UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): December 19, 2013

STRATUS MEDIA GROUP, INC.

NEVADA	000-24477	86-0776876
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1800 Century Park East, 6th Floor
Los Angeles California 90067
(Address of principal executive offices)

(310) 526-8700
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

- o Written communications pursuant to Rule 425 under the Securities Act of 1933 (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o Pre-commencement communications pursuant to Rule 13e-4(e) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On December 19, 2013, Stratus Media Group, Inc. (the "Company") entered into a Note Purchase Agreement (the "Purchase Agreement"), with Carolina Preferred High Yield Fund ("Carolina") pursuant to which the Company sold to Carolina, and Carolina agreed to purchase from the Company a Secured Convertible Note (the "Carolina Note") in the principal amount of $500,000. Also, on December 19, 2013, the Company issued a Convertible Promissory Note to Sol J. Barer, Ph.D., in the principal amount of $150,000 (the "Barer Note"). Dr. Barer is the Company's Chairman of the Board. Each of the Carolina Note and the Barer Note (collectively, the "Notes") is for a term of six months with the right of the Company to request an extension of the maturity date for an additional six-month period. Each Note bears interest at the rate of 10% per annum with accrued interest due on the applicable maturity date. Each note is secured by the assets of the Company. Upon the closing of a financing involving the sale of equity, debt or a combination of equity and debt in one or more transactions in which either the Company or its subsidiaries receives gross proceeds of at least $7,500,000 (a "Qualified Financing") on or before the applicable maturity date, the applicable Note, together with accrued interest, will be converted into securities issued in the Qualified Financing at a conversion price equal to 50% of the purchase price per share or unit of the securities. The securities underlying the Notes are subject to piggyback rights in favor of the holder.

The foregoing summaries of the terms of the Purchase Agreement and the Notes are subject to, and qualified in their entirety by, such documents attached hereto as Exhibits 4.1, 4.2, 10.1 and 10.2, respectively, and are incorporated by reference herein.

Separately, on December 18, 2013, the Company entered into an Advisory Agreement with Siskey Capital, LLC ("Siskey") to perform services related to financial consulting matters for a term of three years. As compensation for the services to be performed by Siskey, Siskey is to receive a retainer of 3,300,000 shares of the Company's common stock (the "Siskey Shares").

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

Reference is made to the discussion in Item 1.01 above with respect to the obligation of the Company pursuant to the Notes.

Item 3.02 Unregistered Sales of Equity Securities

As stated in Item 1.01 above, which information is hereby incorporated herein by this reference, effective as of December 19, 2013, the Company sold to Carolina the Carolina Note and to Barer, the Barer Note and agreed to issue the Siskey Shares. The Company received proceeds of $500,000 under the Carolina Note and $150,000 under the Barer Note.

The Notes and the Siskey Shares were not registered under the Securities Act of 1933, as amended (the "Act"), in reliance upon the exemption from registration contained in Section 4(2) of the Act. The Notes, the shares of Common Stock issuable upon the conversion of the Notes and the Siskey Shares may not be reoffered or sold in the United States by the holder in the absence of an effective registration statement or exemption from the registration requirements of the Act.

The Company intends to use the aggregate net proceeds from the sale of the Notes for working capital and general corporate purposes.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
4.01	Convertible Note issued to Carolina Preferred High Yield Fund
4.02	Convertible Note issued to Sol J. Barer, Ph.D.
10.01	Note Purchase Agreement, dated as of December, 2013, by and between the Company and Carolina Preferred High Yield Fund
10.02	Security Agreement, dated as of December, 2013, by and between the Company and Carolina Preferred High Yield Fund
10.03	Advisory Agreement dated as of December 18, 2013 by and between the Company and Siskey Capital, LLC

SIGNATURE

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

Date: December 23, 2013

STRATUS MEDIA GROUP, INC.

By: /s/ Jerold Rubinstein
Jerold Rubinstein, Chief Executive Officer

Exhibit Index

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10.03	Advisory Agreement dated as of December 18, 2013 by and between the Company and Siskey Capital, LLC

NEITHER THIS NOTE, NOR THE SECURITIES ISSUABLE UPON CONVERSION HEREOF, HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH NOTE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES STATUTE OR SOME OTHER EXCEPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AND APPLICABLE LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

Stratus Media Group, Inc.

10% SECURED CONVERTIBLE PROMISSORY NOTE

This 10% SECURED CONVERTIBLE PROMISSORY NOTE ("Note"), dated as of December __, 2013, is entered into by Stratus Media Group, Inc., a Nevada corporation (the "Company") and Carolina Preferred High Yield Fund, LLC, a Florida limited liability company (the "Holder"). This Note is issued and delivered by the Company pursuant to the terms and conditions of the Note Purchase Agreement of even date hereby by and between the Company and the Holder (the "Note Purchase Agreement").

1. Principal and Interest. The Company, for value received, hereby promises to pay to the order of the Holder, in lawful money of the United States, the principal amount of $500,000, together with interest accrued on the unpaid principal of this Note at the per annum rate of ten percent (10%) commencing on the date hereof. Accrued interest due under this Note (computed on the actual number of days elapsed on the basis of a 360 day year) shall be payable via the issuance of shares of the Company's common stock, provided that no event has occurred that, with the passage of time, the giving of notice, or both, would constitute an Event of Default (as hereinafter defined), or via cash at the Company's option, and shall be payable on the Applicable Maturity Date. Shares of the Company's common stock issued to the Holder as payment for interest due hereunder shall be valued in accordance with Section 2(a) hereof if issued in connection with a Mandatory Conversion (as hereinafter defined), Section 2(b) hereof if issued in connection with an Optional Conversion (as hereinafter defined) or Section 8(d) if issued in connection with a Default Conversion (as hereinafter defined).

Subject to Section 2 hereof, this Note is due and payable on the date (the "Applicable Maturity Date) (a) that is six (6) months from the date hereof, or (b) following an Event of Default (as defined below). On the Applicable Maturity Date, so long as no Event of Default exists, and so long as no event has occurred that, with the passage of time, the giving of notice, or both, would constitute an Event of Default, the Company shall have the right to request an extension of the Applicable Maturity Date for one (1) additional six (6) month period. To make such request, the Company shall give written notice to Holder of the Company's request to extend the Applicable Maturity Date for an additional six (6) month period on or before the Applicable Maturity Date, and provided that no Event of Default exists, and that no event has occurred that, with the passage of time, the giving of notice, or both, would constitute an Event of Default, the Holder shall accept the Company's request for a renewal of the Applicable Maturity Date, subject to execution by the Company of any documents or instruments reasonably requested by the Holder to evidence such extension. Subject to Section 2 hereof, the Company shall, on the Applicable Maturity Date (the "Payment Date"), pay the outstanding principal and all accrued and unpaid interest on this Note.

2. Conversion and Prepayment. The outstanding principal amount of this Note and any accrued but unpaid interest hereon shall be convertible and redeemable as follows:

(a) Mandatory Conversion. In the event of the closing by the Company of a Qualified Financing (as defined below) on or before the Applicable Maturity Date, the Company and the Holder shall each have the obligation to convert (the "Mandatory Conversion") all of the then-outstanding principal of this Note, together with any accrued and unpaid interest not heretofore paid, on a dollar-for-dollar basis into the securities being issued and sold in the Qualified Financing ("Conversion Securities") at a conversion price (the "Conversion Price") equal to 50% of the purchase price per share or unit of the Conversion Securities paid in the Qualified Financing and otherwise on the terms and conditions of the Qualified Financing. If the securities sold in the Qualified Financing are not shares of the Company's common stock, the Conversion Price shall be 50% of the lowest price per share for which one share of common stock is then issuable upon the conversion or exercise of the Conversion Securities issued and sold in the Qualified Financing. The Company shall give the Holder at least five (5) business days' notice (the "Financing Notice") of the anticipated closing of a Qualified Financing, and any such conversion shall take place concurrently with the closing thereof. A "Qualified Financing" shall mean the sale of equity, debt or a combination of equity and debt in one or more transactions in which either the Company or its subsidiaries receives gross proceeds totaling at least $7,500,000. In the event that this Note is converted in accordance with this Section 2(a), then the Holder shall become party to a securities purchase agreement, in customary form, and all related agreements, along with the investors participating in such Qualified Financing.

(b) Prepayment. Prior to the Applicable Maturity Date, and in the event a Mandatory Conversion has not occurred, , the Company may elect to prepay this Note, in which case the Company shall give written notice to the Holder at least five (5) business days prior to the date fixed for repayment (the "Prepayment Notice Period") of the Company's intent to prepay the Note (the "Payment Notice"). During such Prepayment Notice Period, the Holder shall have the right, but not the obligation, to convert (the "Optional Conversion") all or any portion of the principal and accrued but unpaid interest then due under this Note into shares of the Company's common stock at a conversion price per share equal to 50% of volume weighted average price per share of common stock (the "VWAP") for the five (5) business days immediately preceding the date of the Payment Notice. If the Holder shall not have elected the Optional Conversion, or if the Holder elected to convert only a portion of the amount due it under the Note, following the expiration of the Prepayment Notice Period the Company shall immediately satisfy all principal then due the Note in full, together with all accrued but unpaid interest, in cash.

(c) Mechanics and Effect of Conversion**.** Upon conversion of this Note pursuant to this Section 2, the Holder shall surrender this Note, duly endorsed, at the principal offices of the Company or any transfer agent of the Company. At its expense, the Company will, within two (2) business days of the applicable Conversion, issue and deliver to the Holder, at such principal office, a certificate or certificates for the number of securities to which such Holder is entitled upon such conversion, together with any other securities and property to which the Holder is entitled upon such conversion under the terms of this Note.

(d) Opinions. The Company shall pay all fees and costs of its counsel, or counsel for the Holder, as the case may be, in connection with the rendering of any and all opinions requested by the Holder which the Holder deems necessary for the resale of the shares of the Company's common stock which may be issued in connection with this Note. In the event that Holder, or its assignees (the "Assignees"), has any shares of the Company's common stock bearing any restrictive legends, and Holder and/or its Assignees, through its counsel or other representatives, submits to the Company's transfer agent any such shares for the removal of the restrictive legends thereon, whether in connection with a sale of such shares pursuant to any exemption to the registration requirements under the Securities Act of 1933, as amended, or otherwise, and the Company and or its counsel refuses or fails for any reason to render an opinion of counsel or any other documents, certificates or instructions required for the removal of the restrictive legends, in addition to other remedies available to the Holder and the Assignees are hereby irrevocably and expressly authorized to have counsel to Holder render any and all opinions and other certificates or instruments which may be required for purposes of removing such restrictive legends in accordance with the applicable Federal securities laws, and the Company hereby irrevocably authorizes and directs the Company's transfer agent to, without any further confirmation or instructions from the Company, issue any such shares in accordance with the opinion of Holder's counsel, and deliver such shares to Holder and/or the Assignees in the same manner as set forth in Section 2(c) hereof. If the Company or its counsel refuses or fails for any reason to render an opinion of counsel or any other documents, certificates or instructions required for the removal of the restrictive legends, and as permitted hereby, counsel to Holder renders any such required opinions and other certificates or instruments which may be required for purposes of removing such restrictive legends, and in such circumstances, the restrictive legends or other restrictions are not removed, then to the extent such shares of stock are eligible for re-sale (or re-issuance) under Rule 144, or otherwise could be lawfully transferred (or re-issued) without restrictions under applicable laws, the failure of the Holder and/or the Assignees to receive such certificates within the time frames and as otherwise required by this Note shall be an immediate Event of Default under this Note. Following the issuance and delivery of this Note by the Company, the Company shall deliver a letter to the Holder, executed by the Company's transfer agent, pursuant to which the transfer agent acknowledges that it has received irrevocable instructions from the Company, authorizing the transfer agent to rely on opinions and other certificates and instruments from the Holder or its counsel, as permitted above, for purposes of having restrictive legends and other restrictions on the transfer of stock certificates removed, and further acknowledging that such instructions are irrevocable and cannot be altered, changed or withdrawn by the Company without Holder's prior written approval, which approval may be given or withheld in Holder's sole discretion.

(e) Reserved Shares. The Company shall at all times which is Note is outstanding reserve from its authorized but unissued shares of common stock a sufficient number of shares to permit for the full conversion of this Note pursuant to the provisions in set forth.

3. Security for Obligations.

(a) For purposes of the Note, "Collateral" means all of the Company's right, title and interest in, to and under all personal property and other assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of the Company (including under any trade names, styles or derivations thereof) and whether owned or consigned by or to, or leased from or to, the Company, and regardless of where located, and any and all proceeds or products of (or additions or accessories to) any of the foregoing.

(b) To secure the prompt and complete payment, performance and observance of all of the obligations of the Company to the Holder pursuant to the Note (including, without limitation, the Company's obligation to timely pay the principal amount of the Note, all fees and all other amounts payable by the Company to the Holder hereunder or in connection therewith, whether now existing or hereafter arising, and whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined), and pursuant to the Security Agreement of even date herewith by and between the Company and the Holder (the "Security Agreement") the Company hereby pledges, assigns, transfers, hypothecates, and sets over to the Holder, and hereby grants to the Holder a continuing security interest in, all of the Company's right, title and interest in, to and under the Collateral, until such Obligations are paid in full and agrees to file and perfect such security interest on behalf of Holder. At any time upon the Holder's request, the Company shall execute and deliver to the Holder any other documents, instruments or certificates requested by the Holder for the purpose of properly documenting and perfecting the security interests of the Holder in and to the Collateral granted hereunder, including any additional security agreements, mortgages, control agreements, and financing statements.

4. No Usury. This Note is hereby expressly limited so that in no event whatsoever, whether by reason of deferment or advancement of loan proceeds, acceleration of maturity of the loan evidenced hereby, or otherwise, shall the amount paid or agreed to be paid to the Holder hereunder for the loan, use, forbearance or detention of money exceed the maximum interest rate permitted by the laws of the State of California. If at any time the performance of any provision involves a payment exceeding the limit of the price that may be validly charged for the loan, use, forbearance or detention of money under applicable law, then automatically and retroactively, ipso facto, the obligation to be performed shall be reduced to such limit, it being the specific intent of the Company and the Holder hereof that all payments under this Note are to be credited first to interest as permitted by law, but not in excess of (i) the agreed rate of interest hereunder, or (ii) that permitted by law, whichever is the lesser, and the balance toward the reduction of principal.

5. Attorneys' Fees. If the indebtedness represented by this Note or any part hereof is collected in bankruptcy, receivership or other judicial proceedings or if this Note is placed in the hands of attorneys for collection after default, the Company agrees to pay, in addition to the principal and interest payable hereunder, reasonable attorneys' fees and costs incurred by the Holder, as well as any and all interest that has accrued on the outstanding principal after the commencement of bankruptcy, receivership or other judicial proceedings.

6. Transfer. The rights and obligations of the Company and the Holder of this Note will be binding upon and inure to the benefit of the successors, assigns, heirs, administrators and transferees of the parties hereto. This Note and the obligations evidenced hereby are not transferrable or assignable by the Company without the Holder's specific written consent, which content may be given or withheld in Holder's sole discretion.

7. Notices. Any notice, other communication or payment required or permitted hereunder shall be in writing and shall be deemed to have been given if delivered as described in the Notices section of the Note Purchase Agreement and to the appropriate addresses listed therein.

8. Event of Default.

(a) General. The Company, without notice or demand of any kind, shall be in default under this Note if an Event of Default (as defined below) occurs. Upon an Event of Default, the principal amount then outstanding of, and the accrued interest on, this Note shall be immediately due and payable.

(b) Definition. For purposes of this Note, an "Event of Default" is any of the following occurrences:

(i) The Company shall fail to pay the outstanding principal and all accrued and unpaid interest under this Note on the Applicable Maturity Date; or

(ii) If the Company shall (i) file, or consent by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (ii) make an assignment for the benefit of its creditors, (iii) consent to the appointment of a custodian, receiver, trustee (or other officer with similar powers) of itself or of any substantial part of its property, (iv) be adjudicated insolvent or (v) take corporate action for the purpose of any of the foregoing; or

(iii) If a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the Company, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or if an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company, or if any petition for any such relief shall be filed against the Company and such petition shall not be dismissed without thirty (30) days; or

(iv) The Company shall take any corporate action authorizing, or in furtherance of, any of the foregoing;

(v) The Company shall fail to remain "current" in its reporting obligations under the Securities Exchange Act of 1934, as amended, or its common stock should no longer be quoted on the OTC Bulletin Board, or

(vi) Any failure to perform or default in the performance by the Company that continues after applicable grace and cure periods, if any, under any covenant, condition or agreement contained in either the Note Purchase Agreement or the Security Agreement, or any other agreement with the Company, all of which covenants, conditions and agreements are hereby incorporated in this Agreement by express reference.

(c) Remedies on Default, etc. In case any one or more Events of Default shall occur and be continuing, the Holder may proceed to protect and enforce its rights by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein, in the Note Purchase Agreement, or in the Security Agreement, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise. In case of a default in the payment of any principal or interest on this Note, the Company will pay to the Holder such further amount as shall be sufficient to cover the cost and expenses of collection, including, without limitation, reasonable attorneys' fees, expenses and disbursements. No right, power or remedy conferred by this Note and the Note Purchase Agreement upon the Holder shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise.

(d) Upon the occurrence of an Event of Default, the Holder may, in its sole discretion, elect to convert (the "Default Conversion") the principal and all accrued but unpaid interest due under this Note into shares of the Company's common stock at a conversion price per share equal to 50% of the VWAP for the five (5) business days preceding the date of the Event of Default. The provisions of Sections 2(c), (d) and (e) hereof shall apply to the mechanics of a Default Conversion of this Note by the Holder upon an Event of Default.

9. Registration Rights. The Holder and its assignees shall be granted registration rights for the shares of the Company's common stock to be issued hereunder in the event of a Mandatory Conversion, Optional Conversion or Default Conversion pursuant to the terms and conditions of the Note Purchase Agreement.

10. Waivers and Amendments. The Company hereby waives presentment, demand for performance, notice of non-performance, protest, notice of protest and notice of dishonor. No delay on the part of the Holder in exercising any right hereunder shall operate as a waiver of such right or any other right. Any term of this Note may be amended or waived with the written consent of the Company and the Holder.

11. Governing Law. This Note is being delivered in, and shall be governed by and construed in accordance with, the laws of the State of Nevada, without regard to conflicts of laws provisions thereof.

STRATUS MEDIA GROUP, INC.,
A Nevada corporation

By: _____
Jerold Rubinstein
Chief Executive Officer

NEITHER THIS NOTE, NOR THE SECURITIES ISSUABLE UPON CONVERSION HEREOF, HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH NOTE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES STATUTE OR SOME OTHER EXCEPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AND APPLICABLE LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

Stratus Media Group, Inc.

10% SECURED CONVERTIBLE PROMISSORY NOTE

This 10% SECURED CONVERTIBLE PROMISSORY NOTE ("Note"), dated as of December 19, 2013, is entered into by Stratus Media Group, Inc., a Nevada corporation (the "Company") and Sol J. Barer (the "Holder").

1. Principal and Interest. The Company, for value received, hereby promises to pay to the order of the Holder, in lawful money of the United States, the principal amount of $150,000, together with interest accrued on the unpaid principal of this Note at the per annum rate of ten percent (10%) commencing on the date hereof. Accrued interest due under this Note (computed on the actual number of days elapsed on the basis of a 360 day year) shall be payable via the issuance of shares of the Company's common stock, provided that no event has occurred that, with the passage of time, the giving of notice, or both, would constitute an Event of Default (as hereinafter defined), or via cash at the Company's option, and shall be payable on the Applicable Maturity Date. Shares of the Company's common stock issued to the Holder as payment for interest due hereunder shall be valued in accordance with Section 2(a) hereof if issued in connection with a Mandatory Conversion (as hereinafter defined), Section 2(b) hereof if issued in connection with an Optional Conversion (as hereinafter defined) or Section 8(d) if issued in connection with a Default Conversion (as hereinafter defined).

Subject to Section 2 hereof, this Note is due and payable on the date (the "Applicable Maturity Date) (a) that is six (6) months from the date hereof, or (b) following an Event of Default (as defined below). On the Applicable Maturity Date, so long as no Event of Default exists, and so long as no event has occurred that, with the passage of time, the giving of notice, or both, would constitute an Event of Default, the Company shall have the right to request an extension of the Applicable Maturity Date for one (1) additional six (6) month period. To make such request, the Company shall give written notice to Holder of the Company's request to extend the Applicable Maturity Date for an additional six (6) month period on or before the Applicable Maturity Date, and provided that no Event of Default exists, and that no event has occurred that, with the passage of time, the giving of notice, or both, would constitute an Event of Default, the Holder shall accept the Company's request for a renewal of the Applicable Maturity Date, subject to execution by the Company of any documents or instruments reasonably requested by the Holder to evidence such extension. Subject to Section 2 hereof, the Company shall, on the Applicable Maturity Date (the "Payment Date"), pay the outstanding principal and all accrued and unpaid interest on this Note.

2. Conversion and Prepayment. The outstanding principal amount of this Note and any accrued but unpaid interest hereon shall be convertible and redeemable as follows:

(a) Mandatory Conversion. In the event of the closing by the Company of a Qualified Financing (as defined below) on or before the Applicable Maturity Date, the Company and the Holder shall each have the obligation to convert (the "Mandatory Conversion") all of the then-outstanding principal of this Note, together with any accrued and unpaid interest not heretofore paid, on a dollar-for-dollar basis into the securities being issued and sold in the Qualified Financing ("Conversion Securities") at a conversion price (the "Conversion Price") equal to 50% of the purchase price per share or unit of the Conversion Securities paid in the Qualified Financing and otherwise on the terms and conditions of the Qualified Financing. If the securities sold in the Qualified Financing are not shares of the Company's common stock, the Conversion Price shall be 50% of the lowest price per share for which one share of common stock is then issuable upon the conversion or exercise of the Conversion Securities issued and sold in the Qualified Financing. The Company shall give the Holder at least five (5) business days' notice (the "Financing Notice") of the anticipated closing of a Qualified Financing, and any such conversion shall take place concurrently with the closing thereof. A "Qualified Financing" shall mean the sale of equity, debt or a combination of equity and debt in one or more transactions in which either the Company or its subsidiaries receives gross proceeds totaling at least $7,500,000. In the event that this Note is converted in accordance with this Section 2(a), then the Holder shall become party to a securities purchase agreement, in customary form, and all related agreements, along with the investors participating in such Qualified Financing.

(b) Prepayment. Prior to the Applicable Maturity Date, and in the event a Mandatory Conversion has not occurred, , the Company may elect to prepay this Note, in which case the Company shall give written notice to the Holder at least five (5) business days prior to the date fixed for repayment (the "Prepayment Notice Period") of the Company's intent to prepay the Note (the "Payment Notice"). During such Prepayment Notice Period, the Holder shall have the right, but not the obligation, to convert (the "Optional Conversion") all or any portion of the principal and accrued but unpaid interest then due under this Note into shares of the Company's common stock at a conversion price per share equal to 50% of volume weighted average price per share of common stock (the "VWAP") for the five (5) business days immediately preceding the date of the Payment Notice. If the Holder shall not have elected the Optional Conversion, or if the Holder elected to convert only a portion of the amount due it under the Note, following the expiration of the Prepayment Notice Period the Company shall immediately satisfy all principal then due the Note in full, together with all accrued but unpaid interest, in cash.

(c) Mechanics and Effect of Conversion**.** Upon conversion of this Note pursuant to this Section 2, the Holder shall surrender this Note, duly endorsed, at the principal offices of the Company or any transfer agent of the Company. At its expense, the Company will, within two (2) business days of the applicable Conversion, issue and deliver to the Holder, at such principal office, a certificate or certificates for the number of securities to which such Holder is entitled upon such conversion, together with any other securities and property to which the Holder is entitled upon such conversion under the terms of this Note.

(d) Opinions. The Company shall pay all fees and costs of its counsel, or counsel for the Holder, as the case may be, in connection with the rendering of any and all opinions requested by the Holder which the Holder deems necessary for the resale of the shares of the Company's common stock which may be issued in connection with this Note. In the event that Holder, or its assignees (the "Assignees"), has any shares of the Company's common stock bearing any restrictive legends, and Holder and/or its Assignees, through its counsel or other representatives, submits to the Company's transfer agent any such shares for the removal of the restrictive legends thereon, whether in connection with a sale of such shares pursuant to any exemption to the registration requirements under the Securities Act of 1933, as amended, or otherwise, and the Company and or its counsel refuses or fails for any reason to render an opinion of counsel or any other documents, certificates or instructions required for the removal of the restrictive legends, in addition to other remedies available to the Holder and the Assignees are hereby irrevocably and expressly authorized to have counsel to Holder render any and all opinions and other certificates or instruments which may be required for purposes of removing such restrictive legends in accordance with the applicable Federal securities laws, and the Company hereby irrevocably authorizes and directs the Company's transfer agent to, without any further confirmation or instructions from the Company, issue any such shares in accordance with the opinion of Holder's counsel, and deliver such shares to Holder and/or the Assignees in the same manner as set forth in Section 2(c) hereof. If the Company or its counsel refuses or fails for any reason to render an opinion of counsel or any other documents, certificates or instructions required for the removal of the restrictive legends, and as permitted hereby, counsel to Holder renders any such required opinions and other certificates or instruments which may be required for purposes of removing such restrictive legends, and in such circumstances, the restrictive legends or other restrictions are not removed, then to the extent such shares of stock are eligible for re-sale (or re-issuance) under Rule 144, or otherwise could be lawfully transferred (or re-issued) without restrictions under applicable laws, the failure of the Holder and/or the Assignees to receive such certificates within the time frames and as otherwise required by this Note shall be an immediate Event of Default under this Note. Following the issuance and delivery of this Note by the Company, the Company shall deliver a letter to the Holder, executed by the Company's transfer agent, pursuant to which the transfer agent acknowledges that it has received irrevocable instructions from the Company, authorizing the transfer agent to rely on opinions and other certificates and instruments from the Holder or its counsel, as permitted above, for purposes of having restrictive legends and other restrictions on the transfer of stock certificates removed, and further acknowledging that such instructions are irrevocable and cannot be altered, changed or withdrawn by the Company without Holder's prior written approval, which approval may be given or withheld in Holder's sole discretion.

(e) Reserved Shares. The Company shall at all times which is Note is outstanding reserve from its authorized but unissued shares of common stock a sufficient number of shares to permit for the full conversion of this Note pursuant to the provisions in set forth.

3. Security for Obligations.

(a) For purposes of the Note, "Collateral" means all of the Company's right, title and interest in, to and under all personal property and other assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of the Company (including under any trade names, styles or derivations thereof) and whether owned or consigned by or to, or leased from or to, the Company, and regardless of where located, and any and all proceeds or products of (or additions or accessories to) any of the foregoing.

(b) To secure the prompt and complete payment, performance and observance of all of the obligations of the Company to the Holder pursuant to the Note (including, without limitation, the Company's obligation to timely pay the principal amount of the Note, all fees and all other amounts payable by the Company to the Holder hereunder or in connection therewith, whether now existing or hereafter arising, and whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined), the Company hereby pledges, assigns, transfers, hypothecates, and sets over to the Holder, and hereby grants to the Holder a continuing security interest in, all of the Company's right, title and interest in, to and under the Collateral, until such Obligations are paid in full and agrees to file and perfect such security interest on behalf of Holder. At any time upon the Holder's request, the Company shall execute and deliver to the Holder any other documents, instruments or certificates requested by the Holder for the purpose of properly documenting and perfecting the security interests of the Holder in and to the Collateral granted hereunder, including any additional security agreements, mortgages, control agreements, and financing statements.

4. No Usury. This Note is hereby expressly limited so that in no event whatsoever, whether by reason of deferment or advancement of loan proceeds, acceleration of maturity of the loan evidenced hereby, or otherwise, shall the amount paid or agreed to be paid to the Holder hereunder for the loan, use, forbearance or detention of money exceed the maximum interest rate permitted by the laws of the State of California. If at any time the performance of any provision involves a payment exceeding the limit of the price that may be validly charged for the loan, use, forbearance or detention of money under applicable law, then automatically and retroactively, ipso facto, the obligation to be performed shall be reduced to such limit, it being the specific intent of the Company and the Holder hereof that all payments under this Note are to be credited first to interest as permitted by law, but not in excess of (i) the agreed rate of interest hereunder, or (ii) that permitted by law, whichever is the lesser, and the balance toward the reduction of principal.

5. Attorneys' Fees. If the indebtedness represented by this Note or any part hereof is collected in bankruptcy, receivership or other judicial proceedings or if this Note is placed in the hands of attorneys for collection after default, the Company agrees to pay, in addition to the principal and interest payable hereunder, reasonable attorneys' fees and costs incurred by the Holder, as well as any and all interest that has accrued on the outstanding principal after the commencement of bankruptcy, receivership or other judicial proceedings.

6. Transfer. The rights and obligations of the Company and the Holder of this Note will be binding upon and inure to the benefit of the successors, assigns, heirs, administrators and transferees of the parties hereto. This Note and the obligations evidenced hereby are not transferrable or assignable by the Company without the Holder's specific written consent, which content may be given or withheld in Holder's sole discretion.

7. Notices. Any notice, other communication or payment required or permitted hereunder shall be in writing and shall be deemed to have been given if delivered to the appropriate addresses listed therein.

8. Event of Default.

(a) General. The Company, without notice or demand of any kind, shall be in default under this Note if an Event of Default (as defined below) occurs. Upon an Event of Default, the principal amount then outstanding of, and the accrued interest on, this Note shall be immediately due and payable.

(b) Definition. For purposes of this Note, an "Event of Default" is any of the following occurrences:

(i) The Company shall fail to pay the outstanding principal and all accrued and unpaid interest under this Note on the Applicable Maturity Date; or

(ii) If the Company shall (i) file, or consent by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (ii) make an assignment for the benefit of its creditors, (iii) consent to the appointment of a custodian, receiver, trustee (or other officer with similar powers) of itself or of any substantial part of its property, (iv) be adjudicated insolvent or (v) take corporate action for the purpose of any of the foregoing; or

(iii) If a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the Company, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or if an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company, or if any petition for any such relief shall be filed against the Company and such petition shall not be dismissed without thirty (30) days; or

(iv) The Company shall take any corporate action authorizing, or in furtherance of, any of the foregoing;

(v) The Company shall fail to remain "current" in its reporting obligations under the Securities Exchange Act of 1934, as amended, or its common stock should no longer be quoted on the OTC Bulletin Board, or

(vi) Any failure to perform or default in the performance by the Company that continues after applicable grace and cure periods, if any, under any covenant, condition or agreement contained herein.

(c) Remedies on Default, etc. In case any one or more Events of Default shall occur and be continuing, the Holder may proceed to protect and enforce its rights by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise. In case of a default in the payment of any principal or interest on this Note, the Company will pay to the Holder such further amount as shall be sufficient to cover the cost and expenses of collection, including, without limitation, reasonable attorneys' fees, expenses and disbursements. No right, power or remedy conferred by this Note upon the Holder shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise.

(d) Upon the occurrence of an Event of Default, the Holder may, in its sole discretion, elect to convert (the "Default Conversion") the principal and all accrued but unpaid interest due under this Note into shares of the Company's common stock at a conversion price per share equal to 50% of the VWAP for the five (5) business days preceding the date of the Event of Default. The provisions of Sections 2(c), (d) and (e) hereof shall apply to the mechanics of a Default Conversion of this Note by the Holder upon an Event of Default.

9. Registration Rights.

(a) If at any time during the three year period commencing on the Closing the Company decides to file a registration statement under the Securities Act of 1933, as amended (the "Securities Act") with respect to an offering of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into, equity securities, by the Company for its own account or for stockholders of the Company for their account (or by the Company and by stockholders of the Company including, without limitation), other than a registration statement (i) filed in connection with any employee stock option or other benefit plan, (ii) for an exchange offer or an offering of securities solely to the Company's existing stockholders, (iii) for a dividend reinvestment plan, (iv) or on Form S-4 or the then equivalent, the Company shall (x) give written notice of such proposed filing to the Holder and its assignees (each being a "Holder"), as identified by the Holder (the "Assignees") as soon as practicable but in no event less than 15 business days before the anticipated filing date, which notice shall describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing underwriter or underwriters, if any, of the offering, and (y) to the extent permitted under the provisions of Rule 145 under the Securities Act, offer to the Holder and the Assignees in such notice the opportunity to register the resale of such number of shares of the Company's common stock issued or issuable upon the conversion of the Note, including principal and interest (the "Registrable Securities") as the Holder and/or the Assignees may request in writing within five business days following receipt of such notice (a "Piggy-Back Registration"). The Company shall cause such Registrable Securities to be included in such registration and shall use its best efforts to cause the managing underwriter or underwriters of a proposed underwritten offering to permit the Registrable Securities requested to be included in a Piggy-Back Registration on the same terms and conditions as any similar securities of the Company and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. Such notice to the Holder and the Assignees shall continue to be given for each applicable registration statement filed by the Company until such time as all of the Registrable Securities have been registered and sold by the Holder and/or the Assignees.

(b) If at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to each selling Holder and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities being registered pursuant to this Section 3 for the same period as the delay in registering such other securities. The foregoing notwithstanding, the Company shall not be required to register any Registrable Securities if (i) such Registrable Securities are eligible for sale pursuant to Rule 144 and (ii) upon presentation of the appropriate legal opinion and other documentation typically required for the sale of restricted securities under Rule 144, the Company acts promptly in allowing (or causing its stock transfer agent to allow) the sale of such Registrable Securities.

(c) In case of an underwritten public offering, if the managing underwriter(s) should reasonably object to the inclusion of the Registrable Securities in such registration statement, then if the Company, after consultation with the managing underwriter(s), should reasonably determine that the inclusion of the Registrable Securities would materially adversely affect the offering contemplated in such registration statement, and based on such determination recommends inclusion in such registration statement of fewer or none of the Registrable Securities of a Holder, then (A) if the Company after consultation with the underwriter(s) recommends the inclusion of fewer Registrable Securities, the number of Registrable Securities of the Holders included in such registration statement shall be reduced pro-rata (based upon the number of Registrable Securities requested to be included in the registration), or (B) if the Company after consultation with the underwriter(s) recommends the inclusion of none of the Registrable Securities, none of the Registrable Securities of any Holder shall be included in such registration statement; provided, however, that if securities are being offered for the account of other persons as well as the Company who have greater priority than the Holders, then the amount of the Registrable Securities otherwise to be included in the registration statement shall be reduced by the amount of the securities having greater priority.

(d) Each Holder hereby agrees that, if requested by the Company or the representative of the underwriters of Registrable Securities of the Company, such Holder shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Registrable Securities of the Company held by such Holder (other than those included for sale in the registration or acquired in the Company's first firm commitment underwritten public offering of its Common Stock registered and declared effective under the Securities Act or in the open market thereafter) for a period specified by the representative of the underwriters of equity securities of the Company not to exceed 180 days (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with NASD Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation) following the effective date of a registration statement of the Company filed under the Securities Act; provided that the same lock-up is agreed to by all directors and officers of the Company and shareholders individually owning more than 1% of the Company's outstanding Common Stock.

(e) The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 3 prior to or following the effectiveness of such registration, whether or not any Holder has Registrable Securities included in such registration.

(f) In connection with a registration statement, each selling Holder shall be required to furnish to the Company information regarding such Holder and the distribution of such Registrable Securities as is required by law to be disclosed in the registration statement, and the Company may exclude from such registration the Registrable Securities of any such Holder who fails to furnish such information within a reasonable time prior to the filing of such registration statement or any supplemented Prospectus and/or amended registration statement.

(g) If a registration statement refers to any Holder by name as the holder of any securities of the Company, then such Holder shall have the right to require the deletion of the reference to such Holder in any amendment or supplement to the registration statement that is filed subsequent to the time that such reference ceases to be required by the Securities Act.

(h) Each Holder covenants and agrees that (i) it will not sell any Registrable Securities under a registration statement until it has received copies of the Prospectus as then amended or supplemented as and notice from the Company that such registration statement and any post-effective amendments thereto have become effective and (ii) it and its officers, directors and Affiliates, if any, will comply with the prospectus delivery requirements of the Securities Act as applicable to them in connection with the sale of Registrable Securities pursuant to such registration statement.

(i) Each Holder agrees by its acquisition of Registrable Securities that, upon receipt of a notice from the Company, such Holder will immediately discontinue disposition of such Registrable Securities under the registration statement until such Holder's receipt of the copies of the supplemented Prospectus and/or amended registration statement, or until it is advised in writing by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or registration statement.

(j) The Company shall bear all fees and expenses attendant to registering the Registrable Securities, including the expenses of any legal counsel selected by the Purchaser to represent it in connection with the sale of the Registrable Securities and the costs of any opinions of counsel related to the resale of the Registrable Securities by the Purchaser and/or the Assignees, but the Purchaser and the Assignees shall pay any and all underwriting commissions related to the Registrable Securities. The Company shall use its best efforts to cause any registration statement filed pursuant to the registration rights granted herein to remain effective for the earliest to occur of (a) nine months from the date that the Purchaser and the Assignees are first given the opportunity to sell all of the Registrable Securities, (b) the sale of all Registrable Securities, or (c) the date all Registrable Securities are eligible for sale under Rule 144.

10. Waivers and Amendments. The Company hereby waives presentment, demand for performance, notice of non-performance, protest, notice of protest and notice of dishonor. No delay on the part of the Holder in exercising any right hereunder shall operate as a waiver of such right or any other right. Any term of this Note may be amended or waived with the written consent of the Company and the Holder.

11. Governing Law. This Note is being delivered in, and shall be governed by and construed in accordance with, the laws of the State of Nevada, without regard to conflicts of laws provisions thereof.

STRATUS MEDIA GROUP, INC.,
A Nevada corporation

By: _____
Jerold Rubinstein
Chief Executive Officer

Exhibit 10.01

NOTE PURCHASE AGREEMENT

THIS NOTE PURCHASE AGREEMENT is made and entered into this _____ day of December, 2103, by and between Stratus Media Group, Inc., a Nevada corporation (the "**Company**") with its principal place of business located at 1800 Century Park East, 6th Floor, Los Angeles, California 90067 and Carolina Preferred High Yield Fund, LLC, a Florida limited liability company (the "**Purchaser**") with its principal place of business located at 4521 Sharon Street, Suite 450 Charlotte, NC 28211.

W I T N E S S E T H:

WHEREAS, the Company has offered to sell the Purchaser a $500,000 principal amount 10% Secured Convertible Note (the "**Note**") and the Purchaser has agreed to purchase the Note upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and in order to consummate the purchase and the sale of the Note, is hereby agreed as follows:

1. **Purchase and Sale**. Subject to the terms and conditions hereinafter set forth, at the closing of the transaction contemplated hereby, the Seller shall sell, convey, transfer, and deliver to the Purchaser the Note, the form of which is attached hereto as Exhibit A and incorporated herein by such reference, and the Purchaser shall purchase the Note from the Seller in consideration of the purchase price set forth in this Agreement.

The closing of the transactions contemplated by this Agreement (the "**Closing**") shall be held at the principal offices of the Purchaser on December [13], 2013 at 10:00 a.m., or such other place, date and time as the parties hereto may otherwise agreement.

2. **Amount and Payment of Purchase Price; Additional Closing Documents**. The total consideration and method of payment thereof are fully set out below:

(a) **Consideration; Payment**. As total consideration for the purchase and sale of the Note pursuant to this Agreement, the Purchaser shall pay to the Seller the sum of $500,000, such total consideration to be referred to in this Agreement as the "**Purchase Price.**" The Purchase Price shall be tendered at Closing in immediately available funds.

(b) **Note**. At Closing, the Company shall deliver the Note to the Purchaser.

(c) **Security Agreement**. To secure the payment and performance by the Company of the Note, the Company grants, under the Note under and pursuant to the Security Agreement (as hereinafter defined) of even date hereof, to the Purchaser, its successors and assigns, a continuing, perfected security interest in, and does hereby assign, transfer, mortgage, convey, pledge, hypothecate and set over to the Purchaser, its successors and assigns, all of the right, title and interest of the Company in and to the Collateral (as that term is defined in the Security Agreement), whether now owned or hereafter acquired, and all proceeds (including, without limitation, all insurance proceeds) and products of any of the Collateral. At Closing, the Company shall execute and deliver to the Purchaser the Security Agreement in the form attached hereto as Exhibit B and incorporated herein by such reference (the "**Security Agreement**"). At any time upon the Purchaser's request, the Company shall execute and deliver to the Purchaser any other documents, instruments or certificates requested by the Purchaser for the purpose of properly documenting and perfecting the security interests of the Purchaser in and to the Collateral granted hereunder, including any additional security agreements, mortgages, control agreements, and financing statements.

(d) **Additional Documents**. At Closing the Company shall execute and deliver to the Purchaser such additional documents as it may reasonably request in order to consummate the sale of the Note as herein contemplated.

(e) **Attorneys' Fees**. At Closing, the Company shall pay Pearlman Schneider LLP, counsel to the Purchaser, attorneys' fees in the amount of $5,000 related to the review and preparation of documents associated with the purchase and sale of the Note and transactions contemplating the investment by the Purchaser.

3. **Registration Rights**.

(a) If at any time during the three year period commencing on the Closing the Company decides to file a registration statement under the Securities Act of 1933, as amended (the "Securities Act") with respect to an offering of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into, equity securities, by the Company for its own account or for stockholders of the Company for their account (or by the Company and by stockholders of the Company including, without limitation), other than a registration statement (i) filed in connection with any employee stock option or other benefit plan, (ii) for an exchange offer or an offering of securities solely to the Company's existing stockholders, (iii) for a dividend reinvestment plan, (iv) or on Form S-4 or the then equivalent, the Company shall (x) give written notice of such proposed filing to the Purchaser and its assignees (each being a "Holder"), as identified by the Purchaser (the "Assignees") as soon as practicable but in no event less than 15 business days before the anticipated filing date, which notice shall describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing underwriter or underwriters, if any, of the offering, and (y) to the extent permitted under the provisions of Rule 145 under the Securities Act, offer to the Purchaser and the Assignees in such notice the opportunity to register the resale of such number of shares of the Company's common stock issued or issuable upon the conversion of the Note, including principal and interest (the "Registrable Securities") as the Purchaser and/or the Assignees may request in writing within five business days following receipt of such notice (a "Piggy-Back Registration"). The Company shall cause such Registrable Securities to be included in such registration and shall use its best efforts to cause the managing underwriter or underwriters of a proposed underwritten offering to permit the Registrable Securities requested to be included in a Piggy-Back Registration on the same terms and conditions as any similar securities of the Company and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. Such notice to the Purchaser and the Assignees shall continue to be given for each applicable registration statement filed by the Company until such time as all of the Registrable Securities have been registered and sold by the Purchaser and/or the Assignees.

(b) If at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to each selling Holder and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities being registered pursuant to this Section 3 for the same period as the delay in registering such other securities. The foregoing notwithstanding, the Company shall not be required to register any Registrable Securities if (i) such Registrable Securities are eligible for sale pursuant to Rule 144 and (ii) upon presentation of the appropriate legal opinion and other documentation typically required for the sale of restricted securities under Rule 144, the Company acts promptly in allowing (or causing its stock transfer agent to allow) the sale of such Registrable Securities.

(c) In case of an underwritten public offering, if the managing underwriter(s) should reasonably object to the inclusion of the Registrable Securities in such registration statement, then if the Company, after consultation with the managing underwriter(s), should reasonably determine that the inclusion of the Registrable Securities would materially adversely affect the offering contemplated in such registration statement, and based on such determination recommends inclusion in such registration statement of fewer or none of the Registrable Securities of a Holder, then (A) if the Company after consultation with the underwriter(s) recommends the inclusion of fewer Registrable Securities, the number of Registrable Securities of the Holders included in such registration statement shall be reduced pro-rata (based upon the number of Registrable Securities requested to be included in the registration), or (B) if the Company after consultation with the underwriter(s) recommends the inclusion of none of the Registrable Securities, none of the Registrable Securities of any Holder shall be included in such registration statement; provided, however, that if securities are being offered for the account of other persons as well as the Company who have greater priority than the Holders, then the amount of the Registrable Securities otherwise to be included in the registration statement shall be reduced by the amount of the securities having greater priority.

(d) Each Holder hereby agrees that, if requested by the Company or the representative of the underwriters of Registrable Securities of the Company, such Holder shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Registrable Securities of the Company held by such Holder (other than those included for sale in the registration or acquired in the Company’s first firm commitment underwritten public offering of its Common Stock registered and declared effective under the Securities Act or in the open market thereafter) for a period specified by the representative of the underwriters of equity securities of the Company not to exceed 180 days (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with NASD Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation) following the effective date of a registration statement of the Company filed under the Securities Act; provided that the same lock-up is agreed to by all directors and officers of the Company and shareholders individually owning more than 1% of the Company’s outstanding Common Stock.

(e) The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 3 prior to or following the effectiveness of such registration, whether or not any Holder has Registrable Securities included in such registration.

(f) In connection with a registration statement, each selling Holder shall be required to furnish to the Company information regarding such Holder and the distribution of such Registrable Securities as is required by law to be disclosed in the registration statement, and the Company may exclude from such registration the Registrable Securities of any such Holder who fails to furnish such information within a reasonable time prior to the filing of such registration statement or any supplemented Prospectus and/or amended registration statement.

(g) If a registration statement refers to any Holder by name as the holder of any securities of the Company, then such Holder shall have the right to require the deletion of the reference to such Holder in any amendment or supplement to the registration statement that is filed subsequent to the time that such reference ceases to be required by the Securities Act.

(h) Each Holder covenants and agrees that (i) it will not sell any Registrable Securities under a registration statement until it has received copies of the Prospectus as then amended or supplemented as and notice from the Company that such registration statement and any post-effective amendments thereto have become effective and (ii) it and its officers, directors and Affiliates, if any, will comply with the prospectus delivery requirements of the Securities Act as applicable to them in connection with the sale of Registrable Securities pursuant to such registration statement.

(i) Each Holder agrees by its acquisition of Registrable Securities that, upon receipt of a notice from the Company, such Holder will immediately discontinue disposition of such Registrable Securities under the registration statement until such Holder's receipt of the copies of the supplemented Prospectus and/or amended registration statement, or until it is advised in writing by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or registration statement.

(j) The Company shall bear all fees and expenses attendant to registering the Registrable Securities, including the expenses of any legal counsel selected by the Purchaser to represent it in connection with the sale of the Registrable Securities and the costs of any opinions of counsel related to the resale of the Registrable Securities by the Purchaser and/or the Assignees, but the Purchaser and the Assignees shall pay any and all underwriting commissions related to the Registrable Securities. The Company shall use its best efforts to cause any registration statement filed pursuant to the registration rights granted herein to remain effective for the earliest to occur of (a) nine months from the date that the Purchaser and the Assignees are first given the opportunity to sell all of the Registrable Securities, (b) the sale of all Registrable Securities, or (c) the date all Registrable Securities are eligible for sale under Rule 144.

4. **Representations and Warranties of Seller**. Seller hereby warrants and represents:

(a) **Power and Standing**. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of Nevada. The Company is not in violation of any of the provisions of its articles of incorporation, by-laws or other organizational or charter documents, each as may be amended. The Company has all power and authority to: (i) conduct its business as presently conducted; (ii) enter into and perform its obligations under this Agreement, the Note and the Security Agreement; and (iii) issue, sell and deliver the Note. The execution and delivery of each of the Agreement, the Security Agreement and the Note has been duly authorized by all necessary corporate action. This Agreement has been duly executed and when delivered will constitute upon due execution and delivery, will constitute, valid and binding obligations of the Company, enforceable against the Company in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and except that no representation is made herein regarding the enforceability of the Company's obligations to provide indemnification and contribution remedies under the securities laws and subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(b) The Note will be duly and validly issued, fully paid and non-assessable, and free from all taxes or liens with respect to the issue thereof and shall not be subject to preemptive rights, rights of first refusal and/or other similar rights of stockholders of the Company and/or any other person. Upon the conversion into shares of the Company's common stock pursuant to its terms, the shares of the Company's common stock so issued will be duly and validly issued, fully paid and non-assessable, and free from all taxes or liens with respect to the issue thereof and shall not be subject to preemptive rights, rights of first refusal and/or other similar rights of stockholders of the Company and/or any other person.

5. **Representations and Warranties of Purchaser**.

(a) **Power and Standing**. The Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Florida. The Purchaser is not in violation of any of the provisions of its articles of organization. The Purchaser has all power and authority to: (i) conduct its business as presently conducted; and (ii) enter into and perform its obligations under this Agreement, the Note and the Security Agreement. The execution and delivery of the Agreement has been duly authorized by all necessary corporate action. This Agreement has been duly executed and when delivered will constitute upon due execution and delivery, will constitute, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and except that no representation is made herein regarding the enforceability of the Purchaser's obligations to provide indemnification and contribution remedies under the securities laws and subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(b) **Private Placement**. The Purchaser acknowledges its understanding that neither the Note nor the shares of common stock issuable upon the conversion of the Note (collectively, the "**Securities**") offered hereby are registered under the Securities Act, or any state securities laws. The Purchaser understands that the offering and sale of the Securities contemplated hereby is intended to be exempt from registration under the Securities Act, by virtue of Section 4(a)(2) thereof and the provisions of Rule 506(b) of Regulation D promulgated thereunder, based, in part, upon the representations, warranties and agreements of the Purchaser contained in this Agreement.

(c) **Accreditation; Investment Intent**. The Purchaser is an Accredited Investor as that term is defined in Rule 501 of Regulation D. The Purchaser represents that the Note is are being purchased for the Purchaser's own account, for investment purposes only and not with a view for distribution or resale to others. The Purchaser understands that the Securities have not been registered under the Securities Act by reason of a claimed exemption under the provisions of the Securities Act which depends, in part, upon the Purchaser's investment intention. In this connection, the Purchaser understands that it is the position of the Securities and Exchange Commission that the statutory basis for such exemption would not be present if the Purchaser's representation merely meant that the Purchaser's present intention was to hold such Securities for a short period, such as the capital gains period of tax statutes, for a deferred sale or for any other fixed period. The Purchaser realizes that the Securities and Exchange Commission might regard a purchase with an intent inconsistent with the Purchaser's representation to the Company, and a sale or disposition thereof, as a deferred sale to which the exemption is not available.

6. **General Provisions**.

(a) **Entire Agreement**. This Agreement (including the exhibits hereto and any written amendments hereof executed by the parties) constitutes the entire Agreement and supersedes all prior agreements and understandings, oral and written, between the parties hereto with respect to the subject matter hereof.

(b) **Sections and Other Headings**. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(c) **Governing Law**. This Agreement, and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with, the laws of the State of Nevada.

IN WITNESS WHEREOF, this Agreement has been executed by each of the individual parties hereto on the date first above written.

STRATUS MEDIA GROUP, INC.

By:_____
Name:_____
Title:_____

CAROLINA PREFERRED HIGH YIELD FUND, LLC

By: SISKEY INDUSTRIES, INC.,
Its: General Partner

By:_____
Name: Todd D. Beddard
Title: President

Exhibit A

[FORM OF NOTE]

Exhibit B

[FORM OF SECURITY AGREEMENT]

Exhibit 10.02

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "**Agreement**") dated as of the ___ day of December, 2013, is entered into by and between Stratus Media Group, Inc., a Nevada corporation (the "**Debtor**"), and Carolina Preferred High Yield Fund, LLC, a Florida limited liability company (the "**Holder**").

Recitals

WHEREAS, the Holder has agreed to purchase a $500,000 principal amount 10% secured convertible promissory note (the "**Note**") from the Debtor pursuant to the terms and conditions of the Note Purchase Agreement of even date herewith (the "**Note Purchase Agreement**").

WHEREAS, as a condition of the Note Purchase Agreement, and in order to induce the Holder to purchase the Notes, the Debtor has agreed to grant to the Holder a security interest in the Collateral (as hereinafter defined) to be used as security for the Secured Obligations (as defined herein) on terms set forth herein.

NOW, THEREFORE, in consideration of the premises set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Debtor hereby agrees with the Holder as follows:

1. Recitals. The above recitals are true and correct and same are incorporated into this Agreement by this reference.

2. Definition. As used herein, the term "**Collateral**" shall mean the Debtor's assets set forth on Schedule A attached hereto and incorporated herein by such reference.

3. Security for Obligations. This Agreement secures, and the Collateral is collateral security for, the prompt payment of all amounts due under the Note, whether at stated maturity, by prepayment, declaration, acceleration, conversion, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 363(a) of the Bankruptcy Code, 11 U.S.C. §362(a)) (the **"Secured Obligations"**).

4. Security Interests. As security for the payment and performance of the Secured Obligations, the Debtor hereby creates and grants to the Holder, its successors and assigns, a security interest in the Collateral (the "**Security Interest**"). Without limiting the foregoing, the Holder is hereby authorized to file one or more financing statements for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest, naming the Debtor as debtor and the Holder as creditor.

5. Further Assurances. Debtor agrees, at its expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Holder may from time to time reasonably request for the assuring and preserving of the Security Interest and the rights and remedies created hereby, including, without limitation, the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements or other documents in connection herewith.

6. Taxes; Encumbrances. At its option, the Holder may discharge past due taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral, and may pay for the maintenance and preservation of the Collateral to the extent Debtor fails to do so, and Debtor agrees to reimburse the Holder within five (5) business days following receipt of written notice from the Holder, accompanied by proof of payment, for any payment made or any expense incurred by it pursuant to the foregoing authorization; ***provided, however***, that nothing in this Section shall be interpreted as excusing Debtor from the performance of any covenants or other promises with respect to taxes, liens, security interests or other encumbrances and maintenances as set forth herein.

7. Representations, Warranties and Covenants. Debtor hereby represents, warrants, covenants and agrees as follows:

(a) Title and Authority. Subject to security agreements, leases or similar arrangements entered into by Debtor prior to the execution of this Agreement, it has (i) rights in, and good and marketable title to, the Collateral and (ii) the requisite corporate power and authority to grant to the Holder the Security Interest in such Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other person or entity other than any consent or approval which has been obtained.

(b) Filing. Fully executed Uniform Commercial Code financing statements containing a description of the Collateral shall have been or shall be delivered to the Holder in such form as requested by the Holder.

(c) Absence of Other Liens. Except as set forth on Schedule B, the Collateral is owned by the Debtor free and clear of any lien or encumbrance of any nature whatsoever, except otherwise disclosed to the Holder in writing on the date hereof, and except as previously furnished to the Debtor, no financing statement has been filed, under the Uniform Commercial Code as in effect in any state or otherwise, covering any Collateral.

(d) No Conflict. None of the execution and delivery by Debtor of this Agreement and the other loan documents or the grant and perfection of the Security Interest will (i) conflict with, violate, breach, cause a default under (with or without the giving of notice or the passage of time), or permit an acceleration or termination of, any document, instrument, mortgage, indenture or other agreement applicable to Debtor or to which its assets are subject, (ii) conflict with, violate or breach any applicable law, rule, regulation or order, or (iii) conflict with, violate or breach any of the organizational documents of Debtor, the result of which (in the case of clauses (i) and (ii) only) could be a material adverse affect upon the business, assets, condition (financial or other) or prospects of Debtor.

(e) Survival of Representations and Warranties. All representations and warranties of the Debtor contained in this Agreement shall survive the execution, delivery and performance of this Agreement until the termination of this Agreement.

(f) Exclusive Security Interest. Debtor shall not grant to any person a security interest in the Collateral, except for the security interest created hereby.

8. Protection of Security. Debtor shall, at its own cost and expense, take any and all actions reasonably necessary to defend title to the Collateral, to defend the Security Interest of the Holder in such Collateral, and the priority thereof, against any adverse lien or encumbrance of any nature whatsoever.

9. Continuing Obligations of Debtor. Debtor shall remain liable to observe and perform all the material conditions and obligations to be observed and performed by it under each contract, agreement, interest or obligation relating to the Collateral, all in accordance with the terms and conditions thereof.

10. Use and Disposition of Collateral. Debtor shall not (a) make or permit to be made any assignment, pledge or hypothecation of the Collateral, or grant any security interest in the Collateral except for the Security Interest except to the extent that any new security interest is subordinated to the Security Interest or (b) except in the ordinary course of business, make or permit to be made any transfer of any Collateral.

11. Remedies upon Default. In the event the Debtor fails to pay any of the Secured Obligations as and when due (following the expiration of all applicable grace periods), the Holder shall have right to exercise its remedies pursuant to the Uniform Commercial Code. The Debtor hereby waives all defenses it may have against the enforcement of this provision (whether known or unknown) and irrevocably agrees that any claims or counterclaims it may have against the Holder shall not be deemed to be a defense against the enforcement of this provision.

12. Replenishment of Collateral. To the extent that the Collateral is withdrawn by the Holder in accordance with the provisions of Section 11, above, the Debtor shall have a period of 45 days from the date of such withdrawal to replenish the Collateral so that the Collateral is equal to the then outstanding principal amount of the Note. The Debtor's failure to so replenish the Collateral within such 45-day period shall constitute a default under this Agreement.

13. Security Interest Absolute. All rights of the Holder hereunder, the Security Interest, and all obligations of the Debtor hereunder, shall be absolute and unconditional irrespective of (a) any partial invalidity or unenforceability of the Note, any other agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or consent to any departure from the Note or any other agreement or instrument, (c) any exchange, release or non-perfection of any other Collateral, or any release or amendment or waiver of or consent to or departure from any guarantee, for all or any of the Secured Obligations, or (d) any other circumstance which might otherwise constitute a defense available to, or discharge of the Debtor in respect of the Secured Obligations or in respect of this Agreement.

14. No Waiver. No failure on the part of the Holder to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy by the Holder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law. The Holder shall not be deemed to have waived any rights hereunder or under any other agreement or instrument unless such waiver shall be in writing and signed by such parties.

15. Holder Appointed Attorney-in-Fact. Debtor hereby appoints Siskey Industries, LLC, the Manager of the Holder, the attorney-in-fact of Debtor solely for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument which the Holder may reasonably deem necessary to accomplish the purposes hereof, which appointment is irrevocable so long as this Agreement and the Security Interest have not been terminated.

16. Waiver of Equitable Subordination. Each of the parties hereto waives any and all rights it may have to assert a claim for or to raise the defense of equitable subordination in any legal action or proceeding arising from this Agreement or the Note.

17. Binding Agreement; Assignments. This Agreement, and the terms, covenants and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Debtor shall not be permitted to assign this Agreement or any interest herein or in the Collateral, or any part thereof, or any cash or property held by the Holder as Collateral under this Agreement, except as contemplated by this Agreement.

18. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Nevada, except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular collateral are governed by the laws of a jurisdiction other than the State of Nevada.

19. Notices. All communications and notices hereunder shall be in writing and given as provided in the Note.

20. Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable the remaining provisions contained herein shall not in any way be affected or impaired.

21. Section Headings. Section headings used herein are for convenience only and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

22. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument. This Agreement shall be effective when a counterpart that bears the signature of the Debtor shall have been delivered to the Holder.

23. Termination. This Agreement and the Security Interest shall terminate when all the Secured Obligations have been fully and indefeasibly paid in full, at which time the Holder shall execute and deliver to the Debtor all Uniform Commercial Code termination statements and similar documents which the Debtor shall reasonably request to evidence such termination; ***provided***, ***however***, that all indemnities of the Debtor contained in this Agreement shall survive, and remain operative and in full force and effect regardless of, the termination of this Agreement for a period of six months following the termination of this Agreement.

24. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any prior or contemporaneous oral or written agreement or representation between them with regard to the subject matter hereof. This Agreement may not be modified except by a writing signed by each of the parties hereto.

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

DEBTOR:

Stratus Media Group, Inc.

By:_____
Name:_____
Title:_____

HOLDER:

Carolina Preferred High Yield Fund, LLC
By: Siskey Industries, LLC, Manager

By:_____
Todd D. Beddard, President

Schedule A

Collateral

"Collateral" means all of the Company's right, title and interest in, to and under all personal property and other assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of the Company (including under any trade names, styles or derivations thereof) and whether owned or consigned by or to, or leased from or to, the Company, and regardless of where located, and any and all proceeds or products of (or additions or accessories to) any of the foregoing.

Dated:

STRATUS MEDIA GROUP, INC.

By:_____
Name:
Title:

Exhibit 10.03

SISKEY CAPITAL, LLC
4521 Sharon Road, Suite 450
Charlotte, NC 28211

December 18, 2013

Mr. Jerold Rubinstein
Chief Executive Officer
Stratus Media Group, Inc.
1800 Century Park East, 6th Floor
Los Angeles, California 90067

Re: Advisory Agreement

Dear Mr. Rubinstein:

Pursuant to this Advisory Agreement ("Agreement') Stratus Media Group, Inc., a Nevada corporation (the "Client') has agreed to engage Siskey Capital, LLC, a North Carolina limited liability company ("SCAP') on a non-exclusive basis to perform services related to financial consulting matters pursuant to the terms and conditions set forth herein.

1. Services. SCAP shall act as advisor to the Client and perform, as requested by the Client, the following services (the "Services'):

- new business support, including identifying and introducing potential strategic partners to the Client;
- in-depth consultations to the Client's senior management to determine the amount and structure of the capital sought by the Client,
- evaluations of competitors and development of strategies to increase the Client's competitiveness,
- the continuing strategic analysis of the Client's business objectives and balancing these objectives with the expectations ofthe financial markets; and
- the implementation of a strategic plan for the Client, with a view towards enabling the Client to achieve its financial goals, marketing, business development.

2. Performance of Services. SCAP shall be obligated to provide the Services as and when requested by Client and shall not be authorized or obligated to perform any Services on SCAP's own initiative. The Services shall be performed reasonably promptly after Client's request, consistent with SCAP's availability. It is understood that the Services to be provided hereunder are not exclusive to the Client and SCAP has other business obligations, including acting as consultant for other companies, provided, however, that SCAP shall not provide services to any potential or actual competitor of the Client during the Term (as hereinafter defined) of this Agreement.

3. Relationship of the Parties. SCAP shall be, and at all times during the Term of the Agreement, remain an independent contractor. As such, SCAP shall determine the means and methods of performing the Services hereunder and shall render the Services at such places it determines The Client shall pay all reasonable costs and expenses incurred by SCAP in the performance of its duties hereunder, provided, however, such costs and expenses shall not exceed $250.00 without Client's prior written approval.

4. Assurances. Client acknowledges that all opinions and advices (written or oral) given by SCAP to the Client in connection with this Agreement are intended solely for the benefit and use of Client, and Client agrees that no person or entity other than Client shall be entitled to make use of or rely upon the advice of SCAP to be given hereunder. Furthermore, no such opinion or advice given by SCAP shall be used at any time, in any manner or for any purpose, and shall not be reproduced, disseminated, quoted or referred to at any time, in any manner or for any purpose, except as may be contemplated herein. Client shall not make any public references to SCAP without SCAP's prior written consent or as required by applicable law.

5. Compensation.

(a) As compensation for the Services to be performed by SCAP hereunder, SCAP shall receive a retainer in the form of 3,300,000 shares (the "Shares") of the Client's Common Stock shall be issued to SCAP or its designees following the execution of this Agreement. Such compensation shall be deemed earned on January 1, 2014. A value of $33,000 shall be considered as full payment for the Services to be rendered under this three-year Agreement. SCAP agrees to pay all taxes, federal and state, relating to this Agreement. SCAP agrees to indemnify the Client for any claim for unpaid taxes which might arise from the receipt of Shares. The Client shall pay all fees of counsel in connection with opinions which may be required for the resale of the Shares by SCAP pursuant to applicable Federal securities laws, and agrees to promptly cooperate with in all such requests.

(b) SCAP is an accredited investor as that term is defined in the Securities Act of 1933, as amended (the "Act'). SCAP acknowledges its understanding that neither the Shares are not registered under the Act or any state securities laws. SCAP represents that the Shares are being acquired for SCAP's own account, for investment purposes only and not with a view for distribution or resale to others. SCAP agrees that it will not sell or otherwise transfer the Shares unless the Shares are registered under the Act or unless in the opinion of counsel an exemption from such registration is available. SCAP further acknowledges its understanding that the Client will place a restrictive legend on the certificates representing the Shares.

6. Additional Services. Should Client desire SCAP to perform additional services not outlined herein, Client may make such request to SCAP in writing. SCAP may agree to perform those services at its sole discretion. However, any additional services performed by SCAP may require an additional compensation schedule to be mutually agreed upon prior to rendering such services.

7. Term. This Agreement shall be binding upon all parties when executed by the Client and remain in effect until December 31,2014 unless otherwise mutually agreed upon in writing by Client and SCAP (the "Term").

8. Due Diligence/ Disclosure.

(a) Client recognizes and confirms that, in advising Client and in fulfilling its retention hereunder, SCAP will use and rely upon data, material and other information furnished to it by Client. Client acknowledges and agrees that in performing its Services under this Agreement, SCAP may rely upon the data, material and other information supplied by Client without independently verifying the accuracy, completeness or veracity of it.

(b) Except as contemplated by the terms hereof or as required by applicable law, SCAP shall keep confidential, indefinitely, all non-public information provided to it by Client, and shall not disclose such information to any third party without Client's prior written consent, other than such of its employees and advisors as SCAP reasonably determines to have a need to know.

9. Indemnification.

(a) Client shall indemnify and hold SCAP, its officers, directors, employees, agents, and affiliates, harmless against any and all liabilities, claims, lawsuits, including any and all awards and/ or judgments to which it may become subject under the Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act") or any other federal or state statute, at common law or otherwise, insofar as said liabilities, claims and lawsuits, (including awards and/ or judgments) arise out of or are in connection with the Services rendered by SCAP in connection with this Agreement, except for any liabilities, claims, and lawsuits (including awards, judgments and related costs and expenses), arising out of acts or omissions of SCAP. In addition, the Client shall indemnify and hold SCAP harmless against any and all reasonable costs and expenses, including reasonable attorney fees, incurred or relating to the foregoing. If it is judicially determined that Client will not be responsible for any liabilities, claims and lawsuits or expenses related thereto, the indemnified party, by his or its acceptance of such amounts, agrees to repay Client all amounts previously paid by Client to the indemnified person and will pay all costs of collection thereof, including but not limited to reasonable attorney's fees related thereto. SCAP shall give Client prompt notice of any such liability, claim or lawsuit, which SCAP contends is the subject matter of Client's indemnification and SCAP thereupon shall be granted the right to take any and all necessary and proper action, at its sole cost and expense, with respect to such liability, claim and lawsuit, including the right to settle, compromise and dispose of such liability, claim or lawsuit, excepting there from any and all proceedings or hearings before any regulatory bodies and/ or authorities.

(b) SCAP shall indemnify and hold Client and its directors, officers, employees and agents harmless against any and all liabilities, claims and lawsuits, including and all award and/ or judgments to which it may become subject under the Act, the Exchange Act or any other federal or state statute, at common law or otherwise, insofar as said liabilities, claims and lawsuits (including awards and/or judgments) that may arise out of or are based upon SCAP's gross negligence or willful misconduct, or any untrue statement or alleged untrue statement of a material fact or omission of a material fact required to be stated or necessary to make the statement provided by SCAP not misleading, which statement or omission was made in reliance upon information furnished in writing to Client by or on behalf of SCAP for inclusion in any registration statement or prospectus or any amendment or supplement thereto in connection with any transaction to which this Agreement applies. In addition, SCAP shall also indemnify and hold Client harmless against any and all costs and expenses, including reasonable attorney fees, incurred or relating to the foregoing. Client shall give SCAP prompt notice of any such liability, claim or lawsuit which Client contends is the subject matter of SCAP's indemnification and SCAP thereupon shall be granted the right to take any and all necessary and proper action, at its sole cost and expense, with respect to such liability, claim and lawsuit, including the right to settle, compromise or dispose of such liability, claim or lawsuit, excepting therefrom any and all proceedings or hearings before any regulatory bodies and/ or authorities.

(c) The indemnification provisions contained in this Section are in addition to any other rights or remedies which either party hereto may have with respect to the other or hereunder.

10. General Provisions.

(a) Entire Agreement. This Agreement between Client and SCAP constitutes the entire agreement between and understandings of the parties hereto, and supersedes any and all previous agreements and understandings, whether oral or written, between the parties with respect to the matters set forth herein.

(b) Notice. Any notice or communication permitted or required hereunder shall be in writing and deemed sufficiently given if hand-delivered: (i) five (5) calendar days after being sent postage prepaid by registered mail, return receipt requested; or (ii) one (1) business day after being sent via facsimile with confirmatory notice by U.S. mail, to the respective parties as set forth above, or to such other address as either party may notify the other in writing.

(c) Binding Nature. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors, legal representatives and assigns. All materials generated pursuant to this Agreement or otherwise produced by SCAP for and on behalf of Client during the Term of this Agreement shall be the sole and exclusive property of Client.

(d) Counterparts. This Agreement may be executed by any number of counterparts, each of which together shall constitute the same original document.

(e) Amendments. No provisions of the Agreement may be amended, modified or waived, except in writing signed by all parties hereto.

(f) Assignment. This Agreement cannot be assigned or delegated, by either party, without the prior written consent of the party to be charged with such assignment or delegation, and any unauthorized assignments shall be null and void without effect and shall immediately terminate the Agreement.

(g) Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of North Carolina, without giving effect to its conflict of law principles. The parties hereby agree that any dispute(s) or claim(s) with respect to this Agreement of the performance of any obligations thereunder, shall be settled by arbitration and commenced and adjudicated under the rules of the American Arbitration Association. The arbitration shall take place in Charlotte, North Carolina if commenced by either party. The arbitration shall be conducted before a panel of three (3) arbitrators, one appointed by each of the parties and the third selected by the two (2) appointed arbitrators. The arbitrators in any arbitration proceeding to enforce this Agreement shall allocate the reasonable attorney's fees, among one or both parties in such proportion as the arbitrators shall determine represents each party's liability hereunder. The decision of the arbitrator shall be final and binding and may be entered into any court having proper jurisdiction to obtain a judgment for the prevailing party. In any proceeding to enforce an arbitration award, the prevailing party in such proceeding shall have the right to collect from the non-prevailing party, its reasonable fees and expenses incurred in enforcing the arbitration award (including, without limitation, reasonable attorney's fees).

If you are in agreement with the foregoing, please execute two copies of this Agreement in the space provided below and return them to the undersigned.

Very truly yours,

Siskey Capital, LLC

By:_____
Todd D. Beddard
Chief Operating Officer

ACCEPTED AND AGREED TO THIS _____ DAY OF DECEMBER, 2013

Stratus Media Group, Inc.

By:_____
Jerold Rubinstein
Chief Executive Officer