Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)

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

For the quarterly period ended June 30, 2014

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

For the transition period from to .

Commission file number: 000-24477

RESTORGENEX CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	**30-0645032**
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

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

(805) 229-1829
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x

The number of shares of common stock outstanding at August 11, 2014 was 18,468,125 shares.

Table of Contents

RESTORGENEX CORPORATION

FORM 10-Q
JUNE 30, 2014

INDEX

This quarterly report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created by those sections. For more information, see "Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations — Special Note Regarding Forward-Looking Statements."

As used in this report, the terms "RestorGenex," the "Company," "we," "us," "our" and similar references refer to RestorGenex Corporation (formerly known as Stratus Media Group, Inc.) and our consolidated subsidiaries, and the term "common stock" refers to our common stock, par value $0.001 per share.

All share and per share amounts have been adjusted to reflect the one-for-100 reverse split of outstanding common stock effective March 7, 2014.

Table of Contents

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RESTORGENEX CORPORATION
Consolidated Balance Sheets
June 30, 2014 and December 31, 2013

	June 30, 2014 (Unaudited)	December 31, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 27,139,593**	**$ 254,964**
Prepaid expenses, deposits and other assets	**2,298,629**	**2,743,319**
	29,438,222	**2,998,283**
PROPERTY AND EQUIPMENT, NET	**56,263**	**11,262**
OTHER ASSETS		
Intangible assets, net	**13,792,797**	**7,691,682**
Goodwill	**11,241,987**	**7,642,825**
TOTAL ASSETS	**$ 54,529,269**	**$ 18,344,052**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	**$ 252,141**	**$ 1,520,206**

Deferred salary and other compensation	—	571,328
Accrued interest	592,609	89,472
Other accrued expenses and liabilities	1,099,995	1,697,714
Due to related party	150,000	—
Due to officer	—	156,358
Rent liability for facilities no longer occupied	1,121,495	1,121,495
Notes payable	715,000	1,667,002
Note payable - related party	200,000	200,000
Obligation to issue stock for transfer of liabilities	—	1,854,743
	4,131,240	8,878,318
Long-term liability - deferred taxes on acquisition	5,100,770	3,000,576
TOTAL LIABILITIES	9,232,010	11,878,894
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock:		
Issued and outstanding; $0.001 par value; 1,000,000,000 shares authorized; 2014 - 18,391,193; 2013 - 5,813,785	18,391	5,814
Additional paid-in-capital	112,051,825	67,390,493
Accumulated deficit	(66,772,957)	(60,937,550)
Total RestorGenex stockholders' equity	45,297,259	6,458,757
Non-controlling interest equity	—	6,401
Total stockholders' equity	45,297,259	6,465,158
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 54,529,269	$ 18,344,052

See accompanying notes to the consolidated financial statements.

Table of Contents

RESTORGENEX CORPORATION
Consolidated Statements of Operations
Three and Six Months Ended June 30, 2014 and 2013 (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
REVENUES	$ —	$ —	$ —	$ —
TOTAL REVENUES	—	—	—	—
EXPENSES				
Research and development	403,413	—	403,413	—
General and administrative	261,632	514,041	873,477	1,138,715
Impairment of intangible assets	—	1,935,621	—	1,935,621
Warrants, options and stock compensation	141,315	2,279,552	291,200	3,595,700
Fair value of common stock exchanged for warrants and notes payable	2,706,105	3,069,792	2,706,105	3,069,792
Legal and professional services	384,604	290,603	516,290	433,706
Depreciation and amortization	610,515	7,481	1,088,619	16,168
TOTAL EXPENSES	4,507,584	8,097,090	5,879,104	10,189,702
LOSS FROM OPERATIONS	(4,507,584)	(8,097,090)	(5,879,104)	(10,189,702)
OTHER (INCOME)/EXPENSES				
(Gain) on adjustments to fair value of derivative liability	—	(9,216,927)	—	(8,980,077)
(Gain) on extinguishment of derivative liability	—	(1,409,530)	—	(1,409,530)
Other (income) expenses	(188,936)	17,636	(238,575)	15,072
Interest expense	136,584	35,084	194,878	58,055
TOTAL OTHER INCOME	(52,352)	(10,573,737)	(43,697)	(10,316,480)
NET (LOSS) INCOME FROM CONTINUING OPERATIONS	(4,455,232)	2,476,647	(5,835,407)	126,778
Net loss from discontinued operations	—	(129,157)	—	(256,068)
NET (LOSS) INCOME	(4,455,232)	2,347,490	(5,835,407)	(129,290)
Preferred dividends	—	47,250	—	171,625
NET (LOSS) INCOME ATTRIBUTABLE TO HOLDERS OF RESTORGENEX COMMON STOCK	$ (4,455,232)	$ 2,300,240	$ (5,835,407)	$ (300,915)

Basic and diluted (loss) income per share for continuing operations	$ (0.35)	$ 0.87	$ (0.62)	$ 0.07
Basic and diluted loss per share for discontinued operations	—	(0.05)	—	(0.14)
TOTAL BASIC AND DILUTED (LOSS) INCOME PER SHARE	$ (0.35)	$ 0.82	$ (0.62)	$ (0.07)
BASIC WEIGHTED AVERAGE SHARES OUTSTANDING	12,867,845	2,862,264	9,483,395	1,885,485
FULLY-DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	12,867,845	2,862,264	9,483,395	1,885,485

See accompanying notes to the consolidated financial statements.

Table of Contents

RESTORGENEX CORPORATION
Consolidated Statements of Cash Flows
Six Months Ended June 30, 2014 and 2013 (Unaudited)

	Six Months Ended June 30, 2014	2013
CASH FLOWS (USED IN) OPERATING ACTIVITIES		
Net loss	$ (5,835,407)	$ (300,915)
Adjustments to reconcile net loss to net cash (used in) operations		
Depreciation and amortization	1,088,619	17,098
Loss on disposal of fixed assets	6,056	—
Warrants, options, and stock compensation	291,200	3,607,283
Deferred income taxes	(238,129)	—
Impairment of intangible assets	—	1,935,621
Gain on extinguisment of derivative liability	—	(1,409,530)
Gain on adjustments to fair value of derivative liability	—	(8,980,077)
Fair value of common stock exchanged for warrants	—	3,069,792
Note payable issued for services	—	50,000
Loss on related party note payable settlement	1,829,561	—
Loss on settlement of issuing shares for liabilities	1,285,493	—
Changes in other assets and liabilities affecting cash flows from operations		
Prepaid expenses, deposits and other assets	(111,615)	(49,349)
Accounts payable and accrued liabilities	(3,436,876)	1,209,083
Net cash (used in) operating activities	(5,121,098)	(850,994)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds on related party notes payable	400,000	200,000
Proceeds from issuance of common stock	31,605,727	417,500
Net cash provided by financing activities	32,005,727	617,500
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	26,884,629	(233,494)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	254,964	312,093
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 27,139,593	$ 78,599
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION		
Shares issued to related party for convertible note payable and accrued interest	$ 1,105,475	$ —
Shares issued for accrued liabilities, accounts payable and notes payable	$ 1,879,349	$ —

See accompanying notes to the consolidated financial statements.

Table of Contents

ESTORGENEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014 (UNAUDITED) AND DECEMBER 31, 2013

1. Business and Corporate History

RestorGenex Corporation (“Company”) is a specialty biopharmaceutical company initially focused on developing products for dermatology, ophthalmology and women’s health. The Company is and will continue to review its products and technologies.

Prior to the Company repositioning itself as a specialty biopharmaceutical company, the Company operated various entertainment and sports events which it acquired in a series of acquisitions beginning in March 2008.

On March 14, 2008, pursuant to an agreement and plan of merger dated August 20, 2007 between Feris International, Inc. ("Feris") and Pro Sports & Entertainment, Inc. ("PSEI"), Feris issued 49,500,000 shares of its common stock for all issued and outstanding shares of PSEI, resulting in PSEI becoming a wholly owned subsidiary of Feris and the surviving entity for accounting purposes. In July 2008, Feris' corporate name was changed to Stratus Media Group, Inc. PSEI was organized on November 23, 1998 and specialized in various entertainment and sports events that it owned and operated. PSEI also owned Stratus Rewards LLC ("Stratus White") that planned to operate a credit card rewards program.

In June 2011, the Company acquired series A convertible preferred stock of ProElite, Inc. ("ProElite"), that organized and promoted mixed martial arts ("MMA") matches. These holdings of series A convertible preferred stock provided the Company voting rights on an as-converted basis equivalent to a 95% ownership in ProElite. On February 5, 2009, ProElite entered into an asset purchase agreement and other related agreements with Explosion Entertainment, LLC ("Strikeforce"). Under the terms of the asset purchase agreement, Strikeforce acquired from ProElite certain fighter contracts, a library of televised ProElite events and specified related assets. Consideration paid for the assets consisted of (i) $3,000,000 in cash paid at closing, (ii) the assumption of certain liabilities relating to the assets sold and (iii) contingent consideration in the form of rights to receive a portion of the license fee earned by Strikeforce under a distribution agreement between Strikeforce and Showtime Networks Inc. ("Showtime"). ProElite was informed in March 2013 that Strikeforce was no longer conducting these Showtime events and there would be no further license fees received by ProElite. During the first quarter of 2013, the Company decided to focus on the MMA business and temporarily suspended development of its other businesses. Because of lack of working capital, effective June 30, 2013, the Company suspended operations of ProElite. Subsequent to June 30, 2013, following the Company's repositioning as a specialty biopharmaceutical company, the Company's Board of Directors voted to discontinue operations of ProElite effective March 31, 2014.

The Company initiated its efforts to reposition itself as a special biopharmaceutical company with its acquisition of two businesses in November 2013 and then acquired two additional businesses in March 2014.

Effective September 30, 2013, the Company entered into an agreement and plan of merger with Canterbury Acquisition LLC, Hygeia Acquisition, Inc., Canterbury Laboratories, LLC ("Canterbury"), Hygeia Therapeutics, Inc. ("Hygeia") and Yael Schwartz, Ph.D., as holder representative, pursuant to which the Company agreed to acquire by virtue of two mergers all of the outstanding capital stock of Canterbury and Hygeia, with Canterbury and Hygeia becoming wholly owned subsidiaries of the Company. The consideration paid by the Company in connection with such mergers was the issuance by the Company of an aggregate of 1,150,116 shares of common stock issued to the stakeholders of Canterbury and Hygeia. Effective November 18, 2013, the mergers were completed, and Canterbury and Hygeia became wholly owned subsidiaries of the Company.

On March 3, 2014, the Company entered into an agreement and plan of merger with Paloma Acquisition, Inc., Paloma Pharmaceuticals, Inc. ("Paloma") and David Sherris, Ph.D., as founding stockholder and holder representative, pursuant to which the Company agreed to acquire by virtue of a merger all of the outstanding capital stock of Paloma, with Paloma becoming a wholly owned subsidiary of the Company. On March 28, 2014, the merger with Paloma was effected and the Company issued an aggregate of 2,500,000 shares of common stock to the holders of Paloma's common stock and its derivative securities and assumed promissory notes of Paloma in the aggregate amount (including both principal amount and accrued interest) of approximately $1,130,500, to be paid on the first anniversary of the closing date of the Paloma merger.

Table of Contents

Also on March 3, 2014, the Company entered into an agreement and plan of merger with VasculoMedics Acquisition, Inc., VasculoMedics, Inc. ("VasculoMedics") and Dr. Sherris pursuant to which the Company agreed to acquire by merger all of the outstanding capital stock of VasculoMedics, with VasculoMedics becoming a wholly owned subsidiary of the Company. The VasculoMedics merger was concurrently closed with and as a condition to the closing of the Paloma merger on March 28, 2014, with the Company issuing an aggregate of 220,000 shares of common stock to the VasculoMedics stockholders.

On March 7, 2014, the Company effected a reverse stock split of one-for-100 with respect to its common stock and changed its corporate name from Stratus Media Group, Inc. to RestorGenex Corporation. All share data has been adjusted for all periods presented to reflect the reverse stock split.

As part of the Company's repositioning itself as a specialty biopharmaceutical company, effective March 5, 2014, the Company appointed Stephen M. Simes as Chief Executive Officer of the Company, and effective May 27, 2014, the Company appointed Phillip B. Donenberg as Chief Financial Officer of the Company.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The consolidated balance sheets at June 30, 2014 consolidates the accounts of ProElite, Canterbury, Hygeia, Paloma and VasculoMedics and the consolidated balance sheet at December 31, 2013 consolidates the accounts of ProElite, Canterbury and Hygeia. The consolidated statements of operations for the three and six months ended June 30, 2014 consolidate the accounts of Canterbury, Hygeia, along with results of Paloma and VasculoMedics from the date of acquisition, and include ProElite as discontinued operations. The consolidated statements of operations for the three months and six months ended June 30, 2013 include ProElite as discontinued operations. All significant intercompany balances were eliminated in consolidation.

Basic and Diluted Earnings Per Share ("EPS")

Basic EPS is computed by dividing the income/(loss) available to common shareholders by the weighted average number of shares of common stock outstanding for the period. Diluted EPS is computed similar to basic income/(loss) per share except that the denominator is increased to include the number of additional shares of common stock that would have been outstanding if all the potential shares, warrants and stock options had been issued and if the additional shares were dilutive. Diluted EPS is based on the assumption that all dilutive convertible shares were converted into common stock. Dilution is computed by applying the if-converted method for the outstanding convertible preferred shares. Under the if-converted method, convertible outstanding instruments are assumed to be converted into common stock at the beginning of the period (or at the time of issuance, if later).

Discontinued Operations

The Company suspended operations of ProElite effective June 30, 2013. Following the repositioning of the Company as a specialty biopharmaceutical company, the Company's Board of Directors voted to discontinue operations of ProElite effective March 31, 2014.

Use of Estimates

The preparation of the Company's consolidated financial statements in accordance with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the Company's consolidated financial statements and accompanying notes. Although these estimates are based on the Company's knowledge of current events and actions that the Company may undertake in the future, actual results may differ from such estimates and assumptions.

Table of Contents

Derivative Liabilities

On May 24, 2011, the Company entered into a securities purchase agreement with eight investors pursuant to which the Company sold 8,700 shares of a new series of convertible preferred stock designated as series E convertible preferred stock ("Original Series E") for $1,000 per share, or an aggregate of $8,700,000. In October 2012, the Company sold 1,000 shares of Series E for $1,000,000 ("New Series E"). The Original Series E and New Series E together are referred to herein as "Series E".

These Series E contained "full ratchet-down" anti-dilution protection that provided that if the Company issues securities for less than the then existing conversion price for the Series E or the exercise price of the warrants issued in connection with the issuance of the Series E, then the conversion price for Series E would be lowered to that price. Also, the exercise price for Series E warrants would be decreased to that lower price and the number of Series E warrants would be increased such that the product of the original exercise price times the original quantity would equal the lower exercise price times the higher quantity of Series E warrants.

Subsequent to the issuance of the Series E, the Company determined that the warrants for these financings included certain embedded derivative features as set forth in Accounting Standards Codification ("ASC") Topic 815 "*Derivatives and Hedging*" and that this conversion feature of the Series E was not an embedded derivative because this feature was clearly and closely related to the host (Series E) as defined in ASC Topic 815. These derivative liabilities were initially recorded at their estimated fair value on the date of issuance and were subsequently adjusted each quarter to reflect the estimated fair value at the end of each period, with any decrease or increase in the estimated fair value of the derivative liability for each period being recorded as other income or expense. Since the value of the embedded derivative feature for the related warrants was higher than the value of both Series E transactions, there was no beneficial conversion feature recorded for either transaction, and the excess of the value of the embedded derivative feature over the value of the transaction was recorded in each period on the consolidated statements of operations as a separate line item.

Cash Equivalents

We consider all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Fair Value of Financial Instruments

Our financial instruments include cash and equivalents, receivables, accounts payable and accrued liabilities. The carrying amounts of financial instruments approximate fair value due to their short maturities.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. We record depreciation using the straight-line method over the following estimated useful lives:

Equipment	3 – 5 years
Furniture and fixtures	5 years
Software	3 years
Leasehold improvements	Lesser of lease term or life of improvements

Goodwill and Intangible Assets

Intangible assets as of June 30, 2014 consisted of goodwill and intangible assets arising from the acquisitions of Canterbury, Hygeia, Paloma and VasculoMedics. Goodwill as of December 31, 2013 arose from goodwill for the acquisitions of Canterbury and Hygeia. Goodwill is the excess of the cost of an acquired entity over the net amounts assigned to tangible and intangible assets acquired and liabilities assumed. The Company applies ASC Topic 350 "*Intangibles - Goodwill and Other,*" which requires allocating goodwill to each reporting unit and testing for impairment using a two-step approach.

Table of Contents

The Company reviews the value of intangible assets and related goodwill as part of its annual reporting process, which occurs in March of each year. In between valuations, the Company conducts additional tests to determine if circumstances warranted additional testing for impairment.

To review the value of intangible assets and related goodwill as of December 31, 2013, the Company followed ASC Topic 350 and first examined the facts and circumstances for each event or business to determine if it was more likely than not that an impairment had occurred. If this examination suggested it was more likely that impairment had occurred, the Company then compared discounted cash flow forecasts related to the asset with the stated value of the asset on the balance sheet. The objective was to determine the value of each asset to an industry participant who is a willing buyer not under compulsion to buy and the Company is a willing seller not under compulsion to sell. Revenue from goodwill and intangible assets were forecasted based on

the assumption they are standalone entities. These forecasts were discounted at a range of discount rates determined by taking the risk-free interest rate at the time of valuation, plus premiums for equity risk to small companies in general, for factors specific to the Company and the business.

Income Taxes

The Company utilizes ASC Topic 740 *"Accounting for Income Taxes,"* which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax payable for the period and the change during the period in deferred tax assets and liabilities.

As of June 30, 2014 and December 31, 2013, the Company had net operating loss carryforwards as follows:

	June 30, 2014	December 31, 2013
Combined NOL Carryforwards:		
Federal	$ 53,563,707	$ 47,728,300
California	$ 50,318,257	$ 44,482,850

The net operating loss carryforwards for 2014 and 2013 begin expiring in 2022 and 2021, respectively. From December 31, 2012 to June 30, 2014, the outstanding shares of common stock increased from 890,837 to 18,391,193. This increase in the number of shares of common stock outstanding constitutes a change of ownership, under the provisions of Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), and similar state provisions, and is likely to significantly limit the ability of the Company to utilize these net operating loss carryforwards to offset future income. Accordingly, the Company recorded a 100% valuation allowance of the deferred tax assets at June 30, 2014 and December 31, 2013.

Stock-Based Compensation

The Company follows ASC Topic 718 "*Share Based Payment,*" using the modified prospective transition method. New awards and awards modified, repurchased or cancelled after January 1, 2006 trigger compensation expense based on the fair value of the stock option as determined by the Black-Scholes option pricing model. The Company amortizes stock-based compensation for such awards on a straight-line method over the related service period of the awards taking into account the effects of the employees' expected exercise and post-vesting employment termination behavior. The Company accounts for equity instruments issued to non-employees in accordance with ASC Topic 718 and Emerging Issues Tax Force ("EITF") Issue No. 96-18. The fair value of each option granted is estimated as of the grant date using the Black-Scholes option pricing model.

Reclassification

Certain prior period amounts were reclassified to conform to the manner of presentation in the current period. These reclassifications had no effect on the net (loss) or the stockholders' equity.

Table of Contents

Recently Issued Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board (the "FASB") issued guidance that changes the criteria for determining which disposals can be presented as discontinued operations and modifies related disclosure requirements. Under the new guidance, a discontinued operation is defined as a component or group of components that is disposed of or is classified as held for sale and represents a strategic shift that has or will have a major effect on an entity's operations and financial results. The change is effective for fiscal years, and interim reporting periods within those years, beginning on or after December 15, 2014, which means the first quarter of the Company's fiscal year 2015, with early adoption permitted. The guidance applies prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. This new guidance will not affect the Company's consolidated financial position, results of operations or cash flows.

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (ASC Topic 606). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

This amendment is effective for public entities for fiscal years beginning after December 15, 2016 and interim periods within those years. Early application is not permitted. The Company does not expect the adoption of this standard to have a material impact on the Company's consolidated financial statements.

Other recent accounting pronouncements issued by the FASB (including its EITF), the American Institute of Certified Public Accountants ("AICPA"), and the SEC did not or are not believed by management to have a material impact on the Company's present or future financial statements.

3. Acquisitions

Canterbury and Hygeia Acquisitions

Effective September 30, 2013, the Company entered into an agreement and plan of merger with Canterbury Acquisition LLC, Hygeia Acquisition, Inc., Canterbury Laboratories, LLC, Hygeia Therapeutics, Inc. and Yael Schwartz, Ph.D., as holder representative, pursuant to which the Company agreed to acquire by virtue of two mergers all of the outstanding capital stock of Canterbury and Hygeia, with Canterbury and Hygeia becoming wholly owned subsidiaries of the Company. The consideration paid by the Company in connection with such mergers was the issuance by the Company of an aggregate of 1,150,116 shares of common stock issued to the stakeholders of Canterbury and Hygeia. Effective November 18, 2013, the mergers were completed, and Canterbury and Hygeia became wholly owned subsidiaries of the Company.

The acquisition of Canterbury and Hygeia was a step in the implementation of the Company's plan to reposition itself as a specialty biopharmaceutical company. The total purchase consideration for the Canterbury and Hygeia acquisition was $12,421,249 based upon a cost valuation approach. The value of certain patents at the time of purchase was $144,356 as reflected on the books of Canterbury, giving rise to an adjustment of $7,634,644 to the Company for the total value of the Canterbury and Hygeia intangible assets of $7,779,000. Total goodwill of $7,642,825 consisted of the $4,642,249 initial allocation of the purchase price plus the deferred tax liability of $3,000,576. For the three and six months ended June 30, 2014, expenses associated with Canterbury and Hygeia were $286,494 and $470,782 and included in the consolidated net loss of $4,455,232 and $5,835,407 for the three and six months ended June 30, 2014, respectively. Acquisition related costs related to this acquisition during the six months ended June 30, 2014 were nominal.

Table of Contents

Paloma and VasculoMedics Acquisitions

On March 3, 2014, the Company entered into an agreement and plan of merger with Paloma Acquisition, Inc., Paloma Pharmaceuticals, Inc. and David Sherris, Ph.D., as founding stockholder and holder representative, pursuant to which the Company agreed to acquire by virtue of a merger all of the outstanding capital stock of Paloma, with Paloma becoming a wholly owned subsidiary of the Company. On March 28, 2014, the merger with Paloma was effected and the Company issued an aggregate of 2,500,000 shares of common stock to the holders of Paloma's common stock and its derivative securities and assumed promissory notes of Paloma in the aggregate amount (including both principal amount and accrued interest) of approximately $1,130,500, to be paid on the first anniversary of the closing date of the Paloma merger.

Also on March 3, 2014, the Company entered into an agreement and plan of merger with VasculoMedics Acquisition, Inc., VasculoMedics, Inc. and Dr. Sherris pursuant to which the Company agreed to acquire by virtue of a merger all of the outstanding capital stock of VasculoMedics, with VasculoMedics becoming a wholly owned subsidiary of the Company. The VasculoMedics merger was concurrently closed with and as a condition to the closing of the Paloma merger on March 28, 2014, with the Company issuing an aggregate of 220,000 shares of common stock to the VasculoMedics stockholders.

The acquisitions of Paloma and VasculoMedics were additional steps in the implementation of the Company's plan to reposition itself as a specialty biopharmaceutical company. The total purchase consideration for the Paloma and VasculoMedics acquisitions was $6,800,000 based upon a cost valuation approach. The excess of the purchase consideration over the fair value of the assets and liabilities acquired of $3,599,162 was allocated to goodwill. The assets acquired consist primarily of intangible assets of $6,609,120, net of assumed liabilities, which included primarily promissory notes in the aggregate principal amount, including accrued interest, of $1,151,725. For the three and six months ended June 30, 2014, expenses associated with the Paloma and VasculoMedics acquisitions were $505,787 and included in the consolidated net loss of $4,455,232 and $5,835,407 for the three and six month periods ended June 30, 2014, respectively. Acquisition related costs related to the Paloma and VasculoMedics acquisitions during the six months ended June 30, 2014 were nominal.

Pro Forma Financial Information

The following unaudited pro forma financial information reflects the consolidated results of operations of the Company as if the acquisitions of Canterbury, Hygeia, Paloma and VasculoMedics had taken place on January 1, 2013. The pro forma information includes acquisition and integration expenses. The pro forma financial information is not necessarily indicative of the results of operations as they would have been had the transactions been effected on the assumed date.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net revenues	$ —	$ —	$ —	$ —
Net (loss) income	$ (4,455,232)	$ 1,676,602	$ (6,073,817)	$ (1,322,096)
Basic and diluted (loss) income per share	$ (0.44)	$ 0.25	$ (1.45)	$ (0.23)

4. Prepaid Expenses, Deposits and Other Assets

In July 2013, the Company entered into an agreement with Maxim Group LLC ("Maxim") to provide general financial advisory and investment banking services to the Company for three years on a non-exclusive basis. Under this agreement, the Company issued Maxim common stock equal to 4.99% of the Company's then outstanding common stock, or 210,250 shares of common stock. These shares were valued at $15.00 per share, which was the closing price of the common stock on the date of the agreement, for a total expense of $3,153,750. This expense is being recognized ratably over the life of the three-year term of the agreement at $262,813 per quarter. As of June 30, 2014, $2,298,629 remained in prepaid expenses, deposits and other assets on the consolidated balance sheets.

Table of Contents

5. Property and Equipment, Net

Property and equipment were as follows:

	June 30,	December 31,

	2014 (Unaudited)	2013
Computing equipment and office machines	$ 124	$ 145,245
Furniture and fixtures	57,375	78,833
Lab equipment	624	—
	58,123	224,078
Less accumulated depreciation	(1,860)	(212,816)
Property and equipment, net	**$ 56,263**	**$ 11,262**

For the three and six months ended June 30, 2014, depreciation was $395 and $2,555, respectively. For the three and six months ended June 30, 2013, depreciation was $7,946 and $17,098, respectively. During the three and six months ended June 30, 2014, the Company disposed certain property and equipment resulting in a loss on disposal of $6,056.

6. Intangible Assets, Net

Intangible assets at June 30, 2014 (Unaudited) and December 31, 2013 were as follows:

	June 30, 2014			December 31, 2013		
	Gross Carrying Amount	Accumulative Amortization	Intangible Assets, net	Gross Carrying Amount	Accumulative Amortization	Intangible Assets, net
Definite lived intangible assets	$ 14,228,628	$ (595,323)	$ 13,633,305	$ 7,779,000	$ (87,318)	$ 7,691,682
In-process research and development costs (IPR&D)	159,492	—	159,492	—	—	—
Total intangible assets	**$ 14,388,120**	**$ (595,323)**	**$ 13,792,797**	**$ 7,779,000**	**$ (87,318)**	**$ 7,691,682**

We currently estimate amortization expense over each of the next five years as follows:

For the Twelve Months Ending	Amortization Expense
June 30, 2015	$ 1,284,744
June 30, 2016	1,284,744
June 30, 2017	1,284,744
June 30, 2018	1,284,744
June 30, 2019	1,284,744
Thereafter	7,209,585

7. Goodwill

Goodwill was $11,241,987 at June 30, 2014 and $7,642,825 at December 31, 2013, with the increase arising from the acquisitions of Paloma and VasculoMedics on March 28, 2014. In accordance with ASC Topic 350, "*Intangibles-Goodwill and Other*," the Company's goodwill is considered to have indefinite lives, and therefore, was not amortized, but rather is subject to annual impairment tests.

As of June 30, 2014, Company management determined that the fair value of its businesses for accounting purposes was equal to its market capitalization of approximately $74,900,000, and that the total for goodwill and

Table of Contents

intangible assets of $25,034,784 was 33% of this market capitalization on the consolidated balance sheet as of June 30, 2014. Based on this determination, Company management concluded that no impairment had occurred as of June 30, 2014 on a Company-wide basis. However, it is possible that impairment may have occurred on a reporting-unit basis and the Company intends to test impairment annually on a reporting-unit basis beginning with the year ending December 31, 2014. As of December 31, 2013, Company management determined that the fair value of its businesses for accounting purposes was equal to its market capitalization of approximately $17,400,000, which was 113% of the $15,334,507 goodwill and intangible assets on the consolidated balance sheet as of December 31, 2013. Based on this determination, Company management concluded that no impairment had occurred as of December 31, 2013.

8. Deferred Salary and Other Compensation

From February 2013 and into the second quarter of 2014, the Company was unable to pay employees and non-employee directors on a regular basis, resulting in unpaid salaries, fees and other compensation of $571,328 as of December 31, 2013, net of advances. The Company has since paid all unpaid salaries, fees and other compensation, net of advances as of June 30, 2014.

9. Other Accrued Expenses and Liabilities

Other accrued expenses and liabilities consisted of the following:

	June 30, 2014 (Unaudited)	December 31, 2013
Payroll related	$ 183,021	$ 479,087
Estimated property damage liability that may not be covered by insurance	393,592	393,592
Professional fees	287,265	110,000
Board fees	210,625	657,934
Other	25,492	57,101

	$ 1,099,995	**$ 1,697,714**

10. Due to Related Party

As of June 30, 2014, the Company owed its former Chief Executive Officer $150,000, which amount has subsequently been paid.

11. Due to Officer

In connection with an employment agreement between the Company and the Company's former Chief Financial Officer, the Company owed this officer $156,358 in unpaid amounts consisting of consulting fees prior to employment, expenses, salary increases and signing bonus as of December 31, 2013. All amounts had been paid as of June 30, 2014.

12. Notes Payable

Notes payable were as follows:

	June 30, 2014 (Unaudited)	December 31, 2013
Note payable to the Company's outside law firm and represented corporate and litigation fees due as of June 30, 2012. This note originally bore interest at 3% and was due December 31, 2012. Starting on January 1, 2013, this note bore interest at 10%. This note was in default as of December 31, 2013, but was repaid prior to June 30, 2014.	$ —	$ 467,002

Table of Contents

	June 30, 2014 (Unaudited)	December 31, 2013
Notes payable to 11 investors dated July 9, 2012 with maturity date on the earlier of a $2,000,000 capital raise by the Company or February 6, 2013 and bear interest at 8%. $225,000 of these notes were converted by nine investors to common stock in November 2013. The remaining two notes were in default as of December 31, 2013 and June 30, 2014.	50,000	50,000
Note payable to a high-yield fund. This note bore interest at 10% and was scheduled to mature on June 19, 2014. Upon the closing of a financing of at least $7,500,000 on or before the applicable maturity date, this note was to be converted into securities issued in such financing at a conversion price equal to 50% of the purchase price per share or unit of the securities. This note was secured by the assets of the Company. This note was converted into 259,236 shares of common stock on April 29, 2014.	—	500,000
Note payable to the Company's Chairman of the Board dated August 9, 2013. Bore interest at 10% and was scheduled to mature on August 9, 2014. Contained mandatory conversion into security or securities totaling $10 million or more at the lesser of 50% of the selling price of such securities or the equivalent of $4.00 per share of common stock. This note was secured by the assets of the Company. This note was converted into 270,616 shares of common stock and a warrant to purchase 121,777 shares of common stock on June 6, 2014.	—	500,000
Note payable to the Company's Chairman of the Board dated December 19, 2013. This note bore interest at 10% and was scheduled to mature on June 19, 2014. Upon the closing of a financing of at least $7,500,000 on or before the applicable maturity date, this note would be converted into securities issued in such financing at a conversion price equal to 50% of the purchase price per share or unit of the securities. This note was secured by the assets of the Company. This note was converted into 78,473 shares of common stock on June 6, 2014.	—	150,000
Note payable to three holders issued June 30, 2009 by Paloma and assumed by the Company on March 28, 2014, with repayment to occur by March 28, 2015. These notes bear interest at 18%. Accrued interest on these notes as of June 30, 2014 was $584,708.	665,000	—
	$ 715,000	**$ 1,667,002**

Interest expense on these notes was $136,584 and $194,878 for the three and six months ended June 30, 2014, respectively. Interest expense on these notes was $35,084 and $58,055 for the three and six months ended June 30, 2013, respectively.

Table of Contents

13. Note Payable — Related Party

The Company has a note payable to a director of the Company dated March 5, 2013 with maturity on the earlier of September 5, 2013 or receipt by the Company of $200,000 in net proceeds from a private placement of Company securities. This note does not bear interest and is not secured. This note was in default as of December 31, 2013 and June 30, 2014.

On June 3, 2014, four convertible promissory notes in the aggregate principal amount of $1,050,000 issued by the Company to the Company's Chairman of the Board were converted pursuant to the terms thereof into an aggregate of 552,738 shares of common stock and warrants to purchase an aggregate of 355,699 shares of common stock at an exercise price of $2.00 per share. The warrants are immediately exercisable and have a four-year term.

14. Issuance of Common Stock for Transfer of Liabilities

In January 2013, the Company signed a term sheet with ASC Recap LLC ("ASC") to have that firm acquire certain portions of the Company's liabilities to creditors, employees and former employees ("Creditors") in exchange for an obligation of the Company to issue shares of common stock to ASC, which shares of common stock would then be sold by ASC and the proceeds distributed to the Creditors. Under the terms of the term sheet, the common stock would be issued in tranches such that ASC would not own more than 9.99% of the outstanding shares of common stock at any time and would be priced at 80% of average closing bids during such period of time in which the dollar trading volume of the common stock is three times the amount of liabilities. ASC entered into agreements in July 2013 with the Creditors to acquire $1,865,386 in liabilities of the Company and filed a complaint on July 29, 2013 with the Second Judicial Circuit Court in Leon County, Florida seeking a judgment against the Company for such amount. A court order based on this complaint was issued on October 7, 2013, resulting in the transfer of $1,865,386 in liabilities of the Company to ASC. The Company issued an initial tranche of 200,000 shares of common stock to ASC in November 2013 and a subsequent tranche of 150,000 shares of common stock in February 2014.

On June 6, 2014, the Company entered into an amendment to settlement agreement and stipulation with ASC pursuant to which the Company agreed to deliver to ASC before June 10, 2014, $1,266,401 in cash for distribution by ASC to the Creditors and an additional $300,000 in cash as a settlement fee for ASC and ASC agreed to surrender to the Company 99,332 shares of common stock. The Company paid these amounts and ASC surrendered the shares, resulting in a liability of zero as of June 30, 2014 related to this matter.

15. Derivative Liabilities

On May 24, 2011, the Company entered into a securities purchase agreement with eight investors pursuant to which the Company sold 8,700 shares of a new series of convertible preferred stock designated as series E convertible preferred stock for $1,000 per share, or an aggregate of $8,700,000. In October 2012, the Company sold 1,000 shares of Series E for $1,000,000.

These Series E contained "full ratchet-down" anti-dilution protection that provided that if the Company issues securities for less than the then existing conversion price for the Series E or the exercise price of the warrants issued in connection with the issuance of the Series E, then the conversion price for Series E would be lowered to that lower price. Also, the exercise price for Series E warrants would be decreased to that lower price and the number of Series E warrants would be increased such that the product of the original exercise price times the original quantity would equal the lower exercise price times the higher quantity of Series E warrants.

Subsequent to the issuance of this Series E, the Company determined that the warrants for these financings included certain embedded derivative features as set forth in ASC Topic 815 and that this conversion feature of the Series E was not an embedded derivative because this feature was clearly and closely related to the host (Series E) as defined in ASC Topic 815. These derivative liabilities were initially recorded at their estimated fair value on the date of issuance and were subsequently adjusted each quarter to reflect the estimated fair value at the end of each period, with any decrease or increase in the estimated fair value of the derivative liability for each period being recorded as other income or expense. Since the value of the embedded derivative feature for the related warrants was higher than the value of both Series E transactions, there was no beneficial conversion feature recorded for

Table of Contents

either transaction, and the excess of the value of the embedded derivative feature over the value of the transaction was recorded in each period on the consolidated statement of operations as a separate line item.

The fair value of these derivative liabilities was calculated using the Black-Scholes pricing model based on the closing price of the common stock, the exercise price of the underlying instrument, the risk-free interest rate for the applicable remaining life of the underlying instrument (i.e., the U.S. treasury rate for that period) and the historical volatility of the Company's common stock. These fair value results were extremely sensitive to all these input variables, particularly the closing price of the common stock and the volatility of the common stock. Accordingly, the fair value of these derivative liabilities was subject to significant changes. On May 6, 2013, the Series E and related warrants were converted into common stock and extinguished and the Company recorded a gain of $8,980,077 on the decrease in fair value for the derivative security and recorded a gain of $1,635,967 on extinguishment of the derivative liability.

The following assumptions were used to calculate the Black-Scholes values of this derivative liability as of the measurement date of May 6, 2013. The fair value of the underlying common stock was based on the sale of 13,916,665 shares of common stock at $3.00 by the Company during the three months ended June 30, 2013.

Estimated fair value of underlying common stock	$	3.00
Remaining life in years		3.15
Risk-free interest rate		0.38%
Expected volatility		142%
Dividend yield		—

16. Stockholder's Equity

Common Stock

The number of shares of common stock increased from 890,837 shares as of December 31, 2012 to 18,391,193 shares as of June 30, 2014:

	Number of Common Shares
Balance at December 31, 2012	**890,837**

Conversion of Series E to common stock	1,575,000
Shares issued for acquisition of Canterbury and Hygeia	1,150,116
Conversion of warrants to common stock	1,023,264
Conversion of debt to common stock	576,331
Issuance of shares for advisory agreements	243,250
Issuance of shares to third party for assumption of liabilities	200,000
Issuance of common stock for cash	142,501
Other	12,486
Balance at December 31, 2013	**5,813,785**
Shares issued in private placement	8,845,685
Shares issued for acquisition of Paloma	2,500,000
Issuance of shares upon conversion of convertible promissory notes	552,738
Shares issued creditors in settlement of debt	408,317
Shares issued for acquisition of VasculoMedics	220,000
Issuance of shares for assumption of liabilities	150,000
Shares surrendered by ASC	(99,332)
Balance at June 30, 2014 (Unaudited)	**18,391,193**

During the six months ended June 30, 2014, the Company issued an aggregate of 12,676,740 shares of common stock, including 2,720,000 shares of common stock in connection with the acquisitions of Paloma and VasculoMedics (see note 3 to the consolidated financial statements), 552,738 shares of common stock to the

Table of Contents

Company's Chairman of the Board upon conversion of convertible promissory notes (see note 13 to the consolidated financial statements), an aggregate of 408,317 shares of common stock to creditors in settlement of outstanding debt, 150,000 shares of common stock for assumption of liabilities and an aggregate of 8,845,685 shares of common stock in connection with a private placement, as described below. During the six months ended June 30, 2014, ASC surrendered 99,332 shares of common stock to the Company (see note 12 to the consolidated financial statements).

On April 29, 2014, the Company issued to various institutional and individual accredited investors an aggregate of 2,776,500 shares of common stock and four-year warrants to purchase an aggregate of 832,950 shares of common stock. The price of each unit, which consisted of one share of common stock plus a warrant to purchase 0.3 share of common stock was $4.00. The exercise price of the warrant is $4.80 per share. In addition, on April 29, 2014, the Company issued to its placement agent as part of its compensation warrants to purchase 277,650 shares of common stock, on substantially the same terms as the warrants issued to investors.

On May 6, 2014, the Company issued to various institutional and individual accredited investors an aggregate of 3,418,125 shares of common stock and four-year warrants to purchase an aggregate of 1,025,438 shares of common stock. The price of each unit, which consisted of one share of common stock plus a warrant to purchase 0.3 share of common stock was $4.00. The exercise price of the warrant is $4.80 per share. In addition, on May 6, 2014, the Company issued to its placement agent as part of its compensation warrants to purchase 341,813 shares of common stock, on substantially the same terms as the warrants issued to investors.

On May 21, 2014, the Company issued to various institutional and individual accredited investors an aggregate of 872,310 shares of common stock and four-year warrants to purchase an aggregate of 254,193 shares of common stock. The price of each unit, which consisted of one share of common stock plus a warrant to purchase 0.3 share of common stock was $4.00. The exercise price of the warrant is $4.80 per share. In addition, on May 21, 2014, the Company issued to its placement agent as part of its compensation warrants to purchase 87,231 shares of common stock, on substantially the same terms as the warrants issued to investors.

On June 13, 2014, the Company issued to various institutional and individual accredited investors an aggregate of 1,778,750 shares of common stock and four-year warrants to purchase an aggregate of 533,625 shares of common stock. The price of each unit, which consisted of one share of common stock plus a warrant to purchase 0.3 share of common stock was $4.00. The exercise price of the warrant is $4.80 per share. In addition, on June 13, 2014, the Company issued to its placement agent as part of its compensation warrants to purchase 177,875 shares of common stock, on substantially the same terms as the warrants issued to investors.

Subsequent to the end of the second quarter of 2014, on July 10, 2014, the Company issued to various institutional and individual accredited investors an aggregate of 50,000 shares of common stock and four-year warrants to purchase an aggregate of 15,000 shares of common stock. The price of each unit, which consisted of one share of common stock plus a warrant to purchase 0.3 share of common stock was $4.00. The exercise price of the warrant is $4.80 per share. In addition, on June 13, 2014, the Company issued to its placement agent as part of its compensation warrants to purchase 5,000 shares of common stock, on substantially the same terms as the warrants issued to investors.

Gross proceeds of the private placement to the Company were approximately $35.6 million and net proceeds approximately $31.3 million, after paying $3.6 million of placement agent fees, $0.2 million of estimated offering expenses and $0.5 million of certain accounts payable. The Company filed a registration statement on Form S-1 with the SEC on July 14, 2014 registering the offering and resale of 11,633,885 shares of our common stock, including the outstanding shares of common stock and shares of common stock issuable upon exercise of the warrants issued in the private placement. This registration statement was declared effective by the SEC on July 31, 2014.

On May 21, 2014, the Company issued 259,236 shares of common stock to a creditor upon conversion of a promissory note in the principal amount of $500,000 and an aggregate of 164,392 shares of common stock to four creditors pursuant to settlements of outstanding liabilities then owed to such creditors, including 59,250 shares to the Company's former Chief Financial Officer. The Company recorded a loss on this settlement in the amount of $32,608.

On June 6, 2014, the Company issued to its Chairman of the Board 552,738 shares of common stock and warrants to purchase 355,699 shares of common stock at an exercise price of $2.00 per share upon conversion of four convertible promissory notes in the aggregate principal amount of $1,050,000 issued by the Company. The Company recorded a loss on this conversion in the amount $1,829,561.

On June 18, 2014, the Company issued to a law firm 53,457 shares of common stock and warrants to purchase 16,037 as part of a settlement of outstanding amounts due to the law firm.

Stock Options

During the six months ended June 30, 2014, the Company issued three-year options to purchase an aggregate of 100,856 shares of common stock to five members of the Company's Board of Directors at an exercise price of $3.00 per share, which was the closing sale price of the common stock on the date of grant. These options vest in equal quarterly installments over three years.

On March 5, 2014, the Company issued three-year options to its Chief Executive Officer to purchase 500,000 shares of common stock at an exercise price of $2.50 per share, which was the closing sale price of the common stock on the date of grant. On May 27, 2014, the Company issued three-year options to its Chief Financial Officer to purchase 250,000 shares at an exercise price of $4.00 per share, which was the closing sale price of the common stock on the date of grant. These two employee options vest in equal quarterly installments over three years. On June 4, 2014, the Company granted additional options to purchase an aggregate of 364,777 shares of common stock at an exercise price of $4.20 per share, which was the closing sale price of the common stock on the date of grant, to other employees of the Company. These employee options also vest in equal quarterly installments over three years.

All of these options were valued using the Black-Scholes model and resulted in total stock-based compensation expense of $3,706,072, of which $141,315 and $291,200 was recognized in the three and six months ended June 30, 2014, respectively, and the remaining $3,414,872 will be recognized ratably over the next three years. The assumptions used to value the options granted during the first six months of 2014 was:

Estimated fair value of underlying common stock	$ 2.50 - $4.20
Remaining life	2.0 - 3.0
Risk-free interest rate	0.88% - 1.72%
Expected volatility	153% - 176%
Dividend yield	—

Warrants

During the six months ended June 30, 2014, the Company issued to investors in its private placement four-year warrants to purchase an aggregate of 2,653,706 shares of common stock at an exercise price of $4.80 per share.

In addition, during the six months ended June 30, 2014, the Company issued to the placement agent in its private placement as partial consideration for its services in connection with the private placement four-year warrants to purchase an aggregate of 884,569 shares of common stock at an exercise price of $4.80 per share.

In addition, during the six months ended June 30, 2014, four-year warrants to purchase an aggregate of 355,699 shares of common stock at an exercise price of $2.00 per share to the Company's Chairman of the Board in addition to an aggregate of 552,738 shares of common stock upon conversion of four convertible promissory notes of the Company in the aggregate principal amount of $1,050,000. See note 10 to the consolidated financial statements.

In addition, during the six months ended June 30, 2014, the Company issued to a law firm four-year warrants to purchase 16,037 shares of common stock as part of a settlement of outstanding amounts due to the law firm.

During the six months ended June 30, 2013, the Company issued to three financial advisors warrants to purchase an aggregate of 173,917 shares of common stock at an exercise price of $3.00 per share. These warrants

have a five-year term and were immediately vested and exercisable as of the date of grant, resulting in Black-Scholes warrant expense of $462,618 during the six months ended June 30, 2013. The Black-Scholes expense for these warrants was calculated using the following assumptions. The fair value of the underlying common stock was based on the sale by the Company of 139,167 shares of common stock at a purchase price of $3.00 per share during the three months ended June 30, 2013.

Estimated fair value of underlying common stock	$	3.00
Remaining life		5.0
Risk-free interest rate		0.35%
Expected volatility		141%
Dividend yield		—

During the six months ended June 30, 2013, the Series E warrants, along with related warrants with similar terms, were exchanged for 1,023,264 shares of common stock and these warrants were extinguished, thereby removing the "overhang" created by the full-ratchet provisions of these warrants that would have increased the number of warrants outstanding and reduced the exercise price of these warrants to the price of any subsequent financing done at a lower price. This exchange of common stock for the Series E warrants resulted in a fair value charge of $3,069,792 during the six months ended June 30, 2013. These 1,023,264 shares of common stock were valued at $3.00 per share, which was the price at which the Company sold 139,167 shares during the three months ended June 30, 2013, resulting in the fair value charge of $3,069,792.

17. Commitments and Contingencies

Office Space Rental

On August 1, 2011, the Company entered into a lease for 7,000 square feet of office space in Los Angeles, California expiring November 30, 2014. Initially, the lease had a fixed monthly rent of $19,326 and was subject to annual increases of 3%. The Company was not required to pay a fixed monthly rent for months two through five. Prior to this, the Company was leasing the same office space on a month-to-month basis. This property was vacated in April 2012 and the Company recorded a liability of $892,000 to cover unpaid rent and the present value of rents due for the remainder of the lease term. As of April 2013, this space was released, but the terms and conditions of the new lease were unknown, so the Company did not adjust the accrued liability as of June 30, 2013. As of June 30, 2014, the accrued liability for this lease was $892,000.

On November 1, 2011, the Company entered into a lease for 3,000 square feet of office space in Santa Barbara, California for use by the Company's operating units. This lease expires on October 31, 2014 with two additional three-year renewal terms available. The initial rent plus common area charges were $7,157 per month. This property was vacated in June 2012 and the Company recorded a liability of $229,000 to cover unpaid rent and the present value of rents due for the remainder of the lease term. As of June 2013, this space was released, but the terms and conditions of the new lease were unknown, so the Company did not adjust the accrued liability as of June 30, 2013. As of June 30, 2014, the accrued liability for this lease was $229,000.

From May 2012 to May 2013, the Company was in a month-to-month lease for office space in Los Angeles, California. Rent for this facility was $2,300 per month.

The Company currently operates out of a "virtual office." However, in light of the Company's growth plans, it intends to seek laboratory and office space in the future. The Company believes that suitable space will be available when and as needed.

Contractual Obligations

Set forth below is information concerning the Company's known contractual obligations as of June 30, 2014 that are fixed and determinable by year starting with the twelve months ending June 30, 2015.

	Total	2015	2016	2017	Beyond 2017
Notes payable	$ 915,000	$ 915,000	$ —	$ —	$ —
Rent obligations	1,121,495	677,738	339,958	103,799	—
Accrued board fees	210,625	210,625	—	—	—
Consulting agreement	150,000	150,000	—	—	—
Employee contracts	3,808,014	835,000	1,538,014	1,435,000	—
Accrued interest	592,609	592,609	—	—	—
Total	**$ 6,797,743**	**$ 3,380,972**	**$ 1,877,972**	**$ 1,538,799**	**$ —**

Table of Contents

Employment and Severance Agreements

During the six months ended June 30, 2014, the Company entered into the following employment, severance and other agreements with its executive officers:

On March 5, 2014, the Company entered into an executive employment agreement with Stephen M. Simes pursuant to which Mr. Simes was appointed the Company's Chief Executive Officer. The agreement is for an initial term of three years, subject to extension. Under the agreement, Mr. Simes is to receive an annual base salary of $425,000 with annual review and base salary increases as approved by the Company's Board of Directors. Mr. Simes is eligible to earn an annual bonus based upon achievement of performance objectives set by the Board of Directors after consultation with Mr. Simes, with a target bonus opportunity of 60% of his annual base salary. In connection with his hiring, Mr. Simes received an initial stock option to purchase 500,000 shares of common stock at an exercise price of $2.50 per share, which option has a ten-year term and will vest and become exercisable in equal quarterly installments over the initial three-year term of his employment.

In connection with the closing of the acquisitions of Paloma and VasculoMedics, the Company entered into an executive employment agreement on March 31, 2014 with David Sherris, Ph.D. pursuant to which Dr. Sherris was appointed the Company's Chief Scientific Officer and President of the Company's Paloma/VasculoMedics divisions. The agreement is for an initial period of three years, subject to extension. Under the agreement, Dr. Sherris is to receive an annual base salary of $345,000 and is eligible for a bonus of up to 50% of his base salary upon meeting certain milestones established by the Board of Directors upon consultation with Dr. Sherris.

On May 27, 2014, the Company entered into an executive employment agreement with Phillip B. Donenberg pursuant to which Mr. Donenberg was appointed Chief Financial Officer of the Company. The agreement is for an initial term of three years, subject to extension. Under the agreement, Mr. Donenberg is to receive an annual base salary of $335,000 with annual review and base salary increases as approved by the Board of Directors. Mr. Donenberg is eligible to earn an annual bonus based upon achievement of performance objectives set by the Board of Directors after consultation with Mr. Donenberg, with a target bonus opportunity of 45% of his annual base salary. In connection with his hiring, Mr. Donenberg received an initial stock option to purchase 250,000 shares at an exercise price of $4.00 per share, which option has a ten-year term and will vest quarterly over the initial three-year term of his employment.

On June 9, 2014, the Company entered into a severance agreement and general release with John Moynahan, the Company's former Chief Financial Officer pursuant to which the Company and Mr. Moynahan agreed on the amount of back wages, unpaid expenses and a severance payment. On May 28, 2014, the Company entered into an independent contractor agreement with Mr. Moynahan pursuant to which the Company agreed to pay Mr. Monahan a consulting fee of $175 per hour. This agreement may be terminated by either party upon three days written notice. Effective as of April 29, 2014, the Company entered into a settlement agreement and release with its former Chief Financial Officer pursuant to which the parties agreed upon an amount of

compensation and other monies owed to the former executive from the inception of his work through December 31, 2013. Under the agreement, the Company paid the former executive $37,500 in cash and issued him 59,250 shares of the Company's common stock.

On June 9, 2014, the Company entered into an executive employment agreement with Tim Boris pursuant to which Mr. Boris was appointed General Counsel and Vice President of Legal Affairs. The employment agreement is for an initial term of one year, subject to extension. Under the agreement, Mr. Boris is to receive an annual base salary of $235,000 and is eligible to earn a target annual bonus of up to 30% of his annual base salary.

Table of Contents

Litigation

In January 2013, the Company signed a term sheet with ASC to have ASC acquire certain portions of the Company's liabilities to Creditors for an obligation of the Company to issue shares of common stock to ASC, which shares of common stock would then be sold by ASC and the proceeds distributed to the Creditors. ASC entered into agreements in July 2013 with the Creditors to acquire $1,865,386 in liabilities of the Company and filed a complaint on July 29, 2013 with the Second Judicial Circuit Court in Leon County, Florida seeking a judgment against the Company for such amount. A court order based on this complaint was issued on October 7, 2013, resulting in the transfer of $1,865,386 in liabilities of the Company to ASC. The Company issued an initial tranche of 200,000 shares of common stock to ASC in November 2013 and a subsequent tranche of 150,000 shares of common stock in February 2014. On June 6, 2014, the Company entered into an amendment to settlement agreement and stipulation with ASC pursuant to which the Company agreed to deliver to ASC or before June 10, 2014, $1,266,401 in cash for distribution by ASC to the Creditors and an additional $300,000 in cash as a settlement fee for ASC and ASC agreed to surrender to the Company 99,332 shares of common stock. The Company paid these amounts and ASC surrendered the shares, resulting in no liability as of June 30, 2014 related to this matter.

In July 2013, the Company received notice that a complaint for property damage had been filed by the Truck Insurance Exchange against the Company for $393,592 related to water damage incurred by a printing company on the ground floor of the Company's former office space in Los Angeles. This damage is alleged to have occurred in connection with a water leak in the Company's former office in February 2013. The Company has a dispute with its insurance carrier at that time regarding coverage for this matter and the Company intends to pursue this dispute to ensure that it had proper insurance coverage at that time. As of June 30, 2014, the Company had accrued $393,592 in connection with this matter.

From time to time, the Company is subject to various pending or threatened legal actions and proceedings, including those that arise in the ordinary course of its business. Such actions and proceedings are subject to many uncertainties and to outcomes that are not predictable with assurance and that may not be known for extended periods of time. The Company records a liability in its consolidated financial statements for costs related to claims, including future legal costs, settlements and judgments, where the Company has assessed that a loss is probable and an amount can be reasonably estimated. If the reasonable estimate of a probable loss is a range, the Company records the most probable estimate of the loss or the minimum amount when no amount within the range is a better estimate than any other amount. The Company discloses a contingent liability even if the liability is not probable or the amount is not estimable, or both, if there is a reasonable possibility that a material loss may have been incurred. In the opinion of management, as of June 30, 2014, the amount of liability, if any, with respect to these matters, individually or in the aggregate, will not materially affect the Company's consolidated results of operations, financial position or cash flows.

Table of Contents

18. Segment Information

In 2013, ProElite was considered to be an operating segment pursuant to ASC Topic 280 *"Segment Reporting"* since each was budgeted separately and tracked separately to provide the chief operating decision maker information to assess and manage ProElite, Stratus White and Hygeia/Canterbury. The Company suspended operations of ProElite effective June 30, 2013. Following the repositioning of the Company as a specialty biopharmaceutical company, the Board of Directors voted to discontinue operations of ProElite effective March 31, 2014. The following segment information is presented to provide a comparison for the three and six months ended June 30, 2014 and 2013.

A summary of results by segments is as follows:

	Three Months Ended June 30, 2014 ($000)				Three Months Ended June 30, 2013 ($000)			
	Bio-Pharma	ProElite (Discont.)	Other	Total	Bio-Pharma	ProElite (Discont.)	Other	Total
Revenues	$ —	$ —	$ —	$ —	$ —	$	$ —	$ —
Cost of sales	—	—	—	—	—	—	—	—
Gross margin	—	—	—	—	—		—	—
Depreciation and amortization	610	—	—	610	—		7	7
Segment profit	(610)	—	—	(610)	—	—	(7)	(7)
Operating expenses	3,897	—	—	3,897	—	—	8,090	8,090
Other (income)/expenses	(52)	—	—	(52)	—		(1,356)	(1,356)
Impact of derivative securities	—	—	—	—	—	—	(9,217)	(9,217)
Net income (loss) from continuing ops.	**(4,455)**	**—**	**—**	**(4,455)**	**—**		**2,476**	**2,476**
Loss from discontinued ops.	—	—	—	—	—	(129)	—	(129)
Preferred dividends	—	—	—	—	—	—	47	47
Net income (loss) attributable to common shareholders	**$ (4,455)**	**$ —**	**$ —**	**$ (4,455)**	**$ —**	**$ (129)**	**$ 2,429**	**$ 2,300**

	Six Months Ended June 30, 2014 ($000)				Six Months Ended June 30, 2013 ($000)			
	Bio-Pharma	ProElite (Discont.)	Other	Total	Bio-Pharma	ProElite (Discont.)	Other	Total
Revenues	$ —	$ —	$ —	$ —	$ —	$	$ —	$ —
Cost of sales	—	—	—	—	—	—	—	—
Gross margin	—	—	—	—	—		—	—
Depreciation and amortization	1,089	—	—	1,089	—		17	17
Segment profit	(1,089)	—	—	(1,089)	—	—	(17)	(17)
Operating expenses	4,790	—	—	4,790	—	—	10,139	10,139
Other (income)/expenses	(44)	—	—	(44)	—		107	107
Impact of derivative securities	—	—	—	—	—	—	(10,390)	(10,390)
Net income (loss) from continuing ops.	**(5,835)**	**—**	**—**	**(5,835)**	**—**		**(127)**	**(127)**
Loss from discontinued ops.	—	—	—	—	—	(256)	—	(256)
Preferred dividends	—	—	—	—	—	—	172	172
Net loss attributable to common shareholders	**$ (5,835)**	**$ —**	**$ —**	**$ (5,835)**	**$ —**	**$ (256)**	**$ (45)**	**$ (301)**
Assets at end of period	$ 54,529	$ —	$ —	$ 54,529	$ —	$ 26	$ 172	$ 197
Liabilities at end of period	$ 9,170	$ 62	$ —	$ 9,232	$ —	$ 1,517	$ 7,250	$ 8,767

Table of Contents

19. Discontinued Operations

The Company suspended operations of ProElite effective June 30, 2013. Following the repositioning of the Company as a specialty biopharmaceutical company, the Board of Directors voted to discontinue operations of ProElite effective March 31, 2014. The assets and liabilities of ProElite are consolidated into the consolidated balance sheets as of June 30, 2014 and December 31, 2013 and are as follows:

	June 30, 2014 (Unaudited)	December 31, 2013
Total assets	**$ —**	**$ —**
Accounts payable	62,000	167,244
Other accrued liabilities	—	16,250
Equity, net	(62,000)	(183,494)
Total liabilities and accumulated deficit	**$ —**	**$ —**

The income statement details for ProElite that are summarized in the discontinued operations line in the consolidated statements of operations are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Revenues	**$ —**	$ —	**$ —**	$ **71,667**
Cost of revenues	—	—	—	—
Gross profit	**—**	**—**	**—**	**71,667**
Operating expenses	—	110,744	—	284,111
Interest expense	—	26,165	—	58,055
Net loss attributed to non-controlling interests	—	(7,752)	—	(14,431)
Total expenses	**—**	**129,157**	**—**	**327,735**
Net loss	**$ —**	**$ (129,157)**	**$ —**	**$ (256,068)**

The consolidated statements of operations for the periods ended June 30, 2014 and 2013 do not consolidate the results for ProElite but present them on a net basis in a discontinued operations line. The consolidated statements of operations details for ProElite that are summarized in the discontinued operations line in the statements of cash flows are as follows:

	Six Months Ended June 30,	
	2014	2013
Net loss	**$ —**	**$ (256,068)**
Working capital and other adjustments	—	39,543
Cash used by operating activities	**—**	**(216,525)**
Investing activities	—	—
Financing activities	—	—
Net impact on cash flows	**$ —**	**$ (216,525)**

20. Subsequent Events

On July 10, 2014, the Company closed the fifth and final round of its private placement in the aggregate sum of $200,000 resulting in $179,500 of net proceeds after payment of commissions and fees of $20,500. During the second quarter of 2014 and ending on July 10, 2014, the Company completed this private placement pursuant to which it raised approximately $35.6 million in gross proceeds and approximately $31.3 million in net proceeds, after paying placement agent fees, estimated offering expenses, and certain accounts payable. In the private placement, the Company issued an aggregate of 8,895,685 shares of its common stock and warrants to purchase an aggregate of 2,668,706 shares of common stock. The purchasers of common stock received warrants to purchase 0.3 shares of common stock for each share of common stock that such investors purchased in the private placement. The purchase price of each common stock/warrant unit was $4.00. Each warrant is exercisable into a share of common stock at an initial exercise price of $4.80 per share.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with the unaudited consolidated financial statements and the notes thereto included elsewhere in this report and other financial information included in this report. The following discussion may contain predictions, estimates and other forward looking statements that involve a number of risks and uncertainties, including those discussed under "Part I — Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Special Note Regarding Forward Looking Statements" in this report and under "Part I- Item 1A. Risk Factors" in our annual report on Form10-K/A for the fiscal year ended December 31, 2013. These risks could cause our actual results to differ materially from any future performance suggested below.

Business Overview

We are a specialty biopharmaceutical company initially focused on developing products for dermatology, ophthalmology and women's health. We are and will continue to review our products and technologies.

Dermatology

Our prescription dermatology business is based primarily upon three compounds. The first is RES-102, a "soft" estrogen, which is under development for the treatment of aging skin fragility/thinning. The second is RES-440, a "soft" anti-androgen, which is under development for the treatment of androgen excess, e.g. acne and hirsutism (unwanted excess hair). The third prescription dermatology compound is P529, which is under development for the treatment of keloid scarring and potentially other indications including psoriasis, atopic dermatitis, rosacea, actinic keratosis, Dupuytren's disease and the bullous blistering diseases.

Our first product for aging skin is CL-214, which is planned to be marketed and sold by Ferndale Pharma Group through physician offices and medi-spas worldwide. We believe that this product will be ready for launch in the fourth quarter of 2015 or early 2016.

Ophthalmology

Our prescription ophthalmology business is based upon developing a non-steroidal, synthetic, small molecule drug library through computational design, and synthetic and medicinal chemistry, resulting in a family of agents, called "palomids." Our palomids have shown significant activity in in vitro ("test tube") and in vivo ("animal") models of disease. The specific focus is on pathologies showing an aberrant up-regulation of the PI3K/Akt/mTOR pathway in the area of ophthalmology. We have completed two human Phase I clinical studies with one of our palomids ("P529") for age-related macular degeneration, both studies of which showed preliminary evidence of activity and no toxicity. We currently are planning Phase I/Phase II studies for age-related macular degeneration.

Women's Health

We also are engaged in the prescription women's health business. We have a "soft" estrogen compound, RES-102, which in addition to being in development for the treatment of aging skin fragility/thinning, is also in development for vulvar and vaginal atrophy ("VVA"), a condition affecting peri- and post-menopausal women due to declining levels of estrogen. RES-102 targets hormonal aging in women which affects the mucous membranes, skin and hair of women in menopause due to loss of estrogen.

Other Potential Indications/Products

In addition to the potential products and indications described above, we also have other potential products in our portfolio for a host of other indications that could be developed either internally or through license to other biopharmaceutical companies which may have greater resources than us. These other indications include and may not be limited to the use of our palomids in CNS disorders, cardiovascular medicine and biodefense. We also may pursue the development of orally available small molecular inhibitors. In order to create novel, patentable inhibitors of zinc-finger transcription factors, we initially have targeted the zinc finger transcription factor vascular endothelial

zinc finger ("VEZF1"). VEZF1 is essential for embryonic blood vessel formation and regulates the synthesis of important growth factors such as IL3, endothelin-1 and neuropilin-1. Notably, VEZF1 is thought to control at least in part the creation of lymphatic vessels, called lymphangiogenesis. Lymphatic

vessels support cancer metastasis. Thus far, we have undertaken a novel approach to design inhibitors of VEZF1/DNA binding using homology structural modeling and computer modeling ("in silico") targeting of small molecules to the VEZF1/DNA interface.

Corporate History

Prior to our repositioning as a specialty biopharmaceutical company, we operated various entertainment and sports events, which we acquired in a series of acquisitions beginning March 2008.

On March 14, 2008, pursuant to an agreement and plan of merger dated August 20, 2007 between Feris International, Inc. ("Feris") and Pro Sports & Entertainment, Inc. ("PSEI"), Feris issued 495,000 shares of its common stock for all issued and outstanding shares of PSEI, resulting in PSEI becoming a wholly owned subsidiary of Feris and the surviving entity for accounting purposes. In July 2008, Feris's corporate name was changed to Stratus Media Group, Inc. PSEI specialized in various entertainment and sports events that it owned and operated. PSEI also owned Stratus Rewards LLC that planned to operate a credit card rewards program. In June 2011, we acquired shares of series A convertible preferred stock of ProElite, Inc. ("ProElite"), that organized and promoted mixed martial arts ("MMA") matches. These holdings of series A convertible preferred stock provided us voting rights on an as-converted basis equivalent to a 95% ownership in ProElite. During the first quarter of 2013, we decided to focus on the MMA business and temporarily suspended development of our other businesses. Because of lack of working capital, we suspended operations of ProElite effective June 30, 2013. Following the repositioning of our company as a specialty biopharmaceutical company, our Board of Directors voted to discontinue the operations of ProElite effective March 31, 2014.

Effective September 30, 2013, we entered into an agreement and plan of merger with Canterbury Acquisition LLC, Hygeia Acquisition, Inc., Canterbury Laboratories, LLC ("Canterbury"), Hygeia Therapeutics, Inc. ("Hygeia") and Yael Schwartz, Ph.D., as holder representative, pursuant to which we acquired all of the capital stock of Canterbury and Hygeia, with Canterbury and Hygeia becoming our wholly owned subsidiaries. The consideration for the mergers was the issuance by us of an aggregate of 1,150,116 shares of our common stock issued to the stakeholders of Canterbury and Hygeia. Closing of the mergers occurred on November 18, 2013. For the three and six months ended June 30, 2014, there were no revenues associated with Canterbury and Hygeia.

Canterbury and Hygeia (the "Canterbury Group") are related companies engaged in the development of pharmaceuticals and cosmeceuticals (cosmetic products with "drug-like" benefits) which, depending on the specific product involved, may treat acne, hirsutism (unwanted hair) and alopecia (thinning hair) and may revitalize hormonally-aged skin and hair in women over the age of 45. We have an exclusive license with Yale University to develop and market 23 synthetic estrogenic ingredients for the treatment of aging skin and four classes of anti-androgenic ingredients for hair loss, excess facial hair, seborrhea and acne. The license from Yale University covers 24 patent-protected compounds under certain patents (together, the "Yale Patents").

The acquisition of the Canterbury Group was the first step in the implementation of our plan to reposition our company as a specialty biopharmaceutical company. The total consideration for the Canterbury Group was $12,421,249 based on the issuance of 1,150,116 shares of common stock at the market value of $10.80 per share as of the execution of the merger agreements on September 30, 2013.

As we continued to reposition our company as a specialty biopharmaceutical company, in early March 2014, we hired Stephen M. Simes as our Chief Executive Officer, an executive with over forty years of experience in the pharmaceutical and biotechnology industry. Shortly after adding Mr. Simes, in late March 2014, we acquired to two related companies. On March 3, 2014, we entered into an agreement and plan of merger with Paloma Acquisition, Inc., Paloma Pharmaceuticals, Inc. ("Paloma") and David Sherris, Ph.D., as founding stockholder and holder representative, pursuant to which we agreed to acquire all of the capital stock of Paloma, with Paloma becoming our wholly owned subsidiary. On March 28, 2014, the merger with Paloma was closed and we issued an aggregate of 2,500,000 shares of common stock to all the holders of Paloma common stock and its derivative securities and assumed promissory notes of Paloma in the aggregate amount (principal and interest at that time) of $1,151,315 to be paid on the first anniversary of the closing of the Paloma merger. The 2,500,000 shares were valued at $2.50 per share, which was the closing market price of our common stock on March 3, 2014, resulting in

Table of Contents

$6,250,000 of stock consideration, resulting in total consideration of $7,401,315. Paloma has developed a non-steroidal, synthetic, small molecule drug library that may have potential applications in dermatology (psoriasis, atopic dermatitis, rosacea, actinic keratosis, keloid and hypertrophic scarring, Dupuytren's disease, bullous blistering diseases), ocular disease, cancer, pulmonary fibrosis, CNS (Huntington's disease and infantile spasm, a form of childhood epilepsy), biodefense and anti-viral application. The lead product, P529, targets and inhibits the PI3K/Akt/mTOR signal transduction pathway, specifically as a first-in-class allosteric, dual TORC1/TORC2 dissociative inhibitor.

Also on March 3, 2014, we entered into an agreement and plan of merger with VasculoMedics Acquisition, Inc., VasculoMedics, Inc. ("VasculoMedics") and Dr. Sherris, pursuant to which we agreed to acquire all of the capital stock of VasculoMedics, with VasculoMedics becoming our wholly owned subsidiary. The VasculoMedics merger was concurrently closed with and was a condition to the closing of the Paloma merger on March 28, 2013. In the VasculoMedics merger, we issued an aggregate of 220,000 shares of common stock to the VasculoMedics stockholders. These shares were valued at $2.50 per share, which was the closing price of our common stock on March 3, 2014, resulting in $550,000 of consideration, all of which was allocated to goodwill. VasculoMedics was founded as a platform epigenetic company to develop orally available small molecular inhibitors of zinc finger transcription factors. Zinc finger transcription factors are a subset of transcription factors utilizing zinc at its core for activity. Transcription factors are proteins that bind to specific parts of DNA that control the transfer of genetic information from DNA to RNA. RNA in turn directs the protein making machinery to manufacture one or more proteins controlled by the transcription factor. Hence, by inhibition of a transcription factor, one can specifically inhibit the synthesis of one or more proteins controlled by the particular transcription factor. Many diseases can be linked to the activation of particular proteins whose synthesis is controlled by transcription factors. Inhibition of such transcription factors could then be able to control disease pathology.

On March 7, 2014, we effected a reverse stock split of one-for-100 of our common stock, and we changed our corporate name from Stratus Media Group, Inc. to RestorGenex Corporation. All share and per share amounts in this report have been adjusted to reflect the one-for-100 reverse split of outstanding common stock effective March 7, 2014.

Financial Summary

Our financial position at the end of our second quarter of 2014 improved significantly compared to December 31, 2013 and the end of our first quarter of 2014, as a result of our recently completed private placement. Our total working capital as of June 30, 2014 totaled $25,306,982, including $27,139,593 in cash and cash equivalents, compared to a negative working capital ($5,880,035), including $254,964 in cash and cash equivalents, as of December 31, 2013 and compared to a negative working capital ($8,016,821), including $222,071 in cash and cash equivalents, as of March 30, 2014.

During the second quarter of 2014 and ending on July 10, 2014, we completed a private placement pursuant to which we raised approximately $35.6 in gross proceeds and approximately $31.3 million in net proceeds, after paying placement agent fees, estimated offering expenses, and certain accounts payable. In the private placement, we issued an aggregate of 8,895,685 shares of our common stock and warrants to purchase an aggregate of 2,668,706 shares of common stock. The purchasers of common stock received warrants to purchase 0.3 shares of common stock for each share of common stock that such investors purchased in the private placement. The purchase price of each common stock/warrant unit was $4.00. Each warrant is exercisable into a share of common stock at an initial exercise price of $4.80 per share. We intend to use the net proceeds from the offering to fund our research and development and for working capital purposes.

We recognized no revenues during the three and six months ended June 30, 2014. Our operating expenses were $4,507,584 and $5,879,104 during the three and six months ended June 30, 2014, respectively. We recognized a net loss from continuing operations of $5,835,407 for the six months ended June 30, 2014, compared to net income from continuing operations of $126,778 for the six months ended June 30, 2013. We recognized a net loss of $5,835,407 for the six months ended June 30, 2014, compared to a net loss of $129,290 for the six months ended June 30, 2013.

We expect to continue to recognize net losses for the foreseeable future. We intend to use our existing cash and cash equivalents for working capital and to fund the research and development of our technologies and products.

Table of Contents

Results of Operations for Three Months Ended June 30, 2014 Compared to Three Months Ended June 30, 2013

Revenues

We recognized no revenues during the three months ended June 30, 2014 or 2013.

Operating Expenses

Operating expenses were $4,507,584 during the three months ended June 30, 2014, representing a decrease of 44%, compared to $8,097,090 during the three months ended June 30, 2013. This decrease was primarily due to our repositioning as a specialty biopharmaceutical company and ceasing to operate various entertainment and sports events, including but not limited to our ProElite MMA business.

General and administrative expenses were $261,632 during the three months ended June 30, 2014, representing a decrease of 49%, compared to $514,041 during the three months ended June 30, 2013. This decrease was primarily due to our repositioning as a specialty biopharmaceutical company and ceasing to operate various entertainment and sports events, including but not limited to our ProElite MMA. During the three months ended June 30, 2013, we recognized a charge of $1,935,621 as a result of our decision during that time to suspend the operations of our ProElite MMA business. We expect that our general and administrative expenses will increase in future periods compared to the second quarter of 2014 as a result of increased personnel to support our efforts to advance our technologies and products.

As a result of our repositioning as a specialty biopharmaceutical company, we recognized $403,413 in research and development expenses during the three months ended June 30, 2014 compared to no research and development expenses recognized during the three months ended June 30, 2013. We expect that our research and development expenses will increase in future periods compared to the second quarter of 2014 and prior year periods due to our anticipated efforts to advance the research and development of our technologies and products.

Stock-based compensation expense was $141,315 during the three months ended June 30, 2014, representing a decrease of 94%, over $2,279,552 during the three months ended June 30, 2013. This decrease was primarily due to a significant number of options and warrants granted to officers and financial advisors during the three months ended June 30, 2013 compared with the same period in 2014.

Fair value of common stock exchanged for warrants and notes payable was $2,706,105 during the three months ended June 30, 2014, compared to $3,069,792 during the three months ended June 30, 2013. During the second quarter of 2014, we issued 552,738 shares of common stock, along with warrants to purchase an aggregate of 355,699 shares of our common stock, for notes payable in the aggregate principal amount of $1,050,000. These shares were valued at $4.00 per share resulting in the charge of $2,706,105 during such period. During the second quarter of 2013, we issued 1,023,264 shares of common stock in exchange for series E warrants that had a full-ratchet down anti-dilution provision and were extinguished. These shares of common stock were valued at $3.00 per share, which was the price at which we sold shares during the three months ended June 30, 2013, resulting in the charge of $3,069,792 during the second quarter of 2013.

Legal and professional services were $384,604 during the three months ended June 30, 2014, representing an increase of $94,001 from $290,603 during the three months ended June 30, 2013. This increase was related primarily to an increase in consulting expenses.

Depreciation and amortization was $610,515 during the three months ended June 30, 2014 compared to $7,481 during the three months ended June 30, 2013. Of this increase, $262,813 was related to amortization of $3,153,750 of total expense related to a July 2013 agreement with Maxim Group LLC to provide us general financial advisory and investment banking services for three years on a non-exclusive basis. In addition, $186,819 and $134,367 of this increase was related to amortizing the amount attributed to intangible assets of Canterbury and Paloma, respectively, over the lives of those intangible assets.

Table of Contents

With our decision to suspend operations of our ProElite MMA business during the three months ended June 30, 2013, the related goodwill was considered to be fully-impaired and a charge of $1,935,621 was taken during the three months ended June 30, 2013. No impairment charge was taken during the three months ended June 30, 2014.

Adjustments to Fair Value of Derivative Liability

In October 2012, we issued 1,000 shares of series E convertible preferred stock ("Series E"). In May 2011, we issued 8,700 shares of Series E. The warrants issued in conjunction with the Series E were determined to have an embedded derivative liability, which was revalued using Black-Scholes models upon the earlier of events that affect the value of this liability or the end of every quarter. The difference between the value of this derivative liability at December 31, 2012 and May 6, 2013 resulted in a gain of $9,216,927 during the three months ended June 30, 2013. These warrants were extinguished in May 2013; and thus, there were no adjustments during the three months ended June 30, 2014.

Gain on Extinguishment of Derivative Liability

In May 2013, the warrants issued in conjunction with the Series E that gave rise to the derivative liability were exchanged for common stock and extinguished. The value of the derivative liability was $1,409,530 for the three months ended June 30, 2013 and a gain of this amount resulted when the liability was extinguished. Since these warrants were extinguished in May 2013, there was no comparable gain or loss during the three months ended June 30, 2014.

Other (Income) Expense

Other income during the three months ended June 30, 2014 was income of $188,936, compared to other expense of $17,636 during the three months ended June 30, 2013. The other income during the three months ended June 30, 2014 related primarily to reduction of the deferred tax liability due to the amortization of the Canterbury and Paloma intangible assets.

Interest Expense

Interest expense was $136,584 during the three months ended June 30, 2014, an increase of $101,500 from $35,084 during the three months ended June 30, 2013.

Net Loss from Continuing Operations

We recognized a net loss from continuing operations of $4,455,232 for the three months ended June 30, 2014, compared to net income from continuing operations of $2,476,647 for the three months ended June 30, 2013. We expect to incur net losses from continuing operations in future periods for the foreseeable future as we plan to continue our efforts to advance our technologies and products.

Net Loss from Discontinued Operations

We recognized no net loss from discontinued operations during the three months ended June 30, 2014. We recognized a net loss from discontinued operations of $129,157 during the three months ended June 30, 2013. Operations of ProElite were suspended on June 30, 2013 and the Board of Directors determined to discontinue ProElite operations on March 31, 2014.

Results of Operations for Six Months Ended June 30, 2014 Compared to Six Months Ended June 30, 2013

Revenues

We recognized no revenues during the six months ended June 30, 2014 and 2013.

Operating Expenses

Operating expenses were $5,879,104 during the six months ended June 30, 2014, representing a decrease of 42%, over $10,189,702 during the six months ended June 30, 2013. This decrease was primarily due to our

Table of Contents

repositioning as a specialty biopharmaceutical company and ceasing to operate various entertainment and sports events, including but not limited to our ProElite MMA business.

General and administrative expenses were $873,477 during the six months ended June 30, 2014, representing a decrease of 23%, over $1,138,715 during the six months ended June 30, 2013. This decrease was primarily due to our repositioning as a specialty biopharmaceutical company and ceasing to operate various entertainment and sports events, including but not limited to our ProElite MMA business. During the six months ended June 30, 2013, we recognized a charge of $1,935,621 as a result of our decision during that time to suspend the operations of our ProElite MMA business. We expect that our general and administrative expenses will increase in future periods compared to the six months ended June 30, 2014 as a result of increased personnel to support our efforts to advance our technologies and products.

As a result of our repositioning as a specialty biopharmaceutical company, we recognized $403,413 in research and development expenses during the six months ended June 30, 2014 compared to no research and development expenses recognized during the six months ended June 30, 2013. We expect that our research and development expenses will increase in future periods compared to the first six months of 2014 and prior year periods due to our anticipated efforts to advance the research and development of our technologies and products.

Stock-based compensation expense was $291,200 during the six months ended June 30, 2014, representing a decrease of 92%, from $3,595,700 during the six months ended June 30, 2013. This decrease was primarily due to a significant number of options and warrants granted to officers and financial advisors during the six months ended June 30, 2013 compared with the same period in 2014. In May 2013, we issued 1,023,263 shares of common stock in

exchange for series E warrants that had a full-ratchet down anti-dilution provision and were extinguished. These shares of common stock were valued at $3.00 per share, which was the price at which we sold 139,166 shares during the six months ended June 30, 2013, resulting in the charge of $3,069,792 during the six months ended June 30, 2013.

Fair value of common stock exchanged for warrants and notes payable was $2,706,105 during the six months ended June 30, 2014, compared to $3,069,792 during the six months ended June 30, 2013. During the second quarter of 2014, we issued 552,738 shares of common stock, along with warrants to purchase an aggregate of 355,699 shares of our common stock, in exchange for notes payable in the aggregate principal amount of $1,050,000. These shares were valued at $4.00 per share, resulting in the charge of $2,706,105 during the six months ended June 30, 2014. During the second quarter of 2013, we issued 1,023,264 shares of common stock in exchange for series E warrants that had a full-ratchet down anti-dilution provision and were extinguished. These shares of common stock were valued at $3.00 per share, which was the price at which we sold shares during the six months ended June 30, 2013, resulting in the charge of $3,069,792 during the six months ended June 30, 2013.

Legal and professional services were $516,290 during the six months ended June 30, 2014, representing an increase of $82,584 from $433,706 during the six months ended June 30, 2013. This increase was primarily due to an increase in consulting expenses.

Depreciation and amortization was $1,088,619 during the six months ended June 30, 2014 compared with $16,168 during the six months ended June 30, 2013. Of this increase, $525,625 is related to amortization of $3,153,750 of total expense related to a July 2013 agreement with Maxim Group LLC to provide us general financial advisory and investment banking services for three years on a non-exclusive basis. In addition, $373,638 and $134,367 of this increase was related to amortizing the amount attributed to intangible assets of Canterbury and Paloma, respectively, over the lives of those intangible assets.

With our decision to suspend the operations of our ProElite MMA business during the six months ended June 30, 2013, the related goodwill was considered to be fully-impaired and a charge of $1,935,621 was taken during the six months ended June 30, 2013. No impairment charge was taken during the six months ended June 30, 2014.

Adjustments to Fair Value of Derivative Liability

In October 2012, we issued 1,000 shares of Series E and in May 2011, we issued 8,700 shares of Series E. The warrants issued in conjunction with the Series E were determined to have an embedded derivative liability,

Table of Contents

which was revalued using Black-Scholes models upon the earlier of events that affect the value of this liability or the end of every quarter. The difference between the value of this derivative liability at December 31, 2012 and May 6, 2013 resulted in a gain of $8,980,077 during the six months ended June 30, 2013. These warrants were extinguished in May 2013; and thus, there were no adjustments during the six months ended June 30, 2014.

Gain on Extinguishment of Derivative Liability

In May 2013, the warrants issued in conjunction with the Series E that gave rise to the derivative liability were exchanged for common stock and extinguished. The value of the derivative liability was $1,409,530 for the six months ended June 30, 2013 and a gain of this amount resulted when the liability was extinguished. Since these warrants were extinguished in May 2013, there was no comparable gain or loss during the six months ended June 30, 2014.

Other (Income) Expense

Other income during the six months ended June 30, 2014 was $238,575, compared to other expense of $15,072 during the six months ended June 30, 2013. The other income (expense) for both periods relates primarily to the reduction of the deferred tax liability due to the amortization of the Canterbury and Paloma intangible assets.

Interest Expense

Interest expense was $194,878 during the six months ended June 30, 2014, an increase of $136,823 from $58,055 during the six months ended June 30, 2013.

Net Loss from Continuing Operations

We recognized a net loss from continuing operations of $5,835,407 for the six months ended June 30, 2014, compared to net income from continuing operations of $126,778 for the six months ended June 30, 2013. We expect to incur net losses from continuing operations in future periods for the foreseeable future as we plan to continue our efforts to advance our technologies and products.

Net Loss from Discontinued Operations

We recognized no net loss from discontinued operations during the six months ended June 30, 2014. We recognized a net loss from discontinued operations of $256,068 during the six months ended June 30, 2013. Operations of ProElite were suspended on June 30, 2013 and the Board of Directors determined to discontinue ProElite operations on March 31, 2014.

Dividends on Preferred Stock

Dividends on preferred stock were $171,625 during the six months ended June 30, 2013, which were related to dividends on series E preferred stock, which were extinguished during the six months ending June 30, 2013. As a result, there were no dividends on preferred stock during the six months ended June 30, 2014.

Liquidity and Capital Resources

Working Capital

Our financial position at the end of our second quarter of 2014 improved significantly compared to December 31, 2013 and the end of our first quarter of 2014, as a result of our recently completed private placement. Our working capital as of June 30, 2014 totaled $25,306,982 including $27,139,593 in cash and cash equivalents, compared to a negative working capital $(5,880,035), including $254,964 in cash and cash equivalents, as of December 31, 2013 and compared to a negative working capital $(8,016,821), including $222,071 in cash and cash equivalents, as of March 30, 2014.

During second quarter of 2014 and ending on July 10, 2014, we completed a private placement pursuant to which we raised approximately $35.6 million in gross proceeds and approximately $31.3 million in net proceeds, after paying placement agent fees, estimated offering expenses, and certain accounts payable. In the private

Table of Contents

placement, we issued an aggregate of 8,895,685 shares of our common stock and warrants to purchase an aggregate of 2,668,706 shares of common stock. The purchasers of common stock received warrants to purchase 0.3 shares of common stock for each share of common stock that such investors purchased in the private placement. The purchase price of each common stock/warrant unit was $4.00. Each warrant is exercisable into a share of common stock at an initial exercise price of $4.80 per share. We intend to use the net proceeds from the offering to fund our research and development and for working capital purposes.

The following table summarizes our liquidity and capital resources as of June 30, 2014 and December 31, 2013:

Liquidity and Capital Resources	June 30, 2014	December 31, 2013
Cash and cash equivalents	$ 27,139,593	$ 254,964
Prepaid expenses, deposits and other assets	2,298,629	2,743,319
Total current liabilities	4,131,240	8,878,318
Working capital	$ 25,306,982	$ (5,880,035)

We expect to continue to incur net losses for the foreseeable future. We intend to use our existing cash and cash equivalents for working capital and to fund the research and development of our acquired technologies.

Cash Flows

The following table sets forth our cash flows for the six months ended June 30, 2014 and 2013:

	Six Months Ended June 30,	
	2014	2013
Operating activities	$ (5,121,098)	$ (850,994)
Investing activities	—	—
Financing activities	32,005,727	617,500
Net increase (decrease) in cash	**$ 26,884,629**	**$ (233,494)**

Operating Activities

Negative operating cash flows for the six months ended June 30, 2014 reflect our net loss from continuing operations of $5,835,407, partially offset by non-cash items of $852,652 of depreciation and amortization and $291,201 of expense for warrants, options and stock compensation. Further, there was a net increase during the six months ended June 30, 2014 due to a loss on a related party note payable settlement and issuing shares for liabilities providing cash of $3,115,054. A decrease in accounts payable and accrued liabilities of $3,436,877 added to our negative operating cash flow for the six months ended June 30, 2014.

Negative operating cash flows during the six months ended June 30, 2013 reflect our net loss of $300,915, partially offset by non-cash items totaling $1,709,813, primarily related to a $8,980,077 gain on adjustment to fair value of derivative liabilities, a $1,409,530 gain on extinguishment of derivative liability offset by a $3,607,283 expense for warrant, stock and option compensation expenses, a $3,069,792 charge for fair value of common stock exchanged for warrants and a $1,935,621 expense for impairment of assets. Cash was further adjusted by a source of funds from working capital of $1,159,734, primarily related to $836,650 provided by other accrued expenses and liabilities and $242,547 in deferred salaries.

Investing Activities

Capital constraints resulted in no cash used in investing activities during the six months ended June 30, 2014 or 2013.

Financing Activities

Net cash provided by financing activities was $32,005,727 during the six months ended June 30, 2014 compared to $617,500 during the six months ended June 30, 2013. Net cash provided by financing activities during

Table of Contents

the current year was attributable primarily to proceeds from our recent private placement. Net cash provided by financing activities during the prior year period resulted from proceeds on notes payable and proceeds from the issuance of common stock.

Capital Requirements

We expect to incur substantial expenses and generate significant operating losses as we continue to execute our business strategy including:

- synthesis and formulation of our products;
- conducting pre-clinical and clinical trials to pursue our product development initiatives;
- securing facilities to establish a principal corporate and administrative headquarters and such other facilities as necessary to pursue our research and development capabilities;
- hiring additional personnel for managerial, research and development, operations and other functions; and
- implementing improved operational, financial and management systems.

To date, we have used primarily equity and debt financings to fund our ongoing business operations and short-term liquidity needs, and we expect to continue this practice for the foreseeable future. During the second quarter of 2014 and ending on July 10, 2014, we completed a private placement pursuant to which we raised approximately $35.6 million in gross proceeds and $31.3 million in net proceeds, after paying placement agent fees, estimated offering expenses and certain accounts payable. In the private placement, we issued an aggregate of 8,895,685 shares of our common stock and warrants to purchase an aggregate of 2,668,706 shares of common stock. The purchasers of common stock received warrants to purchase 0.3 shares of common stock for each share of common stock that such investors purchased in the private placement. The purchase price of each common stock/warrant unit was $4.00. Each warrant is exercisable into a share of common stock at an initial exercise price of $4.80 per share. We filed a registration statement on Form S-1 with the SEC on July 14, 2014 registering the offering and resale of 11,633,885 shares of our common stock, including the outstanding shares of common stock and shares of common stock issuable upon exercise of the warrants issued in the private placement. This registration statement was declared effective by the SEC on July 31, 2014. We intend to use the net proceeds from the offering to fund our research and development and for working capital purposes.

We believe our cash and cash equivalents as of June 30, 2014 will be sufficient to fund our planned operations for at least the next 12 months. However, we may require significant additional funds earlier. Accordingly, there is no assurance that we will not need or seek additional funding prior to such time. We may elect to raise additional funds even before we need them if market conditions for raising additional capital are favorable.

As of June 30, 2014, we did not have any existing credit facilities under which we could borrow funds. We may seek to raise additional funds through various sources, such as equity and debt financings, or through strategic collaborations and license agreements. We can give no assurances that we will be able to secure additional sources of funds to support our operations, or if such funds are available to us, that such additional financing will be sufficient to meet our needs or on terms acceptable to us. This risk may increase if economic and market conditions deteriorate. If we are unable to obtain additional financing when needed, we may need to terminate, significantly modify or delay the development of our product candidates and our operations, or we may need to obtain funds through collaborators that may require us to relinquish rights to our technologies or product candidates that we might otherwise seek to develop or commercialize independently. If we are unable to obtain additional financing when needed, we may be forced to explore strategic alternatives, such as selling or merging our company or winding down our operations and liquidating our company.

To the extent that we raise additional capital through the sale of common stock, the interests of our current stockholders may be diluted. If we issue preferred stock or convertible debt securities, it could affect the rights of our common stockholders or reduce the value of our common stock. In particular, specific rights granted to future holders of preferred stock or convertible debt securities may include voting rights, preferences as to dividends and

Table of Contents

liquidation, conversion and redemption rights, sinking fund provisions, and restrictions on our ability to merge with or sell our assets to a third party. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

Contractual Obligations

Set forth below is information concerning our known contractual obligations as of June 30, 2014 that are fixed and determinable by year starting with the twelve months ending June 30, 2015.

	Total	2015	2016	2017	Beyond 2017
Notes payable	$ 915,000	$ 915,000	$ —	$ —	$ —
Rent obligations	1,212,495	677,738	339,958	103,799	—
Accrued board fees	210,625	210,625	—	—	—
Consulting agreement	150,000	150,000	—	—	—
Employee contracts	3,808,014	835,000	1,538,014	1,435,000	—
Accrued interest	592,609	592,609	—	—	—
Total	**$ 6,797,743**	**$ 3,380,972**	**$ 1,877,972**	**$ 1,538,799**	**$ —**

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, as defined by the rules and regulations of the SEC that have or are reasonably likely to have a material effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources. As a result, we are not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in these arrangements.

Critical Accounting Policies

Certain of our critical accounting estimates require the application of significant judgment by management in selecting the appropriate assumptions in determining the estimate. By their nature, these judgments are subject to an inherent degree of uncertainty. We develop these judgments based on our historical experience, terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. Actual results may differ from these judgments under different assumptions or conditions. Different, reasonable estimates could have been used for the current period. Additionally, changes in accounting estimates are reasonably likely to occur from period to period. Both of these factors could have a material impact on the presentation of our financial condition, changes in financial condition or results of operations. The following are our critical accounting policies and estimates:

Goodwill and Intangible Assets

Goodwill is the excess of the cost of an acquired entity over the net amounts assigned to tangible and intangible assets acquired and liabilities assumed. We apply ASC 350 "*Goodwill and Other Intangible Assets*," which requires allocating goodwill to each reporting unit and testing for impairment using a two-step approach.

Goodwill and intangible assets as of June 30, 2014 and December 31, 2013 were as follows:

	June 30, 2014 (Unaudited)		December 31, 2013	
	Intangible Assets	Goodwill	Intangible Assets	Goodwill
Canterbury Group	$ 7,318,044	$ 7,642,825	$ 7,691,682	$ 7,642,825
Paloma	6,315,261	3,144,857	—	—
VasculoMedics	159,492	454,305	—	—
	$ 13,792,797	**$ 11,241,987**	**$ 7,691,682**	**$ 7,642,825**

Table of Contents

We review the value of intangible assets and related goodwill as part of our annual reporting process, which generally occurs in February or March of each calendar year. In between valuations, we conduct additional tests if circumstances warrant such testing.

To review the value of intangible assets and related goodwill as December 31, 2013, we followed Accounting Standards Update ("ASU") 2011-08 and first examined the facts and circumstances for each event or business to determine if it was more likely than not that an impairment had occurred. If this examination suggested it was more likely that an impairment had occurred, we then compare discounted cash flow forecasts related to the asset with the stated value of the asset on the balance sheet. The objective is to determine the value of each asset to an industry participant who is a willing buyer not under compulsion to buy and we are a willing seller not under compulsion to sell. Revenues from these assets are forecasted based on the assumption they are standalone entities. These forecasts are discounted at a range of discount rates determined by taking the risk-free interest rate at the time of valuation, plus premiums for equity risk to small companies in general, for factors specific to us and the business. As of June 30, 2014, we determined that the fair value of our businesses for accounting purposes was equal to our market capitalization of approximately $74,900,000, and that the total for goodwill and intangible assets of $25,034,784 was 33% of this market capitalization on the consolidated balance sheet as of June 30, 2014 on a company-wide basis. However, it is possible that impairment may have occurred on a reporting-unit basis and we intend to test impairment annually on a reporting-unit basis beginning with the year ending December 31, 2014. As of December 31, 2013, we determined that the fair value of our businesses for accounting purposes was equal to our market capitalization of approximately $17,400,000, which was 113% of the $15,334,507 goodwill and intangible assets on our consolidated balance sheet as of December 31, 2013.

If we determine that the discount factor for cash flows should be substantially increased, or in the event that we will not be able to begin operations when planned, or that the facts and circumstances for each asset have changed, it is possible that the values for intangible assets currently on our consolidated balance sheets could be substantially reduced or eliminated, which could result in a maximum charge to operations equal to the current carrying value of our intangible assets and goodwill of $25,034,784 as of June 30, 2014.

Income Taxes

We utilize ASC Topic 740 "*Accounting for Income Taxes*," which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that were included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax payable for the period and the change during the period in deferred tax assets and liabilities.

As of December 31, 2013, we had a deferred tax asset of $26,274,933, that was fully reserved and a net operating loss carryforward of $47,728,300 for Federal tax purposes and $44,482,850 for state tax purposes. We will continue to monitor all available evidence and reassess the potential realization of our deferred tax assets. The net operating loss carryforwards for 2013 begin expiring in 2021. From December 31, 2012 to June 30, 2014, the outstanding shares of our common stock increased from 890,837 to 18,391,193. This increase in the number of shares outstanding constitutes a change of ownership, under the provisions of Internal Revenue Code Section 382 and similar state provisions, and is likely to significantly limit our ability to utilize these net operating loss carryforwards to offset future income. Accordingly, we recorded a 100% valuation allowance of the deferred tax assets at June 30, 2014 and December 31, 2013.

As of June 30, 2014 and December 31, 2013, we had a net operating loss carryforwards as follows:

	June 30, 2014 (unaudited)	December 31, 2013
Combined NOL Carryforwards:		
Federal	$ 53,563,707	$ 47,728,300
California	$ 50,318,257	$ 44,482,850

Table of Contents

Stock-Based Compensation

We amortize stock-based awards under ASC Topic 718 "*Share Based Payment*" on a straight-line method over the related service period of the awards taking into account the fair value of the stock option as determined by the Black-Scholes option pricing model, the effects of the employees' expected exercise and post-vesting employment termination behavior.

We account for equity instruments issued to non-employees in accordance with ASC Topic 718 and Emerging Issues Task Force Issue No. 96-18. The fair value of each option granted is estimated as of the grant date using the Black-Scholes option pricing model.

Special Note Regarding Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact included in this report that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements including, in particular, the statements about our plans, objectives, strategies and prospects regarding, among other things, our financial condition, operating results and business. We have identified some of these forward-looking statements with words like "believe," "may," "will," "should," "could," "expect," "intend," "plan," "predict," "anticipate," "estimate" or "continue," other words and terms of similar meaning and the use of future dates. These forward-looking statements are based on current expectations about future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control and could cause our actual results to differ materially from those matters expressed or implied by our forward-looking statements. Forward-looking statements (including oral representations) are only predictions or statements of current plans and can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties, including, among other things, risks associated with:

- our history of operating losses and negative cash flow;
- our ability to generate revenues and obtain profitability;
- our ability to obtain additional capital when needed or on acceptable terms and the effect of any future equity or debt financings on our stockholders;
- our ability to successfully choose which of our potential products should be developed and in which order;
- the potential for changes in our focus on certain products to other products;
- our success in developing new products and technologies, obtaining any required regulatory approvals for such products and technologies and obtaining market acceptance and commercial success with respect to such new products and technologies;
- the timing of when, if ever, our products will be approved and introduced commercially;
- the size of the market and the level of market acceptance of our products if and when they are commercialized;
- our ability to acquire or invest in new businesses, products and technologies by way of a license, acquisition or merger transaction and the effect of such a transaction on our stockholders, business, operating results and financial condition;
- our ability to protect our proprietary technology and to operate our business without infringing the proprietary rights of third parties;
- our ability to compete in a competitive industry;
- our dependence upon key employees;

Table of Contents

- our ability to maintain effective internal control over financial reporting;
- changes in applicable laws or regulations and our failure to comply with applicable laws and regulations;
- changes in generally accepted accounting principles and the effect of new accounting pronouncements;
- conditions and changes in the biopharmaceutical industry or in general economic or business conditions; and
- pending and future litigation, which could have an adverse effect on our business, financial condition or operating results.

For more information regarding these and other uncertainties and factors that could cause our actual results to differ materially from what we have anticipated in our forward-looking statements or otherwise could materially adversely affect our business, financial condition or operating results, see "Part I — Item 1A. Risk Factors" of our annual report on Form 10-K/A for the fiscal year ended December 31, 2013. The risks and uncertainties described above and in "Part I — Item 1A. Risk Factors" of our annual report on Form 10-K/A for the fiscal year ended December 31, 2013 are not exclusive and further information concerning us and our business, including factors that potentially could materially affect our financial results or condition, may emerge from time

to time. We assume no obligation to update, amend or clarify forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements. We advise you, however, to consult any further disclosures we make on related subjects in our future annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K we file with or furnish to the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This Item 3 is not applicable to us as a smaller reporting company and has been omitted.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The term "disclosure controls and procedures" means our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a — 15(e) and 15d — 15(e)). Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were not effective to ensure that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure based on the following material weaknesses:

1. Lack of segregation of duties and check and balances.

2. Lack of written controls and procedures, particularly with regard to entering into contracts and commitments by the Company.

Table of Contents

3. Use of an accounting software package that lacks a rigorous set of software and change controls. While this software is a proven industry standard and is in widespread use, it allows one person to make significant changes without oversight or approval.

In addition, in concluding that our disclosure controls and procedures were not effective, our principal executive officer and principal financial officer took into consideration the fact that our current report on Form 8-K/A filed with the SEC on June 23, 2014 was not filed on a timely basis.

To remediate these control weaknesses, we intend to allow for segregation of duties, a system of internal reviews and checks and balances to strengthen our controls. We intend to develop and implement a written set of policies and procedures for our operations, particularly with regard to controls over our contracts and commitments. We also intend to change our accounting system to one that provides for proper control over changes and for segregation of duties within the accounting system.

During the second quarter of 2014 and through the date of the filing of this report, we have taken a number of steps designed to improve our disclosure controls and procedures, including the following:

- In May 2014, we hired a new Chief Financial Officer, who serves as our principal financial officer and principal accounting officer.

- In July 2014, we hired a controller.

Our principal executive officer and principal financial officer do not expect that our disclosure controls or internal controls will prevent all error and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the three months ended June 30, 2014 that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting, except for the on-going remediation efforts to address the material weaknesses identified above and the replacement of our Chief Financial Officer who serves as our principal financial and accounting officer in May 2014.

Table of Contents

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In July 2013, we received notice that a complaint for property damage had been filed in the Los Angeles County Superior Court by the Truck Insurance Exchange against us for $393,592 related to water damage incurred by a printing company on the ground floor of our former office space located in Los Angeles. This damage is alleged to have occurred in connection with a water leak in our former office in February 2013. We intend to vigorously defend this action. We are in the midst of a dispute with our insurance carrier at that time regarding coverage for this incident and we intend to pursue this dispute to ensure that we have coverage of this claim. Nonetheless, we have determined that a loss is reasonably possible in connection with this matter. As of June 30, 2014, we had accrued $393,592 for this matter.

ITEM 1A. RISK FACTORS

This Item 1A is not applicable to us as a smaller reporting company and has been omitted.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

During the second quarter of 2014, we sold the following equity securities without registration under the Securities Act of 1933, as amended:

On April 29, 2014, we issued to various accredited investors an aggregate of 2,776,500 shares of common stock and four-year warrants to purchase an aggregate of 832,950 shares of common stock. The price of each unit, which consisted of one share of common stock plus a warrant to purchase 0.3 share of common stock was $4.00. The exercise price of the warrant is $4.80 per share. In addition, on April 29, 2014, we issued to our placement agent as part of its compensation warrants to purchase 277,650 shares of our common stock, on substantially the same terms as the warrants issued to investors.

On May 6, 2014, we issued to various accredited investors an aggregate of 3,418,125 shares of common stock and four-year warrants to purchase an aggregate of 1,025,438 shares of common stock. The price of each unit, which consisted of one share of common stock plus a warrant to purchase 0.3 share of common stock was $4.00. The exercise price of the warrant is $4.80 per share. In addition, on May 6, 2014, we issued to our placement agent as part of its compensation warrants to purchase 341,813 shares of our common stock, on substantially the same terms as the warrants issued to investors.

On May 21, 2014, we issued to various accredited investors an aggregate of 872,310 shares of common stock and four-year warrants to purchase an aggregate of 254,193 shares of common stock. The price of each unit, which consisted of one share of common stock plus a warrant to purchase 0.3 share of common stock was $4.00. The exercise price of the warrant is $4.80 per share. In addition, on May 21, 2014, we issued to our placement agent as part of its compensation warrants to purchase 87,231 shares of our common stock, on substantially the same terms as the warrants issued to investors.

On June 13, 2014, we issued to various accredited investors an aggregate of 1,778,750 shares of common stock and four-year warrants to purchase an aggregate of 533,625 shares of common stock. The price of each unit, which consisted of one share of common stock plus a warrant to purchase 0.3 share of common stock was $4.00. The exercise price of the warrant is $4.80 per share. In addition, on June 13, 2014, we issued to our placement agent as part of its compensation warrants to purchase 177,875 shares of our common stock, on substantially the same terms as the warrants issued to investors.

Subsequent to the end of our second quarter of 2014, on July 10, 2014, we issued to various accredited investors an aggregate of 50,000 shares of common stock and four-year warrants to purchase an aggregate of 15,000 shares of common stock. The price of each unit, which consisted of one share of common stock plus a warrant to purchase 0.3 share of common stock was $4.00. The exercise price of the warrant is $4.80 per share. In addition, on

Table of Contents

June 13, 2014, we issued to our placement agent as part of its compensation warrants to purchase 5,000 shares of our common stock, on substantially the same terms as the warrants issued to investors.

Gross proceeds of the private placement to the Company were approximately $35.6 million and net proceeds approximately $31.3 million, after paying $3.6 million of placement agent fees, $0.2 million of estimated offering expenses and $0.5 million of certain accounts payable. We filed with the SEC a registration statement on Form S-1 on July 14, 2014 registering the offering and resale of 11,633,885 shares of our common stock, including the outstanding shares of common stock and shares of common stock issuable upon exercise of the warrants we issued in the private placement. This registration statement was declared effective by the SEC on July 31, 2014.

Commissions and fees were paid to the placement agent in connection with our private placement. In addition, all of the above sales were made in reliance on either Section 4(a)(2) of the Securities Act of 1933, as amended, as transactions by an issuer not involving any public offering or Rule 506(b) under Regulation D of the Securities Act. In all such transactions, certain inquiries were made by us to establish that such sales qualified for such exemption from the registration requirements. In particular, we confirmed that with respect to the exemption claimed under Section 4(a)(2) of the Securities Act (i) all offers of sales and sales were made by personal contact from our officers and directors, our placement agent or other persons closely associated with us or our placement agent, (ii) each investor made representations that the investor was sophisticated in relation to his or her investment (and we have no reason to believe that such representations were incorrect), (iii) each purchaser gave assurance of investment intent and the certificates for the shares bear a legend accordingly, and (iv) offers and sales within any offering were made to a limited number of persons.

On April 4, 2014, we issued a non-interest bearing, convertible promissory note in the principal amount of $875,000 to a law firm as part of a settlement of outstanding amounts due to the law firm.

On May 21, 2014, we issued 259,236 shares of our common stock to a creditor upon conversion of a promissory note in the principal amount of $500,000 and an aggregate of 164,392 shares of our common stock to four creditors pursuant to settlements of outstanding liabilities then owed to such creditors, including 59,250 shares to our former Chief Financial Officer.

On June 6, 2014, we issued to our Chairman of the Board 552,738 shares of our common stock and warrants to purchase 355,699 shares of our common stock at an exercise price of $2.00 per share upon conversion of four convertible promissory notes in the aggregate principal amount of $1,050,000

issued by us. The warrants are exercisable immediately and have a four-year term.

On June 18, 2014, we issued to a law firm 53,457 shares of our common stock and warrants to purchase 16,037 shares of common stock as part of a settlement of outstanding amounts due to the law firm. We registered the resale of the outstanding shares of common stock and shares issuable upon exercise of the warrants under the Form S-1 registration statement that was declared effective by the SEC on July 31, 2014.

The sales of equity securities on April 4, 2014, May 21, 2014, June 6, 2014 and June 18, 2014 were made in reliance on either Section 4(a)(2) of the Securities Act of 1933, as amended, as transactions by an issuer not involving any public offering or Rule 506(b) under Regulation D of the Securities Act. In all such transactions, certain inquiries were made by us to establish that such sales qualified for such exemption from the registration requirements. In particular, we confirmed that with respect to the exemption claimed under Section 4(a)(2) of the Securities Act (i) all offers of sales and sales were made by personal contact from our officers and directors or other persons closely associated with us, (ii) each recipient made representations that the recipient was sophisticated in relation to the recipient's investment (and we have no reason to believe that such representations were incorrect), (iii) each recipient gave assurance of investment intent and the certificates for the shares bear a legend accordingly, and (iv) offers and sales were made to a limited number of persons.

Issuer Purchasers of Equity Securities

During the second quarter of 2014, we did not purchase any shares of our common stock or other equity securities of ours, other than 99,332 shares of our common stock which we cancelled in connection with that certain amendment to settlement agreement with ASC. Under such amendment, we agreed to transfer to ASC $1,266,401 for distribution to certain of our creditors and pay to ASC a settlement fee of $300,000. These

Table of Contents

payments (together with previous payments in an aggregate amount of $598,985) settled $1,865,368 in claims owed to ASC under a settlement agreement and stipulation dated September 23, 2013.

Our Board of Directors has not authorized any repurchase plan or program for the purchase of shares of our common stock or other securities in the open market or otherwise.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

See attached Exhibit Index.

Table of Contents

SIGNATURES

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, thereunto duly authorized.

Date: August 14, 2014

RESTORGENEX CORPORATION

By: /s/ Stephen M. Simes
Stephen M. Simes
Chief Executive Officer
(principal executive officer)

By: /s/ Phillip B. Donenberg
Phillip B. Donenberg
Chief Financial Officer
(principal financial and accounting officer)

RESTORGENEX CORPORATION
QUARTERLY REPORT ON FORM 10-Q
EXHIBIT INDEX

Exhibit No.	Description	Method of Filing
4.1	Form of Warrant issued to the Investors under the Subscription Agreement, dated as of April 29, 2014, among RestorGenex Corporation and such Investors	Incorporated by reference to Exhibit 4.1 to RestorGenex's current report on Form 8-K as filed with the SEC on April 9, 2014 (SEC File No. 0-24477)
10.1	Form of Subscription Agreement, dated as of April 29, 2014, among RestorGenex Corporation and the Investors party thereto	Incorporated by reference to Exhibit 10.1 to RestorGenex's current report on Form 8-K as filed with the SEC on April 9, 2014 (SEC File No. 0-24477)
10.2	Form of Registration Rights Agreement, dated as of April 29, 2014, among RestorGenex Corporation and the Investors party thereto	Incorporated by reference to Exhibit 10.2 to RestorGenex's current report on Form 8-K as filed with the SEC on April 9, 2014 (SEC File No. 0-24477)
10.3	Executive Employment Agreement, dated as of May 27, 2014, between RestorGenex Corporation and Phillip B. Donenberg	Incorporated by reference to Exhibit 10.1 to RestorGenex's current report on Form 8-K as filed with the SEC on May 30, 2014 (SEC File No. 0-24477)
10.4	Executive Employment Agreement, dated as of June 6, 2014, between RestorGenex Corporation and Tim Boris	Incorporated by reference to Exhibit 10.1 to RestorGenex's current report on Form 8-K as filed with the SEC on June 9, 2014 (SEC File No. 0-24477)
10.5	Severance Agreement and General Release, dated as of June 9, 2014, between RestorGenex Corporation and John Moynahan	Incorporated by reference to Exhibit 10.3 to RestorGenex's current report on Form 8-K as filed with the SEC on June 9, 2014 (SEC File No. 0-24477)
10.6	Settlement Agreement and Release, dated as of April 29, 2014, between RestorGenex Corporation and John Moynahan	Filed herewith
10.7	Independent Contractor Agreement, dated as of May 28, 2014, between RestorGenex Corporation and John Moynahan	Filed herewith
10.8	Addendum to Executive Employment Agreement of Yael Schwartz, effective July 1, 2014, between RestorGenex Corporation and Yael Schwartz	Filed herewith
10.9	Amendment to Settlement Agreement and Stipulation, dated as of June 6, 2014, between RestorGenex Corporation and ASC Recap LLC	Incorporated by reference to Exhibit 10.2 to RestorGenex's current report on Form 8-K as filed with the SEC on June 9, 2014 (SEC File No. 0-24477)
10.10	Warrant, dated June 6, 2014, issued by RestorGenex Corporation to Sol J. Barer	Filed herewith
10.11	Form of Stock Option Agreement between RestorGenex Corporation and Certain of its Executive Officers	Filed herewith

Exhibit No.	Description	Method of Filing
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and SEC Rule 13a-14(a)	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and SEC Rule 13a-14(a)	Filed herewith
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith

101	The following materials from RestorGenex's quarterly report on Form 10-Q for the quarter ended June 30, 2014, formatted in XBRL (Extensible Business Reporting Language): (i) the unaudited Consolidated Balance Sheets, (ii) the unaudited Consolidated Statements of Operations, (iii) the unaudited Consolidated Statements of Cash Flows, and (iv) Notes to Consolidated Financial Statements	Filed herewith

SETTLEMENT AGREEMENT & RELEASE

This Settlement Agreement ("Agreement") is made effective as of April 29, 2014 by and between John Moynahan, and RestorGenex Corporation (formerly Stratus Media Group, Inc.), ProElite, Inc. and Pro Sports & Entertainment, Inc. (collectively referred herein as "Company"). John Moynahan and Company may be referred to herein individually as a "party" and collectively as "the parties."

RECITALS

A. John Moynahan has worked for the Company either as an employee or consultant since 2006. The Parties dispute, among other things, the amount of compensation and other monies owed to John Moynahan from the inception of his work through December 31, 2013. Said dispute includes, but is not limited to, stock grants or options, fringe benefits, bonuses, raises, vacation pay, expense reimbursement, salary and consulting fees. This agreement does not relate to any unpaid salary for work performed in 2014 or for approximately $12,000 in payroll taxes overwithheld in 2013 that are payable to John Moynahan in 2014 ("Overwitholdings").

B. John Moynahan and Company are desirous of adjusting and finally settling any and all existing or potential claims related to all monies and other compensation allegedly owed to John Moynahan (other than salary owed for 2014), contentions and disputes between each other related to said sums, such that a full, final and complete resolution of any claims between the parties may be effected.

C. Company desires to be released from any present and potential liability or obligation and desires to compromise all disputes and claims arising between them based on or arising out of the monies and other compensation allegedly owed John Moynahan from the inception of his work for the Company through December 31, 2013, in consideration of the benefit to be received from avoidance of any further expenses and potential costs of litigation or arbitration and agree to enter into this Agreement.

D. Although Company disputes any claims John Moynahan may allege for relief, damage, fees, costs, or expenses in connection with monies allegedly owed, the parties desire to avoid the risks and expenses attendant to litigation and to reach a compromise and settlement of all matters, claims, and causes of action on the terms described herein. As set forth below, John Moynahan wish to forever release, waive, and discharge all claims whatsoever against Company resulting from, or in connection with monies and other compensation allegedly owed him through December 31, 2013, in exchange for the consideration set forth below as currently constituted as of the date of execution of this Agreement, and with no modifications now or in the future.

TERMS OF AGREEMENT

NOW, THEREFORE, for and in consideration of the foregoing Recitals, and of other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties to this Agreement agree as follows:

1. **Payment.** (1) Company will deliver to John Moynahan a total of 59,250 shares of the Company's restricted common stock (56,250 shares as settlement herein and 3,000 shares owed to John Moynahan under the terms of his employment agreement); and,

(2) $37,500 in cash within 20 days of the Company's closing of at least $7,500,000 in equity financing.

2. **Release.** Except as to the rights and obligations created above in the Payment section, John Moynahan releases, acquits and forever discharges Company and its affiliated and subsidiary corporations, their predecessors, successors and assigns, and their officers, directors, agents, attorneys, employees, insurers and heirs from all claims, losses, causes of action, costs, expenses, attorneys' fees, liability (whether statutory, equitable or legal), indemnities, subrogations, duties and any and all obligations of every nature, character and description whatsoever, at law or in equity, known or unknown, whether they ever had, now have, or may in the future have or acquire, arising out of, concerning, pertaining to, or connected with, any and every matter or things whatsoever, which occurred, were done, omitted or suffered to be done prior to the date hereof as they relate to any alleged monies or other compensation owed to John Moynahan from the inception of his work on behalf of the company through December 31, 2013, including, but not limited to, breach of contract, breach of the implied covenant of good faith and fair dealing, infliction of emotional harm, wrongful discharge, violation of public policy, defamation and impairment of economic opportunity; violation of the California Fair Employment and Housing Act, the California Labor Code, the California Constitution; and any claims for violation of the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Retirement Income Security Act of 1974, the Age Discrimination in Employment Act of 1967, the Older Workers' Benefit Protection Act of 1990, the Americans With Disabilities Act of 1990, the Equal Pay Act of 1963, and any other Federal or State Law.

John Moynahan agrees to refrain and forebear from commencing, instituting, amending or prosecuting any lawsuit, action or other proceeding, judicial or administrative, of any kind whatsoever, except as expressly provided herein, against the other party, based upon suits, claims, disputes, demands, debts, judgments, liens, liabilities, obligations, losses, costs, expenses, attorneys' fees, actions, or causes of action released by the terms of this Agreement, as they relate to the issues being released herein.

3. **Waiver of Civil Code § 1542.** Each and every party to this Agreement voluntarily and unconditionally waives each and every right which they, or any of them, may have under § 1542 of the Civil Code of the State of California, and any similar law of any state or territory of the United States. Section 1542 provides:

> **C.C. § 1542. CERTAIN CLAIMS NOT AFFECTED BY GENERAL RELEASE.** A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

4. **Further Documents/Acts.** Each and every party to this Agreement agrees to execute any further documents and accomplish such acts as may be necessary in order to give effect to any of the intentions expressed in this Agreement.

5. **Reliance on Advice of Counsel.** Each party to this Agreement further acknowledges by executing this Agreement that he, she or it has been advised to speak independently with counsel prior to executing this Agreement, and has had an adequate opportunity to consult with legal counsel prior to executing this Agreement, and that they have executed this Agreement with full knowledge of its meaning and effect.

6. **No Duress.** Each party hereto acknowledges that such party understands this Agreement and has entered into it of such party's own free will and not under duress of any kind.

7. **Authorized Signatory.** Each of the undersigned represents and warrants, by executing this Agreement, that he is authorized to enter into this Agreement and agrees to be bound by all the terms and conditions of this Agreement.

8. **Modified Only by a Writing.** This Agreement may only be modified or changed by a writing signed by each and every party hereto.

9. **Construed Under California Law.** This Agreement shall be construed and interpreted according to the laws of the State of California

10. **Venue.** The parties to this Agreement hereby agree that the proper venue for any lawsuit or other proceeding arising out of the terms of this Agreement or any party's rights under this Agreement shall be Los Angeles County, California.

11. **Effect of Separate Provisions.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall remain in full force and effect, and shall, in no way, be affected, impaired or invalidated.

12. **Multiple Copies.** This Agreement may be executed in multiple copies, each of which shall be deemed to be an original.

13. **Enforceability.** Pursuant to California Evidence Code section 1123, the Parties intend and agree that this Agreement shall be binding and enforceable at law and shall be admissible and subject to disclosure for such purposes.

14. **Complete and Final Agreement.** This Agreement contains the complete and final agreement between John Moynahan and Company regarding the issues set forth herein, and shall be binding upon and shall inure to the benefit of each party's heirs, successors, legal representatives, parent, subsidiary and affiliated corporations, and their predecessors, successors and assigns. The terms, conditions and agreements contained in this Agreement constitute the entire agreement between the parties hereto, and except as expressly stated herein, there are no other agreements, whether oral or written, between John Moynahan and Company. No oral representations or agreements shall be considered as part of this Agreement, and this Agreement supersedes all prior and contemporaneous oral and written agreements and discussions. This Agreement may be signed

in counterparts with each counterpart being an original. A facsimile signature shall be deemed an original signature.

ALL PARTIES HAVE READ THIS AGREEMENT COMPLETELY AND HAVE HAD THEIR ATTORNEYS EXPLAIN IT TO THEM. JOHN MOYNAHAN FULLY UNDERSTAND THE CONSEQUENCES AND EFFECT OF THIS AGREEMENT AND THE SIGNIFICANCE ON THE RELEASE OF CLAIMS HEREIN.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the year and date shown opposite his/her/its name.

DATED: April 29, 2014

John Moynahan

/s/ John Moynahan

DATED: April 29, 2014

RESTORGENEX CORPORATION

By: /s/ Tim Boris

By: Tim Boris Print name

INDEPENDENT CONTRACTOR AGREEMENT

This Agreement is made and entered into as of May 28, 2014, by and between RestorGenex Corporation (hereinafter referred to as "Company") and John Moynahan (hereinafter referred to as "Contractor").

Company is in the pharmaceutical business, and in the conduct of said business desires to engage Contractor on an as-needed basis to perform certain finance and accounting services for Company.

Contractor desires and agrees to perform such services for Company under the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, Company and Contractor agree as follows:

1. Independent Contractor Status. The parties agree and intend that this Agreement calls for Contractor to provide accounting services on a project basis for Company as an independent contractor. Contractor is not an employee of Company and will not be considered an employee of Company for any purpose. It is mutually understood and agreed that no work, act, commission or omission of any act by Contractor pursuant to the terms and conditions of this Agreement shall be construed to make or render the Contractor an employee of Company. Furthermore, Contractor shall be entirely liable for his or her own debts and obligations and shall not, under any circumstances, hold himself out to be an employee of Company.

2. Independent Contractor to Control Performance. Company shall have no right or authority to direct or control Contractor with respect to the performance of Contractor's duties under this Agreement, or with respect to any other matter, except as otherwise provided by this Agreement. It is understood and agreed that Company is interested only in the results to be achieved by Contractor under this Agreement; the manner and method of performing all duties and services as Contractor under this Agreement and achieving the desired results shall be under the exclusive control of Contractor. It is further understood that Contractor is free to contract with other companies to sell their products and/or services and/or provide consulting services.

3. Duties of Contractor. Upon receiving a written request, Contractor agrees to perform any and all accounting services requested or required of Contractor by Company and agrees to perform such services in a manner consistent with generally accepted methods, procedures and ethical standards applicable to his or her profession. Company is free to assign or not to assign work to Contractor at its sole discretion, and nothing herein shall be deemed to require Company to utilize Contractor on any specific project or assignment.

4. Term of Agreement. This Agreement shall commence and become effective on May 28, 2014, and shall continue until terminated by either party who may terminate this Agreement with or without cause upon three (3) days' written notice to the other party. The parties expect that the initial term of this agreement will last approximately two (2) months. Contractor understands and agrees that he will be available to work on the Project for the anticipated period of time.

5. Compensation.

a. Contractor shall be compensated by Company for services to be rendered under this Agreement at a rate of $175 per hour. Contractor shall be reimbursed for any expenses previously approved in writing by Company. The Company agrees to make payments for services or reimbursement of expenses in a timely manner following receipt of statements of hours worked and expense reports.

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b. Contractor acknowledges that as an independent Contractor, he or she is not entitled to and will not receive any overtime compensation or benefits which Company may otherwise provide to its employees, including but not limited to medical insurance, life insurance, profit sharing or other retirement benefits, workers' compensation and employment insurance.

c. Contractor acknowledges that as an independent contractor, Contractor will be solely liable for any taxes or other payments which may be required by federal, state or local law to be deducted from any payments made to Contractor by Company under this Agreement.

d. Contractor shall provide Company with written statements detailing the hours and work performed.

6. Place of Performance of Services. The services to be performed under this Agreement shall be performed at Contractor's place of business.

7. Materials and Equipment. All materials and equipment required by Contractor to perform the services under this Agreement shall be furnished by Contractor at his or her expense, unless otherwise provided by Company.

8. Trade Secrets and Confidential Information. Contractor acknowledges and agrees that all books and records and other financial and business information (including, without limitation, all creations, data, information, intellectual property, personal or private information, know-how, show-how, processes, mock-ups, methods, practices, designs, specifications, yields, efficiencies, capacities, computer software, documentation, business and marketing plans, customer, price, and vendor lists as well as documentation of planned or existing projects) pertaining to Company's business, whether prepared by Contractor or otherwise coming into Contractor's possession, constitute confidential and/or trade secret information of Company and shall be the exclusive property of Company and shall be maintained in confidence ("Confidential Information"). All Confidential Information shall be immediately returned to Company by Contractor upon termination of this Agreement. If Contractor purchases any record book, ledger or similar item to be used for record keeping, Contractor shall notify Company and Company shall reimburse Contractor the reasonable cost thereof upon receipt of appropriate documentation. Contractor shall not disclose or make any use and/or distribution whatsoever of Company's Confidential Information, either directly or indirectly, either on his or her own account or for any other person, firm, association or corporation, except as may be required to carry out his or her duties herein. Contractor covenants and agrees that if any such Confidential Information is disclosed to anyone despite Contractor's diligent efforts to prevent such disclosure, Contractor shall promptly notify Company of any such disclosure and the person or persons to whom such disclosure has been made.

9. Injunctive Relief. In the event Contractor breaches any of the provisions, covenants or promises set forth in Paragraph 8, in addition to other relief to which Company may be entitled under Paragraph 8 of this Agreement, or other provisions of this Agreement, Company shall also be

entitled to injunctive relief from a court of competent jurisdiction, enjoining the Contractor, his or her agents, attorneys, and all others acting on his behalf from any further actions in breach of this Agreement.

10. Indemnification of Company. Contractor shall defend and indemnify Company against any and all liability or loss against all claims or actions based upon or arising out of injury to, or death of persons, or damage to or loss of property, caused by acts or neglect of Contractor in connection with the performance of services under this Agreement.

11. Prior Agreements Between Company and Contractor. This Agreement represents the entire agreement between Company and Contractor. It is the intention of the parties that this

Agreement supersedes any and all prior verbal or written agreements or understandings between them regarding contracting or consulting services.

12. Governing Law. This Agreement shall be governed by the laws of the State of California.

/s/ John Moynahan
John Moynahan

RestorGenex Corporation

By: /s/ Tim Boris
Tim Boris

Addendum to Executive Employment Agreement of Yael Schwartz

This agreement shall serve as an Addendum to the Executive Employment Agreement (attached hereto as Exhibit A) entered into by Yael Schwartz and RestorGenex Corporation, on or about November 18, 2013, as part of the merger of Canterbury/Hygeia and RestorGenex Corporation. The Addendum shall be effective as of July 1, 2014 and forms part of the November 18, 2013 Executive Employment Agreement. Yael Schwartz and RestorGenex Corporation hereby agree to the following changes to the Executive Employment Agreement:

Page 1, second paragraph shall be replaced in its entirety with the following:

WHEREAS, Executive desires to be employed by the Company as Executive Vice President of Preclinical Development (the "Position") and the Company wishes to employ Executive in such capacity;

Page 1, section 1, "Employment and Duties," first paragraph only shall be replaced in its entirety with the following:

1. Employment and Duties. The Company agrees to employ and Executive agrees to serve in the Position. The duties and responsibilities of Executive shall include the duties and responsibilities as the Board of Directors of the Company (the "Board") or Chief Executive Officer may from time to time assign to Executive comparable with the duties and responsibilities of an Executive Vice President of Preclinical Development, and in addition those duties consistent with a member of the senior scientific management team. Executive shall report to the Chief Executive Officer of Company.

Section 14, "Inventions," shall be replaced in its entirety with the following:

14. Inventions. The Executive agrees that all Inventions (as defined in paragraph (e) of this Section 14 below) conceived and/or reduced to practice by the Executive during the period of the Executive's employment with the Company (and for a period of six (6) months thereafter provided such Inventions relate to the subject matter of the Executive's employment with the Company during the six months immediately preceding the termination of the Executive's employment with the Company), whether made during the working hours of the Company or on the Executive's own time, will be the sole and exclusive property of the Company. The Executive agrees that the Executive will, with respect to any Invention: (i) keep current, accurate, and complete written records, which will belong to the Company and be kept and stored on the Company's premises; (ii) promptly and fully disclose the existence and describe the nature of the Invention to the Company in writing (and without request); (iii) assign (and the Executive does hereby assign) to the Company all of the Executive's right, title and interest in and to (1) all intellectual property conceived, improved, developed, discovered or written by Executive, alone

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or in collaboration with others, during the period of employment with the Company; (2) all Inventions; and (3) any applications the Company makes for patents or copyrights in any country, and any patents or copyrights granted to the Company in any country; and (iv) acknowledge and deliver promptly to the Company any written instruments requested by the Company to be executed by the Executive, and perform any other acts desirable or necessary in the Company's sole discretion to preserve property rights in the Invention against forfeiture, abandonment or loss and to obtain and maintain letters patent and/or copyrights on the Invention and to vest the entire right and title to the Invention in the Company, whether during or after Executive's employment with the Company.

(a) If the Company is unable to secure the Executive's signature on any document or instrument necessary to obtain or maintain any patent, copyright, trademark or other proprietary rights, whether due to the Executive's mental or physical capacity or any other cause, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agents and attorneys-in-fact to execute and file such documents and instruments and do all other lawfully permitted acts to further the prosecution, issuance and enforcement of patents, copyrights and other proprietary rights with the same force and effect as if executed by Executive.

(b) The Executive represents that, except as disclosed below, as of the date of this Agreement, the Executive has no rights under and will make no claims against the Company with respect to any inventions, discoveries, improvements, ideas or works of authorship which would be Inventions if made, conceived, authored or acquired by the Executive during the term of this Agreement. All inventions which the Executive has already conceived or reduced to practice and which the Executive claims to be excluded from the scope of this Agreement are listed below (if none, write "none"):

None

(c) To the extent that any Invention qualifies as "work made for hire" as defined in 17 U.S.C. § 101 (1976), as amended, such Invention will constitute "work made for hire" and, as such, will be the exclusive property of the Company.

(d) For purposes of this Agreement, "Invention" means any invention, process, discovery, improvement or idea, whether or not in writing or reduced to practice and whether or not patentable or copyrightable, made, authored or conceived by the Executive, whether alone or jointly with others, and that either (i) relates in any way to Employer's business, products or processes, past, present, anticipated or under development, or (ii) results in any way from the Executive's employment by Employer.

(e) This Section 14 will survive any expiration or termination of this Agreement.

NOTICE: Pursuant to applicable law, please be advised that the assignment of Inventions provision this Section does not apply to any invention which qualifies for exclusion under the provisions of Section 2870 of the California Labor Code, Illinois Revised Statutes, Chapter 140, §§ 301-303 or any other applicable statute for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on the Executive's own time, and which does not relate directly to any business of the Company or any of the Company's actual or demonstrably anticipated research or development, or which does not result from any work the Executive performs for the Company.

Section 16, "Miscellaneous" subpart "(h)" shall be replaced in its entirety with the following:

This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without reference to principles of conflicts of laws and each of the parties hereto irrevocably consents to the jurisdiction and venue of the federal and state courts located in Cook County, Illinois.

[signature page follows]

Notwithstanding the above, it is understood and agreed that all other remaining sections of the Executive Employment Agreement that are not referenced herein shall remain in full force and effect, and shall not be obviated by the content of this Addendum.

RestorGenex Corporation

By: /s/ Stephen M. Simes
Name: Stephen M. Simes
Title: Chief Executive Officer

I have read the foregoing and I have been given the opportunity to discuss it with counsel of my choice and to raise any questions that I might have concerning its content. I understand this Addendum and sign of my own free will.

ACCEPTED AND AGREED:

By: /s/ Yael Schwartz
Name: Yael Schwartz

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT

RESTORGENEX CORPORATION

Warrant Shares: 355,699 Initial Exercise Date: June 6, 2014

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, Sol J. Barer (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to the close of business on the four (4) year anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from RestorGenex Corporation, a Nevada corporation (the "Company"), up to 355,699 shares (the "Warrant Shares") of common stock, par value $0.001 per share (the "Common Stock"), of the Company. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 1(b).

Section 1. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy of the Notice of Exercise Form annexed hereto; and, within three (3) trading days of the date said Notice of Exercise is delivered to the Company, the Company shall have received payment of the aggregate Exercise Price of the shares thereby purchased by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 1(d) below is specified in the applicable Notice of Exercise. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the

Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) trading days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within four (4) business days of receipt of such notice. In the event of any dispute or discrepancy, the records of the Holder shall be controlling and determinative in the absence of manifest error. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be $4.80, subject to adjustment hereunder (the "Exercise Price").

c) Mechanics of Exercise.

i. Delivery of Certificates Upon Exercise. Certificates for the Warrant Shares purchased or exercised hereunder shall be transmitted by the Company's transfer agent to the Holder by crediting the account of the Holder's broker with the Depository Trust Company through its Deposit Withdrawal Agent Commission ("DWAC") system if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale without volume or manner-of-sale limitations pursuant to Rule 144 under the Securities Act of 1933, as amended, and otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise within five (5) trading days from the delivery to the Company of the Notice of Exercise Form, surrender of this Warrant (if required), and payment of the aggregate Exercise Price as set forth above (the "Warrant Share Delivery Date"). This Warrant shall be deemed to have been exercised on the date the Exercise Price is received by the Company. The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised by payment to the Company of the Exercise Price and all taxes required to be paid by the Holder, if any, pursuant to Section 1(c)(v) prior to the issuance of such shares, have been paid.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a

Holder and upon surrender of this Warrant, at the time of delivery of the certificate or certificates representing Warrant Shares, deliver to Holder a new Warrant evidencing the rights of Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Company's transfer agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to Section 1(c)(i) by the Warrant Share Delivery Date, then, the Holder will have the right to rescind such exercise.

iv. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

v. Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event certificates for Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder, and such other documentation as the Company may require regarding the investor status of the assignee, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto.

vi. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

d) Cashless Exercise. If there is no effective registration statement at the time this Warrant is exercised, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a certificate for the number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = Fair Market Value of one share of Common Stock on the Trading Day immediately preceding the date on which Holder elects to exercise this

Warrant by means of a "cashless exercise," as set forth in the applicable Notice of Exercise;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

"Fair Market Value" means:

a) If traded on a national securities exchange, the Fair Market Value shall be deemed to be the closing price of the Common Stock of the Company on such exchange on the trading day ending immediately prior to the applicable date of valuation;

b) If actively traded over-the-counter, the Fair Market Value shall be deemed to be the closing bid price on the trading day ending immediately prior to the applicable date of valuation; and

c) If there is no active public market, the Fair Market Value shall be the value thereof, as agreed upon by the Company and the Holder; provided, however, that if the Company and the Holder cannot agree on such value, such value shall be determined by an independent valuation firm experienced in valuing businesses such as the Company and jointly selected in good faith by the Company and the Holder. Fees and expenses of the valuation firm shall be paid for by the Company.

Section 2. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 2(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another person, (ii) the Company, directly or indirectly, effects

any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another person or group of persons whereby such other person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other person or other persons making or party to, or associated or affiliated with the other persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 2(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is

exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein.

c) Calculations. All calculations under this Section 2 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 2, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

d) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 2, the Company shall promptly send to the Holder a notice setting forth the Exercise Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, of any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be sent to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least twenty (20) calendar

days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to send such notice or any defect therein or in the sending thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder is entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice.

Section 3. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the reasonable conditions and documentation required by the Company, this Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. The Warrant, if properly assigned, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 3(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Initial Exercise Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name

of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 4. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 1(a).

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a business day, then, such action may be taken or such right may be exercised on the next succeeding business day.

d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the trading market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to

avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of this Warrant (whether brought

against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of this Warrant), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice Holder's rights, powers or remedies, notwithstanding the fact that all rights hereunder terminate on the Termination Date. If the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by Holder in collecting

any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered hereunder shall be deemed sufficient if in writing and sent by overnight courier or registered or certified mail, return receipt requested, or delivered by hand against written receipt therefor, addressed as follows:

if to the Company, at:

RestorGenex Corporation
1800 Century Park East, 6th Floor
Los Angeles, CA 90067
Attn: Tim Boris, General Counsel

if to the Holder, at the Holder's address as reflected in the Company's records.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of Holder, shall give rise to any liability of Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of all Holders from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

RESTORGENEX CORPORATION

By: Stephen M. Simes
Name: Stephen M. Simes
Title: Chief Executive Officer

NOTICE OF EXERCISE

TO: RESTORGENEX CORPORATION

(1) The undersigned hereby elects to purchase Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and

(2) Payment shall take the form of (check applicable box):

o in lawful money of the United States; or

o [if permitted] the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in Section 1(d), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in Section 1(d).

(3) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number or by physical delivery of a certificate to:

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

ASSIGNMENT FORM

(To assign the foregoing warrant, execute
this form and supply required information.
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, [ ] all of or [ ] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

whose address is

.

Dated: ,

Holder's Signature: _____

Holder's Address:

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 10.11

STOCK OPTION AGREEMENT

This STOCK OPTION AGREEMENT (this "Agreement") is made and entered into as of by and between RestorGenex Corporation, a Nevada corporation (the "Company"), and ("Optionee") with reference to the following facts:

At a meeting of the Company's board of directors (the "Board") on , 2014, the Board authorized the granting to Optionee stock options as part of Optionee's employment package on the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, the Company and Optionee agree as follows:

1. Grant of Option. The Company hereby grants to Optionee, upon the terms and subject to the conditions set forth in this Agreement, an option (the "Option") to purchase all or any portion of shares (the "Option Shares") of the Company's Common Stock (the "Common Stock"), at an exercise price of $ per share, which represents 100% of the fair market value of a share of Common Stock on (such exercise price, as adjusted from time to time pursuant to Section 5, the "Exercise Price").

2. Vesting. The Option shall vest and become exercisable in 12 quarterly equal (or as nearly equal as possible) installments on the last calendar day of each calendar quarter over a three-year period and may be exercised at any time prior to the termination or expiration of the Option. Optionee shall receive a full quarter of vesting for the calendar quarter of .

3. Exercise of the Option.

3.1. Subject to the vesting in Section 2, the Option may be exercised, in whole or in part, at any time and from time to time, only by delivery to the Company of written notice of the exercise of the Option in form identical to Exhibit "A" attached to this Agreement stating the number of Option Shares being purchased (the "Purchased Shares") (and the representation and warranties in the notice of exercise must be true and correct). The Exercise Price shall be payable in full in any one of the following alternative forms:

(a) Full payment in cash or certified bank or cashier's check;

(b) Any broker assisted cashless exercise procedure which is acceptable to the Company; or

(c) Cashless net exercise.

Upon a cashless net exercise, Optionee shall receive the number of shares of Common Stock equal to a number (as determined below) of shares of Common Stock computed using the following formula:

$$X = Y - \left[\frac{(A)(Y)}{B}\right]$$

Where

X = the number of shares of Common Stock to be issued to the Optionee.

Y = the number of shares of Common Stock purchasable upon exercise of all of the Option or, if only a portion of the Option is being exercised, the portion of the Option being exercised.

A = the exercise price.

B = the Per Share Market Value of one share of Common Stock on the trading day immediately preceding the date of such election.

"Per Share Market Value" means on any particular date (a) the closing sales price per share of the Common Stock on such date on any registered national stock exchange on which the Common Stock is then listed, or if there is no such closing sales price on such date, then the closing sales price on such exchange on the date nearest preceding such date, or (b) if the Common Stock is not then listed on a registered national stock exchange, the closing sales price for a share of Common Stock in the over-the-counter market, as reported by the OTC Bulletin Board or the OTC Markets Group, or (c) if the Common Stock is not then publicly traded the fair market value of a share of Common Stock as determined in good faith by the Board; provided, however, that all determinations of the Per Share Market Value shall be appropriately adjusted for any stock dividends, stock splits or other similar transactions during such period.

3.2. Following receipt of the exercise notice and the payment referred to above, the Company shall, as soon as reasonably practicable thereafter, cause certificates representing the Purchased Shares to be delivered to Optionee either at Optionee's address set forth in the records of the Company or at such other address as Optionee may designate in writing to the Company; provided, however, that the Company shall not be obligated to issue a fraction or fractions of a share otherwise issuable upon exercise of the Option, and may pay to Optionee, in cash or cash equivalent, the fair market value of any such fraction or fractions of a share as of the date of exercise.

3.3. If requested by the Company in connection with any exercise of the Option, Optionee shall also deliver this Agreement to the Company, which shall endorse hereon a notation of the exercise and, and if the Option is exercised in part, shall return this Agreement to Optionee. The date of exercise of an Option that is validly exercised shall be deemed to be the date on which there shall have been delivered to the Company the instruments referred to in this Section 3. Optionee shall not be deemed to be a holder of any Option Shares pursuant to exercise of the Option until the date of issuance of a stock certificate to Optionee for such shares following payment in full for the Option Shares purchased.

3.4. As a condition to exercise of the Option, the Company may require Optionee to pay to the Company all applicable federal, state and local taxes that the Company is required to withhold with respect to the exercise of the Option. At the discretion of the Company and upon the request of

Optionee, the minimum statutory withholding tax requirements may be satisfied by the withholding of Option Shares otherwise issuable to Optionee upon the exercise of the Option.

4. Termination of Option.

4.1. Except as provided in this Section 4, the Option shall terminate and expire upon the earlier to occur of and the date specified in Section 5.4 (the "Time of Termination").

4.2. In the event the Optionee's employment or other service with the Company and all subsidiaries is terminated by the Company for Cause (as defined in that certain Executive Employment Agreement dated as of between the Company and the Optionee (the "Employment Agreement"), the Option will immediately terminate without notice of any kind, and the Option will no longer be exercisable.

4.3. In the event the Optionee's employment or other service with the Company and all subsidiaries is terminated by reason of the Optionee's death or Disability (as defined in the Employment Agreement), the Option will remain exercisable, to the extent exercisable as of the date of such termination, for a period of one (1) year after such termination (but in no event after the Time of Termination).

4.4. In the event the Optionee's employment with the Company and all subsidiaries is terminated by the Company without Cause (as defined in the Employment Agreement) or by the Optionee for Good Reason (as defined in the Employment Agreement), the Option will become immediately vested and exercisable immediately and remain exercisable for a period of one (1) year after such termination (but in no event after the Time of Termination).

4.5. In the event the Optionee's employment or other service with the Company and all subsidiaries is terminated other than by reason of the Optionee's death or Disability (as defined in the Employment Agreement), by the Company for Cause, by the Company without Cause or by the Optionee for Good Reason, the Option will remain exercisable, to the extent exercisable as of the date of such termination, for a period of three (3) months after such termination (but in no event after the Time of Termination).

5. Changes in Capital Structure.

5.1. If outstanding shares of the Common Stock shall be subdivided into a greater number of shares, or a dividend in Common Stock shall be paid in respect of the Common Stock, the Exercise Price of the Option prior to such subdivision or at the record date of such dividend shall, simultaneously with the effectiveness of such subdivision or immediately after the record date of such dividend, be proportionately reduced, and conversely, if outstanding shares of the Common Stock of the Company shall be combined into a smaller number of shares, the Exercise Price of the Option prior to such combination shall, simultaneously with the effectiveness of such combination, be proportionately increased. This Section 5.1 shall only be effective if and to the extent such change will not be treated as a modification of the Option under Treas. Reg. Sec. 1.409A-1(b)(5)(v)(H).

5.2. When any adjustment is required to be made in the Exercise Price, the number of Option Shares purchasable upon the exercise of the Option shall be adjusted to that number of Option Shares determined by dividing (a) an amount equal to the number of Option Shares purchasable upon the exercise of the Option immediately prior to such adjustment,

multiplied by the Exercise Price in effect immediately prior to such adjustment, by (b) the Exercise Price in effect immediately after such adjustment.

5.3. Except as provided in Section 5.4, following any capital reorganization, any reclassification of the Common Stock of the Company (other than recapitalization described in Section 5.1), or the consolidation or merger of the Company, upon exercise of the Option the Optionee shall receive the securities or property (including cash) that the Optionee would have received had the Optionee exercised the Option immediately prior to such reorganization, reclassification, consolidation or merger, and in any such case appropriate adjustments shall be made in the application of the provisions set forth in this Agreement with respect to the rights and interests thereafter of the Optionee, to the end that the provisions set forth in this Agreement (including the specified changes and other adjustments to the Exercise Price) shall thereafter be applicable in relation to any securities or other property thereafter issuable upon exercise of the Option.

5.4. The Option shall become immediately vested and exercisable immediately prior to (but conditioned upon completion of) a Change in Control (as defined in the Employment Agreement) and remain exercisable through . Notwithstanding any of the foregoing, in connection with a Change in Control, the Board in its sole discretion, at any time after the grant of the Option, may determine that the Option, whether or not exercisable or vested, as the case may be, will be canceled and terminated and that in connection with such cancellation and termination the Optionee will receive for each Option Share a cash payment (or the delivery of shares of stock, other securities or a combination of cash, stock and securities with a fair market value (as determined by the Board in good faith) equivalent to such cash payment) equal to the difference, if any, between the consideration received by stockholders of the Company in respect of a share of Common Stock in connection with such Change in Control and the Exercise Price per share under the Option, multiplied by the number of Option Shares; provided, however, that if such product is zero ($0) or less, the Option may be canceled and terminated without payment therefor. If any portion of the consideration pursuant to a Change in Control may be received by holders of shares of Common Stock on a contingent or delayed basis, the Board may, in its sole discretion, determine the fair market value per share of such consideration as of the time of the Change in Control on the basis of the Board's good faith estimate of the present value of the probable future payment of such consideration. Notwithstanding the foregoing, any Option Shares issued pursuant to the Option prior to the effectiveness of the Change in Control will be deemed to be outstanding shares of Common Stock and receive the same consideration as other outstanding shares of Common Stock in connection with the Change in Control.

5.5. Notwithstanding any other provisions of this Agreement, if any "payments" (including, without limitation, any benefits or transfers of property or the acceleration of the vesting of any benefits) in the nature of compensation under any arrangement that is considered contingent on a Change in Control for purposes of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), together with any other payments that the Optionee has the right to receive from the Company or any corporation that is a member of an "affiliated group" (as defined in Section 1504(a) of the Code without

regard to Section 1504(b) of the Code) of which the Company is a member, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), such "payments" may, at the Optionee's sole

election, be reduced to the largest amount as will result in no portion of such "payments" being subject to the excise tax imposed by Section 4999 of the Code. The type of payments to be electively reduced under this Section 5.5, if any, will be at the discretion of the Optionee; provided, however, if any such payments are subject to Section 409A of the Code, such payments shall be reduced first, by first reducing any cash severance payments and then reducing all other payments and benefits, in each case, with the amounts having later payment dates being reduced first.

6. Optionee's Representations. Optionee represents and warrants to and agrees with the Company as follows:

6.1. Optionee is acquiring the Option for Optionee's own account, for investment purposes only and not with a view to or for sale in connection with a distribution of the Option.

6.2. Optionee understands that an investment in the Option involves a high degree of risk, and Optionee has the financial ability to bear the economic risk of this investment, including a complete loss of such investment. Optionee has adequate means for providing for Optionee's current financial needs and has no need for liquidity with respect to this investment.

6.3. Optionee has such knowledge and experience in financial and business matters that Optionee is capable of evaluating the merits and risks of an investment in the Option and in protecting Optionee's own interest in connection with this transaction.

6.4. Optionee has had the opportunity to ask questions of, and to receive answers from, appropriate officers of the Company with respect to the terms and conditions of the transactions contemplated hereby and with respect to the business, affairs, financial condition and results of operations of the Company. Optionee has had access to such financial and other information as is necessary in order for Optionee to make a fully informed decision as to investment in the Company, and has had the opportunity to obtain any additional information necessary to verify any of such information to which Optionee has had access.

6.5. Optionee acknowledges that if at the time of exercise of this Option by Optionee there is no effective registration statement registering the issuance of the Option Shares upon exercise of this Option under the Securities Act of 1933, as amended (the "Securities Act"), any certificate evidencing the Option Shares will have a legend to the following effect:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE EXERCISED, SOLD, PLEDGED OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE ACT OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

6.6. Optionee has consulted with Optionee's own tax counsel and advisors as to the federal, state and other tax consequences to Optionee of the grant and exercise of the Option and the sale of Option Shares, and acknowledges that the Company makes no representation or warranty to the Optionee regarding such tax consequences.

7. Modification. The Option may not be amended or modified except by a written instrument executed by the Company and the Optionee.

8. Market Stand-off. The Optionee, if so requested by the Company or any representative of the underwriters in connection with the first firmly underwritten public offering of securities by the Company pursuant to a registration statement under the Securities Act following the date of this Agreement, shall not sell or otherwise transfer any Option Shares during the 180-day period following the effective date of such registration statement. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restriction until the end of such 180-day period. This Section 8 will not apply to the sale of any Option Shares to an underwriter pursuant to an underwriting agreement and shall only be applicable to the Optionee if all then current executive officers and directors of the Company enter into similar agreements.

9. General Provisions.

9.1. Notices. All notices, requests, demands and other communications (collectively, "Notices") given pursuant to this Agreement shall be in writing, and shall be delivered by personal service, courier, facsimile transmission, email transmission of a pdf format data file or by United States first class, registered or certified mail, postage prepaid, addressed to the party at the address set forth on the signature page of this Agreement. Any Notice, other than a Notice sent by registered or certified mail, shall be effective when received; a Notice sent by registered or certified mail, postage prepaid return receipt requested, shall be effective on the earlier of when received or the third day following deposit in the United States mails. Any party may from time to time change its address for further Notices hereunder by giving notice to the other party in the manner prescribed in this Section.

9.2. Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by email delivery of a "pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or "pdf" signature page were an original thereof.

9.3. Failure to Enforce Not a Waiver. The failure of the Company or the Optionee to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

9.4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada applicable to contracts made in, and to be performed within, that State.

9.5. Option Non-transferable. Optionee may not sell, transfer, assign or otherwise dispose of the Option other than (a) by will or by the laws of descent and distribution or (b) to a Family Member (within the meaning given such term in Form S-8 under the Securities Act) provided such transfer is made as a gift without consideration and such transfer complies with

applicable securities laws. The person or persons, if any, to whom this Option is transferred shall be treated after Optionee's death the same as Optionee under this Agreement.

9.6. Successors and Assigns. Except to the extent specifically limited by the terms and provision of this Agreement, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs and personal representatives.

9.7. Advice from Independent Counsel**.** The parties hereto understand that this Agreement is a legally binding agreement that affects such party's rights and imposes obligations on such party. Each party represents to the other that it has received legal advice from counsel of its choice regarding the meaning and legal significance of this Agreement and that it is satisfied with its legal counsel and the advice received from it.

9.8. Miscellaneous. Titles and captions contained in this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement for any other purpose. References to Sections in this Agreement refer to Sections of this Agreement unless otherwise stated. Except as specifically provided herein, neither this Agreement nor any right pursuant hereto or interest herein shall be assignable by any of the parties hereto without the prior written consent of the other party hereto.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Company has granted to Optionee the Option as of the date set forth above.

OPTIONEE:

_____

Address:

RESTORGENEX CORPORATION.

By: _____
Timothy Boris, General Counsel

Address: 1800 Century Park East, 6th Floor
Los Angeles, CA 90067

EXHIBIT "A"

NOTICE OF EXERCISE

(To be signed only upon exercise of the Option)

TO: RestorGenex Corporation

The undersigned, the holder of the enclosed Stock Option Agreement ("Optionee"), hereby irrevocably elects to exercise the purchase right represented by the Option and to purchase thereunder * shares (the "Option Shares") of Common Stock of RestorGenex Corporation (the "Company") and herewith encloses payment of $ or pursuant to the cashless exercise provisions set forth in Section 3.1 in full payment of the purchase price of such shares being purchased.

The Optionee represents and warrants to the Company as follows:

1. Optionee is acquiring the Option Shares for Optionee's own account, for investment purposes only and not with a view to or for sale in connection with a distribution of the Option Shares.

2. Optionee understands that an investment in the Option Shares involves a high degree of risk, and Optionee has the financial ability to bear the economic risk of this investment, including a complete loss of such investment. Optionee has adequate means for providing for Optionee's current financial needs and has no need for liquidity with respect to this investment.

3. Optionee has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of an investment in the Option Shares and in protecting Optionee's own interest in connection with this transaction.

4. Optionee understands that if at the time of exercise of the Option by Optionee there is no effective registration statement registering the issuance of the Option Shares upon exercise of the Option under the Securities Act of 1933, as amended (the "Securities Act"), the Option Shares have not been registered under the Securities Act, the California Corporate Securities Law of 1968, as amended (the "California Law") or other state securities laws.

Optionee is familiar with the provisions of the Securities Act and Rule 144 thereunder, and the California Law and understands that such restrictions on transfer of the Option Shares may result in Optionee being required to hold the Option Shares for an indefinite period of time.

5. Optionee agrees not to transfer or encumber ("Transfer") any of the Option Shares except pursuant to an effective registration statement under the Securities Act or an exemption from registration. As a further condition to any such Transfer, except in the event that such Transfer is made pursuant to an effective registration statement under the Securities Act, if, in the reasonable opinion of counsel to the Company, any Transfer of the Option Shares by the contemplated

transferee thereof would not be exempt from the registration and prospectus delivery requirements of the Securities Act, the Company may require the contemplated transferee to furnish the Company with an investment letter setting forth such information and agreements as may be reasonably requested by the Company to ensure compliance by such transferee with the Securities Act.

6. Optionee has had the opportunity to ask questions of, and to receive answers from, appropriate officers of the Company with respect to the terms and conditions of the transactions contemplated hereby and with respect to the business, affairs, financial condition and results of operations of the Company. Optionee has had access to such financial and other information as is necessary in order for Optionee to make a fully informed decision as to investment in the Company, and has had the opportunity to obtain any additional information necessary to verify any of such information to which Optionee has had access.

7. Optionee acknowledges that if at the time of exercise of the Option by Optionee there is no effective registration statement registering the issuance of the Option Shares upon exercise of the Option under the Securities Act any certificate evidencing the Option Shares will have a legend to the following effect:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE EXERCISED, SOLD, PLEDGED OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE ACT OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE."

8. Optionee understands that the issuance of the Option Shares to Optionee may generate income, taxable at ordinary rates, equal to the value of the Shares less the exercise price and that the Options when they are exercised or at an earlier time may result in income, taxable at ordinary rates or greater (if a penalty rate is applicable), pursuant to Sections 83 or 409A of the Internal Revenue Code of 1986, as amended, and the regulations or proposed regulations thereunder.

Dated: _____

(Address)

Social Security Number

*Insert here the number of shares being exercised making all adjustments for cashless exercise pursuant to Section 3 or for stock splits, stock dividends or other additional Common Stock of the Company, other securities or property which, pursuant to the adjustment provisions of Section 5 of the Option, may be deliverable upon exercise.

Exhibit 31.1

CERTIFICATION OF CEO PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002 AND SEC RULE 13a-14(a)

I, Stephen M. Simes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RestorGenex Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2014

/s/ Stephen M. Simes
Stephen M. Simes
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION OF CFO PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002 AND SEC RULE 13a-14(a)

I, Phillip B. Donenberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RestorGenex Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2014

/s/ Phillip B. Donenberg
Phillip B. Donenberg
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

CERTIFICATION OF CEO PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of RestorGenex Corporation (the "Company") on Form 10-Q for the quarter ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen M. Simes, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen M. Simes
Stephen M. Simes
Chief Executive Officer
August 14, 2014

Exhibit 32.2

CERTIFICATION OF CEO PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of RestorGenex Corporation (the "Company") on Form 10-Q for the quarter ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Phillip B. Donenberg, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Phillip B. Donenberg
Phillip B. Donenberg
Chief Financial Officer
August 14, 2014