registration statement relates.

On January 21, 2014, we entered into a consulting agreement pursuant to which we agreed to grant a consultant a warrant to purchase 36,000 shares of our common stock and a warrant to purchase such number of shares of our common stock equal to 5,000 multiplied by that number of qualified investors or institutional or brokerage firms that purchase at least \$250,000 worth of our common stock in the open market at the IPO price or greater on or after the 46th day following the completion of the IPO. Both warrants will have an exercise price equal to 130% of the IPO price of our common stock and a four year term. We relied on the exemption provided by Section 4(a)(2) of the Securities Act of 1933 to make the offering inasmuch as the investor was accredited and there was no form of general solicitation or general advertising relating to the offer.

On March 7, 2014, we entered into a stock purchase agreement with Hanbit Electronics Co. Ltd. pursuant to which such Hanbit agreed to purchase 210,526 shares of our common stock for gross proceeds of \$1,000,000. We relied on the exemption provided by Section 4(a)(2) of the Securities Act of 1933 to make the offering inasmuch as the investor was accredited and there was no form of general solicitation or general advertising relating to the offer.

Stock Options

On December 12, 2013, we granted to Stephen Rizzone, our President and Chief Executive Officer, an option to purchase an aggregate of 1,100,000 shares of our common stock at an exercise price of \$0.42 per share. We received no consideration from these individuals in connection with the issuance of such options.

On January 7, 2014, we granted, net of forfeitures through March 20, 2014, to 12 of our employees and consultants options to purchase an aggregate of 2,146,000 shares of our common stock at an exercise price of \$0.625 per share. We received no consideration from these individuals in connection with the issuance of such options.

On February 27, 2014 we granted two of our independent directors, Dr. Alexopoulos and Mr. Griffin, each an option award to purchase 103,656 shares of common stock.

On March 15, 2014 we granted an independent director, John Gaulding, an option award to purchase 75,862 shares of common stock.

On March 15, 2014 we granted one of our employees an option to purchase 320,000 shares of our common stock.

On March 20, 2014 we granted an independent director, Rex Jackson, an option award to purchase 62,914 shares of common stock.

All of the stock options described above were granted in reliance upon an available exemption from the registration requirements of the Securities Act, including those contained in Rule 701 promulgated under Section 3(b) of the Securities Act. Among other things, we relied on the fact that, under Rule 701, companies that are not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act are exempt from registration under the Securities Act with respect to certain offers and sales of securities pursuant to “compensatory benefit plans” as defined under that rule. We believe that all of the options described above were issued pursuant qualifying “compensatory benefit plans”.

ITEM 16.**EXHIBITS**

<u>Exhibit No.</u>	<u>Description of Document</u>
1.1	Form of Underwriting Agreement*
3.1	Amended and Restated Certificate of Incorporation of Energous Corporation †
3.2	Bylaws of Energous Corporation †
4.1	Specimen Certificate representing shares of common stock of Energous Corporation *
4.2	Form of Underwriter's Warrant *
4.3	Voting Agreement between the Company and Hanbit Electronics Co. Ltd. †
5.1	Opinion of K&L Gates LLP regarding the validity of the common stock being registered *
10.1	Engagement Agreement dated January 23, 2013 between the registrant and MDB Capital Group, LLC †
10.2	Engagement Agreement dated January 23, 2013 between the registrant and MDB Capital Group, LLC †
10.3	Form of Lock-Up Agreement *
10.4	Form of Securities Purchase Agreement between the registrant and investors for an offering completed on May 16, 2013 †
10.5	Form of Registration Rights Agreement between the registrant and investors for an offering completed on May 16, 2013 †
10.6	Form of Senior Secured Convertible Promissory Note issued by the registrant to investors in the offering completed on May 16, 2013 †
10.7	Form of Security Agreement between the registrant and investors for the offering completed on May 16, 2013 †
10.8	Executive Employment Agreement between the Company and Stephen R. Rizzone dated October 1, 2013 †
10.9	Executive Employment Agreement between the Company and Michael Leabman dated October 1, 2013 †
10.10	Form of Indemnification Agreement †
10.11	Form of Confidential Information and Invention Assignment Agreement †
10.12	Amended and Restated Warrant issued to MDB Capital Group, LLC (ARW-1) dated December 13, 2013 †
10.13	Amended and Restated Warrant issued to MDB Capital Group, LLC (ARW-2) dated December 13, 2013 †
10.14	Form of Lock-Up Agreement with MDB Capital Group, LLC *
10.15	Registration Rights Agreement between the registrant and MDB Capital Group, LLC dated May 16, 2013 †
10.16	Energous Corporation 2013 Equity Incentive Plan †
10.17	Form of stock option award under 2013 Omnibus Equity Incentive Plan †
10.18	Standard Industrial/Commercial Multi-Tenant Lease between the registrant and ProSoft Engineering, Inc. dated October 4, 2013 †
10.19	Form of Non-Statutory Option Award †
10.20	First Amendment to Energous Corporation 2013 Equity Incentive Plan †
10.21	2014 Non-Employee Equity Compensation Plan †
10.22	Form of stock option award under 2014 Non-Employee Equity Compensation Plan *
14.1	Code of Ethics †
23.1	Consent of Marcum LLP, Independent Registered Public Accounting Firm *
23.2	Consent of K&L Gates LLP (included in Exhibit 5.1) *
24.1	Power of Attorney (included on page II-9) *

*Filed herewith.

†Previously filed

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser: (i) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424; (ii) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant; (iii) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and (iv) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (5) To provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.
- (6) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus as filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(7) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(8) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pleasanton, State of California, on this 21st day of March, 2014.

Energous Corporation

/s/ Stephen R. Rizzone
Stephen R. Rizzone
Chief Executive Officer and Director
(Principal Executive Officer)

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Stephen R. Rizzone and Thomas Iwanski and each of them, his true and lawful attorney-in-fact and agent, each with full power of substitution and resubstitution, severally, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, any subsequent registration statements pursuant to Rule 462 of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof. This power of attorney may be executed in counterparts.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Dated: March 21, 2014 /s/ Stephen R. Rizzone
Stephen R. Rizzone
Chief Executive Officer and Director
(Principal Executive Officer)

Dated: March 21, 2014 ***
Michael Leabman
Chief Technology Officer and Director

Dated: March 21, 2014 /s/ Thomas Iwanski
Thomas Iwanski
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

Dated: March 21, 2014 ***
Nicolaos Alexopoulos, Director

Dated: March 21, 2014 /s/ John Gaulding
John Gaulding, Director

Dated: March 21, 2014 ***
Robert Griffin, Director

Dated: March 21, 2014 /s/ Rex Jackson
Rex Jackson, Director

*** By: /s/ Stephen R. Rizzone
Stephen R. Rizzone
Attorney in fact

ENERGIOUS CORPORATION
UNDERWRITING AGREEMENT

Los Angeles, California
March _____, 2014

MDB Capital Group, LLC
401 Wilshire Blvd., Suite 1020
Santa Monica, CA 90401

Ladies and Gentlemen:

The undersigned, **Energious Corporation**, a Delaware corporation (the “**Company**”), hereby confirms its agreement with **MDB Capital Group, LLC** (hereinafter referred to as “**you**” (including its correlatives) or the “**Underwriter**”), as follows:

1. Purchase and Sale of Securities.

1.1 Firm Securities.

1.1.1 Nature and Purchase of Firm Securities.

(i) On the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the Underwriter, an aggregate of Four Million (4,000,000) shares (the “**Firm Shares**”) of common stock of the Company, par value \$0.00001 per share (the “**Common Stock**”).

(ii) The Underwriter agrees to purchase from the Company the Firm Shares at a purchase price (net of discounts and commissions) of **\$5.52** per Share (92% of the per Share public offering price). The Firm Shares are to be offered initially to the public (the “**Offering**”) at the offering price set forth on the cover page of the Prospectus (as defined in Section 2.1.1 hereof).

1.1.2 Shares Payment and Delivery.

(i) Delivery and payment for the Firm Shares shall be made at 10:00 a.m., Eastern time, on the third (3rd) Business Day following the effective date (the “**Effective Date**”) of the Registration Statement (as defined in Section 2.1.2 below) (or the fourth (4th) Business Day following the Effective Date, if the Registration Statement is declared effective after 4:30 p.m. Eastern Time) or at such earlier time as shall be agreed upon by the Underwriter and the Company at the offices of Golenbock Eiseman Assor Bell & Peskoe, LLP, counsel to the Underwriter (“**Golenbock**”), or at such other place (or remotely by facsimile or other electronic transmission) as shall be agreed upon by the Underwriter and the Company. The hour and date of delivery and payment for the Firm Shares is called the “**Closing Date**.”

(ii) Payment for the Firm Shares shall be made on the Closing Date by wire transfer in Federal (same day) funds, payable to the order of the Company upon delivery of the certificates (in form and substance satisfactory to the Underwriter) representing the Firm Shares (or through the facilities of the Depository Trust Company (“**DTC**”) for the account of the Underwriter. The Firm Shares shall be registered in such name or names and in such authorized denominations as the Underwriter may request in writing at least two (2) full Business Days prior to the Closing Date. The Company shall not be obligated to sell or deliver the Firm Shares except upon tender of payment by the Underwriter for all the Firm Shares. The term “**Business Day**” means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions are authorized or obligated by law to close in New York, New York.

1.2 Over-allotment Option.

1.2.1 Option Shares. For the purposes of covering any over-allotments made by the Underwriter in connection with the distribution and sale of the Firm Shares, the Underwriter is hereby granted an option to purchase from the Company up to 600,000 Shares (the “**Option Shares**”) representing fifteen percent (15%) of the Firm Shares sold in the offering (the “**Over-allotment Option**”). The purchase price to be paid for the Option Shares will be the same price per Option Share as the price per Firm Share set forth in Section 1.1.1 hereof. The Firm Shares and the Option Shares are hereinafter referred to collectively as the “**Securities**.”

1.2.2 Exercise of Option. The Over-allotment Option granted pursuant to Section 1.2.1 hereof may be exercised by the Underwriter as to all (at any time) or any part (from time to time) of the Option Shares within 45 days after the Effective Date. The Underwriter will not be under any obligation to purchase any Option Shares prior to the exercise of the Over-allotment Option. The Over-allotment Option granted hereby may be exercised by the giving of oral notice to the Company from the Underwriter, which must be confirmed in writing by overnight mail or facsimile or other electronic transmission setting forth the number of Option Shares to be purchased and the date and time for delivery of and payment for the Option Shares (the “**Option Closing Date**”), which will not be later than five (5) full Business Days after the date of the notice or such other time as shall be agreed upon by the Company and the Underwriter, at the offices of Golenbock or at such other place (including remotely by facsimile or other electronic transmission) as shall be agreed upon by the Company and the Underwriter. If such delivery and payment for the Option Shares does not occur on the Closing Date, the Option Closing Date will be as set forth in the notice. Upon exercise of the Over-allotment Option, the Company will become obligated to convey to the Underwriter, and, subject to the terms and conditions set forth herein, the Underwriter will become obligated to purchase, the number of Option Shares specified in such notice.

1.2.3 Payment and Delivery. Payment for the Option Shares will be made on the Option Closing Date by wire transfer in Federal (same day) funds as follows: **\$5.52** per Option Share (**92%** of the per Option Share offering price), payable to the order of the Company upon delivery to you of certificates (in form and substance satisfactory to the Underwriter) representing the Option Shares (or through the facilities of DTC) for the account of the Underwriter. The Option Shares shall be registered in such name or names and in such authorized denominations as the Underwriter may request in writing at least two (2) full Business Days prior to the Option Closing Date. The Company shall not be obligated to sell or deliver the Option Shares except upon tender of payment by the Underwriter for applicable Option Shares.

1.3 Underwriter’s Warrants. The Company hereby agrees to issue and sell to the Underwriter on the Closing Date warrants to purchase that number of shares of Common Stock equal to an aggregate of 10% of the amount of Securities sold in the Offering, including all Option Shares (the “**Underwriter’s Warrants**”). The Underwriter’s Warrants as evidenced by the Underwriter’s Warrant Agreement in the form attached hereto as Exhibit A, shall be exercisable, in whole or in part, commencing one hundred eighty (180) days after the Effective Date and expiring five (5) years after the Effective Date at an initial exercise price per share of Common Stock of **\$7.50** [**125%** of the public offering price of the Securities]. The Underwriter’s Warrants and the shares of Common Stock of the Company issuable upon exercise thereof (“**Warrant Shares**”) are sometimes referred to herein collectively as the “**Warrant Securities**.” The Underwriter understands and agrees that there are significant restrictions pursuant to FINRA Rule 5110 against transferring the Warrant Securities and by its acceptance thereof shall agree that it will not, sell, transfer, assign, pledge or hypothecate the Warrant Securities, or any portion thereof, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such securities other than in accordance with FINRA Rule 5110.

2. Representations and Warranties of the Company. The Company represents and warrants to the Underwriter as of the Applicable Time (as defined below), as of the Closing Date and as of the Option Closing Date, if any, as follows:

2.1 Filing of Registration Statement.

2.1.1 Pursuant to the Act. The Company has filed with the Securities and Exchange Commission (the “**Commission**”) a registration statement and an amendment or amendments thereto, on Form S-1 (File No. 333- 193522), including any related preliminary prospectus (the “**Preliminary Prospectus**”, which for purposes of this Agreement, includes any prospectus that is included in the Registration Statement immediately prior to the effectiveness of the Registration Statement for the registration of the Securities under the Securities Act of 1933, as amended (the “**Act**”), which registration statement and amendment or amendments have been prepared by the Company in conformity with the requirements of the Act, and the rules and regulations (the “**Regulations**”) of the Commission under the Act. The conditions for use of Form S-1 to register the Securities under the Act, as set forth in the General Instructions to such Form, have been satisfied. Except as the context may otherwise require, such registration statement, as amended, on file with the Commission at the time the registration statement becomes effective (including the preliminary prospectus, prospectus, financial statements, schedules, exhibits and all other documents filed as a part thereof or incorporated therein and all information deemed to be a part thereof as of such time pursuant to Rule 430A of the Regulations), is hereinafter called the “**Registration Statement**,” and the form of the final prospectus dated the Effective Date included in the Registration Statement (or, if applicable, the form of final prospectus containing information permitted to be omitted at the time of effectiveness by Rule 430A of the Regulations filed with the Commission pursuant to Rule 424 of the Regulations), together with any “issuer free writing prospectus” (as defined in Rule 433 of the Regulations) relating to the Securities, is hereinafter called the “**Prospectus**.” For purposes of this Agreement, “**Applicable Time**”, as used in the Act, means ____:00 p.m., New York City time, on the date of this Agreement. Prior to the Applicable Time, the Company prepared a Preliminary Prospectus, dated March 21, 2014, for distribution by the Underwriter (together the “**Statutory Prospectus**”). If the Company has filed, or is required pursuant to the terms hereof to file, a registration statement pursuant to Rule 462(b) under the Securities Act registering the Securities (a “**Rule 462(b) Registration Statement**”), then, unless otherwise specified, any reference herein to the term “**Registration Statement**” shall be deemed to include such Rule 462(b) Registration Statement. Other than a Rule 462(b) Registration Statement, which, if filed, becomes effective upon filing, no other document with respect to the Registration Statement has heretofore been filed with the Commission. All of the Securities have been registered under the Securities Act pursuant to the Registration Statement or, if any Rule 462(b) Registration Statement is filed, will be duly registered under the Securities Act with the filing of such Rule 462(b) Registration Statement. The Registration Statement has been declared effective by the Commission on the date hereof. If, subsequent to the date of this Agreement, the Company or the Underwriter have determined that at the Applicable Time the Statutory Prospectus included an untrue statement of a material fact or omitted a statement of material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and have agreed to provide an opportunity to purchasers of the Securities to terminate their old purchase contracts and enter into new purchase contracts, the Statutory Prospectus will be deemed to include any additional information available to purchasers at the time of entry into the first such new purchase contract.

2.1.2 Registration under the Exchange Act and Stock Exchange Listing. The Company has filed with the Commission a Form 8-A12B (File Number 000-____), as amended, providing for the registration under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), of the Common Stock. The registration of the Securities under the Exchange Act is effective. The Common Stock is registered pursuant to Section 12(b) of the Exchange Act and are listed on The NASDAQ Capital Market (“**Nasdaq**”), and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or delisting the Common Stock from Nasdaq, nor has the Company received any notification that the Commission or Nasdaq is contemplating terminating such registration or listing except as described in the Registration Statement and Prospectus.

2.2 No Stop Orders, etc. Neither the Commission nor, to the Company's knowledge, any state regulatory authority has issued any order preventing or suspending the use of the Statutory Prospectus, Prospectus or the Registration Statement or has instituted or, to the Company's knowledge, threatened to institute any proceedings with respect to such an order.

2.3 Disclosures in Registration Statement.

2.3.1 10b-5 Representation. At the time of effectiveness of the Registration Statement (or at the time of any post-effective amendment to the Registration Statement) and at all times subsequent thereto up to the Closing Date and the Option Closing Date, if any, the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus contained or will contain all material statements that are required to be stated therein in accordance with the Act and the Regulations, and did or will, in all material respects, conform to the requirements of the Act and the Regulations. On the Effective Date, the Registration Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As of its date, the Closing Date and the Option Closing Date, if any, the Prospectus (together with any supplement thereto) did not and will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the Applicable Time, the Statutory Prospectus did not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The representations and warranties made in this Section 2.3.1 do not apply to statements made or statements omitted in reliance upon and in conformity with written information furnished to the Company with respect to the Underwriter by the Underwriter expressly for use in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus or Prospectus or any amendment thereof or supplement thereto, which information, it is agreed, shall consist solely of (i) the name and address of the Underwriter, (ii) the [fourth and sixth] paragraphs under "Underwriting," (iii) the statements in "Underwriting—Determination of Offering Price," and (iv) the [first] paragraph under "Underwriting—Short Positions and Penalty Bids." ("**Underwriter's Information**").

2.3.2 Disclosure of Agreements. The agreements and documents described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus conform to the descriptions thereof contained therein and there are no agreements or other documents required to be described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus or the Prospectus or to be filed with the Commission as exhibits to the Registration Statement, that have not been so described or filed. Each agreement or other instrument (however characterized or described) to which the Company is a party or by which its property or business is or may be bound or affected and (i) that is referred to in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus or the Prospectus or attached as an exhibit thereto, or (ii) is material to the Company's business, has been duly and validly executed by the Company, is in full force and effect in all material respects and is enforceable against the Company and, to the Company's knowledge, the other parties thereto, in accordance with its terms, except (x) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (y) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws, and (z) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefore may be brought, and none of such agreements or instruments has been assigned by the Company, and neither the Company nor, to the Company's knowledge, any other party is in breach or default thereunder and, to the Company's knowledge, no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a breach or default thereunder. To the Company's knowledge, performance by the Company of the material provisions of such agreements or instruments will not result in a material violation of any existing applicable law, rule, regulation, judgment, order or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its assets or businesses, including, without limitation, those relating to environmental laws and regulations.

2.3.3 Prior Securities Transactions. No securities of the Company have been sold by the Company or by or on behalf of, or for the benefit of, any person or persons controlling, controlled by, or under common control with the Company since the date of the Company's formation, except as disclosed in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus.

2.3.4 Regulations. The disclosures in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus concerning the effects of Federal, state and local regulation on the Company's business as currently contemplated fairly summarize, to the best of the Company's knowledge, such effects and do not omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

2.3.5 Issuer Free Writing Prospectuses. No issuer free writing prospectus conflicts with the information contained in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus or the Prospectus (excluding any issuer free writing prospectus), and any preliminary or other prospectus deemed to be a part thereof that has not been superseded or modified. The Company has made available any electronic road show in compliance with Rule 433(d)(8)(ii) of the Regulations such that no filing of any "road show" (as defined in Rule 433(h) of the Regulations) is required in connection with the offering of the Securities, as such regulations were promulgated under the Act.

2.4 Changes After Dates in Registration Statement.

2.4.1 No Material Adverse Change. Since the respective dates as of which information is given in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, except as otherwise specifically stated therein: (i) there has been no material adverse change in the condition, financial or otherwise, or business prospects of the Company (a "**Material Adverse Effect**"); (ii) there have been no material transactions entered into by the Company, other than as contemplated pursuant to this Agreement; (iii) no member of the Company's board of directors or management has resigned from any position with the Company and (iv) no event or occurrence has taken place which materially impairs, or would likely materially impair, with the passage of time, the ability of the members of the Company's board of directors or management to act in their capacities with the Company as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus.

2.4.2 Recent Securities Transactions, etc. Subsequent to the respective dates as of which information is given in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, and except as may otherwise be indicated or contemplated herein or therein, the Company has not: (i) issued any securities (other than shares of Common Stock that may be issued upon conversion of the Company's outstanding indebtedness) or incurred any liability or obligation, direct or contingent, for borrowed money; or (ii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

2.5 Independent Accountants. To the knowledge of the Company, Marcum LLP ("**Marcum**"), whose report is filed with the Commission as part of the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, are independent registered public accountants as required by the Act and the Regulations. Marcum is registered with and in good standing with the PCAOB. Except for the preparation of federal tax returns and services provided to the Company in relation to the preparation of the Cold Comfort Letter described in Section 4.3, Marcum has not, during the periods covered by the financial statements included in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, provided to the Company any non-audit services, as such term is used in Section 10A(g) of the Exchange Act.

2.6 Financial Statements, Statistical Data.

2.6.1 Financial Statements. The financial statements, including the notes thereto and supporting schedules included in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus fairly present the financial position and the results of operations of the Company at the dates and for the periods to which they apply; and such financial statements have been prepared in conformity with generally accepted accounting principles (“GAAP”), consistently applied throughout the periods involved. The Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus disclose all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons that may have a material current or future effect on the Company’s financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses. Except as disclosed in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, (a) the Company has not incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions, other than in the ordinary course of business, (b) the Company has not declared or paid any dividends or made any distribution of any kind with respect to its capital stock, except as disclosed in Section 2.4.2; (c) there has not been any change in the capital stock of the Company or any grants under any stock compensation plan and, (d) there has not been any material adverse change in the Company’s long-term or short-term debt.

2.6.2 Statistical Data. The statistical, industry-related and market-related data included in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus are based on or derived from sources which the Company reasonably and in good faith believes are reliable and accurate, and such data agree with the sources from which they are derived.

2.7 Authorized Capital; Options, etc. The Company had at the date or dates indicated in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, as the case may be, duly authorized, issued and outstanding capitalization as set forth therein. Based on the assumptions stated in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, the Company will have on the Closing Date the adjusted stock capitalization set forth therein. Other than as disclosed in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus on the Effective Date and the Closing Date and the Option Closing Date, if any, there will be no options, warrants, or other rights to purchase or otherwise acquire any authorized, but unissued Common Stock of the Company or any security convertible into Common Stock of the Company, or any contracts or commitments to issue or sell Common Stock or any such options, warrants, rights or convertible securities.

2.8 Valid Issuance of Securities, etc.

2.8.1 Outstanding Securities. All issued and outstanding securities of the Company issued prior to the transactions contemplated by this Agreement have been duly authorized and validly issued and, with respect to all issued and outstanding shares of capital stock of the Company, are fully paid and non-assessable; the holders thereof have no rights of rescission with respect thereto, and are not subject to personal liability by reason of being such holders; and none of such securities were issued in violation of the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company. The authorized Shares conform in all material respects to all statements relating thereto contained in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus. The offers and sales of the outstanding securities were at all relevant times either registered under the Act and the applicable state securities or Blue Sky laws or, based in part on the representations and warranties of the purchasers of such securities, exempt from such registration requirements.

2.8.2 Securities Sold Pursuant to this Agreement. The Securities have been duly authorized and reserved for issuance and when issued and paid for, will be validly issued, fully paid and non-assessable; the holders thereof are not and will not be subject to personal liability by reason of being such holders; the Securities are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company; and all corporate action required to be taken for the authorization, issuance and sale of the Securities has been duly and validly taken. The Securities conform in all material respects to all statements with respect thereto contained in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, as the case may be. The Warrant Shares issuable upon exercise of the Underwriter’s Warrant Agreement have been reserved for issuance upon the exercise thereof and, when issued in accordance with the terms of such securities, will be duly and validly authorized, validly issued, fully paid and non-assessable; the holders thereof are not and will not be subject to personal liability by reason of being such holders. The Warrant Securities conform in all material respects to all statements with respect thereto contained in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, as the case may be.

2.8.3 No Integration. Neither the Company nor any of its affiliates has, prior to the date hereof, made any offer or sale of any securities which are required to be “integrated” pursuant to the Act or the Regulations with the offer and sale of the Securities pursuant to the Registration Statement.

2.9 Registration Rights of Third Parties. Except as set forth in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus or the Prospectus, no holders of any securities of the Company or any rights exercisable for or convertible or exchangeable into securities of the Company have the right to require the Company to register any such securities of the Company under the Act or to include any such securities in a registration statement to be filed by the Company.

2.10 Validity and Binding Effect of Agreements. This Agreement and the Underwriter’s Warrant Agreement have been duly and validly authorized by the Company, and, when executed and delivered, will constitute, the valid and binding agreements of the Company, enforceable against the Company in accordance with their respective terms, except: (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors’ rights generally; (ii) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws; and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.

2.11 No Conflicts, etc. The execution, delivery, and performance by the Company of this Agreement, the Underwriter’s Warrant Agreement and all ancillary documents, the consummation by the Company of the transactions herein and therein contemplated and the compliance by the Company with the terms hereof and thereof do not and will not, with or without the giving of notice or the lapse of time or both: (i) result in a material breach of, or conflict with any of the terms and provisions of, or constitute a material default under, or result in the creation, modification, termination or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to the terms of any agreement or instrument to which the Company is a party; (ii) result in any violation of the provisions of the amended and restated Certificate of Incorporation (as the same may be amended from time to time, the “**Certificate of Incorporation**”); or (iii) violate any existing applicable law, rule, regulation, judgment, order or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its properties or business constituted as of the date hereof.

2.12 No Defaults; Violations. No material default exists in the due performance and observance of any term, covenant or condition of any material license, contract, indenture, mortgage, deed of trust, note, loan or credit agreement, or any other agreement or instrument evidencing an obligation for borrowed money, or any other material agreement or instrument to which the Company is a party or by which the Company may be bound or to which any of the properties or assets of the Company is subject. The Company is not in violation of any material term or provision of its Certificate of Incorporation, or in violation of any franchise, license, permit, applicable law, rule, regulation, judgment or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its properties or businesses.

2.13 Corporate Power; Licenses; Consents.

2.13.1 Conduct of Business. The Company has all requisite corporate power and authority, and has all necessary authorizations, approvals, orders, licenses, certificates and permits of and from all governmental regulatory officials and bodies that it needs as of the date hereof to conduct its business purpose as currently conducted as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus. To the knowledge of the Company, the disclosures in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus concerning the effects of foreign, federal, state and local regulation on this Offering and the Company's business purpose as currently contemplated are correct in all material respects and do not omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.13.2 Transactions Contemplated Herein. The Company has all corporate power and authority to enter into this Agreement and the Underwriter's Warrant Agreement and to carry out the provisions and conditions hereof and thereof, and all consents, authorizations, approvals and orders required in connection therewith have been obtained. No consent, authorization or order of, and no filing with, any court, government agency or other body is required for the valid issuance, sale and delivery of the Securities and the consummation of the transactions and agreements contemplated by this Agreement and the Underwriter's Warrant Agreement, except with respect to applicable federal and state securities laws and the rules and regulations of the Financial Industry Regulatory Authority, Inc. ("**FINRA**").

2.14 D&O Questionnaires. All information contained in the questionnaires completed by each of the Company's directors and officers and, to the Company's knowledge, 5% and greater shareholders, other than directors and officers of the Company (the "**Insiders**"), immediately prior to the Offering (the "**Questionnaires**") as well as in the Lock-Up Agreement provided to the Underwriter is true and correct in all material respects, and the Company has not become aware of any information which would cause the information disclosed in the Questionnaires completed by each Insider to become inaccurate and incorrect. To the extent that information in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus differs from the information provided in a Questionnaire, the information in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus will be deemed to supersede and replace the information in the Questionnaires.

2.15 Litigation; Governmental Proceedings. There is no action, suit, proceeding, inquiry, arbitration, investigation, litigation or governmental proceeding pending or, to the best of the Company's knowledge, threatened against, or involving the Company or, to the best of the Company's knowledge, any Insider which has not been disclosed in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus.

2.16 Good Standing. The Company has been duly organized and is validly existing as a corporation and is in good standing under the laws of the State of Delaware as of the date hereof, and is duly qualified to do business and is in good standing in each jurisdiction in which its ownership or lease of property or the conduct of business requires such qualification, except where the failure to qualify would not have a material adverse effect on the assets, business or operations of the Company.

2.17 Transactions Affecting Disclosure to FINRA.

2.17.1 Finder's Fees. Except as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, there are no claims, payments, arrangements, agreements or understandings relating to the payment of a finder's, consulting or origination fee by the Company or any Insider with respect to the sale of the Securities hereunder or any other arrangements, agreements or understandings of the Company or, to the Company's knowledge, any of its stockholders that may affect the Underwriter's compensation, as determined by FINRA.

2.17.2 Payments Within Twelve Months. Except as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, the Company has not made any direct or indirect payments (in cash, securities or otherwise) to: (i) any person, as a finder's fee, consulting fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who raised or provided capital to the Company; (ii) to any FINRA member; or (iii) to the knowledge of the Company, to any person or entity that has any direct or indirect affiliation or association with any FINRA member, within the twelve months prior to the Effective Date. No officer, director, or beneficial owner (as such term is defined in Rule 13d-3, promulgated by the SEC under the Exchange Act) of 5% or more of any class of the Company's securities (whether debt or equity, registered or unregistered, regardless of the time acquired or the source from which derived) (any such individual or entity, a "Company Affiliate") is a member, a person associated, or affiliated with a member of the FINRA.

2.17.3 Company Affiliate Membership. Except as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, to the knowledge of the Company, no Company Affiliate is an owner (of record or beneficially) of stock or other securities of any member of the FINRA (other than securities purchased on the open market).

2.17.4 Subordinated Loans. Except as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, to the knowledge of the Company, no Company Affiliate has made a subordinated loan to any member of the FINRA.

2.17.5 Use of Proceeds. Except as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, no proceeds from the sale of the Securities (excluding underwriting compensation) will be paid to any FINRA member or to any persons associated or affiliated with a member of the FINRA, except as specifically authorized herein.

2.17.6 No other Options, etc. Except with respect to the Underwriter's Warrant Agreement, the Company has not issued any warrants or other securities, or granted any options, directly or indirectly to anyone who is a potential underwriter in the Offering or a related person (as defined by FINRA rules) of such an underwriter within the 180-day period prior to the initial filing date of the Registration Statement.

2.17.7 FINRA Relationship. Except as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, to the knowledge of the Company, no person to whom securities of the Company have been privately issued within the 180-day period prior to the initial filing date of the Registration Statement has any relationship or affiliation or association with any member of the FINRA.

2.17.8 FINRA Conflicts. Except as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, no FINRA member intending to participate in the Offering has a conflict of interest with the Company. For this purpose, a "conflict of interest" exists when a member of the FINRA and its associated persons, parent or affiliates in the aggregate beneficially own 10% or more of the Company's outstanding subordinated debt or common equity, or 10% or more of the Company's preferred equity. "Members participating in the Offering" include managing agents, syndicate group members and all dealers which are members of the FINRA.

2.17.9 Other Arrangements. Except as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus and except with respect to the Underwriter in connection with the Offering, the Company has not entered into any agreement or arrangement (including, without limitation, any consulting agreement or any other type of agreement) during the 180-day period prior to the initial filing date of the Registration Statement, which arrangement or agreement provides for the receipt of any item of value and/or the transfer of any warrants, options, or other securities from the Company to a FINRA member or, to the knowledge of the Company, any person associated with a member (as defined by FINRA rules), any potential underwriters in the Offering and any related persons.

2.18 Foreign Corrupt Practices Act. Neither the Company, nor to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company, is aware of or has taken any action directly or indirectly, that would result in a material violation by such persons of the FCPA (as defined below), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the Company has conducted its business in compliance in all material respects with the FCPA and instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance in all material respects therewith. “FCPA” means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

2.19 Officers’ Certificate. Any certificate signed by any duly authorized officer of the Company and delivered to you or to Golenbock shall be deemed a representation and warranty by the Company to the Underwriter as to the matters covered thereby.

2.20 Lock-Up Period.

2.20.1 Each of the Company’s officers, directors, employees and, with the exception of the holders of the Company’s Senior Secured Convertible Promissory Notes, each beneficial owner of at least 5% of the Company’s outstanding Common Stock (or securities convertible into Common Stock at any time) (together with the Company’s officers, directors and employees the “**Lock-Up Parties**”) have agreed pursuant to executed Lock-Up Agreements that for a period of one year from the date of this Agreement (the “**Lock-Up Period**”), such persons and their affiliated parties shall not offer, pledge, sell, contract to sell, grant, lend or otherwise transfer or dispose of, directly or indirectly, any Common Stock, or any securities convertible into or exercisable or exchangeable for Common Stock, without the consent of the Underwriter, except for the exercise or conversion of currently outstanding warrants, options and convertible debentures, as applicable and the exercise of options under an acceptable stock incentive plan. The Underwriter may consent to an early release from the applicable Lock-Up Period. The Company has caused each of the Lock-Up Parties to deliver to the Underwriter the agreements of each of the Lock-Up Parties to the foregoing effect prior to the date that the Company requests that the Commission declare the Registration Statement effective under the Act.

2.20.2 The Company, on behalf of itself and any successor entity, has agreed that, without the prior written consent of the Underwriter, it will not, for a period of six months from the Effective Date, (i) except for securities offered through any employee benefit plan (as defined below), offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company in any offering, including without limitation, a private placement; (ii) file or caused to be filed any registration statement with the Commission relating to the offering of any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company with the exception of S-8 registration statements which may be filed for the purpose of registering securities to be offered under any employee benefit plan, as such term is defined in Rule 405 of Regulation C promulgated under the Securities Act; or (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of capital stock of the Company, whether any such transaction described in clause (i), (ii) or (iii) above is to be settled by delivery of shares of capital stock of the Company or such other securities, in cash or otherwise. Specifically exempted from this paragraph are (i) shares of Common Stock that will be issued upon the exercise of options or warrants by the holders thereof

2.21 Subsidiaries. The Company does not have any direct or indirect subsidiary.

2.22 Related Party Transactions. No relationship, direct or indirect, exists between or among any of the Company or any Company Affiliate, on the one hand, and any director, officer, shareholder, customer or supplier of the Company or any Company Affiliate, on the other hand, which is required by the Act, the Exchange Act or the Regulations to be described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus which is not so described and described as required. There are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company to or for the benefit of any of the officers or directors of the Company or any of their respective family members, except as disclosed in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus. The Company has not extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or officer of the Company.

2.23 Board of Directors. The Board of Directors of the Company is comprised of the persons set forth under the heading of the Statutory Prospectus and the Prospectus captioned "Directors, Officers and Corporate Governance." The qualifications of the persons serving as board members and the overall composition of the board comply with the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder applicable to the Company and the rules of Nasdaq. At least one member of the Board of Directors of the Company qualifies as a "financial expert" as such term is defined under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder and the rules of Nasdaq. In addition, at least a majority of the persons serving on the Board of Directors qualify as "independent" as defined under the rules of Nasdaq.

2.24 Sarbanes-Oxley Compliance.

2.24.1 Disclosure Controls. The Company has developed and currently maintains disclosure controls and procedures that will comply with Rule 13a-15 or 15d-15 of the Exchange Act, and such controls and procedures are effective to ensure that all material information concerning the Company will be made known on a timely basis to the individuals responsible for the preparation of the Company's Exchange Act filings and other public disclosure documents.

2.24.2 Compliance. The Company is, or on the Effective Date will be, in material compliance with the provisions of the Sarbanes-Oxley Act of 2002 applicable to it, and has implemented or will implement such programs and taken reasonable steps to ensure the Company's future compliance (not later than the relevant statutory and regulatory deadlines therefore) with all the provisions of the Sarbanes-Oxley Act of 2002.

2.25 No Investment Company Status. The Company is not and, after giving effect to the Offering and sale of the Securities and the application of the proceeds thereof, will not be, an "investment company" as defined in the Investment Company Act of 1940, as amended.

2.26 No Labor Disputes. No labor dispute with the employees of the Company exists or, to the knowledge of the Company, is imminent.

2.27 Intellectual Property. None of the Intellectual Property necessary for the conduct of the business of the Company as currently carried on and as contemplated by the Company, as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, are in dispute or are in any conflict with the rights of any other person or entity. The Company (i) owns or has the right to use, free and clear of all liens, charges, claims, encumbrances, pledges, security interests, defects or other restrictions or equities of any kind whatsoever, all of its Intellectual Property and the licenses and rights with respect to the foregoing, used in the conduct of the business of the Company as currently carried on and contemplated by the Company, as described in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, without infringing upon or otherwise acting adversely to the right or claimed right of any person, corporation or other entity under or with respect to any of the foregoing, and (ii) is not obligated or under any liability whatsoever to make any payment by way of royalties, fees or otherwise to any owner or licensee of, or other claimant to, any Intellectual Property with respect to the use thereof or in connection therewith for the conduct of its business or otherwise. For the purposes of this Section and this Agreement, the term "**Intellectual Property**" means (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations in part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, (e) all trade secrets and confidential business information (including ideas, research and development, know how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, diagrams, specifications, customer and supplier lists, catalogs, pricing and cost information, and business and marketing plans and proposals), (f) all computer software (including data and related documentation) (whether purchased or internally developed), (g) all information systems and management procedures, (h) all other proprietary rights, and (h) all copies and tangible embodiments thereof (in whatever form or medium).

2.28 Trade Secrets, etc. The Company owns and has the unrestricted right to use all trade secrets, know-how (including all other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), inventions, designs, processes, works of authorship, computer programs and technical data and information that are material to the development, manufacture, operation and sale of all products and services sold or proposed to be sold by the Company, free and clear of and without violating any right, lien, or claim of others, including without limitation, former employers of its employees.

2.29 Taxes. The Company has filed all returns (as hereinafter defined) required to be filed with taxing authorities prior to the date hereof or has duly obtained extensions of time for the filing thereof. The Company has paid all taxes (as hereinafter defined) shown as due on such returns that were filed and has paid all taxes imposed on or assessed against the Company. The provisions for taxes payable, if any, shown on the financial statements filed with or as part of the Registration Statement are sufficient for all accrued and unpaid taxes, whether or not disputed, and for all periods to and including the dates of such consolidated financial statements. Except as disclosed in writing to the Underwriter, (i) no issues have been raised (and are currently pending) by any taxing authority in connection with any of the returns or taxes asserted as due from the Company, and (ii) no waivers of statutes of limitation with respect to the returns or collection of taxes have been given by or requested from the Company. The term “**taxes**” mean all federal, state, local, foreign, and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, customs, duties or other taxes, fees, assessments, or charges of any kind whatever, together with any interest and any penalties, additions to tax, or additional amounts with respect thereto. The term “**returns**” means all returns, declarations, reports, statements, and other documents required to be filed in respect to taxes.

3. Covenants of the Company. The Company covenants and agrees as follows:

3.1 Amendments to Registration Statement. The Company will deliver to the Underwriter, prior to filing, any amendment or supplement to the Registration Statement or Prospectus proposed to be filed after the Effective Date and not file any such amendment or supplement to which the Underwriter shall reasonably object in writing.

3.2 Federal Securities Laws.

3.2.1 Compliance. During the time when a Prospectus is required to be delivered under the Act, the Company will use its best efforts to comply with all requirements imposed upon it by the Act, the Regulations and the Exchange Act and by the regulations under the Exchange Act, as from time to time in force, so far as necessary to permit the continuance of sales of or dealings in the Securities in accordance with the provisions hereof and the Prospectus. If at any time when a Prospectus relating to the Securities is required to be delivered under the Act, any event shall have occurred as a result of which, in the opinion of counsel for the Company or counsel for the Underwriter, the Prospectus, as then amended or supplemented, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company will notify the Underwriter promptly and prepare and file with the Commission, subject to Section 3.1 hereof, an appropriate amendment or supplement in accordance with Section 10 of the Act.

3.2.2 Filing of Final Prospectus. The Company will file the Prospectus (in form and substance satisfactory to the Underwriter) with the Commission pursuant to the requirements of Rule 424 of the Regulations.

3.2.3 Exchange Act Registration. For a period of five (5) years from the Effective Date, the Company will use its best efforts to maintain the registration of the Common Stock under the Exchange Act and will not deregister the Common Stock from under the Exchange Act without the prior written consent of the Underwriter; provided, the foregoing requirements shall automatically terminate in connection with the consummation of a Fundamental Transaction. “**Fundamental Transaction**” means that (i) the Company shall, directly or indirectly, in one or more related transactions, (1) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets to any other Person, or (2) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of the Company’s voting stock.

3.2.4 Sarbanes-Oxley Compliance. The Company shall take all actions necessary to maintain compliance with each applicable provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder and related or similar rules and regulations promulgated by any other governmental or self regulatory entity or agency with jurisdiction over the Company, including maintenance of a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management’s general or specific authorization; (ii) transactions are recorded as necessary in order to permit preparation of financial statements in accordance with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3.2.5 Issuer Free Writing Prospectuses. The Company agrees that, unless it obtains the prior written consent of the Underwriter, it will not make any offer relating to the Securities that would constitute an issuer free writing prospectus or that would otherwise constitute a “free writing prospectus,” or a portion thereof, required to be filed by the Company with the Commission or retained by the Company under Rule 433 of the Regulations. The Company represents that it has treated or agrees that it will treat each such free writing prospectus consented to as an “issuer free writing prospectus,” as defined in Rule 433 of the Regulations, and that it has complied and will comply with the applicable requirements of Rule 433 of the Regulations with respect thereto, including timely filing with the Commission where required, legending and record keeping. If at any time following issuance of an issuer free writing prospectus there occurs an event or development as a result of which such issuer free writing prospectus would conflict with the information contained in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus or the Prospectus or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in each case when taken together with the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Underwriter and will promptly amend or supplement, at its own expense, such issuer free writing prospectus to eliminate or correct such conflict, untrue statement or omission.

3.3 Blue Sky Filing. Unless the Securities are listed on Nasdaq or another national securities exchange, the Company will endeavor in good faith, in cooperation with the Underwriter, at or prior to the time the Registration Statement becomes effective, to qualify the Securities for offering and sale under the securities laws of such jurisdictions as the Underwriter may reasonably designate, provided that no such qualification shall be required in any jurisdiction where, as a result thereof, the Company would be subject to service of general process or to taxation as a foreign corporation doing business in such jurisdiction. In each jurisdiction where such qualification shall be effected, the Company will, unless the Underwriter agrees that such action is not at the time necessary or advisable, use all reasonable efforts to file and make such statements or reports at such times as are or may be required by the laws of such jurisdiction. The Company, at its expense, will cause its counsel to provide to the Underwriter a Preliminary Blue Sky Memorandum and Final Blue Sky Memorandum, in such quantities as the Underwriter reasonably request, for its use and the use of the selling members in connection with the offer and sale of the Securities.

3.4 Delivery to the Underwriter of Prospectuses. The Company will deliver to the Underwriter, without charge, from time to time during the period when the Prospectus is required to be delivered under the Act or the Exchange Act such number of copies of each Preliminary Prospectus, Statutory Prospectus and Prospectus as the Underwriter may reasonably request and, as soon as the Registration Statement or any amendment or supplement thereto becomes effective, deliver to the Underwriter two original executed Registration Statements, including exhibits, and all post-effective amendments thereto and copies of all exhibits filed therewith or incorporated therein by reference and all original executed consents of certified experts.

3.5 Effectiveness and Events Requiring Notice to the Underwriter. The Company will use its reasonable best efforts to cause the Registration Statement to remain effective with a current prospectus for at least nine (9) months from the Applicable Time and will notify the Underwriter immediately and confirm the notice in writing: (i) of the effectiveness of the Registration Statement and any amendment thereto; (ii) of the issuance by the Commission of any stop order or of the initiation, or the threatening, of any proceeding for that purpose; (iii) of the issuance by any state securities commission of any proceedings for the suspension of the qualification of the Securities for offering or sale in any jurisdiction or of the initiation, or the threatening, of any proceeding for that purpose; (iv) of the mailing and delivery to the Commission for filing of any amendment or supplement to the Registration Statement or Prospectus; (v) of the receipt of any comments or request for any additional information from the Commission; and (vi) of the happening of any event during the period described in this Section 3.5 hereof that, in the judgment of the Company, makes any statement of a material fact made in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus or the Prospectus untrue or that requires the making of any changes in the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus or the Prospectus in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Commission or any state securities commission shall enter a stop order or suspend such qualification at any time, the Company will make every reasonable effort to obtain promptly the lifting of such order.

3.6 Standard & Poor's. The Company will apply to be included in Standard & Poor's Daily News and Corporation Records Corporate Descriptions for a period of five (5) years immediately after the Effective Date; provided, the foregoing requirement shall automatically terminate in connection with the consummation of a Fundamental Transaction.

3.7 Payment of General Expenses Related to the Offering. The Company hereby agrees to pay on each of the Closing Date and the Option Closing Date, if any, to the extent not paid at the Closing Date, all expenses incident to the performance of the obligations of the Company under this Agreement, including, but not limited to: (a) all filing fees and communication expenses relating to the registration of the Securities to be sold in the Offering (including the Option Shares) with the Commission; (b) all filing fees associated with the review of the Offering by FINRA; (c) all fees and expenses relating to the listing of the Common Stock on Nasdaq and such other stock exchanges as the Company and the Underwriter together determine; (d) all fees, expenses and disbursements relating to background checks of the Company's officers and directors and the Company; (e) the negotiated, set fees and disbursements of the Underwriter's counsel in connection with the Offering, which shall be \$135,000; (f) all fees, expenses and disbursements relating to the registration or qualification of the Securities under the "blue sky" securities laws of such states and other jurisdictions as the Underwriter may reasonably designate; (g) all fees, expenses and disbursements relating to the registration, qualification or exemption of the Securities under the securities laws of such foreign jurisdictions as the Underwriter may reasonably designate; (h) the costs of all mailing and printing of the underwriting documents (including, without limitation, the Underwriting Agreement, any Blue Sky Memorandums and, if appropriate, any Agreement Among Underwriters, Selected Dealers' Agreement, Underwriters' Questionnaire and Power of Attorney), Registration Statements, Preliminary Prospectuses, Prospectuses and all amendments, supplements and exhibits thereto and as many preliminary and final Prospectuses as the Underwriter may reasonably deem necessary, (i) the costs and expenses of the public relations firm, if any; (j) the costs of preparing, printing and delivering certificates representing the Securities; (k) fees and expenses of the transfer agent for the Common Stock; (l) stock transfer and/or stamp taxes, if any, payable upon the transfer of securities from the Company to the Underwriter; (m) the costs associated with bound volumes of the public offering materials as well as commemorative mementos and Lucite tombstones, each of which the Company or its designee will provide within a reasonable time after the Closing in such quantities as the Underwriter may reasonably request; (n) the fees and expenses of the Company's accountants; (o) the fees and expenses of the Company's legal counsel and other agents and representatives; (p) the Underwriter's use of i-Deal's book-building, prospectus tracking and compliance software for the Offering; (q) the Underwriter's actual "road show" expenses for the Offering; (r) the Underwriter's costs of mailing prospectuses to prospective investors; and (s) the costs associated with advertising the Offering in the national editions of the Wall Street Journal and New York Times after the Closing Date. The Underwriter may also deduct from the net proceeds of the Offering payable to the Company on the Closing Date, or the Option Closing Date, if any, the expenses set forth herein to be paid by the Company to the Underwriter, for which there has been no advance. It is agreed that the expenses to be reimbursed to the Underwriter for any and all of the above will not exceed \$175,000.

3.8 Application of Net Proceeds. The section of the Prospectus, “Use of Proceeds,” will indicate in reasonable detail all the intended uses of the net proceeds from the Offering. The Company will apply the net proceeds from the Offering received by it in a manner consistent with the application described under the caption “Use Of Proceeds” in the Prospectus. No portion of the net proceeds from the Offering may be used to repay any accrued salaries or expenses to any current or former executive of the Company, unless agreed to by the Underwriter and set forth in the “Use of Proceeds.”

3.9 Patent Consulting Firm. For a period of two (2) years from the Effective Date, the Company will engage a patent advisory and drafting firm to advise the Company on its patent portfolio and to maximize the Company held patents and intellectual property and to facilitate the commercialization of the patent portfolio and intellectual property of the Company, which such firm shall provide services similar in terms of scope and quality to those provided by the Company’s current patent advisory firm.

3.10 Delivery of Earnings Statements to Security Holders. The Company will make generally available to its security holders as soon as practicable, but not later than the first day of the fifteenth full calendar month following the Effective Date, an earnings statement (which need not be certified by independent public or independent certified public accountants unless required by the Act or the Regulations, but which shall satisfy the provisions of Rule 158(a) under Section 11(a) of the Act) covering a period of at least twelve consecutive months beginning after the Effective Date.

3.11 Background Searches. Not later than the Effective Date, at the expense of the Company, the Company will have delivered to the Underwriter a copy of a background search, conducted by a company that is reasonably acceptable to the Underwriter, of each senior officer and director, and of the Company as determined between the Company and the Underwriter, giving a comprehensive report of the person’s or entities, employment, education, business endeavors, and credit history among other things.

3.12 Stabilization. Neither the Company, nor, to its knowledge, any of its employees, directors or stockholders (without the consent of the Underwriter) has taken or will take, directly or indirectly, any action designed to or that has constituted or that might reasonably be expected to cause or result in, under the Exchange Act, or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

3.13 Director and Officer Insurance. As of the Closing, the Company will have obtained director and officer insurance in an aggregate Side A coverage amount of not less than \$10,000,000, to be effective as of the Closing, under a form of insurance policy that is reasonably acceptable to the Underwriter.

3.14 FINRA. The Company shall advise the Underwriter (who shall make an appropriate filing with FINRA) if it becomes aware that any 5% or greater stockholder of the Company becomes an affiliate or associated person of an FINRA member participating in the distribution of the Securities.

3.15 No Fiduciary Duties. The Company acknowledges and agrees that the Underwriter's responsibility to the Company is solely contractual in nature and that neither the Underwriter nor its affiliates or any selling agent shall be deemed to be acting in a fiduciary capacity, or otherwise owes any fiduciary duty to the Company or any of its affiliates in connection with the Offering and the other transactions contemplated by this Agreement.

3.16 Electronic Prospectus. The Company shall cause to be prepared and delivered to the Underwriter, at the Company's expense, promptly, but in no event later than two (2) Business Days from the effective date of this Agreement, an Electronic Prospectus to be used by the Underwriter in connection with the Offering. As used herein, the term "Electronic Prospectus" means a form of prospectus, and any amendment or supplement thereto, that meets each of the following conditions: (i) it shall be encoded in an electronic format, satisfactory to the Underwriter, that may be transmitted electronically by the other Underwriter to offerees and purchasers of the Securities for at least the period during which a prospectus relating to the Securities is required to be delivered under the Act; (ii) it shall disclose the same information as the paper prospectus and prospectus filed pursuant to EDGAR, except to the extent that graphic and image material cannot be disseminated electronically, in which case such graphic and image material shall be replaced in the electronic prospectus with a fair and accurate narrative description or tabular representation of such material, as appropriate; and (iii) it shall be in or convertible into a paper format or an electronic format, satisfactory to the Underwriter, that will allow recipients thereof to store and have continuously ready access to the prospectus at any future time, without charge to such recipients (other than any fee charged for subscription to the Internet as a whole and for on-line time). The Company hereby confirms that it has included or will include in the Prospectus filed pursuant to EDGAR or otherwise with the Commission and in the Registration Statement at the time it was declared effective an undertaking that, upon receipt of a request by an investor or his or her representative within the period when a prospectus relating to the Securities is required to be delivered under the Act, the Company shall transmit or cause to be transmitted promptly, without charge, a paper copy of the Prospectus.

3.17 Reservation of Shares. The Company will reserve and keep available that maximum number of its authorized but unissued securities which are issuable upon exercise of the Underwriter's Warrants outstanding from time to time.

4. Conditions of Underwriter's Obligations. The obligations of the Underwriter to purchase and pay for the Securities, as provided herein, shall be subject to (i) the continuing accuracy of the representations and warranties of the Company as of the date hereof and, as of each of the Closing Date and the Option Closing Date, if any; (ii) the accuracy of the statements of officers of the Company made pursuant to the provisions hereof; (iii) the performance by the Company of its obligations hereunder, and (iv) the following conditions:

4.1 Regulatory Matters.

4.1.1 Effectiveness of Registration Statement. The Registration Statement shall have become effective not later than 5:00 P.M., Eastern time, on [_____], 2014 or such later date and time as shall be consented to in writing by you, and, at each of the Closing Date and the Option Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or shall be pending or contemplated by the Commission and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of K&L Gates LLP.

4.1.2 FINRA Clearance. By the Effective Date, the Underwriter shall have received clearance from FINRA as to the amount of compensation allowable or payable to the Underwriter as described in the Registration Statement.

4.1.3 Exchange Stock Market Clearance. On the Closing Date, the Common Stock, including the Firm Shares, shall have been approved for listing on Nasdaq.

4.1.4 Blue Sky. The Underwriter will have received from the counsel to the Company, such forms of Preliminary Blue Sky Memorandums as reasonably requested, and at the Closing Date, dated as of the Effective Date, the Underwriter will have received from the counsel to the Company, a Final Blue Sky Memorandum, in each case indicating those jurisdictions in the United States and its territories in which the Securities may be offered and sold in the Offering. The Underwriter will be provided a reasonable number of original copies of the Preliminary Blue Sky Memorandums and Final Blue Sky Memorandum, and the Underwriter is hereby granted the right to provide copies thereof to members of the selling group, including selected dealers, indicating that such members may rely on the Preliminary Blue Sky Memorandum and Final Blue Sky Memorandum.

4.2 Company Counsel Matters.

4.2.1 Closing Date Opinion of Counsel. On the Closing Date, the Underwriter shall have received an opinion letter from K&L Gates LLP, counsel to the Company (which shall include negative assurances language and a form of which opinion is attached as Annex 2 hereto) dated the Closing Date and in form and substance reasonably satisfactory to the Underwriter.

4.2.2 Option Closing Date Opinion of Counsel. On the Option Closing Date, if any, the Underwriter shall have received an opinion letter from K&L Gates LLP (which shall include negative assurances language and a form of which opinion is attached as Annex 2 hereto) dated the Option Closing Date addressed to the Underwriter and in form and substance reasonably satisfactory to the Underwriter, confirming as of the Option Closing Date, the statements made by such counsel in its opinion letter delivered on the Closing Date.

4.2.3 Reliance. In rendering such opinions, such counsel may rely: (i) as to matters involving the application of laws other than the laws of the United States and jurisdictions in which they are admitted, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (in form and substance reasonably satisfactory to the Underwriter) of other counsel reasonably acceptable to the Underwriter, familiar with the applicable laws; and (ii) as to matters of fact, to the extent they deem proper, on certificates or other written statements of officers of the Company and officers of departments of various jurisdiction having custody of documents respecting the corporate existence or good standing of the Company, provided that copies of any such statements or certificates shall be delivered to Golenbock if requested. The opinion of K&L Gates LLP, and any opinions relied upon by K&L Gates LLP, shall include a statement to the effect that it may be relied upon by counsel for the Underwriter in its opinion delivered to the Underwriter.

4.3 Cold Comfort Letter. At the time this Agreement is executed, and at each of the Closing Date and the Option Closing Date, if any, you shall have received a cold comfort letter, addressed to the Underwriter and in form and substance reasonably satisfactory in all respects to you and to Golenbock from Marcum dated, respectively, as of the date of this Agreement and as of the Closing Date and the Option Closing Date, if any.

4.4 Officers' Certificates.

4.4.1 Officers' Certificate. At each of the Closing Date and the Option Closing Date, if any, the Underwriter shall have received a certificate of the Company signed by the Chairman of the Board and Chief Executive Officer of the Company, dated the Closing Date or the Option Closing Date, as the case may be, respectively, to the effect that the Company has performed all covenants and complied with all conditions required by this Agreement to be performed or complied with by the Company prior to and as of the Closing Date, or the Option Closing Date, as the case may be, and that the conditions set forth in Section 4.5 hereof have been satisfied as of such date and that, as of the Closing Date and the Option Closing Date, as the case may be, the representations and warranties of the Company set forth in Section 2 hereof are true and correct. In addition, the Underwriter will have received such other and further certificates of officers of the Company as the Underwriter may reasonably request.

4.4.2 Secretary's Certificate. At each of the Closing Date and the Option Closing Date, if any, the Underwriter shall have received a certificate of the Company signed by the Secretary or Assistant Secretary of the Company, dated the Closing Date or the Option Date, as the case may be, respectively, certifying: (i) that the Certificate of Incorporation is true and complete, has not been modified and is in full force and effect; (ii) that the resolutions of the Company's Board of Directors relating to the public offering contemplated by this Agreement are in full force and effect and have not been modified; (iii) as to the accuracy and completeness of all correspondence between the Company or its counsel and the Commission; and (iv) as to the incumbency of the officers of the Company. The documents referred to in such certificate shall be attached to such certificate.

4.5 No Material Changes. Prior to and on each of the Closing Date and the Option Closing Date, if any: (i) there shall have been no material adverse change or development involving a prospective material adverse change in the condition or prospects or the business activities, financial or otherwise, of the Company from the latest dates as of which such condition is set forth in the Registration Statement, the Statutory Prospectus and the Prospectus; (ii) no action, suit or proceeding, at law or in equity, shall have been pending or, to the knowledge of the Company, threatened against the Company or any Insider before or by any court or federal or state commission, board or other administrative agency wherein an unfavorable decision, ruling or finding may materially adversely affect the business, operations, prospects or financial condition or income of the Company, except as set forth in the Registration Statement, Statutory Prospectus and Prospectus; (iii) no stop order shall have been issued under the Act and no proceedings therefore shall have been initiated or threatened by the Commission; and (iv) the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus and the Prospectus and any amendments or supplements thereto shall contain all material statements which are required to be stated therein in accordance with the Act and the Regulations and shall conform in all material respects to the requirements of the Act and the Regulations, and none of the Registration Statement, Preliminary Prospectus, Statutory Prospectus or the Prospectus and any amendment or supplement thereto shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.6 Delivery of Agreements.

4.6.1 Effective Date Deliveries. On or prior to the Effective Date, the Company shall have delivered to the Underwriter executed copies of this Agreement and the Lock-Up Agreements.

4.6.2 Closing Date Deliveries. On the Closing Date, the Company shall have delivered to the Underwriter an executed copy of the Underwriter's Warrant Agreement.

5. Indemnification.

5.1 Indemnification of the Underwriter.

5.1.1 General. Subject to the conditions set forth below, the Company agrees to indemnify and hold harmless the Underwriter and each dealer selected by the Underwriter that participates in the offer and sale of the Securities (each a "**Selected Dealer**") and each of their respective directors, officers and employees and each person, if any, who controls the Underwriter and the dealer ("**Controlling Person**") within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, against any and all loss, liability, claim, damage and expense whatsoever (including but not limited to any and all legal or other expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, whether arising out of any action between the Underwriter and the Company or between the Underwriter and any third party or otherwise) to which they or any of them may become subject under the Act, the Exchange Act or any other statute or at common law or otherwise or under the laws of foreign countries, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in (i) the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus or the Prospectus (as from time to time each may be amended and supplemented, and including without limitation any free writing prospectus); (ii) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Securities, including any "road show" or investor presentations made to investors by the Company (whether in person or electronically); or (iii) any application or other document or written communication (in this Section 5, collectively called "application") executed by the Company or based upon written information furnished by the Company in any jurisdiction in order to qualify the Shares under the securities laws thereof or filed with the Commission, any state securities commission or agency, Nasdaq or any securities exchange; or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission was made in reliance upon and in strict conformity with "Underwriter's Information" (as described in Section 2.3.1) furnished to the Company by the Underwriter. The Company agrees promptly to notify the Underwriter of the commencement of any litigation or proceedings against the Company or any of its officers, directors or Controlling Persons in connection with the issue and sale of the Securities or in connection with the Registration Statement, any Preliminary Prospectus, the Statutory Prospectus or the Prospectus. Notwithstanding anything to the contrary, in no event shall the Company be obligated to indemnify pursuant to this Section 5.1.1 for any loss, liability, claim, damage or expense arising out or related to a breach of the representations contained in Section 4 hereof if such breach was caused by the action or inaction of Underwriter or its related persons.

5.1.2 Procedure. If any action is brought against the Underwriter, a Selected Dealer or a Controlling Person in respect of which indemnity may be sought against the Company pursuant to Section 5.1.1, the Underwriter, such Selected Dealer or Controlling Person, as the case may be, shall promptly notify the Company in writing of the institution of such action and the Company shall assume the defense of such action, including the employment and fees of counsel (subject to the reasonable approval of the Underwriter or such Selected Dealer or Controlling Person, as the case may be) and payment of actual expenses. Any delay in notice will not relieve the Company of any liability to an indemnified party, except to the extent that the Company demonstrates that the delay prejudiced the defense of the action. Any indemnified person shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel which are incurred after the Company assumes the defense of the action shall be at the expense of the Underwriter, such Selected Dealer or Controlling Person unless (i) the employment of such counsel at the expense of the Company shall have been authorized in writing by the Company in connection with the defense of such action, or (ii) the Company fails to assume the defense or to employ counsel to have charge of the defense of such action within a reasonable time after notice of the action, or (iii) such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Company (in which case the Company shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events the reasonable fees and expenses of not more than one additional firm of attorneys (in addition to local counsel) selected by the Underwriter, Selected Dealer and/or Controlling Person in their sole discretion shall be borne by the Company and paid as incurred or, at the option of the indemnified party, advanced pursuant to Section 5.1.4.

5.1.3 Settlement. The Company will not effect any settlement of a proceeding in respect of which indemnification may be sought hereunder (whether or not any indemnified person is a party therein) unless the Company has given the Underwriter, Selected Dealer or Controlling Person, as the case may be, reasonable prior written notice thereof and such settlement, compromise, consent or termination includes an unconditional release of each indemnified party from any liabilities arising out of such proceeding. The Company will not permit any such settlement, compromise, consent or termination to include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of any indemnified party, without that party's prior written consent. Notwithstanding anything to the contrary contained herein, if any Underwriter, Selected Dealer or Controlling Person shall conduct the defense of an action as provided in Section 5.1.2., the Company shall have the right to approve the terms of any settlement of such action, which approval shall not be unreasonably withheld, except that if the Company is required to and nonetheless fails to reimburse or advance the expenses of such defense, then the Company shall be bound by any determination made in the action or by any compromise or settlement made by the indemnified party without the Company's written consent, provided the indemnified party provides the Company 30 days prior notice of its intention to settle or compromise such action.

5.1.4 Advances. Notwithstanding any other provision hereof, the Company shall advance, to the extent not prohibited by law, all expenses reasonably anticipated to be incurred by or on behalf of the Underwriter, a Selected Dealer or Controlling Person in connection with any proceeding, whether pending or threatened, within fifteen (15) days of receipt of a statement or statements from such indemnified parties, or any of them, requesting such advances from time to time. This advancement obligation shall include any retainers of counsel engaged by indemnified parties. Any statement requesting advances shall evidence the expenses anticipated or incurred by the indemnified party with reasonable particularity and may include only those expenses reasonably expected to be incurred within the 180-day period following each statement. In the event some portion of the amounts advanced are unused, or in the event a court of ultimate jurisdiction determines that the indemnified parties are not entitled to be indemnified against certain expenses, the recipient shall return the unused or disallowed portion of any advances within ninety (90) days of the final disposition of any proceeding to which such advances pertain.

5.2 Indemnification of the Company. The Underwriter agrees to indemnify and hold harmless the Company, its directors, officers and employees and agents who control the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act against any and all loss, liability, claim, damage and expense described in the foregoing indemnity from the Company to the Underwriter, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions made in any Preliminary Prospectus, the Registration Statement, Statutory Prospectus or Prospectus or any amendment or supplement thereto or in any application, made in reliance upon and in strict conformity with the "Underwriter's Information" furnished by the Underwriter to the Company expressly for use in such Preliminary Prospectus, the Registration Statement, Statutory Prospectus or Prospectus or any amendment or supplement thereto or in any such application. In case any action shall be brought against the Company or any other person so indemnified based on any Preliminary Prospectus, the Registration Statement, Statutory Prospectus or Prospectus or any amendment or supplement thereto or any application, and in respect of which indemnity may be sought against the Underwriter, the Underwriter shall have the rights and duties given to the Company, and the Company and each other person so indemnified shall have the rights and duties given to the Underwriter by the provisions of Section 5.1.2.

5.3 Contribution.

5.3.1 Contribution Rights. In order to provide for just and equitable contribution under the Act in any case in which (i) any person entitled to indemnification under this Section 5 makes claim for indemnification pursuant hereto but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 5 provides for indemnification in such case, or (ii) contribution under the Act, the Exchange Act or otherwise may be required on the part of any such person in circumstances for which indemnification is provided under this Section 5, then, and in each such case, the Company and the Underwriter shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Company and the Underwriter, as incurred, in such proportions that the Underwriter is responsible for that portion represented by the percentage that the underwriting discount appearing on the cover page of the Prospectus bears to the initial offering price appearing thereon and the Company is responsible for the balance; provided, that, no person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Notwithstanding the provisions of this Section 5.3.1, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that the Underwriter has otherwise been required to pay in respect of such losses, liabilities, claims, damages and expenses. For purposes of this Section, each director, officer and employee of the Underwriter or the Company, as applicable, and each person, if any, who controls the Underwriter or the Company, as applicable, within the meaning of Section 15 of the Act shall have the same rights to contribution as the Underwriter or the Company, as applicable.

5.3.2 Contribution Procedure. Within fifteen days after receipt by any party to this Agreement (or its representative) of notice of the commencement of any action, suit or proceeding, such party will, if a claim for contribution in respect thereof is to be made against another party (“**contributing party**”), notify the contributing party of the commencement thereof, but the failure to so notify the contributing party will not relieve it from any liability which it may have to any other party other than for contribution hereunder. In case any such action, suit or proceeding is brought against any party, and such party notifies a contributing party or its representative of the commencement thereof within the aforesaid fifteen days, the contributing party will be entitled to participate therein with the notifying party and any other contributing party similarly notified. Any such contributing party shall not be liable to any party seeking contribution on account of any settlement of any claim, action or proceeding affected by such party seeking contribution without the written consent of such contributing party. The contribution provisions contained in this Section 5.3.2 are intended to supersede, to the extent permitted by law, any right to contribution under the Act, the Exchange Act or otherwise available.

6. Additional Covenants.

6.1 Board Composition and Board Designations. The Company shall ensure that: (i) the qualifications of the persons serving as board members and the overall composition of the board comply with the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder and with the listing requirements of Nasdaq or any other national securities exchange or national securities association, as the case may be, in the event the Company seeks to have its Securities listed on another exchange or quoted on an automated quotation system, and (ii) if applicable, at least one member of the board of directors qualifies as a “financial expert” as such term is defined under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

6.2 Prohibition on Press Releases and Public Announcements. The Company will not issue press releases or engage in any other publicity, without the Underwriter’s prior written consent, for a period ending at 5:00 p.m. Eastern time on the first business day following the 40th day following the Closing Date, other than normal and customary releases issued in the ordinary course of the Company’s business.

7. Effective Date of this Agreement and Termination Thereof.

7.1 Effective Date. This Agreement shall become effective when both the Company and the Underwriter have executed the same and delivered counterparts of such signatures to the other party.

7.2 Termination. You shall have the right to terminate this Agreement at any time prior to any Closing Date, (i) if any domestic or international event or act or occurrence has materially disrupted, or in your reasonable opinion will in the immediate future materially disrupt, general securities markets in the United States; or (ii) if trading on the New York Stock Exchange, the NASDAQ, the NASDAQ Global Market or the NASDAQ Capital Market or AMEX shall have been noticed for or actually suspended or materially limited, or minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required by FINRA or by order of the Commission or any other government authority having jurisdiction, or (iii) if the United States shall have become involved in a new war or a substantial increase in major hostilities, or (iv) if a banking moratorium has been declared by a New York State or federal authority or foreign authority which has a substantial disruptive effect on or adversely impacts the United States securities markets, or (v) if a moratorium on foreign exchange trading has been declared which materially adversely impacts the United States securities markets, or (vi) if the Company shall have sustained a material loss by fire, flood, accident, hurricane, earthquake, theft, sabotage or other calamity or malicious act which, whether or not such loss shall have been insured, will, in your reasonable opinion, make it inadvisable to proceed with the delivery of the Firm Shares or Option Shares, or (vii) if the Company is in material breach of any of its representations, warranties or covenants hereunder, or (viii) if the Underwriter shall have become aware after the date hereof of such a material adverse change in the conditions or prospects of the Company, or such adverse material change in general market conditions as in the Underwriter’s good faith judgment would make it impracticable to proceed with the offering, sale and/or delivery of the securities or to enforce contracts made by the Underwriter for the sale of the Firm Shares or Option Shares.

7.3 Expenses. In the event that this Agreement shall not be carried out for any reason whatsoever, within the time specified herein or any extensions thereof pursuant to the terms herein, the Company shall be obligated to pay to the Underwriter its actual and accountable out-of-pocket expenses related to the transactions contemplated herein then due and payable (including the actual and accountable out-of-pocket expenses related to its legal counsel, Golenbock), up to \$175,000; provided, however, that such expense cap in no way limits or impairs the indemnification and contribution provisions of this Agreement.

7.4 Indemnification. Notwithstanding any contrary provision contained in this Agreement, any election hereunder or any termination of this Agreement, and whether or not this Agreement is otherwise carried out, the provisions of Section 5 shall not be in any way effected by, such election or termination or failure to carry out the terms of this Agreement or any part hereof.

8. Miscellaneous.

8.1 Notices. All communications hereunder, except as herein otherwise specifically provided, shall be in writing and shall be mailed (registered or certified mail, return receipt requested), personally delivered or sent by facsimile transmission and confirmed and shall be deemed given when so delivered or faxed and confirmed or if mailed, two days after such mailing.

If to the Underwriter:

MDB Capital Group, LLC
401 Wilshire Boulevard, Suite 1020
Santa Monica, CA 90401
Attn: General Counsel
Fax No.: (310) 526-5020

Copy to (which shall not constitute notice):

Golenbock Eiseman Assor Bell & Peskoe
LLP
437 Madison Avenue, 40th Floor
New York, NY 10022
Attn.: Andrew D. Hudders, Esq.
Fax No.: (212) 754-0330

If to the Company:

Energous Corporation
303 Ray Street
Pleasanton, CA 94566
Attn: Chief Executive Officer
Fax No.: (408) [_____]

Copy to (which shall not constitute notice):

K&L Gates LLP
214 North Tryon Street, 47th Floor
Charlotte, NC 28202
Attn.: Mark R. Busch, Esq.
Fax No.: (704) 353-3140

8.2 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

8.3 Amendment. This Agreement may only be amended by a written instrument executed by each of the parties hereto.

8.4 Entire Agreement. This Agreement (together with the other agreements and documents being delivered pursuant to or in connection with this Agreement) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and thereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof.

8.5 Binding Effect. This Agreement shall inure solely to the benefit of and shall be binding upon the Underwriter, the Company and the Controlling Persons, directors and officers referred to in Section 5 hereof, and their respective successors, legal representatives and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provisions herein contained. The term "successors and assigns" shall not include a purchaser, in its capacity as such, of securities from the Underwriter.

8.6 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to conflict of laws principles thereof. Any process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 8.1 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or claim. The Company agrees that the prevailing party(ies) in any such action shall be entitled to recover from the other party(ies) all of its reasonable attorneys' fees and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefore.

8.7 Execution in Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto. Delivery of a signed counterpart of this Agreement by facsimile or email/pdf transmission shall constitute valid and sufficient delivery thereof.

8.8 Waiver, etc. The failure of any of the parties hereto to at any time enforce any of the provisions of this Agreement shall not be deemed or construed to be a waiver of any such provision, nor to in any way effect the validity of this Agreement or any provision hereof or the right of any of the parties hereto to thereafter enforce each and every provision of this Agreement. No waiver of any breach, non-compliance or non-fulfillment of any of the provisions of this Agreement shall be effective unless set forth in a written instrument executed by the party or parties against whom or which enforcement of such waiver is sought; and no waiver of any such breach, non-compliance or non-fulfillment shall be construed or deemed to be a waiver of any other or subsequent breach, non-compliance or non-fulfillment.

8.9 No Fiduciary Relationship. The Company hereby acknowledges that the Underwriter is acting solely as underwriter in connection with the offering of the Company's securities. The Company further acknowledges that the Underwriter is acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis and in no event do the parties intend that the Underwriter act or be responsible as a fiduciary to the Company, its management, shareholders, creditors or any other person in connection with any activity that the Underwriter may undertake or have undertaken in furtherance of the offering of the Company's securities, either before or after the date hereof. The Underwriter hereby expressly disclaims any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Underwriter agree that they are each responsible for making their own independent judgments with respect to any such transactions, and that any opinions or views expressed by the Underwriter to the Company regarding such transactions, including but not limited to any opinions or views with respect to the price or market for the Company's securities, do not constitute advice or recommendations to the Company. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriter with respect to any breach or alleged breach of any fiduciary or similar duty to the Company in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

[SIGNATURE PAGE FOLLOWS]

If the foregoing correctly sets forth the understanding among the Underwriter and the Company, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

ENERGOUS CORPORATION

By: _____
Name: Stephen R. Rizzone
Title: Chief Executive Officer

Accepted on the date first above written.

MDB CAPITAL GROUP, LLC

By: _____
Name:
Title:

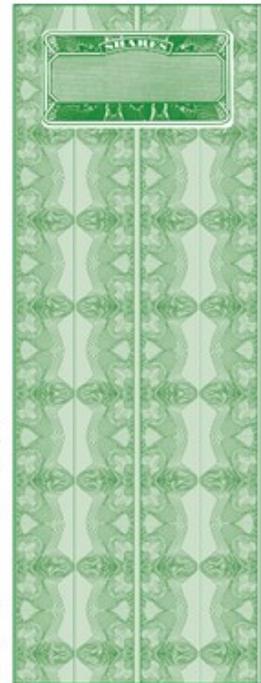
COMMON STOCK



INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

SEE REVERSE SIDE FOR CERTAIN DEFINITIONS

CUSIP 29272C 10 3



THIS CERTIFIES THAT

is the owner of

FULLY PAID AND NON-ASSESSABLE COMMON SHARES, \$0.00001 PAR VALUE, OF

ENERGIOUS CORPORATION

transferable on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this certificate properly endorsed. This certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.

IN WITNESS WHEREOF, the said Corporation has caused this certificate to be signed by facsimile signatures of its duly authorized officers.

Dated:

[SIGNATURE TO COME]

COUNTERSIGNED AND REGISTERED:
WELLS FARGO BANK, N.A.

TRANSFER AGENT
AND REGISTRAR

SECRETARY

[SIGNATURE TO COME]

BY

AUTHORIZED SIGNATURE

PRESIDENT

THE BOARD OF THIS CORPORATION HAS THE AUTHORITY TO CREATE AND DETERMINE THE RELATIVE RIGHTS AND PREFERENCES OF CLASSES OR SERIES OF SHARES OF CAPITAL STOCK OTHER THAN COMMON STOCK. THIS CORPORATION WILL FURNISH TO ANY SHAREHOLDER UPON WRITTEN REQUEST SENT TO ITS PRINCIPAL EXECUTIVE OFFICES, AND WITHOUT CHARGE, A FULL STATEMENT OF THE BOARD'S AUTHORITY TO CREATE AND DETERMINE THE RELATIVE RIGHTS AND PREFERENCES OF CLASSES OR SERIES OF SHARES OF CAPITAL STOCK AS WELL AS THE DESIGNATIONS, PREFERENCES, LIMITATIONS AND RELATIVE RIGHTS OF THE SHARES OF EACH CLASS OR SERIES THEN OUTSTANDING OR AUTHORIZED TO BE ISSUED.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UTMA	-	_____	Custodian	_____
				(Cust)		(Minor)
TEN ENT	- as tenants by entireties				under Uniform Transfers to Minors	
JT TEN	- as joint tenants with right of survivorship and not as tenants in common			Act	_____	(State)

Additional abbreviations may also be used though not in the above list.

For value received _____ hereby sell, assign, and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE)

_____ *Shares*
of the capital stock represented by the within Certificate,
and do hereby irrevocably constitute and appoint _____

_____ *Attorney*
to transfer the said stock on the books of the within-named
Corporation with full power of substitution in the premises.

Dated _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

SIGNATURE GUARANTEED

ALL GUARANTEES MUST BE MADE BY A FINANCIAL INSTITUTION SUCH AS A BANK OR BROKER, WHICH IS A PARTICIPANT IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM ("STAMP"), THE NEW YORK STOCK EXCHANGE, INC. MEDALLION SIGNATURE PROGRAM ("MSIP"), OR THE STOCK EXCHANGES MEDALLION PROGRAM ("SEMP") AND MUST NOT BE DATED. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE.

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF (1) AN EFFECTIVE REGISTRATION STATEMENT COVERING SUCH SECURITIES UNDER THE SECURITIES ACT AND ANY OTHER APPLICABLE SECURITIES LAWS, OR (2) AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

IN ADDITION, THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, OR HYPOTHECATED, OR BE THE SUBJECT OF ANY HEDGING, SHORT SALE, DERIVATIVE, PUT, OR CALL TRANSACTION THAT WOULD RESULT IN THE EFFECTIVE ECONOMIC DISPOSITION OF SUCH SECURITIES BY ANY PERSON FOR A PERIOD OF ONE HUNDRED EIGHTY (180) DAYS IMMEDIATELY FOLLOWING THE DATE OF EFFECTIVENESS OF THE PUBLIC OFFERING OF THE COMPANY'S SECURITIES PURSUANT TO REGISTRATION STATEMENT NO.: 333-193522 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

ENERGIOUS CORPORATION

UNDERWRITER WARRANT

600,000 shares of Common Stock

March _____, 2014

This **UNDERWRITER WARRANT** (this "**Warrant**") of Energeous Corporation, a corporation, duly organized and validly existing under the laws of the State of Delaware (the "**Company**"), is being issued pursuant to that certain Underwriting Agreement, dated as of March, 2014 (the "**Underwriting Agreement**"), between the Company and MDB Capital Group, LLC (the "**Underwriter**") relating to a firm commitment public offering (the "**Offering**") of shares of common stock, \$0.00001 par value per share, of the Company (the "**Common Stock**") underwritten by the Underwriter.

FOR VALUE RECEIVED, the Company hereby grants to MDB Capital Group, LLC and its permitted successors and assigns (collectively, the "**Holder**") the right to purchase from the Company up to 600,000 shares of Common Stock (such shares underlying this Warrant, the "**Warrant Shares**"), at a per share purchase price equal to \$7.50 (the "**Exercise Price**"), subject to the terms, conditions and adjustments set forth below in this Warrant.

1. Date of Warrant Exercise. This Warrant shall become exercisable one hundred eighty (180) days after the Base Date (the "**Exercise Date**"). As used in this Warrant, the term "**Base Date**" shall mean March _____, 2014 (the effective date of the registration statement). Except as otherwise provided for herein or as permitted by applicable rules of the Financial Industry Regulatory Authority, Inc. ("FINRA"), this Warrant and the underlying Warrant Shares shall not be sold, transferred, assigned, pledged or hypothecated prior to the date that is 180 days immediately following the Base Date pursuant to FINRA Rule 5110(g)(1), except as permitted under FINRA Rule 5110(g)(2).

2. Expiration of Warrant. This Warrant shall expire on the five (5) year anniversary of the Base Date (the “**Expiration Date**”).

3. Exercise of Warrant. This Warrant shall be exercisable pursuant to the terms of this Section 3.

3.1 Manner of Exercise.

(a) This Warrant may only be exercised by the Holder hereof on or after the Exercise Date and on or prior to the Expiration Date, in accordance with the terms and conditions hereof, in whole or in part (but not as to fractional shares) with respect to any portion of this Warrant, during the Company’s normal business hours on any day other than a Saturday or a Sunday or a day on which commercial banking institutions in New York, New York are authorized by law to be closed (a “**Business Day**”), by surrender of this Warrant to the Company at its office maintained pursuant to Section 10.2(a) hereof, accompanied by a written exercise notice in the form attached as Exhibit A to this Warrant (or a reasonable facsimile thereof) duly executed by the Holder, together with the payment of the aggregate Exercise Price for the number of Warrant Shares purchased upon exercise of this Warrant. Upon surrender of this Warrant, the Company shall cancel this Warrant document and shall, in the event of partial exercise, replace it with a new Warrant document in accordance with Section 3.3.

(b) Except as provided for in Section 3.1(c) below, each exercise of this Warrant must be accompanied by payment in full of the aggregate Exercise Price in cash by check or wire transfer in immediately available funds for the number of Warrant Shares being purchased by the Holder upon such exercise.

(c) The aggregate Exercise Price for the number of Warrant Shares being purchased may also, in the sole discretion of the Holder, be paid in full or in part on a “cashless basis” at the election of the Holder:

- (i) in the form of Common Stock owned by the Holder (based on the Fair Market Value (as defined below) of such Common Stock on the date of exercise);
- (ii) in the form of Warrant Shares withheld by the Company from the Warrant Shares otherwise to be received upon exercise of this Warrant having an aggregate Fair Market Value on the date of exercise equal to the aggregate Exercise Price of the Warrant Shares being purchased by the Holder; or
- (iii) by a combination of the foregoing, provided that the combined value of all cash and the Fair Market Value of any shares surrendered to the Company is at least equal to the aggregate Exercise Price for the number of Warrant Shares being purchased by the Holder.

For purposes of this Warrant, the term “**Fair Market Value**” means with respect to a particular date, the average closing price of the Common Stock for the five (5) trading days immediately preceding the applicable exercise herein as officially reported by the principal securities exchange on which the Common Stock is then listed or admitted to trading, or, if the Common Stock is not listed or admitted to trading on any securities exchange as determined in good faith by resolution of the Board of Directors of the Company, based on the best information available to it.

For purposes of illustration of a cashless exercise of this Warrant under Section 3.1 (c)(ii) (or for a portion thereof for which cashless exercise treatment is requested as contemplated by Section 3.1(c)(iii) hereof), the calculation of such exercise shall be as follows:

$$X = Y (A-B)/A$$

where:

X = the number of Warrant Shares to be issued to the Holder (rounded to the nearest whole share).

Y = the number of Warrant Shares with respect to which this Warrant is being exercised.

A = the Fair Market Value of the Common Stock.

B = the Exercise Price.

(d) For purposes of Rule 144 and sub-section (d)(3)(ii) thereof, it is intended, understood, and acknowledged that the Common Stock issuable upon exercise of this Warrant in a cashless exercise transaction as described in Section 3.1(c) above shall be deemed to have been acquired at the time this Warrant was issued. Moreover, it is intended, understood, and acknowledged that the holding period for the Common Stock issuable upon exercise of this Warrant in a cashless exercise transaction as described in Section 3.1(c) above shall be deemed to have commenced on the date this Warrant was issued.

3.2 When Exercise Effective. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the Business Day on which this Warrant shall have been duly surrendered to the Company as provided in Sections 3.1 and 12 hereof, and, at such time, the Holder in whose name any certificate or certificates for Warrant Shares shall be issuable upon exercise as provided in Section 3.3 hereof shall be deemed to have become the holder or holders of record thereof of the number of Warrant Shares purchased upon exercise of this Warrant.

3.3 Delivery of Common Stock Certificates and New Warrant. As soon as reasonably practicable after each exercise of this Warrant, in whole or in part, and in any event within three (3) Business Days thereafter, the Company, at its expense (including the payment by it of any applicable issue taxes), will cause to be issued in the name of and delivered to the Holder hereof or, subject to Sections 9 and 10 hereof, as the Holder (upon payment by the Holder of any applicable transfer taxes) may direct:

(a) a certificate or certificates (with appropriate restrictive legends, as applicable) for the number of duly authorized, validly issued, fully paid and non-assessable Warrant Shares to which the Holder shall be entitled upon exercise; and

(b) in case exercise is in part only, a new Warrant document of like tenor, dated the date hereof, for the remaining number of Warrant Shares issuable upon exercise of this Warrant after giving effect to the partial exercise of this Warrant (including the delivery of any Warrant Shares as payment of the Exercise Price for such partial exercise of this Warrant).

4. Certain Adjustments. For so long as this Warrant is outstanding:

4.1 Mergers or Consolidations. If at any time after the date hereof there shall be a capital reorganization (other than a combination or subdivision of Common Stock otherwise provided for herein) resulting in a reclassification to or change in the terms of securities issuable upon exercise of this Warrant (a “**Reorganization**”), or a merger or consolidation of the Company with another corporation, association, partnership, organization, business, individual, government or political subdivision thereof or a governmental agency (a “**Person**” or the “**Persons**”) (other than a merger with another Person in which the Company is a continuing corporation and which does not result in any reclassification or change in the terms of securities issuable upon exercise of this Warrant or a merger effected exclusively for the purpose of changing the domicile of the Company) (a “**Merger**”), then, as a part of such Reorganization or Merger, lawful provision and adjustment shall be made so that the Holder shall thereafter be entitled to receive, upon exercise of this Warrant, the number of shares of stock or any other equity or debt securities or property receivable upon such Reorganization or Merger by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant immediately prior to such Reorganization or Merger. In any such case, appropriate adjustment shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder after the Reorganization or Merger to the end that the provisions of this Warrant (including adjustment of the Exercise Price then in effect and the number of Warrant Shares) shall be applicable after that event, as near as reasonably may be, in relation to any shares of stock, securities, property or other assets thereafter deliverable upon exercise of this Warrant. The provisions of this Section 4.1 shall similarly apply to successive Reorganizations and/or Mergers.

4.2 Splits and Subdivisions; Dividends. In the event the Company should at any time or from time to time effectuate a split or subdivision of the outstanding shares of Common Stock or pay a dividend in or make a distribution payable in additional shares of Common Stock or other securities, or rights convertible into, or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock (hereinafter referred to as “Common Stock Equivalents”) without payment of any consideration by such holder for the additional shares of Common Stock or Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of the applicable record date (or the date of such distribution, split or subdivision if no record date is fixed), the per share Exercise Price shall be appropriately decreased and the number of Warrant Shares shall be appropriately increased in proportion to such increase (or potential increase) of outstanding shares; provided, however, that no adjustment shall be made in the event the split, subdivision, dividend or distribution is not effectuated.

4.3 Combination of Shares. If the number of shares of Common Stock outstanding at any time after the date hereof is decreased by a combination of the outstanding shares of Common Stock, the per share Exercise Price shall be appropriately increased and the number of shares of Warrant Shares shall be appropriately decreased in proportion to such decrease in outstanding shares.

4.4 Adjustments for Other Distributions. In the event the Company shall declare a distribution payable in securities of other Persons, evidences of indebtedness issued by the Company or other Persons, assets (excluding cash dividends or distributions to the holders of Common Stock paid out of current or retained earnings and declared by the Company’s board of directors) or options or rights not referred to in Sections 4.2 or 4.3 then, in each such case for the purpose of this Section 4.4, upon exercise of this Warrant, the Holder shall be entitled to a proportionate share of any such distribution as though the Holder was the actual record holder of the number of Warrant Shares as of the record date fixed for the determination of the holders of Common Stock of the Company entitled to receive such distribution.

5. No Impairment. The Company will not, by amendment of its certificate of incorporation or by-laws or through any consolidation, merger, reorganization, transfer of assets, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all of the terms and in the taking of all actions necessary or appropriate in order to protect the rights of the Holder against impairment.

6. Notice as to Adjustments. With respect to each adjustment pursuant to Section 4 of this Warrant, the Company, at its expense, will promptly compute the adjustment or re-adjustment in accordance with the terms of this Warrant and furnish the Holder with a certificate certified and confirmed by the Secretary or Chief Financial Officer of the Company setting forth, in reasonable detail, the event requiring the adjustment or re-adjustment and the amount of such adjustment or re-adjustment, the method of calculation thereof and the facts upon which the adjustment or re-adjustment is based, and the Exercise Price and the number of Warrant Shares or other securities purchasable hereunder after giving effect to such adjustment or re-adjustment, which report shall be mailed by first class mail, postage prepaid to the Holder.

7. Reservation of Shares. The Company shall, solely for the purpose of effecting the exercise of this Warrant, at all times during the term of this Warrant, reserve and keep available out of its authorized shares of Common Stock, free from all taxes, liens and charges with respect to the issue thereof and not subject to preemptive rights of shareholders of the Company, such number of its shares of Common Stock as shall from time to time be sufficient to effect in full the exercise of this Warrant. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect in full the exercise of this Warrant, in addition to such other remedies as shall be available to Holder, the Company will promptly take such corporate action as may, in the opinion of its counsel, be necessary to increase the number of authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including without limitation, using its Reasonable Best Efforts (as defined in Section 14 hereof) to obtain the requisite shareholder approval necessary to increase the number of authorized shares of Common Stock. The Company hereby represents and warrants that all shares of Common Stock issuable upon exercise of this Warrant shall be duly authorized and, when issued and paid for upon exercise, shall be validly issued, fully paid and nonassessable.

8. Registration and Listing.

8.1 Definition of Registrable Securities; Majority. As used herein, the term “**Registrable Securities**” means any shares of Common Stock issuable upon the exercise of this Warrant until the date (if any) on which such shares shall have been transferred or exchanged and new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent disposition of the shares shall not require registration or qualification under the Securities Act or any similar state law then in force. For purposes of this Warrant, the term “**Majority Holders**” shall mean in excess of fifty percent (50%) of the then outstanding Warrant Shares.

8.2 Demand Registration Rights.

(a) The Company, upon written demand (“**Demand Notice**”) of the Majority Holders, agrees to register on one occasion all of the Registrable Securities. On such occasion, the Company will file a registration statement or a post-effective amendment to the Registration Statement covering the Registrable Securities within forty-five (45) days after receipt of a Demand Notice and use its Reasonable Best Efforts to have such registration statement or post-effective amendment declared effective as soon as possible thereafter; provided, however, that the Company shall not be required to comply with a Demand Notice if the Company has filed a registration statement with respect to which the Holder is entitled to piggyback registration rights pursuant to Section 8.3 hereof and either: (i) the Holder has elected to participate in the offering covered by such registration statement or (ii) if such registration statement relates to an underwritten primary offering of securities of the Company, until the offering covered by such registration statement has been withdrawn or until thirty (30) days after such offering is consummated. The demand for registration may be made at any time during a period of four years beginning one (1) year from the Base Date. The Company covenants and agrees to give written notice of its receipt of any Demand Notice by any Holder(s) to all other registered Holders of the Warrants and/or the Registrable Securities within ten days from the date of the receipt of any such Demand Notice.

(b) The Company shall bear all fees and expenses attendant to registering the Registrable Securities pursuant to Section 8.2(a), but the Holders shall pay all any and all underwriting commissions and the expenses of any legal counsel selected by the Holders to represent them in connection with the sale of the Registrable Securities. The Company agrees to use its Reasonable Best Efforts to qualify or register the Registrable Securities in such states as are reasonably requested by the Majority Holder(s); provided, however, that in no event shall the Company be required to register the Registrable Securities in a state in which such registration would cause (i) the Company to be obligated to register, license or qualify to do business in such state, submit to general service of process in such state or would subject the Company to taxation as a foreign corporation doing business in such jurisdiction or (ii) the principal stockholders of the Company to be obligated to escrow their shares of capital stock of the Company. The Company shall cause any registration statement or post-effective amendment filed pursuant to the demand right granted under Section 8(a) to remain effective for a period of nine consecutive months from the effective date of such registration statement or post-effective amendment. The Holders shall only use the prospectuses provided by the Company to sell the Registrable Securities covered by such registration statement, and will immediately cease to use any prospectus furnished by the Company if the Company advises the Holder that such prospectus may no longer be used due to a material misstatement or omission.

8.3 Incidental Registration Rights.

(a) If the Company, for a period of six (6) years commencing one (1) year after the Base Date, proposes to register any of its securities under the Securities Act (other than in connection with a transaction contemplated by Rule 145(a) promulgated under the Securities Act or pursuant to registration on Form S-4 or S-8 or any successor forms) whether for its own account or for the account of any holder or holders of its shares other than Registrable Securities (any shares of such holder or holders (but not those of the Company and not Registrable Securities) with respect to any registration are referred to herein as, "Other Shares"), the Company shall each such time give prompt (but not less than thirty (30) days prior to the anticipated effectiveness thereof) written notice to the holders of Registrable Securities of its intention to do so. The holders of Registrable Securities shall exercise the "piggy-back" rights provided herein by giving written notice within ten (10) days after the receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed of by such holder). Except as set forth in Section 8.3(b), the Company will use its Reasonable Best Efforts to effect the registration under the Securities Act of all of the Registrable Securities which the Company has been so requested to register by such holder, to the extent required to permit the disposition of the Registrable Securities so to be registered, by inclusion of such Registrable Securities in the registration statement which covers the securities which the Company proposes to register. The Company will pay all Registration Expenses in connection with each registration of Registrable Securities pursuant to this Section 8.3.

(b) If the Company at any time proposes to register any of its securities under the Securities Act as contemplated by this Section 8.3 and such securities are to be distributed by or through one or more underwriters, the Company will, if requested by a holder of Registrable Securities, use its Reasonable Best Efforts to arrange for such underwriters to include all the Registrable Securities to be offered and sold by such holder among the securities to be distributed by such underwriters, provided that if the managing underwriter of such underwritten offering shall inform the Company by letter of its belief that inclusion in such distribution of all or a specified number of such securities proposed to be distributed by such underwriters would interfere with the successful marketing of the securities being distributed by such underwriters (such letter to state the basis of such belief and the approximate number of such Registrable Securities, such Other Shares and shares held by the Company proposed so to be registered which may be distributed without such effect), then the Company may, upon written notice to such holder, the other holders of Registrable Securities, and holders of such Other Shares, reduce pro rata in accordance with the number of shares of Common Stock desired to be included in such registration (if and to the extent stated by such managing underwriter to be necessary to eliminate such effect) the number of such Registrable Securities and Other Shares the registration of which shall have been requested by each holder thereof so that the resulting aggregate number of such Registrable Securities and Other Shares so included in such registration, together with the number of securities to be included in such registration for the account of the Company, shall be equal to the number of shares stated in such managing underwriter's letter.

8.4 Registration Procedures. Whenever the holders of Registrable Securities have properly requested that any Registrable Securities be registered pursuant to the terms of this Warrant, the Company shall use its Reasonable Best Efforts to effect the registration for the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its Reasonable Best Efforts to cause such registration statement to become effective;

(b) notify such holders of the effectiveness of each registration statement filed hereunder and prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to (i) keep such registration statement effective and the prospectus included therein usable for a period commencing on the date that such registration statement is initially declared effective by the SEC and ending on the date when all Registrable Securities covered by such registration statement have been sold pursuant to the registration statement or cease to be Registrable Securities, and (ii) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(c) furnish to such holders such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such holders;

(d) use its Reasonable Best Efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as such holders reasonably request and do any and all other acts and things which may be reasonably necessary or advisable to enable such holders to consummate the disposition in such jurisdictions of the Registrable Securities owned by such holders; provided, however, that the Company shall not be required to: (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph; (ii) subject itself to taxation in any such jurisdiction; or (iii) consent to general service of process in any such jurisdiction;

(e) notify such holders, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances in which they are made, not materially misleading, and, at the reasonable request of such holders, the Company shall prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances in which they are made, not materially misleading;

(f) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(g) make available for inspection by any underwriter participating in any disposition pursuant to such registration statement, and any attorney, accountant or other agent retained by any such underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, managers, employees and independent accountants to supply all information reasonably requested by any such underwriter, attorney, accountant or agent in connection with such registration statement;

(h) otherwise use its Reasonable Best Efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement of the Company, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and, at the option of the Company, Rule 158 thereunder;

(i) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Registrable Securities included in such registration statement for sale in any jurisdiction, the Company shall use its Reasonable Best Efforts promptly to obtain the withdrawal of such order; and

(j) if the offering is underwritten, use its Reasonable Best Efforts to furnish on the date that Registrable Securities are delivered to the underwriters for sale pursuant to such registration, an opinion dated such date of counsel representing the Company for the purposes of such registration, addressed to the underwriters covering such issues as are reasonably required by such underwriters.

8.5 Listing. The Company shall secure the listing of the Common Stock underlying this Warrant upon each national securities exchange or automated quotation system upon which shares of Common Stock are then listed or quoted (subject to official notice of issuance) and shall maintain such listing of shares of Common Stock. The Company shall at all times comply in all material respects with the Company's reporting, filing and other obligations under the by-laws or rules of The NASDAQ Stock Market (or such other national securities exchange or market on which the Common Stock may then be listed, as applicable).

8.6 Expenses. The Company shall pay all Registration Expenses relating to the registration and listing obligations set forth in this Section 8. For purposes of this Warrant, the term "**Registration Expenses**" means: (a) all registration, filing and FINRA fees, (b) all reasonable fees and expenses of complying with securities or blue sky laws, (c) all word processing, duplicating and printing expenses, (d) the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, (e) premiums and other costs of policies of insurance (if any) against liabilities arising out of the public offering of the Registrable Securities being registered if the Company desires such insurance, if any, and (f) fees and disbursements of one counsel for the selling holders of Registrable Securities; provided however, that, in any case where Registration Expenses are not to be borne by the Company, such expenses shall not include (and such expenses shall be borne by the Company): (i) salaries of Company personnel or general overhead expenses of the Company, (ii) auditing fees, (iii) premiums or other expenses relating to liability insurance required by underwriters of the Company, or (iv) other expenses for the preparation of financial statements or other data, to the extent that any of the foregoing either is normally prepared by the Company in the ordinary course of its business or would have been incurred by the Company had no public offering taken place. Registration Expenses shall not include any underwriting discounts and commissions which may be incurred in the sale of any Registrable Securities and transfer taxes of the selling holders of Registrable Securities.

8.7 Information Provided by Holders. Any holder of Registrable Securities included in any registration shall furnish to the Company such information as the Company may reasonably request in writing, including, but not limited to, a completed and executed questionnaire requesting information customarily sought of selling security holders, to enable the Company to comply with the provisions hereof in connection with any registration referred to in this Warrant.

8.8 FINRA Public Offering System Filings. In the event that a registration statement covering the Registrable Securities is filed, within one (1) Business Day of the filing of such registration statement, the Company will prepare and file the selling stockholder resale offering described in such registration statement for review by FINRA via the FINRA's Public Offering System filing system ("**Public Offering System Filing**") for the purpose of having the prospectus contained within such registration statement treated as a "base prospectus" in connection with such resale offering. The Company will use its Reasonable Best Efforts to have the Public Offering System Filing approved by FINRA within thirty (30) days of such filing date. The Company shall bear all expenses of the Public Offering System Filing, including fees and expenses of counsel or other advisors to the Holder. In all circumstances, the Company shall pay for all FINRA filing fees associated with the Public Offering System Filing.

8.9 Effectiveness Period. The Company shall use its Reasonable Best Efforts to keep each registration statement contemplated hereunder continuously effective under the Securities Act until the date which is the earlier date of when (i) all Registrable Securities covered by such Registration Statement have been sold or (ii) all Registrable Securities covered by such Registration Statement may be sold immediately without registration under the Securities Act and without volume restrictions pursuant to Rule 144 under the Securities Act, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent and the affected holders of Registrable Securities.

8.10 Net Cash Settlement. Notwithstanding anything herein to the contrary, in no event will the Holder hereof be entitled to receive a net-cash settlement as liquidated damages in lieu of physical settlement in shares of Common Stock, regardless of whether the Common Stock underlying this Warrant is registered pursuant to an effective registration statement; provided, however, that the foregoing will not preclude the Holder from seeking other remedies at law or equity for breaches by the Company of its registration obligations hereunder.

8.11 Termination of Registration Rights. The registration rights afforded to the Holder under this Section 8 shall terminate on the earliest date when all Registrable Securities of the Holder: (i) have been publicly sold by the Holder pursuant to a Registration Statement, (ii) have been covered by an effective Registration Statement on Form S-3 (or successor form), which may be kept effective as an evergreen Registration Statement, in which case it will be maintained as effective until all the Registrable Securities of the Holder have been publicly sold or the Company has ceased to be a reporting registrant under the Securities Exchange Act of 1934, as amended, or (iii) may be sold by the Holder pursuant to Rule 144 without regard to both the volume limitations for sales as provided in Rule 144 and the limitations for such sales provided in Rule 144(i), if applicable, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company's transfer agent and the affected Holder.

9. Restrictions on Transfer.

9.1 Restrictive Legends. This Warrant and each Warrant issued upon transfer or in substitution for this Warrant pursuant to Section 10 hereof, each certificate for Common Stock issued upon the exercise of the Warrant and each certificate issued upon the transfer of any such Common Stock shall be transferable only upon satisfaction of the conditions specified in this Section 9. Each of the foregoing securities shall be stamped or otherwise imprinted with a legend reflecting the restrictions on transfer set forth herein and any restrictions required under the Securities Act or other applicable securities laws.

9.2 Notice of Proposed Transfer. Prior to any transfer of any securities which are not registered under an effective registration statement under the Securities Act ("**Restricted Securities**"), which transfer may only occur if there is an exemption from the registration provisions of the Securities Act and all other applicable securities laws, the Holder will give written notice to the Company of the Holder's intention to effect a transfer (and shall describe the manner and circumstances of the proposed transfer). The following provisions shall apply to any proposed transfer of Restricted Securities:

(i) If in the opinion of counsel for the Holder reasonably satisfactory to the Company the proposed transfer may be effected without registration of the Restricted Securities under the Securities Act (which opinion shall state in detail the basis of the legal conclusions reached therein), the Holder shall thereupon be entitled to transfer the Restricted Securities in accordance with the terms of the notice delivered by the Holder to the Company. Each certificate representing the Restricted Securities issued upon or in connection with any transfer shall bear the restrictive legends required by Section 9.1 hereof.

(ii) If the opinion called for in (i) above is not delivered, the Holder shall not be entitled to transfer the Restricted Securities until either: (x) receipt by the Company of a further notice from such Holder pursuant to the foregoing provisions of this Section 9.2 and fulfillment of the provisions of clause (i) above, or (y) such Restricted Securities have been effectively registered under the Securities Act.

9.3 Certain Other Transfer Restrictions. Notwithstanding any other provision of this Section 9: (i) prior to the Exercise Date, this Warrant or the Restricted Securities thereunder may only be transferred or assigned to the persons permitted under FINRA Rule 5110(g), and (ii) subject at all times to FINRA Rule 5110(g), no opinion of counsel shall be necessary for a transfer of Restricted Securities by the holder thereof to any Person employed by or owning equity in the Holder, if the transferee agrees in writing to be subject to the terms hereof to the same extent as if the transferee were the original purchaser hereof and such transfer is permitted under applicable securities laws.

9.4 Termination of Restrictions. Except as set forth in Section 9.3 hereof and subject at all times to FINRA Rule 5110(g), the restrictions imposed by this Section 9 upon the transferability of Restricted Securities shall cease and terminate as to any particular Restricted Securities: (a) which shall have been effectively registered under the Securities Act, or (b) when, in the opinion of counsel for the Company, such restrictions are no longer required in order to insure compliance with the Securities Act or Section 10 hereof. Whenever such restrictions shall cease and terminate as to any Restricted Securities, the Holder thereof shall be entitled to receive from the Company, without expense (other than applicable transfer taxes, if any), new securities of like tenor not bearing the applicable legends required by Section 9.1 hereof.

10. Ownership, Transfer, Sale and Substitution of Warrant.

10.1 Ownership of Warrant. The Company may treat any Person in whose name this Warrant is registered in the Warrant Register maintained pursuant to Section 10.2(b) hereof as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary, except that, if and when any Warrant is properly assigned in blank, the Company may (but shall not be obligated to) treat the bearer thereof as the owner of such Warrant for all purposes, notwithstanding any notice to the contrary. Subject to Sections 9 and 10 hereof, this Warrant, if properly assigned, may be exercised by a new holder without a new Warrant first having been issued.

10.2 Office; Exchange of Warrant.

(a) The Company will maintain its principal office at the location identified in the prospectus relating to the Offering or at such other offices as set forth in the Company's most current filing (as of the date notice is to be given) under the Securities Exchange Act of 1934, as amended, or as the Company otherwise notifies the Holder.

(b) The Company shall cause to be kept at its office maintained pursuant to Section 10.2(a) hereof a Warrant Register for the registration and transfer of the Warrant. The name and address of the holder of the Warrant, the transfers thereof and the name and address of the transferee of the Warrant shall be registered in such Warrant Register. The Person in whose name the Warrant shall be so registered shall be deemed and treated as the owner and holder thereof for all purposes of this Warrant, and the Company shall not be affected by any notice or knowledge to the contrary.

(c) Upon the surrender of this Warrant, properly endorsed, for registration of transfer or for exchange at the office of the Company maintained pursuant to Section 10.2(a) hereof, the Company at its expense will (subject to compliance with Section 9 hereof, if applicable) execute and deliver to or upon the order of the Holder thereof a new Warrant of like tenor, in the name of such holder or as such holder (upon payment by such holder of any applicable transfer taxes) may direct, calling in the aggregate on the face thereof for the number of shares of Common Stock called for on the face of the Warrant so surrendered (after giving effect to any previous adjustment(s) to the number of Warrant Shares).

10.3 Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, upon delivery of indemnity reasonably satisfactory to the Company in form and amount or, in the case of any mutilation, upon surrender of this Warrant for cancellation at the office of the Company maintained pursuant to Section 10.2(a) hereof, the Company will execute and deliver, in lieu thereof, a new Warrant of like tenor and dated the date hereof.

10.4 Opinions. In connection with the sale of the Warrant Shares by Holder, the Company agrees to cooperate with the Holder, and at the Company's expense, have its counsel provide any legal opinions required to remove the restrictive legends from the Warrant Shares in connection with a sale, transfer or legend removal request of Holder.

11. No Rights or Liabilities as Stockholder. No Holder shall be entitled to vote or receive dividends or be deemed the holder of any shares of Common Stock or any other securities of the Company which may at any time be issuable on the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the Holder, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until the Warrant shall have been exercised and the shares of Common Stock purchasable upon the exercise hereof shall have become deliverable, as provided herein. The Holder will not be entitled to share in the assets of the Company in the event of a liquidation, dissolution or the winding up of the Company.

12. Notices. Any notice or other communication in connection with this Warrant shall be given in writing and directed to the parties hereto as follows: (a) if to the Holder, at the address of the holder in the warrant register maintained pursuant to Section 10 hereof, or (b) if to the Company, to the attention of its Chief Executive Officer at its office maintained pursuant to Section 10.2(a) hereof; *provided*, that the exercise of the Warrant shall also be effected in the manner provided in Section 3 hereof. Notices shall be deemed properly delivered and received when delivered to the notice party (i) if personally delivered, upon receipt or refusal to accept delivery, (ii) if sent via facsimile, upon mechanical confirmation of successful transmission thereof generated by the sending telecopy machine, (iii) if sent by a commercial overnight courier for delivery on the next Business Day, on the first Business Day after deposit with such courier service, or (iv) if sent by registered or certified mail, five (5) Business Days after deposit thereof in the U.S. mail.

13. Payment of Taxes. The Company will pay all documentary stamp taxes attributable to the issuance of shares of Common Stock underlying this Warrant upon exercise of this Warrant; *provided, however*, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the transfer or registration of this Warrant or any certificate for shares of Common Stock underlying this Warrant in a name other than that of the Holder. The Holder is responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving shares of Common Stock underlying this Warrant upon exercise hereof.

14. Miscellaneous. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. This Warrant shall be construed and enforced in accordance with and governed by the laws of the State of New York. Each of the parties consents to the exclusive jurisdiction of the Federal courts whose districts encompass any part of the County of New York located in the City of New York in connection with any dispute arising under this Agreement and hereby waives, to the maximum extent permitted by law, any objection, including any objection based on *forum non conveniens*, to the bringing of any such proceeding in such jurisdictions. Each party to this Agreement irrevocably consents to the service of process in any such proceeding by any manner permitted by law. The section headings in this Warrant are for purposes of convenience only and shall not constitute a part hereof. When used herein, the term “**Reasonable Best Efforts**” means, with respect to the applicable obligation of the Company, reasonable best efforts for similarly situated, publicly-traded companies.

IN WITNESS WHEREOF, the Company has caused this Underwriter Warrant to be duly executed as of the date first above written.

ENERGOUS CORPORATION

By: _____
Name:
Title:

EXHIBIT A
FORM OF EXERCISE NOTICE

[To be executed only upon exercise of Warrant]

To ENERGOUS CORPORATION:

The undersigned registered holder of the within Warrant hereby irrevocably exercises the Warrant pursuant to Section 3.1 of the Warrant with respect to [_____] Warrant Shares, at an exercise price of \$[_____] per share, and requests that the certificates for such Warrant Shares be issued, subject to Sections 9 and 10, in the name of and delivered to:

The undersigned is hereby making payment for the Warrant Shares in the following manner:
[check one]

by cash in accordance with Section 3.1(b) of the Warrant
 via cashless exercise in accordance with Section 3.1(c) of the Warrant in the following manner:

The undersigned hereby represents and warrants that it is, and has been since its acquisition of the Warrant, the record and beneficial owner of the Warrant.

Dated: _____

Print or Type Name

(Signature must conform in all respects to name of holder as specified on the face of Warrant)

(Street Address)

(City) (State) (Zip Code)

EXHIBIT B
FORM OF ASSIGNMENT

[To be executed only upon transfer of Warrant]

For value received, the undersigned registered holder of the within Warrant hereby sells, assigns and transfers unto _____ [include name and addresses] the rights represented by the Warrant to purchase _____ shares of Common Stock of ENERGOUS CORPORATION to which the Warrant relates, and appoints _____ Attorney to make such transfer on the books of ENERGOUS CORPORATION maintained for the purpose, with full power of substitution in the premises.

Dated:

(Signature must conform in all respects to name of holder as specified on the face of Warrant)

(Street Address)

(City) (State) (Zip Code)

Signed in the presence of:

(Signature of Transferee)

(Street Address)

(City) (State) (Zip Code)

Signed in the presence of:

K&L GATES LLP
HEARST TOWER
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March 21, 2014

Energous Corporation
303 Ray Street
Pleasanton, CA 94566

Ladies and Gentlemen:

We have acted as your counsel in connection with the Registration Statement on Form S-1 (File No. 333-193522) (the "Registration Statement") filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), for the registration of up to 4,600,000 shares (the "Shares") of Common Stock, par value \$0.00001 per share, of Energous Corporation, a Delaware corporation (the "Company").

You have requested our opinion as to the matters set forth below in connection with the Registration Statement. For purposes of rendering that opinion, we have examined the Registration Statement, forms of the Second Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws of the Company which have been filed with the Commission as exhibits to the Registration Statement, and the corporate action of the Company that provides for the issuance of the Shares, and we have made such other investigation as we have deemed appropriate. We have examined and relied upon certificates of public officials and, as to certain matters of fact that are material to our opinion, we have also relied on a certificate of an officer of the Company. In rendering our opinion, we also have made assumptions that are customary in opinion letters of this kind. We have not verified any of those assumptions.

Our opinion set forth below is limited to Delaware General Corporation Law, including the applicable provisions of the Delaware Constitution and reported judicial decisions interpreting those laws.

Based upon and subject to the foregoing, it is our opinion that the Shares are duly authorized for issuance by the Company and, when the Second Amended and Restated Certificate of Incorporation has been filed with the Secretary of State of the State of Delaware and the Shares are issued and paid for as described in the Prospectus included in the Registration Statement, such Shares will be validly issued, fully paid, and nonassessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and the reference to this firm in the related Prospectus under the caption "Legal Matters." In giving our consent we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations thereunder.

Yours truly,

/s/ K&L Gates LLP

K&L Gates LLP

MDB Capital Group, LLC
401 Wilshire Boulevard
Santa Monica, California 90401

Ladies and Gentlemen:

This agreement is being delivered to you in connection with the proposed Underwriting Agreement (the "Underwriting Agreement") between Energous Corporation, a Delaware corporation (the "Company"), and MDB Capital Group, LLC ("MDB") relating to a proposed underwritten public offering of shares (the "Shares") of the Company's Common Stock (the "Common Stock").

In order to induce MDB to enter into the Underwriting Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees that, during the period beginning on and including the date of the Underwriting Agreement through and including the one year anniversary of the date of the Underwriting Agreement (the "Lock-Up Period"), the undersigned, or any affiliated party of the undersigned, will not, without the prior written consent of MDB, directly or indirectly:

- (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition, or
- (ii) enter into any swap or other agreement, arrangement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequence of ownership of any Common Stock or any securities convertible into or exercisable or exchangeable for any Common Stock,

whether any transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock, other securities, in cash or otherwise. Moreover, if:

- (1) during the last 17 days of the Lock-Up Period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or
- (2) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period,

the Lock-Up Period shall be extended and the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the date of issuance of the earnings release or the occurrence of the material news or material event, as the case may be, unless MDB waives, in writing, such extension.

Notwithstanding the provisions set forth in the immediately preceding paragraph, the undersigned may, without the prior written consent of MDB, (1) transfer any Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock as a bona fide gift or gifts, or by will or intestacy, to any member of the immediate family (as defined below) of the undersigned or to a trust the beneficiaries of which are exclusively the undersigned or members of the undersigned's immediate family or to a charity or educational institution; provided, however, that it shall be a condition to the transfer that (A) the transferee executes and delivers to MDB not later than one business day prior to such transfer, a written agreement, in substantially the form of this agreement and otherwise satisfactory in form and substance to MDB, and (B) if the undersigned is required to file a report under Section 16(a) of the Securities Exchange Act of 1934, as amended, reporting a reduction in beneficial ownership of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock by the undersigned during the Lock-Up Period (as the same may be extended as described above), the undersigned shall include a statement in such report to the effect that such transfer or distribution is not a transfer for value and that such transfer is being made as a gift or by will or intestacy, as the case may be, (2) exercise or convert currently outstanding warrants, options and convertible debentures, as applicable, and exercise options under an acceptable stock option plan, so long as the undersigned agrees that the shares of Common Stock received from any such exercise or conversion will be subject to this agreement, or (3) transfer, pledge and sell any shares of Common Stock acquired in a public market purchase or acquired from a person that directly or indirectly acquired them in a public market purchase such that they are not restricted or control shares of the Company. For purposes of this paragraph, "immediate family" shall mean a spouse, child, grandchild or other lineal descendant (including by adoption), father, mother, brother or sister of the undersigned.

The undersigned further agrees that (i) it will not, during the Lock-Up Period (as the same may be extended as described above), make any demand for or exercise any right with respect to the registration under the Securities Act of 1933, as amended (the "1933 Act"), of any Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, and (ii) the Company may, with respect to any Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock owned or held (of record or beneficially) by the undersigned, cause the transfer agent or other registrar to enter stop transfer instructions and implement stop transfer procedures with respect to such securities during the Lock-Up Period (as the same may be extended as described above).

In addition, the undersigned hereby waives any and all notice requirements and rights with respect to the registration of any securities pursuant to any agreement, instrument, understanding or otherwise, including any registration rights agreement or similar agreement, to which the undersigned is a party or under which the undersigned is entitled to any right or benefit and any tag-along rights or other similar rights to have any securities (debt or equity) included in the offering contemplated by the Underwriting Agreement or sold in connection with the sale of Common Stock pursuant to the Underwriting Agreement, provided that such waiver shall apply only to the public offering of Common Stock pursuant to the Underwriting Agreement and each registration statement filed under the 1933 Act in connection therewith.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this agreement and that this agreement has been duly executed and delivered by the undersigned and is a valid and binding agreement of the undersigned. This agreement and all authority herein conferred are irrevocable and shall survive the death or incapacity of the undersigned and shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the undersigned has executed and delivered this agreement as of the date first set forth above.

Yours very truly,

Print Name: _____

*Signature Page — Letter to
MDB Capital Group, LLC*

MDB Capital Group, LLC
401 Wilshire Boulevard
Santa Monica, California 90401

Energous Corporation
303 Ray Street
Pleasanton, CA, 94566

Ladies and Gentlemen:

This agreement is being delivered to you in connection with the proposed Underwriting Agreement (the "Underwriting Agreement") between Energous Corporation, a Delaware corporation (the "Company"), and MDB Capital Group, LLC ("MDB") relating to a proposed underwritten public offering of shares (the "Shares") of the Company's Common Stock (the "Common Stock") and relates to shares of Common Stock issuable to the undersigned upon the exercise of warrants to purchase Common Stock issued to the undersigned prior to the execution of the Underwriting Agreement (the "Shares").

In order to induce MDB to enter into the Underwriting Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees that, during the period beginning on and including the date of the Underwriting Agreement through and including the one year anniversary of the date of the Underwriting Agreement (the "Lock-Up Period"), the undersigned, or any affiliated party of the undersigned, will not, without the prior written consent of MDB and the Company, directly or indirectly:

- (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any of the Shares or any securities convertible into or exercisable or exchangeable for the Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition, or
- (ii) enter into any swap or other agreement, arrangement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequence of ownership of the Shares or any securities convertible into or exercisable or exchangeable for the Shares,

whether any transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock, other securities, in cash or otherwise. Moreover, if:

- (1) during the last 17 days of the Lock-Up Period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or
- (2) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period,

the Lock-Up Period shall be extended and the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the date of issuance of the earnings release or the occurrence of the material news or material event, as the case may be, unless MDB waives, in writing, such extension.

The undersigned further agrees that (i) it will not, during the Lock-Up Period (as the same may be extended as described above), make any demand for or exercise any right with respect to the registration under the Securities Act of 1933, as amended (the "1933 Act"), of any Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, and (ii) the Company may, with respect to any Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock owned or held (of record or beneficially) by the undersigned, cause the transfer agent or other registrar to enter stop transfer instructions and implement stop transfer procedures with respect to such securities during the Lock-Up Period (as the same may be extended as described above).

In addition, the undersigned hereby waives any and all notice requirements and rights with respect to the registration of any securities pursuant to any agreement, instrument, understanding or otherwise, including any registration rights agreement or similar agreement, to which the undersigned is a party or under which the undersigned is entitled to any right or benefit and any tag-along rights or other similar rights to have any securities (debt or equity) included in the offering contemplated by the Underwriting Agreement or sold in connection with the sale of Common Stock pursuant to the Underwriting Agreement, provided that such waiver shall apply only to the public offering of Common Stock pursuant to the Underwriting Agreement and each registration statement filed under the 1933 Act in connection therewith.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this agreement and that this agreement has been duly executed and delivered by the undersigned and is a valid and binding agreement of the undersigned. This agreement and all authority herein conferred are irrevocable and shall survive the death or incapacity of the undersigned and shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the undersigned has executed and delivered this agreement as of the date first set forth above.

Yours very truly,

Print Name: _____

Signature Page — Letter to
MDB Capital Group, LLC

NOTICE OF GRANT OF NON-QUALIFIED STOCK OPTION AWARD

**Energous Corporation
2014 Non-Employee Equity Compensation Plan**

FOR GOOD AND VALUABLE CONSIDERATION, Energous Corporation (the “**Company**”) hereby grants, pursuant to the provisions of the Company’s 2014 Non-Employee Equity Compensation Plan (the “**Plan**”), to the Grantee designated in this Notice of Grant of Non-Qualified Stock Option Award (the “**Notice**”) an option to purchase the number of shares of the Common Stock of the Company set forth in the Notice (the “**Shares**”), subject to certain restrictions as outlined below in this Notice and the additional provisions set forth in the attached Terms and Conditions of Stock Option Award (collectively, the “**Agreement**”). The terms and conditions of the Plan are incorporated by reference in their entirety into this Agreement. When used in this Agreement, the terms which are defined in the Plan shall have the meanings given to them in the Plan, as modified herein (if applicable).

Grantee:	Date of Grant:				
Exercise Price per Share:	Vesting Start Date:				
Total Number of Option Shares:	Expiration Date:				
<p>Vesting Schedule:</p> <p>All of the Option Shares initially shall be unvested shares. For so long as you remain continuously a Service Provider to the Company the Option Shares shall become vested and exercisable according to the schedule set forth below and you may exercise this Option as to any vested Shares:</p> <table border="1"> <thead> <tr> <th><u>Vesting Date</u></th> <th><u>Number of Vested Shares</u></th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>		<u>Vesting Date</u>	<u>Number of Vested Shares</u>		
<u>Vesting Date</u>	<u>Number of Vested Shares</u>				
<p>Notwithstanding the foregoing, effective upon the occurrence of a Change of Control this Option shall vest and become exercisable in full.</p>					
<p>Exercise After Separation from Service:</p> <p><i>Separation from Service:</i> any non-vested portion of the Option expires immediately and any vested portion of the Option remains exercisable until one year following Grantee’s Separation from Service; provided, however, that this Option shall not be exercisable subsequent to the expiration date specified above.</p> <p>IN NO EVENT MAY THIS OPTION BE EXERCISED AFTER THE EXPIRATION DATE AS PROVIDED ABOVE.</p>					

By signing below, the Grantee agrees that this Non-Qualified Stock Option Award is granted under and governed by the terms and conditions of the Company's 2014 Non-Employee Equity Compensation Plan and the attached Terms and Conditions.

Grantee

Energous Corporation

Rex S. Jackson

Name: _____

Title: _____

Date: _____

Date: _____

TERMS AND CONDITIONS OF STOCK OPTION AWARD

1. Grant of Option. The Stock Option Award (the “**Award**”) granted by Energous Corporation (the “**Company**”) to the Grantee specified in the Notice of Grant of Non-Qualified Stock Option Award (the “**Notice**”) to which these Terms and Conditions of Stock Option Award (the “**Terms**”) are attached, is subject to the terms and conditions of the Plan, the Notice, and these Terms. The terms and conditions of the Plan are incorporated by reference in their entirety into these Terms (the Plan is available upon request). Together, the Notice, all Exhibits to the Notice and these Terms constitute the “**Agreement.**” When used in this Agreement, the terms which are defined in the Plan shall have the meanings given to them in the Plan, as modified herein (if applicable). For purposes this Agreement, any reference to the Company shall include a reference to any Affiliate.

The Board has approved an award of an Options to the Grantee with respect to a number of shares of the Company’s Common Stock as set forth in the Notice, conditioned upon the Grantee’s acceptance of the provisions set forth in the Notice and these Terms within 60 days after the Notice and these Terms are presented to the Grantee for review.

The Company intends that this Option not be considered to provide for the deferral of compensation under Section 409A and that this Agreement shall be so administered and construed. Further, the Company may modify the Plan and this Award to the extent necessary to fulfill this intent.

2. Exercise of Option.

(a) Right to Exercise. This Option shall be exercisable, in whole or in part, during its term in accordance with the Vesting Schedule set out in the Notice and with the applicable provisions of the Plan and this Agreement. No Shares shall be issued pursuant to the exercise of an Option unless the issuance and exercise comply with applicable laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to the Grantee on the date on which the Option is exercised with respect to such Shares. Until such time as the Option has been duly exercised and Shares have been delivered, the Grantee shall not be entitled to exercise any voting rights with respect to such Shares and shall not be entitled to receive dividends or other distributions with respect thereto. The Board may, in its discretion and pursuant to its administrative authority under Section 3.1 of the Plan, (i) accelerate vesting of the Option or (ii) extend the applicable exercise period of the Option.

(b) Method of Exercise. The Grantee may exercise the Option by delivering an exercise notice in a form approved by the Company (the “**Exercise Notice**”) which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised, and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Shares exercised. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price.

3. Method of Payment. If the Grantee elects to exercise the Option by submitting an Exercise Notice under Section 2(b) of this Agreement, the aggregate Exercise Price (as well as any applicable withholding or other taxes) shall be paid by cash or check; *provided, however,* that the Board may consent, in its discretion, to payment in any of the following forms, or a combination of them:

- (a) cash or check;
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(b) a “net exercise” under which the Company reduces the number of shares of Common Stock issued upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate Exercise Price and any applicable withholding, or such other consideration received by the Company under a cashless exercise program approved by the Company in connection with the Plan;

(c) surrender of other shares of Common Stock owned by the Grantee which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the exercised Shares and any applicable withholding; or

(d) any other consideration that the Board deems appropriate and in compliance with applicable law.

4. Restrictions on Exercise. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of the Shares upon exercise or the method of payment of consideration for those shares would constitute a violation of any applicable law, regulation or Company policy.
 5. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Grantee only by the Grantee. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Grantee.
 6. Term of Option. This Option may be exercised only within the term set out in the Notice, and may be exercised during such term only in accordance with the Plan and the terms of this Agreement.
 7. Withholding.
 - (a) The Board shall determine the amount of any withholding or other tax required by law to be withheld or paid by the Company with respect to any income recognized by the Grantee with respect to the Option Award.
 - (b) The Grantee shall be required to meet any applicable tax withholding obligation in accordance with the provisions of Section 17.3 of the Plan.
 8. Grantee Representations. The Grantee hereby represents to the Company that the Grantee has read and fully understands the provisions of the Notice, these Terms and the Plan, and the Grantee’s decision to participate in the Plan is completely voluntary. Further, the Grantee acknowledges that the Grantee is relying solely on his or her own advisors with respect to the tax consequences of this Award. The Grantee releases and holds the Company, and its officers, directors, employees and agents, harmless from any loss or claim related to or in any way connected with the tax consequences of the Option, including without limitation the treatment of the Option under Section 409A.
 9. Regulatory Limitations on Exercises. Notwithstanding the other provisions of this Agreement, the Board shall have the sole discretion to impose such conditions, restrictions and limitations (including suspending the exercise of the Option and the tolling of any applicable exercise period during such suspension) on the issuance of Common Stock with respect to this Option unless and until the Board determines that such issuance complies with (i) any applicable registration requirements under the Securities Act or the Board has determined that an exemption therefrom is available, (ii) any applicable listing requirement of any stock exchange on which the Common Stock is listed, (iii) any applicable Company policy or administrative rules, and (iv) any other applicable provision of state, federal or foreign law, including foreign securities laws where applicable.
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10. Right of First Refusal; Company Call Option. The exercise agreement by which the Option is exercised shall include a right of first refusal and call option in favor of the Company substantially similar to the terms set forth in Annex 1 to these Terms, applicable at any time prior to an Initial Public Offering.
11. Market Stand-off Agreement. In connection with an Initial Public Offering and upon request of the Company or the underwriters managing such Initial Public Offering, the Grantee agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any Shares without the prior written consent of the Company or such underwriters, as the case may be, for such period of time from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of an Initial Public Offering.
12. Miscellaneous.
- (a) Notices. Any notice which either party hereto may be required or permitted to give to the other shall be in writing and may be delivered personally, by intraoffice mail, by fax, by electronic mail or other electronic means, or via a postal service, postage prepaid, to such electronic mail or postal address and directed to such person as the Company may notify the Grantee from time to time; and to the Grantee at the Grantee's electronic mail or postal address as shown on the records of the Company from time to time, or at such other electronic mail or postal address as the Grantee, by notice to the Company, may designate in writing from time to time.
- (b) Waiver. The waiver by any party hereto of a breach of any provision of the Notice or these Terms shall not operate or be construed as a waiver of any other or subsequent breach.
- (c) Entire Agreement. These Terms, the Notice and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof. Any prior agreements, commitments or negotiations concerning the Award are superseded.
- (d) Binding Effect; Successors. These Terms shall inure to the benefit of and be binding upon the parties hereto and to the extent not prohibited herein, their respective heirs, successors, assigns and representatives. Nothing in these Terms, express or implied, is intended to confer on any person other than the parties hereto and as provided above, their respective heirs, successors, assigns and representatives any rights, remedies, obligations or liabilities.
- (e) Governing Law. The Notice and these Terms shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the principles of conflicts of law.
- (f) Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of these Terms.
- (g) Conflicts; Amendment. The provisions of the Plan are incorporated in these Terms in their entirety. In the event of any conflict between the provisions of these Terms and the Plan, the provisions of the Plan shall control. The Agreement may be amended at any time by the Board, provided that no amendment may, without the consent of the Grantee, materially impair the Grantee's rights with respect to the Option.
- (h) No Right to Continued Employment. Nothing in the Notice or these Terms shall confer upon the Grantee any right to continue in the employ or service of the Company or affect the right of the Company to terminate the Grantee's employment or service at any time.
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(i) Further Assurances. The Grantee agrees, upon demand of the Company or the Board, to do all acts and execute, deliver and perform all additional documents, instruments and agreements which may be reasonably required by the Company or the Board, as the case may be, to implement the provisions and purposes of the Notice and these Terms and the Plan.

(j) Confidentiality. The Grantee agrees that the terms and conditions of the Option award reflected in the Notice and these Terms are strictly confidential and, with the exception of Grantee's counsel, tax advisor, immediate family, or as required by applicable law, have not and shall not be disclosed, discussed, or revealed to any other persons, entities, or organizations, whether within or outside Company, without prior written approval of Company. The Grantee further agrees to take all reasonable steps necessary to ensure that confidentiality is maintained by any of the individuals or entities referenced above to whom disclosure is authorized.

TERMS AND CONDITIONS OF STOCK OPTION AWARD

Annex 1

COMPANY'S RIGHT OF FIRST REFUSAL AND CALL OPTION

1. Company's Right of First Refusal. Shares that have previously become vested ("**Vested Shares**") may not be sold or otherwise transferred by the Grantee without the Company's prior written consent. Before any Vested Shares held by the Grantee or any permitted transferee of such Shares (either sometimes referred to herein as the "**Holder**") may be sold or otherwise transferred (including, without limitation, a transfer by gift or operation of law), the Company and/or its assignee(s) will have a right of first refusal to purchase the Vested Shares to be sold or transferred (the "**Offered Shares**") on the terms and conditions set forth in this Section (the "**Right of First Refusal**").
 - (a) Notice of Proposed Transfer. The Holder of the Offered Shares will deliver to the Company a written notice (the "**Notice**") stating: (i) the Holder's bona fide intention to sell or otherwise transfer the Offered Shares; (ii) the name and address of each proposed purchaser or other transferee (the "**Proposed Transferee**"); (iii) the number of Offered Shares to be transferred to each Proposed Transferee; (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Offered Shares (the "**Offered Price**"); and (v) that the Holder acknowledges this Notice is an offer to sell the Offered Shares to the Company and/or its assignee(s) pursuant to the Company's Right of First Refusal at the Offered Price as provided for in this Exercise Agreement.
 - (b) Exercise of Right of First Refusal. At any time within thirty days after the date of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all (or, with the consent of the Holder, less than all) the Offered Shares proposed to be transferred to any one or more of the Proposed Transferees named in the Notice, at the purchase price, determined as specified below.
 - (c) Purchase Price. The purchase price for the Offered Shares purchased under this Section will be the Offered Price, provided that if the Offered Price consists of no legal consideration (as, for example, in the case of a transfer by gift) the purchase price will be the fair market value of the Offered Shares as determined in good faith by the Board. If the Offered Price includes consideration other than cash, then the value of the non-cash consideration, as determined in good faith by the Board, will conclusively be deemed to be the cash equivalent value of such non-cash consideration.
 - (d) Payment. Payment of the purchase price for the Offered Shares will be payable, at the option of the Company and/or its assignee(s) (as applicable), by check or by cancellation of all or a portion of any outstanding purchase money indebtedness owed by the Holder to the Company (or to such assignee, in the case of a purchase of Offered Shares by such assignee) or by any combination thereof. The purchase price will be paid without interest within sixty days after the Company's receipt of the Notice, or, at the option of the Company and/or its assignee(s), in the manner and at the time(s) set forth in the Notice.
 - (e) Holder's Right to Transfer. If all of the Offered Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section, then the Holder may sell or otherwise transfer such Offered Shares to each Proposed Transferee at the Offered Price or at a higher price, provided that (i) such sale or other transfer is consummated within one hundred twenty days after the date of the Notice, (ii) any such sale or other transfer is effected in compliance with all applicable securities laws, and (iii) each Proposed Transferee agrees in writing that the provisions of this Section will continue to apply to the Offered Shares in the hands of such Proposed Transferee. If the Offered Shares described in the Notice are not transferred to each Proposed Transferee within such one hundred twenty day period, then a new Notice must be given to the Company pursuant to which the Company will again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.
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(f) Exempt Transfers. Notwithstanding anything to the contrary in this Section, the following transfers of Vested Shares will be exempt from the Right of First Refusal: (i) the transfer of any or all of the Vested Shares during Purchaser's lifetime by gift or on Purchaser's death by will or intestacy to a Family Member of Purchaser, provided that each transferee or other recipient agrees in a writing satisfactory to the Company that the provisions of this Section will continue to apply to the transferred Vested Shares in the hands of such transferee or other recipient; (ii) any transfer of Vested Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations (except that the Right of First Refusal will continue to apply thereafter to such Vested Shares, in which case the surviving corporation of such merger or consolidation shall succeed to the rights of the Company under this Section unless the agreement of merger or consolidation expressly otherwise provides); or (iii) any transfer of Vested Shares pursuant to the winding up and dissolution of the Company.

(g) Termination of Right of First Refusal. The Right of First Refusal will terminate as to all Shares upon an Initial Public Offering.

(h) Encumbrances on Vested Shares. Purchaser may grant a lien or security interest in, or pledge, hypothecate or encumber Vested Shares only if each party to whom such lien or security interest is granted, or to whom such pledge, hypothecation or other encumbrance is made, agrees in a writing satisfactory to the Company that: (i) such lien, security interest, pledge, hypothecation or encumbrance will not apply to such Vested Shares after they are acquired by the Company and/or its assignees under this Section; and (ii) the provisions of this Section will continue to apply to such Vested Shares in the hands of such party and any transferee of such party. Purchaser may not grant a lien or security interest in, or pledge, hypothecate or encumber, any Shares that have not yet become vested.

2. Company's Call Option. In addition to all other restrictions and conditions applicable under the Plan, this Agreement and otherwise to Shares issued upon the exercise of the Option, Vested Shares shall be issued subject to the following terms and conditions:

(a) Call Notice. At any time during the ninety day period beginning on the date of the Grantee's Separation from Service for any reason, the Company shall have the right and option (the "**Repurchase Option**") to purchase from the Grantee or his or her heirs or personal representative, all, but not less than all, of the Vested Shares that are outstanding as of the date of Separation from Service, which right may be exercised by giving written notice of such exercise (a "**Call Notice**") to the Grantee or his or her heirs or personal representative. The purchase price of such Vested Shares shall be the Fair Market Value of such Vested Shares as of the date of Separation from Service, provided that if the Separation from Service is for Cause, the purchase price for the Vested Shares shall be for the lesser of (A) the Fair Market Value of such Vested Shares as of the date of Separation from Service or (B) the purchase price paid by the Grantee to acquire such Vested Shares.

(b) Closing. The closing of a purchase of Vested Shares under this Section shall be held at the principal office of the Company on a date and time specified in the Call Notice (the “**Closing Date**”). The Closing Date shall in no event be more than ninety days, or less than thirty days, after the date of such Call Notice. At the closing, the Company shall deliver to the Grantee or his or her heirs or personal representative the purchase price in cash and the Grantee shall deliver to the Company (A) such instruments as the Company shall reasonably request evidencing the transfer of the Vested Shares and (B) if requested by the Company, all necessary transfer tax stamps.

(c) Legends. The Company may at any time place legends on the certificates representing Vested Shares referencing the restrictions imposed by this Agreement or require that any Vested Shares be placed in escrow.

(d) Termination of Repurchase Option. The Company’s Repurchase Option shall terminate as to all Shares for which a Closing Date has not yet occurred upon an Initial Public Offering.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Energos Corporation (formerly known as DvineWave, Inc.) on Amendment No. 2 to Form S-1 (File No. 333-193522) of our report dated March 21, 2014, with respect to our audits of the financial statements of Energos Corporation (formerly known as DvineWave, Inc.) as of December 31, 2013 and 2012 and for the year ended December 31, 2013, for the period October 30, 2012 (Inception) through December 31, 2012 and for the period October 30, 2012 (Inception) through December 31, 2013, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum llp

Marcum llp
Melville, NY
March 21, 2014
