UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): November 18, 2013

STRATUS MEDIA GROUP, INC.

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

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

(805) 884-9977
(Registrant's telephone number, including area code)

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

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

Item 1.01 Entry into a Material Definitive Agreement

In connection with the closing of the Mergers described in Item 1.02, below, Stratus Media Group, Inc. (the "Company") entered into employment agreements with (a) Yael Schwartz, Ph.D., pursuant to which Dr. Schwartz was appointed President of Canterbury Laboratories LLC, and Hygeia Therapeutics, Inc. (the new subsidiaries of the Company acquired pursuant to the Mergers); and (b) Craig Abolin, Ph.D. pursuant to which Dr. Abolin was appointed Vice President of Research and Development of the new subsidiaries.

Under the Employment Agreement with Dr. Schwartz, she is to be employed for an initial period of three years. During the initial year of her employment term, she is to receive a base salary of $330,000. Thereafter, her base salary will be subject to mutually agreed upon increases. The Company's board of directors (the "Board") or Compensation Committee may grant Dr. Schwartz bonuses in its sole discretion. Dr. Schwartz is also eligible for grants of awards under the Company's Incentive Compensation Plan.

Under the employment agreement with Dr. Abolin, he is to be employed for an initial period of three years. During the initial year, he is to receive a base salary of $241,000. Thereafter his base salary will be subject to mutually agreed upon increases. The Company's Board or Compensation Committee may grant Dr. Abolin bonuses in its sole discretion. Dr. Abolin is also eligible for grants of awards under the Company's Incentive Compensation Plan.

Item 1.02 Completion of Acquisition on Disposition of Assets

Effective September 30, 2013, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Canterbury Acquisition LLC, a wholly owned subsidiary of the Company ("Canterbury Merger Sub"), Hygeia Acquisition, Inc., a wholly owned subsidiary of the Company ("Hygeia Merger Sub"), Canterbury Laboratories, LLC ("Canterbury"), Hygeia Therapeutics, Inc. ("Hygeia") and Yael Schwartz, Ph.D., as Holder Representative, pursuant to which the Company agreed to acquire all of the capital stock of Canterbury and Hygeia (the "Mergers") with Canterbury and Hygeia becoming wholly owned subsidiaries of the Company. The consideration for the Mergers is the issuance by the Company of an aggregate of 115,011,563 restricted shares of the Company's common stock issued to the stakeholders of Canterbury and Hygeia. Effective November 18, 2013 (the "Effective Date"), the Mergers were completed, and Canterbury and Hygeia became wholly owned subsidiaries of the Company.

The foregoing description of the Mergers and related transactions does not purport to be complete and is qualified in its entirety by reference to the complete text of the Merger Agreement which was filed with the Securities and Exchange Commission ("SEC") as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 10, 2013.

The shares of the Company's common stock issued to the holders of the capital stock of Canterbury and Hygeia in connection with the Mergers were not registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act and Regulation D promulgated under that section, which exempts transactions by an issuer not involving any public offering. These securities may not be offered or sold in the U.S. absent registration or an applicable exemption from the registration requirements. Certificates representing these shares will contain a legend stating the restrictions applicable to such shares.

Changes to the Business. As of the Effective Date, the businesses of Canterbury and Hygeia (the "Canterbury Group") constitute our sole line of business.

Changes to the Board of Directors and Executive Officers. Upon the closing of the Mergers, pursuant to the Merger Agreement Yael Schwartz, Ph.D. and Nelson Stacks were appointed by the Company's board of directors (the "Board") as directors of the Company. In addition, upon the closing of the Mergers, Dr. Schwartz was appointed as President of the Canterbury and Hygeia subsidiaries and Dr. Craig Abolin was appointed as Vice President of Research and Development of the subsidiaries.

All directors hold office for one-year terms until the election and qualification of their successors.

Accounting Treatment. The Mergers are being accounted for as the acquisition of a business. Canterbury and Hygeia are the acquired companies for financial reporting purposes as subsidiaries of the Company, with the former shareholders of Canterbury and Hygeia owning 20.6% of outstanding shares of the Company following the Mergers and the shareholders of the Company prior to the Mergers retaining 79.4% ownership of the outstanding shares of the Company following the Mergers. Consequently, the assets and liabilities and the operations that will be reflected in the historical financial statements prior to the Mergers are those of the Company and the consolidated financial statements after the Mergers will include the assets and liabilities of the Company, Canterbury and Hygeia, operations of Canterbury and Hygeia, and operations of the Company from the closing date of the Mergers.

Tax Treatment; Small Business Issuer. The Merger of Hygeia is intended to constitute a reorganization or other tax-deferred transaction within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"). The Merger of Canterbury will be taxable to the holders of the equity of Canterbury.

Following the Mergers, we will continue to be a "smaller reporting company," as defined in Item 10(f)(1) of Regulation S-K, as promulgated by the SEC.

As used in this Current Report on Form 8-K, all references to "we," "our" and "us" in the following description of the business of Canterbury and Hygeia for periods prior to the closing of the Exchange refer to Canterbury and Hygeia, as a privately owned companies, and for periods subsequent to the closing of the Mergers refer to the Company and its subsidiaries consisting of Canterbury and Hygeia.

CORPORATE INFORMATION

Company History – Stratus Media Group, Inc.

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"), a company engaged in the sports and entertainment business, 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 ("Reverse Merger"). In July 2008, Feris' corporate name was changed to Stratus Media Group, Inc. PSEI, a California corporation, was organized on November 23, 1998. In August 2005, PSEI acquired the business of Stratus White, LLC, a company engaged in developing a loyalty reward program for credit cards.

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 provide the Company voting rights on an as-converted basis equivalent to a 95% ownership in ProElite.

As a result of, among other factors, a lack of working capital, the Company suspended development of its businesses other than Pro Elite as of December 31, 2012 and suspended development of its MMA business effective June 30, 2013. The Company's Board authorized management to pursue acquisition opportunities in the life sciences area in view of the experience and expertise in that area of its largest stockholders, Sol. J. Barer and Isaac Blech.

Description of the Businesses of Canterbury and Hygeia

Background

Hygeia was organized to develop and commercialize new classes of estrogens and anti-androgens developed in the laboratory of Dr. Richard Hochberg at Yale University ("Yale"). Yale patented these compounds and they were then exclusively licensed to Hygeia. To fund the research and development, Hygeia raised $1,000,000 through the sale of its Series A Preferred Stock in 2010. By 2011, and given the state of the economy, Hygeia found itself unable to raise additional capital and suspended further research and development efforts. During this period, management considered the possibility of developing several of the patent protected assets for various cosmeceutical applications because of the strong activity on skin cells discovered during several of the tests and trials conducted by Hygeia. To further these efforts, on March 28, 2011, Hygeia entered into an Exclusive Development Collaboration Agreement with Ferndale Pharma Group, Inc. ("Ferndale"), an experienced developer, manufacturer and formulator of cosmeceutical products. The relationship with the Ferndale focused on the development of one of Hygeia's estrogenic compounds for topical skin use as a remedy for aging skin. Hygeia identified the compound as "CL-214".

As a result of that work, and in an effort to better position itself for a financing, Hygeia reorganized and separated into two companies. Effective as of October 20, 2011, Hygeia and Canterbury entered into an Agreement and Plan of Reorganization and Separation (the "Reorganization Agreement"). In accordance with the Reorganization Agreement, Hygeia spun out Canterbury creating two (2) side-by-side companies with than identical equity ownership. In connection with the reorganization, the exclusive license that Hygeia had entered into with Yale University was separated and all of the patent rights and other intellectual property rights related to the development of non-prescription, non-Food and Drug Administration ("FDA") regulated products were transferred to Canterbury. All of the patent rights and other intellectual property rights related to the development of prescription, FDA approved products remained with Hygeia.

The Businesses' Overview

Canterbury is engaged in the premium cosmeceutical business. Cosmeceuticals are sometimes described as cosmetic products with "drug-like benefits". Generally, cosmeceuticals are products sold over-the-counter, without the regulatory requirement of FDA approval. Since the products are not FDA approved, medical benefits cannot be either claimed or discussed. The development of cosmeceuticals is short and typically ranges from twelve (12) to eighteen (18) months.

With the rise of a more knowledgeable, wealthy and beauty-conscious class of urban consumers, management believes that cosmeceuticals have become one of the fastest growing cosmetic options and include products for skin care, hair care, sun care, lip care, foot care, tooth and gum care. Through an analysis of the developments taking place globally, management believes that the market is presently dominated by skin care and hair care cosmeceuticals.

Hygeia is engaged in the prescription dermatology and prescription women's health business. All prescription drugs must gain FDA approval before commercialization. Typically, the development of prescription drugs can take anywhere from five to nine years. The Hygeia pipeline consists of two lead compounds. One compound is under development for vulvar and vaginal atrophy and skin fragility, conditions affecting menopausal women through senescence due to the absence of estrogen. The other lead compound is under development for the treatment conditions of androgen excess e.g. acne, male-pattern baldness (androgenic alopecia) and hirsutism (unwanted excess hair).

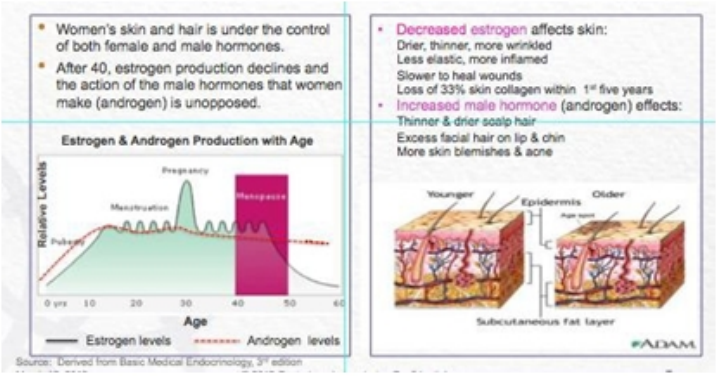
Hormonal aging radically affects the mucous membranes, skin and hair of women in menopause due to loss of estrogen which affects how women look and feel and their sexual activity.

- Management believes it is an urgent problem for women. As a result, many women are purchasing anti-aging products at a high rate into their seventies, which management believes makes anti-aging products the fastest growing segment in all personal care categories.

- Management believes competitive products are unworkable: currently available prescription hormone replacement comes with risks and current Over-The-Counter ("OTC") products are ineffective because they do not address the root problem.

- Management believes that the markets are **underserved**: products that 'speak' to the urogenital, skin and hair changes that women experience in the menopausal years to senescence are few. Marketing portrays 45+ women as old and these women, who feel dynamic and spirited, don't relate.

There is a scientific reason for women's concerns. Aging accelerates for women when they go through menopause. When women enter menopause, the effects of aging accelerate in estrogen-dependent tissues such as the urogenital region, skin and hair. After the age of forty (40), estrogen production declines and the action of male hormone that women make (androgen) is unopposed. This change of control of both male and female hormones has profound effects on skin and hair as shown below:



Management believes that more women are experiencing the effects of pre- and post-menopause; there are 64.5 million U.S. women over 45 years of age and this group will grow +5.4% by 2015.

1. **The Solution**

Management believes that the Canterbury and Hygeia compounds are unique, safe and effective. Our technology creates so-called "soft" modulators of estrogen and androgen hormone receptors. In scientific terminology, "soft" means that the active ingredient has a predictable route of metabolism. Designed to convert rapidly to inactive metabolites, these novel and patent-protected molecules deliver strong topical effects on skin and mucous membranes without the potential for undesirable systemic side effects, irritation or toxicity seen with some currently marketed prescription hormone replacement drugs and cosmeceuticals. Management believes that this characteristic will allow for use of our products safely over body surface areas for the long term and at concentrations that will be highly effective.

Why management believes the compounds are safe. Chemically engineered as esters in the laboratory of Dr. Richard Hochberg at the Yale Medical School, all of our principal performance ingredients, estrogens and anti-androgens, undergo predictable metabolism to single inactive metabolites. After topical application they are absorbed and broken down by enzymes below the skin surface. The hydrolytic enzymes (esterases) below the skin and mucous membrane surfaces in body fat and blood breakdown our products into single inactive acid metabolites and, as acids, are rapidly excreted from the body.

Why management believes the compounds are effective: Hormonal aging affects all women. Science has long established that estrogen plays a vital role in support of total body collagen. Collagen is the main connective tissue that holds us together. It is a vital component of most structures in the body and plays a very important role in the support of skin and other tissues. Collagen support begins to decline at age forty (40) during peri-menopause, and accelerates with the onset of menopause. Within five (5) years after the onset of menopause, a woman will lose approximately 33% of her skin collagen. Estrogen supports collagen synthesis through its receptors, tiny "locks" that exist all over the body which are activated by "keys", the estrogen molecule. These receptors are known to exist on skin. In fact, there are more estrogen receptors in facial skin than the skin of many other parts of the body. The decline in estrogen also makes skin drier and causes inflammation (redness). When circulating androgen is unopposed by sufficient levels of estrogen, the skin becomes more prone to blemishes, unwanted thick hairs appear on the chin, upper lip and sideburn areas and scalp hair thins. In fact, 50% of menopausal women will notice excessive, permanent hair loss (androgenic alopecia).

Management believes that the solution for aging skin deprived of estrogen and being exposed to unopposed circulating androgen is to offer another set of "keys" with our unique proprietary ingredients as shown below:

2. **The Regulatory Environment**.

The FDA defines the differences between a cosmetic/cosmeceutic and a drug as follows:

Cosmetic: "articles intended to be rubbed, poured, sprinkled or sprayed on, introduced into, or otherwise applied to the human body….for cleansing, beautifying, promoting attractiveness, or altering the appearance" [FD&C Act, sec. 201(i)].

Drug: "intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease" and "intended to affect the structure of any function of the body" [FD&C Act, sec. 210(g) (1)].

3. **Intellectual Property**

We have the exclusive license to three (3) patents (together "Yale Patents"):

U.S. Patent No. 7,015,211. *15.alpha.-Substituted Estradiol Carboxylic Acid Esters as Locally Active Estrogens* Richard Hochberg, Inventor. Submitted March 9, 2004; granted March 21, 2006; expires March 9, 2024.

U.S. Patent No. 6,476,012. *Estradiol-16.alpha Carboxylic Acid Esters as Locally Active Estrogens* Richard Hochberg, Inventor. Submitted January 23, 2002; granted November 5, 2002; expires January 23, 2022.

U.S. Patent No. 8,552,061 *Locally Active "Soft" Anti-Androgens* Submitted May 2, 2008; granted October 8, 2013; expires May 2, 2028.

For all patents, strong freedom-to-operate opinions have been rendered and patent strategies developed.

4. **Scientific Summary**

Our scientific studies have shown that our “soft estrogenic” compounds for vulvar and vaginal atrophy, skin fragility and skin aging are both safe and effective.

- All of our principal performance ingredients exhibit varying degrees of attraction to the estrogen receptor and all have varying degrees of ability to activate the receptor.

- All of our principal performance ingredients are capable of stimulating cellular repair and increasing the synthesis of skin cells.

- All of our principal performance ingredients are susceptible to hydrolysis (rapid breakdown occurs in less than 20 minutes) indicating that all are safe and do not have systemic effects.

Our data indicates that our estrogenic compounds will help the skin in two (2) different ways: genomically (DNA-related) and non-genomically (non-DNA related). The estrogenic compounds are safe, and devoid of systemic exposure. Genomically, they act on DNA to maintain skin structure and thickness by maintaining elastin and collagen and maintain blood flow to the skin by increasing the production of new blood vessels. Non-genomically, our proprietary estrogenic compounds will reduce inflammation and redness, inhibit the breakdown, increase moisture and decrease the incidence of facial hair and blemishes.

A topical, safe anti-androgen can safely and effectively treat excess androgen stimulation of the pilosebaceous unit of the skin and scalp. Excess androgen stimulation results in blemishes, oiliness, hair loss/thinning and unwanted facial hair. Scientific studies conducted with our “soft” anti-androgen have shown a strong safety and efficacy profile:

- Significant blockade of topical androgen-dependent tissue in an animal model of anti- androgen sensitivity without effects on androgen dependent internal tissues.

- Potent inhibition of the androgen receptor.

- Rapid breakdown to an inactive metabolite in human plasma.

- Melting point close to that of human skin making it very permeable to the pilosebaceous unit where the oil glands and the hair follicles reside.

Canterbury Laboratories

Canterbury currently has a cosmeceutical product program based on the16α- carboxylic acid esters of estrogen. This program is currently called, **Nextgen Estrogenics**.

Ferndale and Canterbury Laboratories

To begin the process of understanding the licensed compounds for cosmeceutical application, Canterbury entered into an Exclusive Development Collaboration (“EDC”) with Ferndale to select a lead product from Canterbury portfolio of ten (10) topical assets. Pursuant to the EDC, Ferndale performed early development studies to identify a lead dermaceutical candidate suitable for aging skin. As a result of the studies, a lead product, which Canterbury refers to as “CL-214” was selected and will be developed and commercialized by Ferndale Pharma Group’s Biopelle Division for sale through the offices of physicians, healthcare providers and plastic surgeons.

Ferndale is a privately owned company located in Ferndale, Michigan. Established in 1897, Ferndale is a holding company operating through six (6) specialty healthcare companies all focused on offering high-value prescription and over-the-counter products treating a wide variety of medical disorders ranging from benign anorectal disorders to skin conditions. Ferndale has over thirty (30) years of experience manufacturing topical Rx and OTC drugs, medical devices and cosmeceuticals for both domestic and international distribution.

Following the completion of the EDC studies, Canterbury, on March 22, 2012, entered into a Sublicense Agreement (the "Sublicense") with Ferndale for the formulation, manufacture, sale and marketing of CL-214 within Ferndale's established marketing channel for cosmeceuticals, which are the offices of surgeons, physicians and other health care providers (the "Distribution Channel"). Ferndale is responsible for all costs and expenses associated with developing marketing products for sale through the Distribution Channel. The Territory is the world.

In consideration of Canterbury entering into the Sublicense, Ferndale has agreed to pay to Canterbury the following amounts on a country by country basis:

A. *Royalties*

Ten (10%) percent of Net Sales of products sold within the Territory where the Yale Patent is valid and in force; Four and One-Half (4 ½ %) percent of Net Sales sold within the Territory when the Yale Patent has expired and Two (2%) percent of Net Sales when the Yale Patent has been held invalid by final judgment of a court of competent jurisdiction.

B. *Use Fee*

i. One Hundred Thousand ($100,000) Dollars payable within thirty (30) days following the first commercial sale of a product in the United States and Canada;

ii. Twenty Thousand ($20,000) Dollars payable within thirty (30) days following the first commercial sale of a product in each of the following countries: (a) Germany, (b) France, (c) United Kingdom, (d) Japan and (e) Brazil; and

iii. Any fees received by Ferndale from a distributor or other comparable party during the Term shall be divided equally and paid by Ferndale to Canterbury when received.

C. *Sales Milestone Payments*

i. One Hundred Thousand ($100,000) Dollars at such time as the trailing twelve (12) months of Net Sales in any country in the Territory first exceeds One Million ($1,000,000) Dollars;

ii. Two Hundred Thousand ($200,000) Dollars at such time as the trailing twelve (12) months of Net Sales in any country in the Territory first exceeds Five Million ($5,000,000) Dollars; and

iii. Four Hundred Thousand ($400,000) Dollars at such time as the trailing twelve (12) months of Net Sales in any country in the Territory first exceeds Ten Million ($10,000,000) Dollars.

For purposes of the Ferndale Sublicense Agreement, the United States and Canada are considered to be one (1) country. Net Sales has the customary definition with the usual and standard permitted deductions provided, however, that under no circumstances can the aggregate deductions from gross sales exceed Seven and One-Half (7 ½ %) percent of the gross amount actually received by Ferndale or an Affiliate. None of the amounts described above have yet been paid to Canterbury. Ferndale has, to date, neither developed nor begun marketing any product covered by the Sublicense.

In addition to the Sublicense, Canterbury and Ferndale have agreed to enter into a Supply Agreement on commercially reasonable terms pursuant to which Ferndale has committed to purchase all of its required supply of CL-214 from Canterbury at Canterbury's cost of raw material and directly related costs and expenses. The Supply Agreement has not yet been executed and the terms have not been finalized.

The term of the Sublicense, which is subject to the terms and conditions of the Yale License, will continue in full force and effect until the last of the claims in the Yale Patents expire, lapse or are declared to be invalid by a non-appealable decision of a court of competent jurisdiction. Ferndale may voluntarily terminate the license upon ninety (90) days prior written notice to Canterbury. Further, either party, upon thirty (30) days prior written notice and the failure to correct within that time period, may terminate the Sublicense upon the occurrence of a material breach or a default by the other party. Finally, either party may immediately terminate the Agreement if the other party is adjudged a bankrupt, becomes insolvent or enters into a composition with its creditors or if a receiver is appointed.

The Sublicense with Ferndale is Canterbury's first collaboration. Canterbury believes, but has not established, that there are multiple distribution and marketing channels available for its products, from direct retail sales to consumers to infomercials and the internet. With additional resources and qualified partners and collaborators, Canterbury intends to explore all of these options. To date, Canterbury has not negotiated any agreements other than the Sublicense with Ferndale.

The Cosmeceutical Market for Aging Skin

Management believes that skin care is one of the most important categories in the global beauty and personal care industry. Anti-aging products continue to be a significant market performer, showing consistently high increases in revenue over the last five (5) years. While spending has curbed since the economic decline in late 2008, skin care products are one area of consumption that has not generally been negatively affected. Growth in the cosmeceuticals market worldwide is primarily attributed to the aging population in the United States and across the globe. Market gains are driven by a highly receptive, fast-expanding group of middle-aged customers who want to prevent and redress visible damage to the skin caused by aging, sun damage and other environmental stressors. There is also an increase in disposable income in emerging markets like Asia and South America. (Euromonitor: 2011)

For women in their late 40's and early 50's, aging accelerates due to the hormonal changes of menopause. Management believes that women's top fear of aging is losing attractiveness. Many women are experiencing these fears, with 51 million U.S. women between the ages of forty-five and seventy (45-70).

Anti-aging is no longer just about reducing fine lines and minimizing wrinkles but in having skin that is hydrated, evenly toned, textured and supple. Management believes that today's consumer wants a product that addresses all seven (7) signs of aging: dehydration, fine lines, wrinkles, skin discoloration, large pores, loss of elasticity and fullness. The product(s) that can address all of these issues and is correctly priced will succeed. Anti-aging is fueling the fast-growing cosmeceutical market; these women are actively seeking solutions for aging skin and hair. Anti-aging is the fastest growing segment of the personal care and cosmeceutical industries. Cosmeceutical anti-aging skincare is the fastest growing segment, projected to grow to $3.7 Billion by 2016 with +8. 3% Compound Annual Growth Rate ("CAGR") (2010-2016, Mintel).

Canterbury believes that the science and technology behind the development of CL-214, and other members of our product portfolio, have the potential to make Canterbury a market leader by focusing on a plan that maximizes the value of its unique portfolio of assets:

- The need: For women in their late 40's and early 50's, aging accelerates due to the hormonal changes of menopause. Women's top fear of aging is losing attractiveness. Many women are experiencing these fears, with 51 million U.S. women between the ages of forty-five and seventy (45-70).

- Canterbury's Solution: Canterbury's proprietary ingredients bring a new, differentiated benefit to the anti-aging market. Our ingredients safely halt and reverse age-related hormonal changes in women's skin and hair. Unlike other anti-aging topical cosmeceuticals, Canterbury's ingredients act only at the point of application, are non-irritating and spare internal organs from unnecessary systemic exposure.

- Anti-aging is fueling the fast-growing cosmeceutical market: These women are actively seeking solutions for aging skin and hair. Management believes that anti-aging is the fastest growing segment of the personal care and cosmeceutical industries. Cosmeceutical anti-aging skincare is the fastest growing segment, projected to grow to $3.7 Billion by 2016 with +8. 3% CAGR (2010-2106, Mintel).

- Competition: Despite the growth in cosmeceuticals, many of the current anti-aging topical products are either ineffective, unsafe or both. As is the case with the retinoids, their effectiveness is limited by constraints on how much can be applied to skin without causing photo-sensitivity to the sun's rays and irritation.

- Canterbury's products can fit multiple product segments: Canterbury's ingredients can be formulated for multiple cosmeceutical applications where the total addressable U.S. market is $5.5 billion. Canterbury is focused on the cosmeceutical skin and hair care segments where the addressable U.S. market is $2.3 billion and $550 million, respectively.

- Canterbury's business plan maximizes the value of the ingredients and creates a large and growing business in skin and hair care: Canterbury's plan is sequenced to attack the largest cosmeceutical market quickly with a unique benefit of halting and reversing the effects of aging, then accelerating growth in other key segments while leveraging current brand and channel assets.

Current Status of Canterbury's Products

Canterbury's first product for aging skin, CL-214, will initially be sold and marketed by Ferndale Pharma Group through physican offices and medi-spas world-wide. Key findings in the synthesis and scale-up manufacturing of CL-214 have opened up opportunities for new patents. Preparation for manufacturing is expected to be completed in the second quarter of 2014 and the first batch of CL-214 will then start formulation development. Management believes that the product will be ready for Ferndale's launch following human skin assessment studies in the fourth quarter of 2014.

Hygeia Therapeutics

Development Programs

HYG-102, the lead estrogenic candidate, is a member of the 15 alpha-carboxylic acid esters of estrogen, HYG-102, is under development for the topical treatment of skin aging (thinning and fragility) and vulvar and vaginal atrophy. HYG-102 is the first estrogenic drug candidate engineered to be rapidly deactivated to non-estrogenic metabolites by hydrolytic enzymes and represents a new generation of effective estrogens. In animal models, HYG-102 has strong estrogenic effects at the site of application but no effect on the most estrogen-sensitive systemic tissues even at high multiples of the locally effective dose. These observations are consistent with rapid formation of inactive metabolites. The expected major metabolite, HYG-103, has no detectable estrogenic effects in vitro.

Key findings to date in estrogen-deficient animals demonstrate superior safety over estradiol. HYG-102 has no impact on uterine tissues even at supra-therapeutic doses administered intravaginally (50x therapeutic dose) or subcutaneously (300x therapeutic dose). These studies indicate a favorable therapeutic index relative to currently marketed estrogen containing products. Half-life following intravaginal dosing is 20 minutes. In human keratinocytes, which comprise 90% of epithelium, HYG-102 was significantly proliferative. A proprietary model of human skin thickness (Living Skin Equivalency Model) demonstrated that HYG-102 elicited a positive trend toward increased thickness. These studies bode well for efficacy in the treatment of age-related skin fragility.

HYG-440 is our lead anti-androgenic candidate for the topical treatment of acne, hirsutism and androgenic alopecia. HYG-440 has strong androgen-receptor affinity and can inhibit androgenic effects of co-administered androgens in rat cells transfected with androgen receptors. The expected major metabolite has no detectable androgen-receptor affinity or ability to interfere with the androgenic effects of endogenous androgens. In vivo proof-of-concept studies will start shortly in the Syrian hamster. Hygeia recently shortened the synthesis route of HYG-440 from 7 steps to 2 steps creating a potential for a new process patent.

HYG-102440 is a combination product of HYG-102 and HYG-440 and will be developed for the topical treatment of hair loss due to increased hair follicle sensitivity to androgens.

Product Rationale

HYG-102: Estrogens are known to support skin health by maintaining skin thickness, elasticity and moisture content in both men and women. Estrogen levels and skin thickness and elasticity decline with age. Skin loses half of its elasticity by age 60 and continues to decline with age. Clinically, thinning skin leads to delicate wrinkles, ease of bruising and tearing, poor wound healing and sensitivity to cold. Vaginal wall atrophy, a condition that significantly reduces quality of life, affects 47% of women within three years of menopause and approaches 100% over time. The profound effects of estrogens on skin were known long before it was discovered that estrogen receptors are present in all epithelial tissues but most abundant in skin and the uterus. Decades after estrogens were first used over-the-counter (OTC) in facial creams, shampoos and hair conditioners to restore and maintain skin and hair health, unwanted estrogenic side effects were linked to the use of those products. In 1994, safety concerns finally led to the removal of all estrogens and other hormone-containing OTC products in the U.S. Less than ten (10) years later, the use of estrogen-containing prescription products was associated with an increased risk of cancer and cardiovascular disease. These risks associated with estrogen use have made many doctors and patients hesitant to use estrogens to manage aging skin and vaginal and vulvar atrophy associated with low estrogen.

HYG-440: Excess testosterone-like hormones in the skin of both men and women can lead to the overproduction of sebum which can block skin pores and lead to localized infection and inflammation. An anti-androgen applied to the skin can block the actions of testosterone-like hormones and heal acne. In some women, excess skin androgen (testosterone-like hormones) can lead to unwanted localized hair growth (hirsutism). An anti-androgen applied to those skin areas can greatly minimize excess body hair growth caused by excess androgens in the skin. Paradoxically, excess androgen in the scalp can cause androgenic alopecia or baldness and is the most common cause of hair loss affecting both men and women. An anti-androgen applied to the scalp at the first signs of thinning can block the actions of testosterone-like hormones. Hair thinning in some women coincides with menopause when estrogen levels decrease and androgen levels increase. Therefore, a combination product of HYG-102 and HYG-440 (HYG-102440) would be expected (but has not yet been established), to be more effective in those women than an anti-androgen alone.

Market Potential

VVA: Vulvar and vaginal atrophy (VVA) is a urogenital disorder caused by a decrease in estrogen, typically occurring during menopause. When estrogen levels are low, the tissues of the vulvar vaginal region become less moist and the elastic and collagen fibers that give the vaginal wall stretch and stretchiness decreases in number. The skin of the opening becomes thinner and less protective. Thus, the vulvar and vaginal region becomes painful to intercourse and there is an increased incidence of urinary tract infections. In extreme cases, thinning of the tissue can lead to tiny abrasions that cause the sides of the vaginal opening to stick together and the opening may become fused closed. The VVA market is in need of a product with lower systemic activity since treatment guidelines issued by the FDA favor estrogenic products with lower systemic effects. Management believes that only 1 in 4 women with VVA symptoms are being treated because of safety concerns of currently marketed estrogen-containing products. Prevalence, severity and awareness of the condition is increasing as the population ages. Women spend 1/3 of their lives in menopause. Management believes that the post-menopausal VVA market in the US is currently approximately $1,022 billion. The CAGR has grown by 8.8% over the past 5 years and the world-wide market is expected to grow to $3 billion dollars by 2019.

Aging Skin (Skin Fragility): Currently, there are no preventative treatments for age-related skin fragility (thinning), bruising, and slow healing. Severe skin-thinning seen in nursing home patients often leads to skin tearing which can take 10-21 days to heal and increases nursing care costs for institutions, individuals and the community. Estrogen-containing hormone replacement therapy has been shown to improve skin thickness and elasticity, but is not approved for this purpose due to systemic side effects. HYG-102 has the potential to penetrate and expand the world-wide aging skin market in all adult age groups.

Acne, Alopecia and Hirsutism: The world-wide anti-acne market is $2.8 billion and constitutes the largest prescription market in dermatology. Currently available prescription anti-acne products are associated with undesirable side effects e.g., skin irritation, photosensitivity, hypopigmentation and GI-upset. There are no other known non-systemic "soft" topical anti-androgens in development. Hirsutism affects about 10% of the female population and Americans spend $1 billion dollars annually for the removal of unwanted hair. Androgenic baldness is a greatly underserved market and is primed for a safe, effective, non-invasive treatment. It affects both men and women and women constitute nearly half of the hair-loss market. In the U.S. alone, consumers spend $1.2 billion annually on topical treatments for thinning hair. This market is greatly underserved for safe and non-invasive remedies.

Current Status of Hygeia Products

Hygeia's "soft estrogen" and "soft anti-androgen" have completed in vitro and in vivo proof-of-concept studies in widely accepted tissue and animal models. Chemical synthesis process development for both HYG-102, the "soft" analog of 15 alpha-carboxylic acid esters of estrogen and HYG-440, the "soft anti-androgen, have opened up new patent strategies. Both development programs will run in parallel. In the first quarter of 2014, we intend to scale up manufacturing and start formulation development for HYG-102 and HYG-440. This will be largely completed by the third quarter of 2016. Drug metabolism, pharmacokinetic testing (DMPK), toxicology studies and IND ("Investigative New Drug" application) will extend from the second quarter 2014 to the third quarter of 2014. It is anticipated that successful completion of DMPK and toxicology studies for HYG-102, will open up a Physician IND for the treatment of age-related skin fragility. Similarly, successful completion of the same for HYG-440 for acne will enable a Physician IND for the treatment of hirsuitism and alopecia. Management believes clinical studies for the treatment of VVA and acne will commence during the first quarter of 2016 and an NDA (new drug application) for HYG-102 and HYG-440 will be filed by 2018.

Employees

As of the Effective Date, the Canterbury Group had two employees, both of whom are full time employees. None of our employees is represented by a collective bargaining agreement. We consider our relations with our employees to be good.

Facilities

The Canterbury Group currently has no permanent executive offices and no lease obligations.

Legal Proceedings

We are not involved in any pending or threatened legal proceedings.

Forward-Looking Statements

This Current Report on Form 8-K and other written and oral statements made from time to time by us may contain so-called "forward-looking statements," all of which are subject to risks and uncertainties. Forward-looking statements can be identified by the use of words such as "expects," "plans," "will," "forecasts," "projects," "intends," "estimates," and other words of similar meaning. One can identify them by the fact that they do not relate strictly to historical or current facts. These statements are likely to address our growth strategy, financial results and product and development programs. One must carefully consider any such statement and should understand that many factors could cause actual results to differ from our forward looking statements. These factors may include inaccurate assumptions and a broad variety of other risks and uncertainties, including some that are known and some that are not. No forward looking statement can be guaranteed and actual future results may vary materially.

Information regarding market and industry statistics contained in this Current Report on Form 8-K is included based on information available to us that we believe is accurate. It is generally based on industry and other publications that are not produced for purposes of securities offerings or economic analysis. We have not reviewed or included data from all sources, and cannot assure investors of the accuracy or completeness of the data included in this Current Report. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We do not assume any obligation to update any forward-looking statement. As a result, investors should not place undue reliance on these forward-looking statements.

Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the other sections of this Current Report on Form 8-K, including "Risk Factors," "Description of the Businesses of Canterbury and Hygeia" and the Financial Statements attached hereto as Item 9.01 and the related exhibits. The various sections of this discussion contain a number of forward-looking statements, all of which are based on our current expectations and could be affected by the uncertainties and risk factors described throughout this Current Report on Form 8-K as well as other matters over which we have no control. See "Forward-Looking Statements." Our actual results may differ materially.

Recent Events

On November 18, 2013, we completed the Mergers pursuant to which we acquired all of the capital stock of Canterbury and Hygeia, which became our wholly owned subsidiaries. In connection with the Mergers, we succeeded to the businesses of Canterbury and Hygeia as our sole lines of business. The Mergers are being accounted for as a recapitalization. Canterbury and Hygeia are the acquirers for accounting purposes and we are the acquired company. Accordingly, Canterbury's and Hygeia's historical financial statements for periods prior to the acquisition have become those of the registrant retroactively restated for, and giving effect to, the number of shares received in the Mergers. Operations reported for periods prior to the share exchange are those of Canterbury and Hygeia.

The following discussion relates to the operations of Canterbury and Hygeia and should be read in conjunction with the Notes to Financial Statements.

History of Business

Hygeia Therapeutics, Inc. ("Hygeia"), a Delaware Corporation, based in Holden, Massachusetts was formerly known as Orcas Therapeutics, Inc. It was incorporated on November 14, 2005 to acquire and develop biodegradable hormone receptor modulators for topical indications. Hygeia is focused on developing topical therapies for conditions where localized treatments offer advantages over systemic therapies. It also conducts testing on drugs including topical synthetic estrogen and anti-androgen.

Hygeia has signed an Exclusive License Agreement (the "Yale License") with Yale University ("Yale") under U.S. Patent 7,015,211 "*15.alpha.-Substituted Estradiol Carboxylic Acid Esters as Locally Active Estrogens,"* U.S. Patent 6,476,012 "*Estradiol-16.alpha Carboxylic Acid Esters as Locally Active Estrogens"* and U.S. Patent 8,552,061 "*Locally active "soft" antiandrogens*" ("Yale Patents"). Hygeia agreed to pay royalty fees to Yale quarterly beginning in the first calendar quarter in which net sales occur.

Canterbury Laboratories, LLC (the “Canterbury”), is a Delaware Limited Liability Company that was formed on October 14, 2011 and began operations on February 22, 2012. Initially, the Company was a wholly owned subsidiary of Hygeia Therapeutics, Inc. (“Hygeia”). Canterbury is engaged in the premium cosmeceutical business. Cosmeceuticals are the latest addition to the health industry and are sometimes described as cosmetic products with “drug-like benefits”. Generally, cosmeceuticals are products sold over-the-counter, without the regulatory requirement of FDA approval.

A reorganization and separation agreement was signed on October 14, 2011 between Canterbury and Hygeia under which Hygeia received 100% of all issued and outstanding units of all classes of limited liability company membership interests of Canterbury. Hygeia distributed these profit units to holders of its common and preferred stock, with each holder of one share of common or preferred stock in Hygeia given one profit unit in Canterbury. Further, 720,821 shares were issued to the Hygeia’s non-qualifying stock option (“NSO”) holders to liquidate the 720,821 shares of outstanding NSO’s. Holders of Hygeia stock purchase warrants for 1,782,901 shares were issued in exchange an equal number of units of Canterbury stock purchase warrants. Pursuant to the license agreement 1,606,035 shares of Series A convertible preferred stock was issued to Yale University for the Yale License. In February 2012, Hygeia assigned its rights and obligations related to non-prescription products under the Yale License to Canterbury.

As of July 31, 2013, equity holders of Hygeia held 94% of the membership units of Canterbury. Accordingly, the financial results of Hygeia and Canterbury are presented herein on a combined basis and the combination of Hygeia and Canterbury will be referred to herein as the “Company” or “Canterbury Group.”

OPERATIONS

Overview

Canterbury is engaged in the premium cosmeceutical business. Cosmeceuticals are the latest addition to the health industry and are sometimes described as cosmetic products with “drug-like benefits.” Generally, cosmeceuticals are products sold over-the-counter, without the regulatory requirement of FDA approval. Since the products are not FDA approved, medical benefits cannot be either claimed or discussed.

With the rise of a more knowledgeable, wealthy, and beauty-conscious class of urban consumers, management believes that cosmeceuticals have become one of the fastest growing cosmetic options and include products for skin care, hair care, sun care, lip care, foot care, tooth and gum care. Through an analysis of the developments taking place globally, management believes that the market is presently dominated by skin care and hair care cosmeceuticals.

Hygeia is engaged in the prescription dermatology and prescription women’s health business. All prescription drugs must gain FDA approval before commercialization. Typically, development of prescription drugs can take anywhere from five to nine years. The Hygeia pipeline consists of a two lead compounds. One compound is under development for vulvar and vaginal atrophy and skin fragility, conditions affecting menopausal women through senescence due to the absence of estrogen. The other lead compound is under development for the treatment conditions of androgen excess e.g. acne, male-pattern baldness and hirsutism.

Market

Women will spend approximately one-third of their life in menopause. Hormonal aging radically affects their mucous membranes skin and hair due to loss of estrogen which affects how women look and feel and their sexual activity.

Management believes it is an urgent problem for women. As a result, many women are purchasing anti-aging products at a high rate into their seventies, which management believes makes anti-aging the fastest growing segment in all personal care categories. Management believes competitive products are unworkable: Currently available prescription hormone replacement comes with risks and current OTC products are ineffective by not addressing the root problem. Management believes that the markets are underserved: Products that 'speak' to the urogenital, skin and hair changes that women experience in the menopausal years to senescence are few. Marketing portrays 45+ women as old and these women, who feel dynamic and spirited, don't relate.

There is a scientific reason for women's concerns. Aging accelerates for women when they go through menopause. When women enter menopause, the effects of aging accelerate in estrogen-dependent tissues such as the urogenital region, skin and hair. After the age of forty (40), estrogen production declines and the action of male hormone that women make (androgen) is unopposed. Management believes that more women are experiencing the effects of pre- and post-menopause; there are 64.5 million U.S. women over 45 years of age and this group will grow +5.4% by 2015.

Products

Management believes that the Canterbury and Hygeia compounds are unique, safe and effective. Our technology creates so-called "soft" modulators of estrogen and androgen hormone receptors. In scientific terminology, "soft" means that the active ingredient has a predictable route of metabolism. Designed to convert rapidly to inactive metabolites, these novel and patent-protected molecules deliver strong topical effects on skin and mucous membranes without the potential for undesirable systemic side effects, irritation or toxicity seen with some currently marketed prescription hormone replacement drugs and cosmeceuticals. Management believes that this characteristic will allow for use of our products safely over body surface areas for the long term and at concentrations that will be highly effective.

Chemically engineered as esters in the laboratory of Dr. Richard Hochberg at Yale Medical School, all of our principal performance ingredients undergo predictable metabolism to single inactive metabolites. After topical application they are absorbed and broken down by enzymes below the skin surface. The hydrolytic enzymes (esterases) below the skin and mucous membrane surfaces in body fat and blood breakdown our products into single inactive acid metabolites and, as acids, are rapidly excreted from the body.

Hormonal aging affects all women. Science has long established that estrogen plays a vital role in support of total body collagen. Collagen is the main connective tissue that holds us together. It is a vital component of most structures in the body and plays a very important role in the support of skin and other tissues. Collagen support begins to decline at age forty (40) during peri-menopause, and accelerates with the onset of menopause. Within five (5) years after the onset of menopause, a woman will lose 33% of her skin collagen. Estrogen supports collagen synthesis through its receptors, tiny "locks" that exist all over the body which are activated by "keys," the estrogen molecule. These receptors are known to exist on skin. In fact, there are more estrogen receptors in facial skin than the skin of many other parts of the body. The decline in estrogen also makes skin drier and causes inflammation (redness). When circulating androgen is unopposed by sufficient levels of estrogen, the skin becomes more prone to blemishes, unwanted thick hairs appear on the chin, upper lip and sideburn areas and scalp hair thins. In fact, 50% of menopausal women will notice excessive, permanent hair loss (androgenic alopecia). Management believes that the solution for aging skin deprived of estrogen and being exposed to unopposed circulating androgen is to offer another set of "keys" with our unique proprietary ingredients.

Description of our Revenues, Costs and Expenses

Revenues

Past revenues were derived from fees received under an Economic Development Collaboration (“EDC”) done with Ferndale Pharmaceuticals. Future revenues are expected to consist of development fees, licensing fees and product sales.

Gross Profit (loss)

Our gross profit represents revenues less the Cost of Sales (“COS”). Past COS were for development and testing expenses paid to third parties for work performed under the EDC. Future COS are expected to be costs related to licensing fees and product costs.

Operating Expenses

Our selling, general and administrative expenses include personnel, travel, office and other costs for development and administrative functions of the Company. Legal and professional services are paid to outside attorneys, auditors and consultants are broken out separately given the size of these expenses relative to selling, general and administrative expenses. Operating expenses also include research and development expenses

Interest Expense

Our interest expense results from accruing interest on loans payable and notes payable.

Critical Accounting Policies

Goodwill and Intangible Assets

The intangible asset is the value of the $175,000 the Company paid for Yale License in 2011, net of amortization. The Company reviewed the value of the intangible asset as part of its annual reporting process. To review the value of the intangible asset and December 31, 2012 and 2011, the Company followed ASC Topic 350 “Intangibles- Goodwill and Other Intangible Assets” and first examined the facts and circumstances for the asset to determine if it was more likely than not that an impairment had occurred. The Company then compares 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 the intangible 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. Based on this process, the Company determined that the value of the intangible asset was not impaired as of December 31, 2012 and 2011 or September 30, 2013.

The forecast for the revenue streams associated with the intangible asset 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 for a total discount rate of 24%. Terminal values were determined by taking cash flows in year five of the forecast, then applying an annual growth of 2% and discounting that stream of cash flows by the discount rate used for that section of the business.

Revenue Recognition

The Company performs research to develop prescription pharmaceuticals and also develops the compound for incorporation into a non-prescription, cosmeceutical product formulation ("Product") under EDC. The EDC party agreed to pay the Company the costs and expenses associated with the contract and fees for management services provided by the Company. Revenue is recognized when each sub-project of the product research is completed and delivered. Royalty revenue would be paid pursuant to the EDC agreement for ultimate product sales.

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 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.

Canterbury is a limited liability partnership for tax purposes and income and losses are distributed to the members. Hygeia is a C Corporation for tax purposes and Hygeia 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. As of December 31, 2012, the Company had a deferred tax asset of $723,901 that was fully reserved and a net operating loss carryforward of $1,809,752 for Federal and state tax purposes. As of September 30, 2013, the Company had a deferred tax asset of approximately $775,000 that was fully reserved and a net operating loss carryforward of approximately $1,940,000 for Federal and state tax purposes.

The ability of Hygeia to utilize these net operating loss carryforwards is subject to a number of conditions and significant changes in the ownership structure of Hygeia will significantly impact the availability of these net operating loss carryforwards to reduce taxable income in future periods.

Results of Operations for the Year Ended December 31, 2012

Revenues

Revenues for 2012 were $246,731, a decrease of $71,415 from $318,146 in 2011, when most of the work was performed for the Ferndale EDC. Future revenues are expected to increase with the addition of additional development work and the initiation of licensing fees from Ferndale as they establish and expand revenues from products licensed from the Company.

Gross Profit

Gross profit for 2012 was $123,357, a decrease of $169,464 from $292,821 in 2011 from cost of revenues in 2012 of $123,374 versus $25,325 in 2011. Future gross profits are expected to increase with the addition of licensing fees from Ferndale as they establish and expand revenues from products licensed from the Company.

Operating Expenses

G&A expenses in 2012 of $324,261 decreased by $30,055 from $354,316 in 2011, primarily related to a $12,500 reduction in travel expenses and a $8,700 reduction in supply expense. As the Company expands operations to develop its business, general and administrative expenses are expected to increase significantly.

Legal and professional services were $77,965 in 2012, a decrease of $17,140 from $95,105 in 2011 from reduced levels of contract and licensing work. As the Company expands operations to develop its business, legal and professional expenses are expected to increase significantly.

Research and Development ("R&D") expense declined from $83,000 in 2011 to $0 in 2012 as the research work to establish the Ferndale EDC was completed in 2011. The Company intends to increase its R&D efforts in the future to continue development of its existing compounds and to develop new compounds.

Depreciation and amortization of $17,196 in 2012 increased by $12,747 from $4,449 in 2011 related to increased amortization of the amount paid for the Yale License.

Interest Expense

There was no debt outstanding during 2012 and 2011so there was no interest expense for these years.

Results of Operations for the Nine Months Ended September 30, 2013

Revenues

Revenues for the nine months ended September 30, 2013 ("2013 Interim Period") were $127,167 compared with $80,245 of revenues for the nine months ended September 30, 2012 ("2012 Interim Period") from increased activity for the Ferndale EDC. Future revenues are expected to increase with additional development work and the addition of licensing fees from Ferndale as they establish and expand revenues from products licensed from the Company.

Gross Profit

Gross profit for the 2013 Interim Period was $37,780 compared to $41,740 in gross profit for the 2012 Interim Period. Future gross profits are expected to increase with the additional development work and the addition of licensing fees from Ferndale as they establish and expand revenues from products licensed from the Company.

Operating Expenses

General and Administrative ("G&A") expenses were $210,359 in the 2013 Interim Period, an increase of $62,937 from $147,422 in the 2012 Interim Period, primarily related to increased travel expenses of $25,750 and other expenses incurred to secure funding and develop business opportunities. As the Company expands operations to develop its business, G&A expenses are expected to increase significantly.

Legal and professional services were $329,224 in the 2013 Interim Period, an increase of $289,304 from $39,920 in the 2012 Interim Period primarily from an increase in legal expenses of $144,000 from expanded financing and contract efforts, consulting expenses of $92,500 for the development of a marketing and branding plan and $52,000 for outside accountants to prepare financial statements for 2011, 2012 and the nine months ended September 30, 2013. As the Company expands operations to develop its business, legal and professional expenses are expected to increase significantly.

Depreciation and amortization of $24,566 in the 2013 Interim Period increased by $15,838 from $8,728 in the 2012 Interim Period from increased amortization of the amount paid for the Yale License.

Interest Expense

Interest expense was $20,267 for the 2013 Interim Period as the Company incurred $715,000 of debt during this period. There was no debt or interest expense during the 2012 Interim Period.

Liquidity and Capital Resources

The report of our independent registered public accounting firm on the financial statements as of and for the years ended December 31, 2012 and 2011 contains an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern as a result of recurring losses, a working capital deficiency, and negative cash flows. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that would be necessary if we are unable to continue as a going concern.

As of September 30, 2013, our principal sources of liquidity consisted of accounts payable, accrued expenses and the issuance of debt and equity securities. In addition to funding operations, our principal short-term and long-term liquidity needs have been, and are expected to be, the settling of obligations to our creditors, the funding of operating losses until we achieve profitability, and general corporate purposes. In addition, commensurate with our level of sales, we will require working capital for sales and marketing costs to market our products and technologies, production expenses and inventory. At September 30, 2013, we had $129,672 of cash on hand and we had negative working capital of $322,277. At December 31, 2012 we had $6,673 of cash on hand and negative working capital of $470,515. At December 31, 2011 we had $48,090 of cash on hand and negative working capital of $369,999.

Cash Flows

The following table sets forth our cash flows for 2012 and 2011 and for the nine months ended September 30, 2013 and 2012:

	Year Ended December 31,		Nine Months Ended September 30,	
	2012	**2011**	**2013**	**2012**
Operating activities	$ (217,728)	$ 21,430	$ (567,977)	$ (118,500)
Investing activities	(1,349)	(2,418)	(3,650)	(922)
Financing activities	177,660	5,912	694,626	143,102
Net change in cash	$ (41,417)	$ 24,924	$ 122,999	$ 23,680

Operating Activities

Operating cash flows for 2012 reflect our net loss of $296,065, offset by adjustments for non-cash items totaling $78,337 for $53,886 of accrued expenses, $17,196 for depreciation and amortization and $7,255 for prepaid expenses. Operating cash flows for 2011 reflect our net loss of $244,049, offset by adjustments for non-cash items totaling $265,479 for $217,115 of accrued expenses, $4,449 for depreciation and amortization and $43,915 for prepaid expenses.

Operating cash flows for the nine months ended September 30, 2013 reflect our net loss of $576,546, increased by a reduction for non-cash items of $673, consisting a use of $1,584 for accrued expenses and $24,566 for depreciation and amortization, offset by a use of cash of $23,655 for accounts receivable. Operating cash flows the nine months ended September 30, 2012 reflect our net loss of $154,330, offset by adjustments for non-cash items of $27,102 for accrued expenses and $8,728 for depreciation and amortization.

Investing Activities

Capital constraints limited cash used in investing activities of $1,349, $2,418, $3,650 and $922 for 2012, 2011, nine months ended September 30, 2013 and 2012, respectively.

Summary of Contractual Obligations

Set forth below is information concerning our known contractual obligations as of September 30, 2013 that are fixed and determinable by year.

	Total	2013	2014	2015	Beyond 2015
Convertible notes payable	$ 715,000	$ –	$ 715,000	$ –	$ –
Accrued interest	85,800	28,600	57,200	–	–
Total	**$ 800,800**	**$ 28,600**	**$ 772,200**	**$ –**	**$ –**

Financing Activities

During 2012, we received net cash proceeds of $179,702 from Canterbury Series A convertible preferred stock and used $2,042 to repay advances from a shareholder/member. During 2011, we received cash proceeds of $912 from a related party and $5,000 from advances from a shareholder/member. In the nine months ended September 30, 2013, we received $715,000 from convertible notes and used $20,374 for offering costs of ownership units for Canterbury. In the nine months ended September 30, 2012, we received $171,425 in cash proceeds from Canterbury Series A convertible preferred stock and used $16,600 to repay a related party and $12,181 for offering costs for ownership units.

Off Balance Sheet Arrangements

We have no off balance sheet arrangements.

RISK FACTORS

Risks Related to Our Business (As it Pertains to Canterbury and Hygeia)

We have a limited operating history, a history of losses and expect to incur losses for the foreseeable future.

Because of our focus on research and development, we have not yet established many of the necessary functions and systems that will be central to conducting business, including an administrative structure, sales and marketing activities and personnel recruitment. The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications, competition and delays frequently encountered in connection with the development of a new business and new products. There can be no assurance that we will be able to generate sufficient funds from operations or be able to raise sufficient capital to enable us to continue with our business plan and develop new products or, if developed, that the products will be commercially successful. Any factor adversely affecting the sale of future products, including delays in product development, flaws or lack of acceptance of the products would have a material adverse effect on our business, financial condition and results of operations.

We are subject to all of the risks inherent in both the creation of a new business and the development of new products, including the absence of a history of significant operations and the absence of established products that have been produced and sold.

Our success will depend on achieving brand recognition within our targeted markets.

Establishing our brand is critical to our ability to establish and expand our customer base and revenues. We believe that the importance of brand recognition will increase as the number of competitors grows. To attract and retain customers and partners, we intend to increase expenditures to support sales and marketing of our products. We will spend additional funds to secure and maintain protection for our trademarks. Our inability to establish brand recognition will have a materially adverse effect on our business, financial condition and results of operations.

The high level of competition in our industry could harm our business, financial performance, market share and profitability. Many of our competitors have substantially greater resources than we do.

The business of developing prescription drugs for dermatology indications and selling cosmeceuticals for aging skin is highly competitive. These markets include numerous manufacturers, distributors, marketers and retailers that actively compete for consumers both in the United States and abroad. In particular, the cosmeceutical market is highly sensitive to the introduction of new products, which may rapidly capture a significant share of the market. In addition, our products may be, or are at the risk of becoming, obsolete due to new product introductions or new technologies. Our competitors may foresee the course of market development more accurately than we do, develop products and technologies that are superior to ours, produce similar products at a lower cost than we can or adapt more quickly to consumer preferences. Any of these developments would harm our operating results.

We plan to compete in select product categories against a number of multinational manufacturers and pharmaceutical companies, some of which are larger and have substantially greater resources than we do. Therefore, these larger competitors have the ability to spend more aggressively on advertising, marketing and research and to grow more quickly through acquisitions.

Our competitors may attempt to gain market share by offering products at prices at or below the prices at which our products may be offered. Competitive pricing may require us to reduce our prices, which would decrease our profitability or result in lost sales. Our competitors, many of whom have greater resources than ours, may be better able to withstand these price reductions and lost sales. We cannot assure you that future price or product changes by our competitors will not adversely affect our net sales or that we will be able to react with price or product changes of our own to maintain our current market position.

If our products do not appeal to a broad range of consumers, our sales and our business would be harmed.

Our success will depend on our products' (as and when available for sale) appeal to a broad range of consumers whose preferences cannot be predicted with certainty and are subject to change. If our products do not meet consumer demands, our sales will suffer. In addition, our growth depends upon our ability to develop new products through new product lines, product line extensions and product improvements, which involve numerous risks. New product launches are essential to our growth. As we grow, our reliance on new products will increase. We may not be able to accurately identify consumer preferences, translate our knowledge into consumer-accepted products or successfully integrate new products with our existing product platform or operations. We may also experience increased expenses incurred in connection with product development or marketing and advertising that are not subsequently supported by a sufficient level of sales, which would negatively affect our margins. Furthermore, product development may divert management's attention from other business concerns, which could cause sales of our existing products to suffer. We may not be able to successfully develop new products in the future, and our newly developed products may not contribute favorably to our operating results.

We are a small company that relies on a few key employees to ensure that our business operates efficiently. If we were to lose the services of any of these key employees, we would experience difficulty in replacing them, which would affect our business operations and harm our business and results of operations.

Our success depends to a significant degree upon the business expertise and continued contributions of our senior management team, any one of whom would be difficult to replace. As a result, our future results will depend significantly upon the efforts and retention of key employees, such as Yael Schwartz, Ph.D., the President of our Canterbury subsidiary, and Craig R. Abolin, Ph.D., Vice President of Research and Development for our Canterbury subsidiary. We rely on these individuals for managing our Canterbury subsidiary, developing our business strategy and maintaining strategic relationships. Any of these employees could, with little or no prior notice, voluntarily terminate their employment with us at any time. The loss of service of any of these key employees would harm our business and results of operations.

In addition, our senior management team may not be able to successfully manage our company as it grows larger. If they are unable to handle these increased responsibilities and we are unable to identify, hire and integrate new personnel, our business, results of operations and financial condition would suffer. Even if we are able to identify new personnel, the integration of new personnel into our business will inevitably occur over an extended period of time. During that time, the lack of sufficient senior management personnel would cause our results of operations to suffer.

Our initiatives to expand into product categories may not be successful and any failure to expand into new product categories would harm our business, results of operations, financial condition and future growth potential.

In order to expand our business, we plan to further develop additional products. We may not be successful in our expansion efforts in these areas. Each of these product initiatives involves significant risks, as well as the possibility of unexpected consequences, including:

- Our prescription based dermatology products may fail at any stage of development and/or not obtain FDA approval for commercialization
- Sales of the new products to retailer customers may not be as high as we anticipate;
- The rate of purchases by consumers may not be as high as we or our retailer customers anticipate;
- Returns of new products by retailer customers may exceed our expectations;
- Our marketing strategies and merchandising efforts may be ineffective and fail to reach the targeted consumer base or engender the desired consumption;
- We may incur unexpected costs as a result of the continued development and launch of new products;
- Our pricing strategies may not be accepted by retailer customers and/or their consumers;
- We may experience a decrease in sales of our existing products as a result of introducing new products;
- There may be delays or other difficulties impacting our ability, or the ability of our third-party manufacturers and suppliers, to timely manufacture, distribute and ship products in connection with launching new products; and
- Attempting to accomplish all of the elements of expansion in multiple product categories simultaneously may prove to be an operational and financial burden on us and we may be unable to successfully accomplish all of the elements of the expansion simultaneously, if at all.

Each of the risks referred to above could delay or impede our ability to successfully expand into new product categories, which would harm our business, results of operations, financial condition and future growth potential.

We may be unable to increase our sales through new and existing distribution channels which would limit our growth and harm our business, results of operations and financial condition.

Products similar to ours are sold in department stores, door-to-door, on the Internet, through home shopping television shows, by mail-order and through telemarketing by representatives of direct sales companies. Our growth strategy includes entering new distribution channels such as home shopping television. Any failure to successfully enter new distribution channels could limit our growth. In addition, consumers could choose to purchase cosmetics through distribution channels in which we do not participate. Our ability to continue to grow and achieve similar profit margins is dependent on our continued expansion through multiple distribution channels.

Consumers may reduce discretionary purchases of our products as a result of a general economic downturn or sudden disruption in the economy, which would negatively affect our net sales.

We believe that consumer spending on cosmetics products is influenced by a number of factors, including general economic conditions, inflation, interest rates, energy costs and the availability of discretionary income, all of which are beyond our control. Consumer purchases of discretionary items tend to decline during recessionary periods, when disposable income is lower. Any resulting material reduction in our sales would negatively affect our business, financial condition and results of operations. In addition, sudden disruptions in the economy or adverse weather conditions can have a short or long-term impact on consumer spending. A downturn in the economy or a sudden disruption of business conditions would negatively affect our net sales.

If we are unable to successfully execute any material part of our growth strategy, our future growth and ability to make profitable investments in our business would be harmed.

Our ability to succeed depends on our ability to grow our business while maintaining profitability. We may not be able to sustain our growth or profitability on a quarterly or annual basis in future periods. Our future growth and profitability will depend upon a number of factors, including, without limitation:

- The level of competition in both the cosmeceutical and prescription dermatology industry;
- Our ability to continue to successfully execute our growth strategy;
- Our ability to continuously offer new products;
- Our ability to maintain efficient, timely and cost-effective research, development, production and delivery of our products;
- Our ability to obtain sufficient production capacity for our products;
- The efficiency and effectiveness of our sales and marketing efforts in building product and brand awareness;
- Our ability to identify and respond successfully to emerging trends in the dermatology and skincare beauty industry;
- The level of physician and consumer acceptance of our products; and
- General economic conditions and consumer confidence.

We may not be successful in executing our growth strategy, and even if we achieve targeted growth, we may not be able to sustain profitability. Failure to successfully execute any material part of our growth strategy would significantly impair our future growth and our ability to make profitable investments in our business.

If we are unable to protect our intellectual property our ability to compete would be negatively impacted.

We attempt to protect our intellectual property under the patent and trademark laws. The market for our products depends to a significant extent upon the goodwill associated with our trademarks and trade names. We own the material trademarks and trade name rights used in connection with the packaging, marketing and sale of our products. Therefore, trademark and trade name protection is important to our business. Although we have registered or applied to register many of our trademarks in the United States and in certain foreign countries, we cannot assure you that all of our trademark applications will be approved.

We also own design patents that relate to some of our products. The design patents we own could be challenged, invalidated or circumvented by others and may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Although we have registered or applied to register additional design patents in the United States and in certain foreign countries, we cannot assure you that any of our design patent applications will be approved. In addition, we do not own any formula patents. Our suppliers or other third parties hold certain formula patents for the manufacture of our products. If our relationships with our suppliers were interrupted or terminated, or if we are unable to use formulas covered by third-party patents, our business could be harmed and it would negatively impact our results of operations.

Third parties may also oppose our trademark and design patent applications, or otherwise challenge our use of our trademarks or design patents. We cannot assure you that competitors will not infringe our trademarks or our design patents, or that we will have adequate time and resources to enforce our trademarks and design patents and to protect our rights through litigation or otherwise, or that we will be successful in doing so.

We also face the risk of claims that we have infringed third parties' intellectual property rights. Any claims of intellectual property infringement, even those without merit, could expose us to the following risks, among others:

- we may be required to defend against infringement claims which are expensive and time-consuming;
- we may be required to cease making, licensing or using products that incorporate the challenged intellectual property;
- We may be required to re-design, re-engineer or re-brand our products or packaging; or
- We may be required to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property.

Any of these outcomes would negatively impact our business, results of operations and financial condition.

We will require a significant amount of cash, and any failure to generate and raise sufficient cash would impair our ability to support our future growth or operating requirements, which would harm our business.

Our ability to fund working capital needs and planned capital expenditures depends on our ability to generate cash flow in the future. Our ability to generate future cash flow is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations or that our cash needs will not increase beyond what we currently anticipate our cash needs to be. If we had to raise additional capital, equity or debt financing may not be available at all or may be available only on terms that are not favorable to us.

Any variation in the quality of our products or delay in our ability to fill orders would harm our relationships with potential retailer customers.

Our success will depend upon our quality control and on our ability to deliver products in a timely manner. If our products are not delivered according to retailer customers' delivery deadlines or are found to be defective or not to specification, our relationships with our customers would suffer, our brands' reputation would be harmed and we could lose market share. We could also experience increased return rates or become subject to liability claims. These negative results would have a harmful effect on our business, results of operations and financial condition.

We plan to purchase semi-finished goods and components from a limited number of third party suppliers, which reduces our control over the manufacturing process and may cause variations in quality or delays in our ability to fill orders.

We plan to purchase semi-finished goods and components from foreign and U.S. suppliers. We will depend on these suppliers to deliver products that are free from defects, that comply with our specifications, that meet our delivery requirements and that are competitive in cost. If our suppliers deliver products that are defective or that otherwise do not meet our specifications, our product failure and return rates may increase, and the reputation of our products and our brand may suffer. In addition, if our suppliers do not meet our delivery requirements or cease doing business with us for any reason, we might miss our retailer customers' delivery deadlines, which could in turn cause our customers to cancel or reduce orders, refuse to accept deliveries or demand reduced prices. Even if acceptable alternative suppliers are found, the process of locating and securing such alternatives is likely to disrupt our business and we cannot assure you that we will be able to secure alternative suppliers on acceptable terms that provide the same quality product or comply with all applicable laws. Extended unavailability of necessary components or finished goods would cause us to be unable to market one or more of our products for a period of time. Any of these events would cause our business, results of operations and financial condition to suffer.

Catastrophic loss, delays in deliveries or other disruptions at any of our facilities would negatively impact our business.

Significant unscheduled downtime at any facility where our products are manufactured or assembled due to equipment breakdowns, fires, power failures, earthquakes and other natural disasters, severe weather conditions or other disruptions would adversely affect our ability to provide products in a timely manner. Although we anticipate maintaining insurance coverage for our facilities, we cannot assure you that our insurance coverage will be adequate to cover all of our losses in the event of a catastrophic loss. Insurance could also become more expensive and difficult to maintain and may not be available on commercially reasonable terms or at all.

Regulations governing our industry could have a significant negative effect on our business, results of operations and financial condition.

Our business is subject to numerous laws and regulations. The formulation, manufacturing, packaging, labeling, registration, advertising, distribution, importation, storage and sale of our cosmetic products are subject to extensive regulation by various Federal agencies, including the U.S. Food and Drug Administration, or the "FDA," the U.S. Federal Trade Commission, or the "FTC," the U.S. Environmental Protection Agency, or the "EPA," and by various agencies of the states, localities and foreign countries in which our products are manufactured, distributed and sold. Failure by us or our manufacturers to comply with those laws and regulations could lead to enforcement action and the imposition of significant penalties or claims, resulting in significant loss of sales, and could have a negative effect on our business, results of operations and financial condition. If we fail to comply with Federal, state or foreign laws and regulations, we could be required to suspend manufacturing operations, change product formulations, suspend the sale of certain products, initiate product recalls, change product labeling, packaging or advertising or take other corrective actions. Any of these actions could harm our business, financial condition and results of operations. In addition, the adoption of new laws or regulations or changes in the interpretations of existing laws or regulations may result in significant compliance costs or discontinuation of products. Our failure to comply with FDA, FTC, EPA or state laws and regulations, or with laws and regulations in foreign markets, that cover our advertising, including direct claims and advertising by us, may result in enforcement actions and imposition of penalties or otherwise materially adversely affect the distribution and sale of our products and our business.

Under the Federal Food, Drug, and Cosmetic Act, or "FDCA", cosmetics/cosmeceuticals are defined as articles or components of articles that are applied to the human body and intended to cleanse, beautify or alter its appearance, with the exception of soap. Cosmeceuticals, unlike prescription drugs, are not subject to pre-market approval by the FDA but the product and ingredients must be tested to assure safety. If safety has not been adequately substantiated, a specific label warning is required. The FDA monitors compliance of cosmeceutical products through random inspection of cosmeceutical manufacturers and distributors to ensure that the products neither contain false or misleading labeling nor are manufactured under unsanitary conditions. Inspections also may occur from consumer or competitor complaints filed with the FDA. In the event the FDA does find false or misleading labeling or unsanitary conditions or otherwise a failure to comply with FDA requirements, our distribution channel may be affected by a possible product recall or insufficient product in the marketplace resulting in reduced product sales and revenue to us and increased costs to our operations.

We may also, at some point in the future, be subject to a variety of other laws and regulations. Our failure to comply, or assertions that we have failed to comply, with these laws and regulations could have a material adverse effect on our business in a particular market or in general. To the extent we decide to commence or expand operations in additional countries, laws and regulations in those countries, or the cost of complying with such laws and regulations, may prevent or delay entry into or expansion of operations in those markets or could have a negative effect on our operating margins for products sold in those countries. Regulatory requirements can vary widely from country to country and could further delay the introduction of our products into those countries. We may not be able to enter into acceptable agreements to market and commercialize our products in international markets.

Our ability to sustain satisfactory levels of sales in our markets is dependent in significant part on our ability to introduce additional products into those markets. Government laws and regulations in both our domestic and international markets can delay or prevent the introduction, or require the reformulation or withdrawal, of our products.

The regulatory status of our cosmeceutical products could change, and we may be required to conduct clinical trials to establish efficacy and safety or cease to market some or all of our products, which would require significant time and resources.

The FDA does not have a pre-market approval system for cosmetics/cosmeceuticals, and we believe we are permitted to market our cosmeceuticals and have them manufactured without submitting safety or efficacy data to the FDA. However, the FDA may in the future determine to regulate our cosmetics or the ingredients included in our cosmetics as drugs or biologics. If certain of our products are deemed to be drugs or biologics, rather than cosmetics, we would be required to conduct clinical trials to demonstrate the safety and efficacy of these products in order to continue to market and sell them. In such event, we may not have sufficient resources to conduct the required clinical trials, we may not be able to establish sufficient efficacy or safety to resume the sale of these products, we may not gain regulatory approval of the trial design, the clinical trials may be subject to unanticipated delays due to their time-consuming nature and the outcome of any clinical trial is uncertain. Any inquiries by the FDA or any foreign regulatory authorities into the regulatory status of our cosmetics and any related interruption in the marketing and sale of these products could severely damage our brand reputation and image in the marketplace, as well as our relationships with retailer customers, which would harm our business, results of operations and financial condition.

Some of our cosmeceuticals may considered over-the-counter, or "OTC," drug products by the FDA. The FDA regulates the formulation, manufacturing, packaging, labeling and distribution of OTC drug products pursuant to a monograph system that specifies active drug ingredients and acceptable product claims that are generally recognized as safe and effective for particular uses. If any of these products that are OTC drugs are not in compliance with the applicable FDA monograph, we would be required to (i) reformulate such product, (ii) cease to make certain use claims relating to such product or (iii) cease to sell such product until we receive further FDA approval. If more stringent regulations are promulgated, we may not be able to comply with such statutes or regulations without incurring substantial expense. In addition, OTC drug products must be manufactured in accordance with pharmaceutical good manufacturing practice regulations. Our OTC drug manufacturers are subject to ongoing periodic unannounced inspection by the FDA as well as regular and ongoing inspections. In addition, inspections may be commenced as a result of consumer or competitor complaints related to our products. Corresponding state agencies may also inspect our facility to ensure strict compliance with drug good manufacturing practices and other government regulations and corresponding foreign standards. We have minimal control over third-party manufacturers' compliance with these regulations and standards. If the FDA finds a violation of drug good manufacturing practices, it may enjoin the manufacturer's operations, seize products, or criminally prosecute the manufacturer, any of which could require us to find alternative manufacturers, resulting in additional time and expense.

Our products, both prescription and cosmeceutical, may cause unexpected and undesirable side effects that would limit their use, require their removal from the market or prevent their further development. Product liability claims resulting from these undesirable side effects would hurt our business. In addition, we are vulnerable to claims that our products are not as effective as we claim them to be.

Unexpected and undesirable side effects caused by our products for which we have not provided sufficient label warnings could result in the recall or discontinuance of sales of some or all of our products. Unexpected and undesirable side effects could prevent us from achieving or maintaining market acceptance of the affected products or could substantially increase the costs and expenses in marketing new products. We have been, and may in the future be, subject to various product liability claims resulting from those undesirable side effects caused by our products. Product liability claims may result in negative publicity regarding our company, brand or products that may harm our reputation and sales. In addition, if one of our products is found to be defective we may be required to recall it, which may result in substantial expense, adverse publicity and loss of sales, which would substantially harm our brand. Although we maintain product liability insurance coverage, potential product liability claims may exceed the amount of our insurance coverage or potential product liability claims may be excluded under the terms of our policy, which would cause our financial condition to suffer. In addition, we may be required to pay higher premiums and accept higher deductibles in order to secure adequate insurance coverage in the future.

In addition, consumer or industry analysts may assert claims that our products are not as effective as we claim them to be. We are particularly susceptible to these risks because our marketing heavily relies on the assertions that our products adhere to our founder's commitment to product purity and quality, are hypoallergenic and are ideal for women who have skin conditions that can be exacerbated by traditional cosmetics. Unexpected and undesirable side effects associated with our products or assertions that our products are not as effective as we claim them to be also could cause negative publicity regarding our company, brand or products, which could in turn harm our reputation and our business.

Significant increases in energy prices would adversely affect our financial results.

Our freight cost will be impacted by changes in fuel prices through surcharges and price increases. Fuel prices and surcharges affect freight cost both on inbound shipments from our suppliers to our assembly and distribution facilities and on outbound freight from our distribution center to our retailer customers. Increases in fuel prices and surcharges and other factors may increase freight costs and thereby increase our cost of sales and selling, general and administrative expenses. We may also be negatively affected by increases in utility costs at our assembly and distribution facilities.

Risks Relating to Our Strategy

Our strategy includes plans for expansion by acquisition, which will require additional capital.

We need to raise additional capital to complete any acquisitions, and there can be no assurances we will be able to do so, or will choose to do so. While we intend that the value added by acquisitions will more than offset the dilution created by the issuance of shares for acquisitions, there can be no assurance that this offset will occur. Additional financing for future acquisitions may be unavailable and, depending on the terms of the proposed acquisitions, financings may be restricted by the terms of credit agreements and privately placed debt securities contained in the financing. Any debt financing would require payments of principal and interest and would adversely impact our cash flow. Furthermore, future acquisitions may result in charges to operations relating to losses to the acquired events, interest expense, or the write down of goodwill, thereby increasing our losses or reducing or eliminating our earnings, if any.

We are investigating potential acquisitions, which have inherent risks.

Although management continues to investigate potential acquisitions, any acquisitions consummated by the Company involve substantial expenditures and risks on our part. There can be no assurance that acquisitions will be identified or completed successfully or, if completed, will yield the expected benefits to us, or will not materially and adversely affect our business, financial condition or results of operations. There can be no assurance that the value attributed by the market to acquisitions will offset the dilution created by the issuance of any additional shares issued in connection with an acquisition. Furthermore, consummation of the intended acquisitions could result in charges to operations relating to losses from the acquired events, interest expense, or the write down of goodwill, which would increase our losses or reduce or eliminate our earnings, if any. As a result of the foregoing, there can be no assurance as to when the intended acquisitions will be consummated or that they will be consummated. Furthermore, the results of the intended acquisitions may fail to conform to the assumptions of management. Therefore, in analyzing the information in this document, stockholders should consider that the intended acquisitions may not be consummated at all.

Future acquisitions by us could result in (a) potentially dilutive issuances of equity securities, (b) the incurrence of substantial additional indebtedness and/or (c) incurrence of expenses for interest, operating losses and the write down of goodwill and other intangible assets, any or all of which could materially and adversely affect our business, financial condition and results of operations. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies, services and products of the acquired companies and the diversion of management's attention from other business concerns. In the event that such acquisitions were to occur, there can be no assurance that our business, financial condition and results of operations would not be materially and adversely affected.

Stockholders may suffer substantial dilution as the result of subsequent financings or if we issue additional securities.

We require substantial additional funds to complete our research and development and operate our businesses. However, there can be no assurance that any financing will occur, or, if it does, that it will occur in a timely fashion or that it will result in raising sufficient additional funds. If we are unable to raise funds on terms favorable to existing stockholders, our stockholders' position and the value of their investment may be materially adversely affected, significantly diminished, and possibly liquidated.

Risks Relating to our Organization and our Common Stock

The price of our common stock has fluctuated in the past and the stock is thinly traded. If trading volume increases in the future, the fluctuations in price could be greater than those experienced in the past.

From January 1, 2011 to September 30, 2013, the average price of our common stock was $0.42 per share, with a low of $0.06 and a high of $1.00, on an average trading volume per day of 33,708 shares. The closing price of our common stock on November 20, 2013 was $0.04 per share. It is possible that trading volumes could increase significantly and such increased volume could lead to significant fluctuations in the price of our stock.

The Company is the result of a "reverse merger" with a shell entity in 2008, resulting in a limitation on shareholder's use of Rule 144 exemptions for resale.

Since the Company had a "reverse merger" with a shell entity in 2008, resale of the Company's shares under Rule 144 may be limited. The use of Rule 144 is the most common method of selling restricted shares. Rule 144(i) pertains to shares issued by a former shell company that executed a reverse merger. Under Rule 144(i), sales of shares may only be made under certain conditions, including a sale or intended sale of the stock and if we have filed all Annual and Quarterly reports required under the securities laws. Therefore permission may be granted to remove the restrictive legend on stock certificates only for a specified sale of securities and not as a "blanket" removal of the restrictive legend.

Our management will be able to exert significant influence over us to the detriment of minority stockholders.

Two of our directors beneficially own almost 41% of our outstanding common stock. These stockholders, if they act together, will continue to be able to exert significant influence on our management and affairs and all matters requiring stockholder approval, including significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing our change in control and might affect the market price of our common stock.

Exercise of options and warrants will dilute your percentage of ownership.

We have outstanding options and warrants to purchase 90,950,435 shares of our common stock. In the future, we may grant additional stock options, warrants and convertible securities. The exercise or conversion of stock options, warrants or convertible securities will dilute the percentage ownership of our other stockholders. The dilutive effect of the exercise or conversion of these securities may adversely affect our ability to obtain additional capital. The holders of these securities may be expected to exercise or convert them when we would be able to obtain additional equity capital on terms more favorable than these securities.

Our stock price may be volatile.

The stock market in general, and the stock prices of life sciences companies in particular, have experienced volatility that often has been unrelated to the operating performance of any specific public company. The market price of our common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following:

- changes in our industry;
- competitive pricing pressures;
- our ability to obtain working capital financing;
- additions or departures of key personnel;
- sales of our common stock;
- our ability to execute our business plan;
- operating results that fall below expectations;
- loss of any strategic relationship;
- regulatory developments;
- economic and other external factors; and
- period-to-period fluctuations in our financial results.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

We have not paid dividends in the past and do not expect to pay dividends in the future. Any return on investment may be limited to the value of our common stock.

We have never paid cash dividends on our common stock and do not anticipate doing so in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting us at such time as our board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if our stock price appreciates.

There is currently a limited trading market for our common stock and we cannot ensure that one will ever develop or be sustained.

To date, there has been a limited trading market for our common stock. We cannot predict how liquid the market for our common stock might become. Our common stock is quoted for trading on the OTCQB under the symbol SMDI, and as soon as is practicable, we intend to apply for listing of our common stock on either the NYSE Amex, The Nasdaq Capital Market or other national securities exchanges, assuming that we can satisfy the initial listing standards for such exchanges. We currently do not satisfy the initial listing standards, and cannot ensure that we will be able to satisfy such listing standards or that our common stock will be accepted for listing on any such exchanges. Additionally, because we may be considered a shell company, we may be subject to the "seasoning" rules adopted by NASDAQ and NYSE which could further delay any listing. Should we fail to satisfy the initial listing standards of such Mergers, or our common stock is otherwise rejected for listing and remain listed on the OTCQB, the trading price of our common stock could suffer and the trading market for our common stock may be less liquid and our common stock price may be subject to increased volatility. Furthermore, for companies whose securities are traded in the OTCQB, it is more difficult (1) to obtain accurate quotations, (2) to obtain coverage for significant news events because major wire services generally do not publish press releases about such companies, and (3) to obtain needed capital.

Our common stock is currently deemed a "penny stock," which makes it more difficult for our investors to sell their shares.

Our common stock is subject to the "penny stock" rules adopted under Section 15(g) of the Exchange Act. The penny stock rules generally apply to companies whose common stock is not listed on The Nasdaq Stock Market or other national securities exchange and trades at less than $5.00 per share, other than companies that have had average revenue of at least $6,000,000 for the last three years or that have tangible net worth of at least $5,000,000 ($2,000,000 if the company has been operating for three or more years). These rules require, among other things, that brokers who trade penny stock to persons other than "established customers" complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances. Many brokers have decided not to trade penny stocks because of the requirements of the penny stock rules and, as a result, the number of broker-dealers willing to act as market makers in such securities is limited. If we remain subject to the penny stock rules for any significant period, it could have an adverse effect on the market, if any, for our securities. If our securities are subject to the penny stock rules, investors will find it more difficult to dispose of our securities.

Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

If our stockholders sell substantial amounts of our common stock in the public market upon the expiration of any statutory holding period, under Rule 144, or issued upon the exercise of outstanding options or warrants, it could create a circumstance commonly referred to as an "overhang" and in anticipation of which the market price of our common stock could fall. Additionally, the former equity holders of Canterbury and Hygeia who received shares of our Common Stock are subject to a lock-up on the sale of their shares for one year, but thereafter may sell their shares under Rule 144. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

In January 2013, the Company signed a term sheet ("Term Sheet") with an outside financial firm ("Financial Firm") to have that firm acquire certain portions of the Company's liabilities to creditors, employees and former employees ("Creditors"). The Financial Firm entered into agreements in July 2013 with such Creditors to acquire $1,865,386 in liabilities ("Liability Settlement") of the Company and filed a complaint on July 29, 2013 with the Second Judicial Circuit, Leon County, Florida seeking a judgment against the Company for the Liability Settlement. A court order based on this complaint was issued on October 7, 2013. Based on conditions agreed to in the Term Sheet, the Company will settle that judgment by issuing common stock to the Financial Firm. Under an exemption from registration in the SEC regulations, common stock issued pursuant to this court order is tradable without restrictions. This common stock will be issued in tranches such that the Financial Firm will not own more than 9.99% of outstanding shares at any time and will be priced at 80% of average closing bids during such period of time in which the dollar trading volume of the stock is three times the Liability Settlement ("Settlement Period"). The Financial Firm will sell the shares to generate proceeds to pay the Creditors.

If the court order had been issued on September 30, 2013 and using the stock price of $0.108 as of that date, the Financial Firm would have received approximately 20,500,000 shares of common stock for the Liability Settlement and the Company would record a loss of approximately $373,000 based on the excess of the value of the shares issued over the value of the liabilities acquired by the Financial Firm. If the bid price drops during the Settlement Period, the Company is obligated to issue additional shares to ensure the Financial Firm has sufficient stock to cover the Liability Settlement. Until the Financial Firm repays all the creditors, the Company will have a liability on its balance sheet for the value of the number of shares of stock owed to the Financial Firm. This liability will be adjusted on a quarterly basis for changes in the market price of the Company's stock, which will produce gains and losses in the period that such adjustment is made. For example, if the current bid price fell during the Settlement Period to an price of $0.05, the Company would issue approximately 26,000,000 additional shares to the Financial Firm for total shares issued of 46,500,000 and the Company would record an additional loss of $1,295,000 for these shares. The selling activities of the Financial Firm could put downward pressure on the stock price. The Financial Firm held a promissory note for $50,000 that was converted into 833,333 shares of common stock on October 3, 2013 and received a fee of 150,000 shares of common stock on October 7, 2013. An initial tranche of 20,000,000 shares was issued to the Financial Firm on November 15, 2013.

STOCKHOLDINGS OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as of November 18, 2013, the number and percentage of shares of Common Stock beneficially owned, directly or indirectly, taking into account the consummation of the Mergers, by each of our directors, and executive officers, beneficial owners known by the Company of more than five percent of the outstanding shares of our Common Stock and by our directors and executive officers as a group. Beneficial ownership is determined in accordance with the Rule 13d-3(a) of the Securities Exchange Act of 1934, as amended, and does not necessarily indicate ownership for any other purpose, and generally includes voting or investment power with respect to the shares and shares which such person has the right to acquire within 60 days of November 18, 2013.

Beneficial Owner (a)	Amount and Nature of Beneficial Ownership (b)		Percent of Class(c)
5% Stockholders:			
River Charitable Remainder Unitrust, West Charitable Remainder Unitrust, Liberty Charitable Remainder Trust, Isaac Blech, Vice Chairman of the Board	173,095,238	(d)	32.2%
Sol J. Barer, Chairman of the Board	45,833,333	(e)	8.5%
Paul Feller	24,255,000	(f)	4.5%
Other Directors and Executive Officers:			
Jerold Rubinstein, Chief Executive Officer	27,975,000	(g)	4.9%
Yael Schwartz, President of its Canterbury and Hygeia subsidiaries, director	2,397,673	--	–
Craig Abolin, Vice President of Research and Development of Canterbury and Hygeia	2,283,720	--	–
Nelson Stacks, Director	–	--	–
John Moynahan, Chief Financial Officer	1,860,000	(h)	–
Timothy Boris, General Counsel	6,300,000	(i)	1.1%
Randall Cross, Director	510,417	(j)	–
Michael Dunleavy, Sr., Director	483,333	(k)	–
Glenn Golenberg, Director	956,944	(l)	–
Seymour Siegel, Director	212,500	(m)	–
John Schneider, Director	662,500	(n)	–
All Current Directors and Executive Officers as a Group (11 Persons)	286,825,658		51.2%

(a) The address for each Beneficial Owner is c/o Stratus Media Group, Inc., 1800 Century Park East, 6th Floor, Los Angeles, CA 90067

(b) The persons named in this table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them, subject to applicable community property laws.

(c) Based on 537,327,815 shares deemed outstanding as of November 8, 2013 after giving effect to the Mergers.

(d) This amount consists of (i) 71,428,571 shares of Common Stock held by Liberty Charitable Remainder Unitrust; (ii) 71,428,571 shares of Common Stock held by West Charitable Remainder Unitrust; (iii) 11,904,762 shares of Common Stock held by River Charitable Remainder Unitrust; and (iv) 18,333,334 shares of Common Stock held by Isaac Blech. Mr. Blech is the sole trustee of each of the Trusts and has the sole voting and dispositive power of each of the Trusts. Mr. Blech disclaims beneficial ownership of the Common Stock owned by each of the Trusts except to the extent of his pecuniary interest therein. This amount does not include 11,904,762 shares held by Miriam Wimpfheimer Blech, Mr. Blech's wife. Mr. Blech disclaims beneficial ownership of the shares owned by Ms. Blech and Ms. Blech disclaims beneficial ownership of the shares owned by Mr. Blech and the Trusts.

(e) Does not include a presently indeterminable amount of shares which may be issued pursuant to a Secured Convertible Promissory Note issued to Dr. Barer.

(f) The record owner of 20,057,921 shares is Bateman & Company ("Bateman"). Mr. Feller has advised the Company that he had transferred the shares to Bateman as security for a loan.

(g) Includes 675,000 vested shares of a restricted stock grant related to board service; 2,300,000 vested shares of a stock option granted in connection with employment, and 25,000,000 shares of a stock option grant on March 27, 2013 that vested immediately upon issuance.

(h) Consists of 1,560,000 vested options and restricted stock of 300,000 granted in connection with an employment agreement.

(i) Includes 200,000 vested options related to an employment agreement, 100,000 vested options made August 20, 2012 and 6,000,000 shares of a stock option grant on March 27, 2013 that vested immediately upon issuance.

(j) Includes vested shares of a restricted stock grant related to board service prior to July 1, 2011 and vested shares of a restricted stock grant related to board service after July 1, 2011.

(k) Includes vested shares of a restricted stock grant related to board service prior to July 1, 2011 and vested shares related to board service after July 1, 2011.

(l) Includes vested shares of a restricted stock grant related to board service prior to July 1, 2011 and vested shares of a restricted stock grant related to board service after July 1, 2011.

(m) Includes vested shares of a stock option related to board service after August 20, 2012.

(n) Represents vested shares of a restricted stock grant related to advisory board service prior to August 20, 2012 and the vested shares of a restricted stock grant related to board service after August 20, 2012.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors

The following table sets forth, as of the Effective Date, the names of, and certain information concerning, our directors:

Name	Age	Position	Director Since	End of Term
Jerold Rubinstein	74	Chief Executive Officer	2011	2013
Isaac Blech	63	Vice Chairman of the Board	2013	2014
Sol J. Barer	65	Chairman of the Board	2013	2014
Yael Schwartz	65	Director and President of Canterbury and Hygeia subsidiaries	2013	2014
Nelson Stacks	43	Director	2013	2014
Glenn Golenberg	72	Director	2009	2013
Seymour Siegel (Sy)	71	Director	2012	2013
Michael Dunleavy, Sr.	59	Director	2009	2013
Randall Cross	58	Director	2009	2013
John A. Schneider, Jr. (Jack)	74	Director	2012	2013

Jerold Rubinstein – is a Director and Chief Executive Officer of the Company. Mr. Rubinstein is the chairman of the audit committee of CKE Restaurants, the parent company of Carl's jr. Restaurants and Hardees Restaurants. Also he serves as the non-executive chairman of US Global investors Inc., a mutual fund advisory company. Mr. Rubinstein has started and sold many companies over the years, including Bel Air Savings and Loan and DMX, a cable and satellite music distribution company. Mr. Rubinstein started and sold XTRA Music Ltd., a satellite and cable music distribution company in Europe. Most recently Mr. Rubinstein consults with and serves on 3 early stage development companies. Mr. Rubinstein is both a CPA and attorney. Mr. Rubinstein joined the board in April 2011.

Yael Schwartz – Yael Schwartz, Ph.D. has more than 25 years' experience in drug discovery and product development. From 1998 to 2007 Dr. Schwartz had positions of increasing responsibility at Sepracor, Inc. (now Sunovion) where she played key leadership roles on teams that launched 3 drugs that are currently in clinical practice for the treatment of asthma (Xopenex), insomnia (Lunesta) and chronic obstructive pulmonary disease (Brovana). Prior to that she contributed to the development of drugs for the treatment of urinary bladder cancer (Valstar) and hypertension (Carvedilol). Since 2007, Dr. Schwartz has been the Founder, President, CEO and Director of Hygeia. Dr. Schwartz adapted and streamlined development strategies and budgets to ensure effective achievement of scientific and business objectives. In 2011, Dr. Schwartz founded Canterbury. Dr. Schwartz received her doctorate degree in Endocrine Physiology from a joint program at the University of Massachusetts Medical School and Worcester Polytechnic Institute.

Isaac Blech – Isaac Blech became a director and Vice Chairman of the Board of the Company on November 1, 2013. Mr. Blech has established some of the leading biotechnology companies in the world during the past 30 years. These include Celgene Corporation, ICOS Corporation, Nova Pharmaceutical Corporation, Pathogenesis Corporation, and Genetics Systems Corporation. Collectively, these companies have produced major advances in a broad array of diseases including the diagnosis and/or treatment of cancer, chlamydia, sexual dysfunction, cystic fibrosis, and AIDS. Their combined value is well in excess of $40 billion. Celgene Corporation introduced two major cancer drugs, and has a current valuation of over $35 billion. ICOS Corporation discovered the drug Cialis, and was acquired by Eli Lilly for over $2 billion. Nova Pharmaceutical Corporation developed a new treatment for brain cancer, and after merging with Scios Corporation, was purchased for $2 billion. Pathogeneses Corporation created TOBI® for cystic fibrosis, the first inhaled antibiotic approved by the FDA, and was acquired by Chiron Corp for $660 million. Genetics Systems developed the first inexpensive and accurate test to diagnosis chlamydia, allowing thousands of babies to be born to women who otherwise would have become sterile from pelvic inflammatory disease. Genetics Systems was acquired for 3% of Bristol Myers' stock. Mr. Blech is currently a major shareholder and board member of ContraFect Corporation, which is creating new therapies for infectious diseases, is a director and major shareholder of Medgenics, Inc., and is the Vice Chairman of Premier Alliance Group, Inc., and is the Vice Chairman of BillMyParents, Inc. Mr. Blech is also a director of Edge Therapeutics, Inc., a biopharmaceutics company. Mr. Blech is also the Founder, Vice Chairman and a major shareholder of Cerecor, Inc., a neuroscience company developing new treatments for cough and other medical implications. Mr. Blech received a Bachelor of Arts degree from City University of New York, Baruch College.

Sol J. Barer Ph.D. – Dr. Barer became a director and Chairman of the Board of the Company on November 1, 2013. He is currently the Managing Partner of SJBarer Consulting LLC. He previously served in various positions at Celgene Corporation (a biopharmaceutical company focused on the treatment of cancer and inflammatory diseases), including Chairman and Chief Executive Officer from May 2006 until June 2010, Executive Chairman from June 2010 until December 2010 and Non-Executive Chairman from January 2011 until June 2011. Prior to that, he held several other positions within Celgene, including President and Chief Operating Officer. Dr. Barer joined the Celanese Research Company in 1974 and formed the biotechnology group that was subsequently spun out to form Celgene. Dr. Barer currently serves on the Boards of Directors of Amicus Therapeutics (a biopharmaceutical company focused on the development of novel small molecule drugs for the treatment of genetic diseases), InspireMD, Inc. (a medical device company focused on the development and commercialization of stent system technology), Medgenics (a gene therapy company) and Aegerian Pharmaceuticals, Inc. (a company focused on the development of novel, life-altering therapies for patients with debilitating, often fatal diseases) and several privately held biotechnology companies including Edge Therapeutics, Inc., a biopharmaceutics company. Dr. Barer holds a B.S. degree from Brooklyn College and a Ph.D. degree in Organic Chemistry from Rutgers University.

Nelson K. Stacks – Mr. Stacks served as Chairman of the Board of Canterbury prior to the Mergers. From December 2011 to present, Mr. Stacks has been the CEO and Director of WaveGuide Technology, the world's smallest and most sensitive handheld NMR for detection of cancer, infectious diseases, oil and gas exploration and industrial anti-counterfeiting. From December 2011 to January 2013, Mr. Stacks was CEO and Director of Molecular Insight Pharmaceuticals, a biotechnology company focused on cancer diagnostics and therapeutic treatments as well as orphan neuroendocrine cancers. From July 2009 to August 2011, Mr. Stacks served as the, CEO and Director of Vascular Pathways Incorporated where he raised 14M from venture capitalists and brought a revolutionary peripheral IV catheter to the market and sold products to the US Military and various US and international hospitals. Prior to this position, from March 2006 to July 2009, he served as a venture partner and turnaround CEO for various portfolio companies with Queensland Inocutal Corporation, Queensland Biocapital Funds, a $70B superannuation and venture fund. Over his career, Mr. Stacks has been a venture capitalist, in the United States as the General Partner at 3i Ventures and earlier at Oak Investment Partners. Mr. Stacks is a member of the fourth class of Kauffman Fellows and has invested in all areas of healthcare and information technology. He also previously served as the Chairman of Xbio Systems, a clinical trial software management system, and as CEO, and Executive Director of Xenome Limited, a venom peptide company focused on cancer pain therapy. Mr. Stacks received an MBA from the F.W. Olin Graduate School of Business at Babson College and a BA from The University of Rochester.

Glenn Golenberg – has been engaged in the financial services industry since 1966, Mr. Golenberg has arranged financings well in excess of $1.5 billion and has served as a financial advisor in more than two hundred transactions. Mr. Golenberg is presently a co-founder and Managing Director of Golenberg & Company, a merchant banking firm that invests in and offers financial advisory services to a wide variety of businesses. Founded in 1978, the Los Angeles merchant banking firm of Golenberg & Company also had offices in Cleveland and New York. Mr. Golenberg is also Managing Director of The Bellwether Group, a merchant bank which provides strategic and financial advisory services to expansion-stage emerging technology and life-science related companies. He is actively involved with a number of companies, and is a Director of Stratus Media Group, ProElite, Virtual Media and the ASTRUM fund. In addition, Glenn recently joined the Board of Governors of JLTV, "America's Chosen Network." He was co-vice chairman of Skyview Capital and is Senior Advisor to Outsource Partners International, Inc. In addition, he has been chairman of numerous operating companies in which he and partners held a controlling interest. In the past, Mr. Golenberg has served as a director or advisor of numerous publicly and privately held companies. He is a member of the Business Advisory Council at his alma mater, Miami University in Oxford, Ohio, and served on the Graduate Executive Board of the Wharton Graduate School of the University of Pennsylvania, where he received his MBA degree. Mr. Golenberg has been appointed to the Board of Governors, the Executive Committee, the Finance Committee and the Investment Committee of Cedars-Sinai Hospital, the Investment and Finance Committees of Wilshire Boulevard Temple, and the board, the Executive and the Finance Committees of the Jewish Community Foundation. Mr. Golenberg also served on the Executive and Finance Committees of the Jewish Federation and has served as Chairman of the Pension Investment Committee as well as Vice General Chairman of the United Jewish Fund. He was a member of Kennedy Center's National Committee for the Performing Arts and was Co-Chairman of the Special Gifts Committee of the Music Center in Los Angeles, and was currently Vice Chairman of the International Advisory Board of the Tel Aviv University Recanati Business School, and is a member of the executive committee of the American friends of Tel Aviv university. Mr. Golenberg also was a member of the executive committee of the America-Israel Friendship League. Mr. Golenberg joined the board in April 2009.

Seymour (Sy) Siegel – Mr. Siegel is a CPA, inactive, and a principal emeritus at Rothstein Kass, a national firm of accountants and consultants, where he is a trusted advisor to business owners and responsible for business introductions. Mr. Siegel was a founder of Siegel Rich & Co. CPA's, which eventually merged with WeiserMazars LLP, a large regional firm. He was a senior partner there until selling his interest and co-founding a business advisory firm, which later became a part of Rothstein Kass. He has been a director and officer of numerous business, philanthropic and civic organizations. As a professional director, he has served on the boards of approximately 10 public companies over the last 20 years, generally as audit committee chairman. Mr. Siegel has been chairman of the audit committee for Emerging Vision, Inc. and Global Aircraft Solutions, Inc. He is currently a director and chairman of the audit committees of Hauppauge Digital, Inc., Air Industries Group, Inc., and Premier Alliance Group, Inc.

Randall Cross – played football for the University of California, Los Angeles, where he received All Conference honors, All American honors and played an important role in the UCLA victory at the Rose Bowl in 1976. After being drafted in the second round of the 1976 NFL draft by the San Francisco 49ers, Mr. Cross played professional football with the San Francisco 49ers from 1976 to 1988, where he received six All Pro selections, three Pro Bowl selections and was a key player in the 49ers' Superbowl championships in 1982, 1985 and 1989. Since 1989, he has been a broadcaster and analyst of the NFL for CBS and NBC, working on both network's coverage of NFL regular season, playoff and Superbowl games. He currently co-hosts "The Opening Drive" show on FM 92.9 WZGM "The Game" in Atlanta. Off the field, Mr. Cross has been involved in marketing and promotions in several areas, including insurance, commodities and local and national retail sales. Mr. Cross joined the board in April 2009.

Michael Dunleavy, Sr. – From 2003 until 2010 Mr. Dunleavy was the head coach and from 2008 to 2010 also the general manager of the Los Angeles Clippers. From 2011 to 2012 he was part of a financing group that tried to buy the New Orleans Hornets. From 2012 to present he has been broadcasting for a number of media firms and serves as a Principal and board member for Remedy Analytics, where he owns 20% of that company. Selected in the sixth round (99th pick overall) by Philadelphia in 1976, Mr. Dunleavy played 11 seasons in the NBA with career averages of 8.0 points and 3.9 assists in 438 games for Philadelphia (1976-78), Houston (1978-82), San Antonio (1982-83) and Milwaukee (1983-85, 1988-1990). He began his coaching career as head coach for the Los Angeles Lakers is 1990. He then went on to coaching the Portland Trail Blazers and under his guidance the team matched its second best victory total in Blazers history. Mr. Dunleavy earned the 1999 NBA Coach of the Year award. In 2010, he coached his 1,000th career game and won his 500th career game prior to leaving the Los Angeles Clippers. Mr. Dunleavy joined the board in October 2009.

John A. (Jack) Schneider, Jr. – served for over 30 years as Managing Director of Allen & Co., an international investor, underwriter, and broker to some of the biggest names in entertainment, technology, and information. Mr. Schneider also pioneered The Allen & Company Sun Valley Conference, widely considered one of the most influential gatherings of international business leaders, annually. Mr. Schneider is Chairman of the Buoniconti Fund to Cure Paralysis, a role he has held for 25 years. He has contributed for over a decade as a board member of the National Mentoring Partnership and has extensive contributions with the St. Vincent's Services to kids. Since 2012, Mr. Schneider has been a managing director at Dominick & Dominick, a Wall Street investment firm founded in 1870.

Executive Officers

The following table sets forth, as of the Effective Date, the name of, and certain information concerning, our executive officers other than Mr. Rubinstein and Dr. Schwartz:

Name	Age	Position
John Moynahan	56	Senior Vice President and Chief Financial Officer
Timothy Boris	44	General Counsel and Vice President of Legal Affairs
Craig Abolin	65	Vice President of Research and Development of Canterbury and Hygeia

John Moynahan – With over 37 years of business experience, Mr. Moynahan has been a treasurer for four years and CFO for 18 years of publicly-traded companies ranging from development stage to a billion dollars in annual revenues. During this span, Mr. Moynahan has been responsible for SEC reporting and compliance, successfully executing an IPO, completing over $500 million in debt financings, over $120 million in equity financings, and investigating and closing acquisitions with companies such as Fisher Scientific Group, Card Systems Solutions, Inc., Innovative Technology Applications, Inc., and Xybernaut Corporation. Mr. Moynahan joined the Company in 2007 as a consultant and became an employee in 2009. Mr. Moynahan began his career in the New York City office of Ernst & Young in 1979. He received a B.A. from Colgate University, where he was elected to the Phi Beta Kappa honor society, an M.B.A from New York University and a C.P.A. from New York State. Mr. Moynahan is a co-inventor on five issued U.S. patents and over 100 corresponding international patents involving wearable computing technology.

Timothy Boris – Mr. Boris joined Stratus Media Group in August 2011. He has been practicing law for more than sixteen years. From 2005 to 2011, he was in private practice representing corporate and entertainment clients. He is a former partner at the firm of Hager & Dowling. His areas of practice have included litigation, entertainment and corporate law. He received a Bachelor's of Business Administration from the University of Michigan and a juris doctorate from the University of San Diego School of Law.

Craig Abolin – From November 1979 to September 1981, Dr. Abolin was a Senior Scientist, Drug Metabolism for Astra Pharmaceutical Products, Inc., a company engaged in drug discovery, development and marketing; From October 1981 to June 1997, Dr. Abolin was Bioanalytics Unit Head and Group Leader for Sandoz Research Institute/Novartis, a company engaged in drug discovery, development and marketing; From July 1997 to April, 2000 Dr. Abolin was a Pharmacokineticist for Hurley Consulting Associates, Ltd., a company engaged in providing technical clinical contract services for the pharmaceutical industry; From May, 2000 until July 2007, Dr. Abolin was Director of Drug Metabolism for Sepracor Inc., a company engaged in drug discovery, in-licensing, development and marketing; From November 2007 to present, Dr. Abolin was cofounder and Chief Scientific Officer for Hygeia. From March 2012 to present, Dr. Abolin was cofounder and Chief Scientific Officer for Canterbury. He received a B.S. in Pharmacy from West Virginia University, a M.S. in Pharmaceutics from West Virginia University and a PhD in Pharmceutical Chemistry from the University of California San Francisco.

Family Relationships

There are no family relationships among the directors and officers.

Term of Office

Our directors and officers hold office until the earlier of their death, resignation, removal or the end of their stated term.

The Board of Directors and Committees

The Board of Directors is responsible for the supervision of the overall affairs of the Company. The Board met 6 times during the year ended December 31, 2012. As of the Effective Date, the Audit Committee will be chaired by Jerold Rubinstein and includes Sol J. Barer, Yael Schwartz and Isaac Blech. The Compensation Committee is chaired by Isaac Blech and includes Sol J. Barer, Yael Schwartz and Jerold Rubinstein.

Term of Office

Our directors and officers hold office until the earlier of their death, resignation, removal or the end of their stated term.

Code of Ethics

We have not adopted a Code of Ethics that is applicable to our directors and our employees, but intend to do so after the Effective Date.

Audit Committee

The Audit Committee's responsibilities include, but are not limited to, the following:

- appointing, evaluating and retaining the independent registered public accounting firm,
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and disclosures,
- discussing our systems of internal control over financial reporting, and
- meeting separately with the independent registered public accounting firm.

The audit committee was reestablished during 2009 and met 5 times during 2012. The committee currently consists of Jerold Rubinstein, who is the Chairman and who the Company believes qualifies as a financial expert; Isaac Blech, Yael Schwartz and Sol J. Barer.

Compensation Committee

The compensation committee was established during 2011. The Compensation Committee will administer the Company's compensation and benefit plans, in particular, the incentive compensation and equity-based plans, and will approve salaries, bonuses, and other compensation arrangements and policies for the Company's officers, including the Chief Executive Officer. The Compensation Committee did not meet during 2012.

EXECUTIVE COMPENSATION

Overview of Executive Compensation Program

Until the Compensation Committee is established, the Board has responsibility for establishing, implementing and monitoring our executive compensation program philosophy and practices. The Board seeks to ensure that the total compensation paid to our executive officers is fair, reasonable and competitive.

Executive Compensation

The following table sets forth information concerning the compensation earned by our Executive Officers during fiscal 2012 and 2011:

Name and Principal Position	Year	Salary	Bonus	Stock Award Shares	Non-equity Incentive Plan Compensation	All Other Compensation	Total
Jerold Rubinstein, Chief Executive Officer and Chairman of the Board	2012	$ 125,000(a)	$ –	2,300,000	$ –	$ 223,900(b)	$ 348,900
	2011	$ –(a)	$ –	–	$ –	$ 133,333(c)	$ 133,333
John Moynahan, Chief Financial Officer	2012	$ 220,000	$ –	–	$ –	$ 20,466(d)	$ 240,466
	2011	$ 220,000	$ –	–	$ –	$ 10,387(d)	$ 230,387
Timothy Boris, General Counsel and Vice President of Legal Affairs	2012	$ 180,000	$ –	300,000	$ –	$ –	$ 180,000
	2011	$ 180,000	$ –	300,000	$ –	$ –	$ 180,000
Paul Feller, former Chief Executive Officer and former Chairman of the Board	2012	$ 125,000(e)	$ –	–	$ –	$ –	$ 125,000
	2011	$ 240,000	$ –	–	$ –	$ –	$ 240,000
William Kelly, former Chief Operating Officer	2012	$ 240,000(f)	$ –	–	$ –	$ –	$ 240,000
	2011	$ 240,000	$ –	–	$ –	$ –	$ 240,000

(a) Mr. Rubinstein started as C.E.O. on June 28, 2012.

(b) Represents $100,000 as chairman of the audit committee up to June 28, 2012, $100,000 as chairman of the board following that date, $50,000 as member of the board of directors, six months of an auto allowance of $650 per month and $20,000 as consulting fee for May and June 2012.

(c) Represents $100,000 as chairman of the audit committee from April 2011 to the end of the year and $33,000 as a board member from April 2011 to the end of the year.

(d) Represents cost of living increases earned in these years but not paid.

(e) Mr. Feller's employment ended June 28, 2012.

(f) Mr. Kelly's employment ended in March 2013.

Effective June 28, 2012, Jerold Rubinstein was elected by the Company's board of directors as Chairman of the Board, CEO and a director of the Company's subsidiaries. The Board of Directors of PEI also elected him as Chairman of the Board and CEO. Under the terms of an employment agreement dated June 28, 2012, Mr. Rubinstein will receive an annual salary of $250,000 per year and will continue to serve on the Company's board of directors and as Chairman of the Company's Audit Committee and shall continue to receive his compensation for such services. The term of this agreement is six months with an automatic six month extension unless the Company provides written notice of non-renewal 30 days prior to the end of the initial six-month term. This executive has been granted options to purchase 2,300,000 shares of the Company's common stock at $0.35 per share, which was the closing price of the Company's common stock on the day of option grant. These options vest monthly over a twelve-month period. In the event the Company does not renew the second six month period, the executive resigns or the Company terminates the executive's employment without cause, all options will immediately vest and the executive will receive all unpaid salary for the full twelve month period.

On August 8, 2011, the Company entered into any employment contract with Timothy Boris as the Company's General Counsel and Vice President of Legal Affairs at an annual salary of $180,000. In December 2011, he received options to purchase 300,000 shares of common stock at $0.54 that had 100,000 shares vest upon grant, 100,000 shares vest at the end of year one and 100,000 shares vest at the end of year two. This contract expired on August 8, 2012 and was renewed under the same terms until August 8, 2013. In August 2012 Mr. Boris received options to purchase 300,000 shares of common stock at $0.38 that had 100,000 shares vest upon grant, 100,000 shares vest at the end of year one and 100,000 shares vest at the end of year two. Both of these option grants have a five-year life.

On November 1, 2010, the Company entered into an employment agreement with John Moynahan, who had been providing accounting and financial services to the Company as a consultant pursuant to a consulting agreement dated November 14, 2007. This agreement expired on August 1, 2012. Under the agreement, Mr. Moynahan was to receive an annual salary of $220,000 for the first year of the contract, subject to an annual increase of the Consumer Price Index plus 2%, and will be eligible for a $50,000 bonus in the first year of this contract, with bonuses thereafter based on objectives established by the Company's board of directors and Mr. Moynahan's performance against those objectives. Under this agreement, Mr. Moynahan received a grant of 300,000 shares and a five-year stock option grant to purchase 1,560,000 shares of common stock at $2.00 per share, with 1,040,000 shares that vested upon the signing of the agreement and 520,000 shares that will vest on September 1, 2011. Such options shall terminate forty-five (45) days after the Executive's employment with the Company is terminated if such termination is for Cause or is the result of a resignation by Executive for reasons other than Good Reason. Such options shall not be assignable by Executive. Each option described above shall be subject to customary anti-dilution provision with respect to any stock splits, mergers, reorganizations or other such events.

As set forth in Item 1.01 of this Current Report on Form 8-K, effective as of the Effective Date of the Mergers, the Company entered into employment agreements with Yael Schwartz and Craig Abolin as follows:

Under the Employment Agreement with Dr. Schwartz, she is to be employed for an initial period of three years. During the initial year of her employment term, she is to receive a base salary of $330,000. Thereafter, her base salary will be subject to mutually agreed upon increases. The Company's board of directors (the "Board") or Compensation Committee may grant Dr. Schwartz bonuses in its sole discretion. Dr. Schwartz is also eligible for grants of awards under the Company's Incentive Compensation Plan.

Under the employment agreement with Dr. Abolin, he is to be employed for an initial period of three years. During the initial year, he is to receive a base salary of $241,000. Thereafter his base salary will be subject to mutually agreed upon increases. The Company's Board or Compensation Committee may grant Dr. Abolin bonuses in its sole discretion. Dr. Abolin is also eligible for grants of awards under the Company's Incentive Compensation Plan.

OUTSTANDING EQUITY AWARDS AT APRIL 15, 2013

The following table sets forth certain information relating to unexercised and outstanding options for each named executive officer as of April 15, 2013. No other equity awards otherwise reportable in this table had been granted to any of our executive officers as of that date.

Name	Outstanding Options	Unexercised Options that are Exercisable	Option Exercise Price	Option Expiration Date
Jerold Rubinstein	25,000,000	25,000,000	$0.03	3/27/18
Jerold Rubinstein	2,300,000	2,300,000	$0.35	6/28/2017
John Moynahan	1,540,000	1,540,000	$0.54	11/1/2015
Timothy Boris	6,000,000	6,000,000	$0.03	3/27/18
Timothy Boris	300,000	200,000	$0.54	12/29/2016
Timothy Boris	300,000	100,000	$0.38	8/20/2017

Employment Agreements

As of September 30, 2013, there were no future minimum payments under the employment agreements.

Option Plans

The Company is intending to adopt, but has not yet completed, its Stock Compensation Program (the "Stock Compensation Program"). This program is intended to provide key employees, vendors, directors, consultants and other key contributors to Company growth an opportunity to participate in the Company's success. It is estimated that 15% of total shares outstanding will be authorized in options and reserved for this program. Awards under the program may be made in the form of incentive stock options, nonqualified stock options, restricted shares, rights to purchase shares under an employee stock plan, grants of options to non-employee directors, and or other specified stock rights as defined under the plan. Subject to Shareholder approval, the Company plans to adopt a new stock option plan in 2014.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of October 15, 2013 regarding compensation plans (including individual compensation arrangements) under which our securities are authorized for issuance. Information is included for both equity compensation plans approved by our stockholders and equity compensation plans not approved by our stockholders.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities in the first column)
Equity compensation plans approved by stockholders	–	$ –	–
Equity compensation plans not approved by stockholders	38,943,523	$ 0.12	–
Total	38,943,523	$ 0.12	–

The above-referenced stock option grants were issued without registration in reliance upon the exemption afforded by Section 4(2) of the Securities Act of 1933, as amended, based on certain representations made to us by the recipients.

Director Compensation

Board of Directors Compensation:

Outside Board members have received a grant of 450,000 options upon joining the Board that vest monthly over a 36-month period. Each board member is entitled to an annual payment of $50,000. Jerold Rubinstein received an additional $150,000 per annum as the chairman of the board. Board members received $179,167 cash compensation in 2012. As of December 31, 2012, $216,010 in board cash compensation is still outstanding.

Upon joining the board in 2011, Mr. Rubinstein received an additional grant of 450,000 shares of restricted common stock as chairman of the audit committee that vest over a 36 month period. Mr. Golenberg received an additional grant of 450,000 shares of restricted common stock that vests over a 36 month period as chairman of the compensation committee. As of July 1, 2011, the Board of Directors elected to cancel a total of 1,550,000 options granted to Messrs. Cross and Dunleavy and Golenberg in 2009 for board service and to Mr. Golenberg in 2009 and 2010 as chairman of the audit committee, and replace those options with grants of 540,833 shares of restricted stock equal to 50% of the number of vested options. These grants vest one-third on January 1, 2012, one-third on January 1, 2013 and one-third on January 1, 2014. Pursuant to these grants, Mr. Cross received a grant of 162,500 shares of restricted stock, of which 54,167 shares vested on January 1, 2012; Mr. Dunleavy received a grant of 130,000 shares of restricted stock, of which 43,333 shares vested on January 1, 2012; and Mr. Golenberg received a grant of 248,333 shares of restricted stock, of which 82,778 shares vested on January 1, 2012.

The Board is currently reviewing the future compensation to be paid to Board members.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock summarizes the material terms and provisions of the indicated securities. For the complete terms of our Common Stock please refer to our articles of incorporation, and bylaws that we have filed with the SEC.

We are authorized to issue 1,000,000,000 shares of Common Stock, $0.001 par value per share, and 5,000,000 shares of Preferred Stock.

Common Stock

Voting. Each holder of Common Stock shall have one vote in respect of each share of stock held of record on the books of the corporation for the election of directors and on all matters submitted to a vote of our stockholders.

Dividends. The holders of shares of Common Stock shall be entitled to receive, when and if declared by the board of directors, out of our assets which are by law available for dividends, dividends payable in cash, property or shares of capital stock.

Dissolution, Liquidation or Winding Up. In the event of any dissolution, liquidation or winding up of our affairs, holders of Common Stock shall be entitled, unless otherwise provided by law or our articles of incorporation, including any certificate of designations for a series of preferred stock, to receive all of our remaining assets of whatever kind available for distribution to stockholders ratably in proportion to the number of shares of Common Stock held by them respectively.

Other Rights and Restrictions. Holders of our Common Stock do not have preemptive rights, and they have no right to convert their Common Stock into any other securities. Our Common Stock is not subject to redemption by us. The rights, preferences and privileges of common stockholders are subject to the rights of the stockholders of any series of preferred stock that are issued and outstanding or that we may issue in the future.

Preferred Stock

The preferred stock may be issued in one or more series and our Board of Directors, without further approval from our stockholders, is authorized to fix the dividend rights and terms, conversion rights, voting rights, redemption rights, liquidation preferences and other rights and restrictions relating to any series. Issuances of preferred stock, while providing flexibility in connection with possible financings, acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of our common stock.

MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASE OF EQUITY SECURITIES

Price Range of Common Stock

The following table sets forth the high and low prices of our common stock during the past two years, for each period indicated, as reported by the OTCBB or OTCQB the dates indicated. Such quotations reflect prices between dealers in securities and do not include any retail mark-up, markdowns or commissions and may not necessarily represent actual transactions.

Fiscal Period

	High	Low
2013		
First quarter	$0.20	$0.08
Second quarter	$0.24	$0.14
Third quarter	$0.19	$0.06
2012		
First quarter	$0.54	$0.40
Second quarter	$0.55	$0.31
Third quarter	$0.50	$0.30
Fourth quarter	$0.44	$0.12
2011		
First quarter	$0.65	$0.27
Second quarter	$1.02	$0.33
Third quarter	$0.89	$0.48
Fourth quarter	$0.81	$0.40

As of December 31, 2012, the Company believes there were approximately 1,300 stockholders of record of our common stock.

Dividend Policy

Since our inception, we have never declared or paid any cash dividends. We currently expect to retain earnings for use in the operation and expansion of our business, and therefore do not anticipate paying any cash dividends in the foreseeable future.

Item 3.02 Unregistered Shares of Equity Securities

Pursuant to the Merger Agreement, the Company issued to the stakeholders of Canterbury and Hygeia an aggregate of 115,011,563 restricted shares of the Company's Common Stock. The shares of the Company's common stock issued to the holders of the capital stock of Canterbury and Hygeia in connection with the Mergers were not registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act and Regulation D promulgated under that section, which exempts transactions by an issuer not involving any public offering. These securities may not be offered or sold in the U.S. absent registration or an applicable exemption from the registration requirements. Certificates representing these shares will contain a legend stating the restrictions applicable to such shares.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

In connection with the closing of the Mergers described in Item 1.02, below, the Company entered into employment agreements with (a) Yael Schwartz, Ph.D., pursuant to which Dr. Schwartz was appointed President of Canterbury and (the new subsidiaries of the Company acquired pursuant to the Mergers; and (b) Craig Abolin, Ph.D. pursuant to which Dr. Abolin was appointed Vice President of Research and Development of the new subsidiaries.

Under the Employment Agreement with Dr. Schwartz, she is to be employed for an initial period of three years. During the initial year of her employment term, she is to receive a base salary of $330,000. Thereafter, her base salary will be subject to mutually agreed upon increases. The Board or the Compensation Committee may grant Dr. Schwartz bonuses in its sole discretion. Dr. Schwartz is also eligible for grants of awards under the Company's Incentive Compensation Plan.

Under the employment agreement with Dr. Abolin, he is to be employed for an initial period of three years. During the initial year, he is to receive a base salary of $241,000. Thereafter his base salary will be subject to mutually agreed upon increases. The Board or the Compensation Committee may grant Dr. Abolin bonuses in its sole discretion. Dr. Abolin is also eligible for grants of awards under the Company's Incentive Compensation Plan.

Changes to the Board of Directors and Executive Officers. Upon the closing of the Mergers, pursuant to the Merger Agreement, Yael Schwartz, Ph.D. and Nelson Stacks were appointed by the Company's board of directors (the "Board") as directors of the Company. In addition, upon the closing of the Mergers, Dr. Schwartz was appointed as President of Canterbury and Hygeia and Dr. Craig Abolin was appointed as Vice President of Research and Development of Canterbury and Hygeia. The terms of their employment are set forth in Item 1.01 and their background is set forth in Item 1.02 under "Directors, Executive Officers and Corporate Governance."

Item 5.06 Change in Shell Company Status

While the Company believes that immediately prior to the Effective Date it may not be deemed to have been a shell company under Rule 12b-2 under the Exchange Act, the Company believes that, even if the Company may be deemed to have been a shell company, the Mergers have the effect of the Company ceasing to be a shell company.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired. In accordance with Item 9.01(a), Canterbury's audited financial statements for the fiscal years ended December 31, 2011 and 2012 are filed in this Current Report on Form 8-K as Exhibit 99.1 and Canterbury's unaudited financial statements for the nine months ended September 30, 2012 are filed as Exhibit 99.2.

(b) Pro Forma Financial Information. In accordance with Item 9.01(b), our pro forma financial statements are filed as Exhibit 99.3.

(d) Exhibits.

Exhibit Number	Description
10.1	Agreement and Plan of Merger among the Company, Canterbury Acquisition LLC, Hygeia Acquisition, Inc., Canterbury, Hygeia and Yael Schwartz.(1)
10.2	Employment Agreement between the Company and Yael Schwartz
10.3	Employment Agreement between Company and Craig Abolin
10.4	Registration Rights Agreement
10.5	Exclusive License Agreement with Yale University effective as of October 22, 2007, as amended
10.6	Sublicense Agreement with Ferndale Pharma Group, Inc. dated as of March 22, 2012
10.7	Collaboration Agreement with Ferndale Pharma Group, Inc. dated as of July 25, 2013
10.8	Master Services Agreement with MicroConstants dated March 22, 2012.
10.9	Master Contract and Services Agreement with GL Synthesis effective as of March 25, 2012
10.10	Service Agreement with CEREP dated October 18, 2011
99.1	Canterbury audited financial statements for the fiscal years ended December 31, 2012 and 2011 and unaudited financial statements for the nine months ended September 30, 2013 and 2012
99.2	Pro forma unaudited statements of operations for the fiscal year ended December 31, 2012, pro forma unaudited statement of operations for the nine months ended September 30, 2013 and pro forma unaudited statement of financial position for September 30, 2013

(1) Incorporated by reference to Exhibit 10.01 to the Company's Current Report on Form 8-K filed on October 2, 2013.

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 hereunto duly authorized.

STRATUS MEDIA GROUP, INC.

Dated: November 22, 2012

By: /s/ Jerold Rubinstein
Jerold Rubinstein, Chief Executive Officer
(principal executive officer)

Exhibit Index

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(1) Incorporated by reference to Exhibit 10.01 to the Company's Current Report on Form 8-K filed on October 2, 2013.

EXHIBIT 10.2

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of the 18th day of November, 2013 (the "Effective Date"), by and between Stratus Media Group, Inc., a Nevada corporation with an address at 1800 Century Park East, 6th Floor, Los Angeles, California 90067 (the "Company"), and YAEL SCHWARTZ, Ph.D., a natural person with a residence at 8 Canterbury Lane, Holden, MA 01520 ("Executive").

W I T N E S S E T H:

WHEREAS, Executive desires to be employed by the Company as President-DermaGenesis Division (the "Position") and the Company wishes to employ Executive in such capacity;

NOW, THEREFORE, in consideration of the foregoing recitals and the respective covenants and agreements of the parties contained in this document, the Company and Executive hereby agree as follows:

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") may from time to time assign to Executive comparable with the duties and responsibilities of a President of a major division, but at a minimum include responsibility for formulation and implementation of the business policies and direction of the DermaGenesis Division, and the related employment decisions, financial decisions and management and oversight of the day-to-day operation of that division. Executive shall report to the Chief Executive Officer of Company.

Executive shall devote all of her time, attention, and energies to the business of the Company. Provided that none of the additional activities materially interfere with the performance of the duties and responsibilities of Executive, nothing in this Section 1 shall prohibit Executive from: (a) serving as a director or trustee of any charitable or educational organization or (b) engaging in additional activities in connection with personal investments and community affairs; *provided* that such activities are not inconsistent with Executive's duties under this Agreement and do not violate the terms of Section 13.

2. Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of three (3) years subject to extension upon mutual agreement of the Company and Executive. "Employment Period" shall mean the initial three (3) year term plus extension periods, if any.

3. Place of Employment. Executive's job site shall be in Holden, Massachusetts (the "Job Site"). The parties acknowledge, however, that Executive may be required to travel in connection with the performance of her duties hereunder.

4. Base Salary. For all services to be rendered by Executive pursuant to this Agreement, the Company agrees to pay Executive during the initial year of the Employment Period, a base salary (the "Base Salary") at an annual rate of Three Hundred Thirty Thousand ($330,000) Dollars. For the second and third years of the Employment Period, the Executive and the Chief Executive Offer shall meet and agree upon appropriate increases to the Executive's Base Salary and thereafter, the Chief Executive Officer shall recommend such increases to the Company's Board of Directors. The Base Salary shall be paid in periodic installments in accordance with the Company's regular payroll practices.

5. Bonuses. During the Employment Period, the Board or the Compensation Committee of the Board (the "Compensation Committee") in its sole discretion may grant to Executive a bonus or bonuses with a target year-end bonus Thirty Five (35%) percent of Executive's annual compensation.

6. Severance Compensation. Upon termination of Executive's employment prior to expiration of the Employment Period unless Executive's employment is terminated for Cause or Executive terminates her employment without Good Reason, then:

(a) Executive shall be entitled to receive any and all reasonable expenses paid or incurred by Executive in connection with and related to the performance of her duties and responsibilities for the Company during the period ending on the termination date, any accrued but unused vacation time through the termination date in accordance with Company policy and an amount equal to Executive's Base Salary during the prior six (6) months (the "Separation Period"), as in effect as of the date of termination (the "Separation Payment"), provided that Executive executes an agreement releasing Company and its affiliates from any liability associated with this Agreement in form and terms satisfactory to the Company and that all time periods imposed by law permitting cancellation or revocation of such release by Executive shall have passed or expired; and subject to anything to the contrary in Section 11(d)(3), the Separation Payment shall be paid in in accordance with the customary payroll practices of the Company; and

(b) Subject to Executive's: (1) timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") with respect to the Company's group health insurance plans in which the Employee participated immediately prior to the termination date ("COBRA Continuation Coverage") and (2) continued payment of premiums for such plans at the active employee rate (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), the Company will pay, or reimburse Executive, the cost of COBRA Continuation Coverage for Executive and her eligible dependents until the earliest of: (x) Executive or her eligible dependents, as the case may be, ceasing to be eligible under COBRA and (y) twelve (12) months following the termination date (the benefits provided under this clause (b), the "Medical Continuation Benefits") or until such time as Executive shall obtain reasonably equivalent benefits from subsequent employment or spousal benefits.

7. Equity Awards. Executive shall be eligible for such grants of awards under the Straus Media Group, Inc. Incentive Compensation Plan (or any successor or replacement plan adopted by the Board and approved by the stockholders of the Company) (the "Plan") as the Compensation Committee (or the Board, if there is no Compensation Committee) may from time to time determine (the "Share Awards"). Share Awards shall be subject to the applicable Plan terms and conditions; provided, however, that Share Awards shall be subject to any additional terms and conditions as are provided herein or in any award agreement, which shall supersede any conflicting provisions governing Share Awards provided under the Plan.

8. Clawback Rights. All amounts paid to the Executive by the Company relating solely to either: (i) performance based cash payments and (ii) performance based stock options granted during the Employment Period (the "Clawback Benefits") shall be subject to "Clawback Rights" as follows: during the period that Executive is employed by the Company and upon the termination or expiration of Executive's employment and for a period of eighteen (18) months thereafter, if any of the following events occur, Executive agrees to repay or surrender to the Company the Clawback Benefits if a restatement (a "Restatement") of any financial results from which any Clawback Benefits to Executive shall have been determined (such restatement resulting from material non-compliance of the Company with any financial reporting requirement under the federal securities laws and shall not include a restatement of financial results resulting from subsequent changes in accounting pronouncements or requirements which were not in effect on the date the financial statements were originally prepared), then Executive agrees to immediately repay or surrender upon demand by the Company any Clawback Benefits which were determined by reference to any Company financial results which were later restated, to the extent the Clawback Benefits amounts paid exceed the Clawback Benefits amounts that would have been paid, based on the restatement of the Company's financial information All Clawback Benefits amounts resulting from such Restatements shall be retroactively adjusted by the Compensation Committee (or the Board, if there is no Compensation Committee) to take into account the restated results and if any excess portion of the Clawback Benefits resulting from such restated results is not so repaid or surrendered by Executive within one hundred Eighty (180) days of the revised calculation being provided to Executive by the Company following a publicly announced restatement, the Company shall have the right to take any and all action to effectuate such adjustment. For avoidance of doubt, the Company and the Executive agree and acknowledge that Article 8 is specifically limited to the Company clawing back only performance based cash payments and performance based stock options when it is finally determined (in accordance with the timeline set forth herein), following a Restatement of the financial results that, in the first instance, the performance based cash award should not have been made and the performance based stock options should not have been granted.

The amount of Clawback Benefits to be repaid or surrendered to the Company shall be reasonably determined by the Compensation Committee (or the Board, if there is no Compensation Committee) and applicable law, rules and regulations. All determinations by the Compensation Committee (or the Board, if there is no Compensation Committee) with respect to the Clawback Rights shall be final and binding on the Company and Executive unless a request for arbitration is submitted as provided for in Section 16(l) hereof. The parties acknowledge it is their intention that the foregoing Clawback Rights as relates to Restatements conform in all respects to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd Frank Act") and requires recovery of all "incentive-based" compensation, pursuant to the provisions of the Dodd Frank Act and any and all rules and regulations promulgated thereunder from time to time in effect. Accordingly, the terms and provisions of this Agreement shall be deemed automatically amended from time to time to assure compliance with the Dodd Frank Act and such rules and regulation as hereafter may be adopted and in effect.

9. Expenses. Executive shall be entitled to prompt reimbursement by the Company for all reasonable ordinary and necessary travel, entertainment, and other expenses incurred by Executive while employed (in accordance with the policies and procedures established by the Company for its senior executive officers) in the performance of her duties and responsibilities under this Agreement; provided, that Executive shall properly account for such expenses in accordance with Company policies and procedures.

10. Other Benefits; Vacation. During the term of this Agreement, Executive shall be eligible to participate in incentive, stock purchase, savings, retirement (401(k)), and welfare benefit plans, including, without limitation, health, medical, dental, vision, life (including accidental death and dismemberment) and disability insurance plans (collectively, "Benefit Plans"), in substantially the same manner and at substantially the same levels as the Company makes such opportunities available to the Company's managerial or salaried executive employees. During the term of this Agreement, Executive shall be entitled to accrue, on a pro rata basis, twenty two (22) paid vacation days per year, which if not taken will accrue and be carried forward. Vacation shall be taken at such times as are mutually convenient to Executive and the Company and no more than ten (10) consecutive days shall be taken at any one time without the advance approval of the Board.

11. Termination of Employment.

(a) Death. If Executive dies during the Employment Period, this Agreement and Executive's employment with the Company shall automatically terminate and the Company shall have no further obligations to Executive or her heirs, administrators or executors with respect to compensation and benefits accruing thereafter, except for the obligation to pay to Executive's heirs, administrators or executors any earned but unpaid Base Salary, unpaid pro rata annual Bonus for the current year through the date of death, the Severance Payment and reimbursement of any and all reasonable expenses paid or incurred by Executive in connection with and related to the performance of her duties and responsibilities for the Company during the period ending on the termination date and any accrued but unused vacation time through the termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions. In addition, Executive's spouse and minor children shall be entitled to Medical Continuation Benefits.

(b) Disability. In the event that, during the term of this Agreement Executive shall be prevented from performing her duties and responsibilities hereunder to the full extent required by the Company by reason of Disability (as defined below), this Agreement and Executive's employment with the Company shall automatically terminate and the Company shall have no further obligations or liability to Executive or her heirs, administrators or executors with respect to compensation and benefits accruing thereafter, except for the obligation to pay Executive or her heirs, administrators or executors any earned but unpaid Base Salary, unpaid pro rata annual Bonus for the current year accrued through Executive's last date of employment with the Company, the Severance Payment and reimbursement of any and all reasonable expenses paid or incurred by Executive in connection with and related to the performance of her duties and responsibilities for the Company during the period ending on the termination date and any accrued but unused vacation time through the termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions through the last date of Executive's employment with the Company. In addition, Executive's spouse and minor children shall be entitled to Medical Continuation Coverage. For purposes of this Agreement, "Disability" shall mean a physical or mental disability that prevents the performance by Executive, with or without reasonable accommodation, of her duties and responsibilities hereunder for a period of not less than an aggregate of three (3) months during any twelve (12) consecutive months.

(c) Cause.

(1) At any time during the Employment Period, the Company may terminate this Agreement and Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall consist of a termination due to the following, as specified in the written notice of termination (and in each case following written notice, a failure by Executive to cure within thirty (30) days of such notice except as to clauses (E) or (f) which shall not be subject to cure: (A) Executive's failure to substantially perform the fundamental duties and responsibilities associated with Executive's position, including Executive's continued failure or refusal to carry out reasonable instructions; (B) Executive's material breach of any material written Company policy; (C) Executive's gross misconduct in the performance of Executive's duties for the Company; (D) Executive's material breach of the terms of this Agreement; (E) being convicted of any fraudulent or felony criminal offense or any other criminal offense which reflects adversely on the Company or reflects conduct or character that the Board reasonably concludes is inconsistent with continued employment; or (F) conviction of any criminal conduct that is a "statutory disqualifying event" (as defined under federal securities laws, rules and regulations).

(2) Prior to any termination for Cause, and following the thirty (30) day cure period provided for in Section 11(c)(1) hereof, Executive will be given five (5) business days written notice specifying the alleged Cause event and will be entitled to appear (with counsel) before the full Board to present information regarding her views on the Cause event, and the cure of the same, and after such hearing, there is at least a majority vote of the full Board (other than Executive) to terminate she for Cause. After providing the notice in foregoing sentence, the Board may suspend Executive with full pay and benefits until a final determination pursuant to this Section 11(c) has been made.

(3) Upon termination of this Agreement for Cause, the Company shall have no further obligations or liability to Executive or her heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligation to pay Executive any earned but unpaid Base Salary, reimbursement of any and all reasonable expenses paid or incurred by Executive in connection with and related to the performance of her duties and responsibilities for the Company during the period ending on the termination date, and any accrued but unused vacation time through the termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(d) Good Reason and Without Cause.

(1) At any time during the term of this Agreement, subject to the conditions set forth in Section 11(d)(2) below, Executive may terminate this Agreement and Executive's employment with the Company for "Good Reason." For purposes of this Agreement, "Good Reason" shall mean any of the following actions taken by the Company or a successor corporation or entity without Executive's consent a: (A) material reduction of Executive's Base Salary or benefits; (B) material reduction in Executive's title, authority, duties or responsibilities; (C) failure or refusal of a successor to the Company to materially assume the Company's obligations under this Agreement in the event of a Change of Control; (D) relocation of Executive's the Job Site that results in an increase in Executive's one-way driving distance by more than forty (40) miles from Executive's then-current principal residence or (E) any other material breach by the Company of this Agreement.

(2) Executive shall not be entitled to terminate this Agreement for Good Reason unless and until she shall have delivered written notice to the Company within ninety (90) days of the date upon which the facts giving rise to Good Reason occurred of her intention to terminate this Agreement and her employment with the Company for Good Reason, which notice specifies in reasonable detail the circumstances claimed to provide the basis for such termination for Good Reason, and the Company shall not have eliminated the circumstances constituting Good Reason within thirty (30) days of its receipt from Executive of such written notice.

(3) In the event that Executive terminates this Agreement and her employment with the Company for Good Reason or the Company terminates this Agreement and Executive's employment with the Company without Cause, the Company shall pay or provide to Executive (or, following her death, to Executive's heirs, administrators or executors) the Separation Payment amount. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(4) Notwithstanding anything herein to the contrary, the benefits to Executive under this Agreement shall be reduced by the amount of any insurance proceeds payable to Executive.

(e) Without "Good Reason" by Executive. At any time during the term of this Agreement, Executive shall be entitled to terminate this Agreement and Executive's employment with the Company without Good Reason by providing prior written notice of at least thirty (30) days to the Company. Upon termination by Executive of this Agreement or Executive's employment with the Company without Good Reason, the Company shall have no further obligations or liability to Executive or her heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligation to pay Executive any earned but unpaid Base Salary, reimbursement of any and all reasonable expenses paid or incurred by Executive in connection with and related to the performance of her duties and responsibilities for the Company during the period ending on the termination date, and any accrued but unused vacation time through the termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(f) Change of Control. For purposes of this Agreement, "Change of Control" shall mean the occurrence of any one or more of the following: (i) the accumulation (if over time, in any consecutive twelve (12) month period), whether directly, indirectly, beneficially or of record, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) of 50.1% or more of the shares of the outstanding common stock of the Company, whether by merger, consolidation, sale or other transfer of shares of Company common stock (other than a merger or consolidation where the stockholders of the Company prior to the merger or consolidation are the holders of a majority of the voting securities of the entity that survives such merger or consolidation), (ii) a sale of all or substantially all of the assets of the Company or (iii) during any period of twelve (12) consecutive months, the individuals who, at the beginning of such period, constitute the Board, and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the twelve (12) month period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that the following acquisitions shall not constitute a Change of Control for the purposes of this Agreement: (A) any acquisitions of Company common stock or securities convertible, exercisable or exchangeable into Company common stock directly from the Company or (B) any acquisition of Company common stock or securities convertible, exercisable or exchangeable into Company common stock by any employee benefit plan (or related trust) sponsored by or maintained by the Company.

(g) Any termination of Executive's employment by the Company or by Executive (other than termination by reason of Executive's death) shall be communicated by written Notice of Termination to the other party of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, provided, however, failure to provide timely notification shall not affect the employment status of Executive.

12. Confidential Information.

(a) Disclosure of Confidential Information. Executive recognizes, acknowledges and agrees that she has had and will continue to have access to secret and confidential information regarding the Company, its subsidiaries and their respective businesses ("Confidential Information"), including but not limited to, its products, methods, formulas, software code, patents, sources of supply, customer dealings, data, know-how, trade secrets and business plans, provided such information is not in or does not hereafter become part of the public domain, or become known to others through no fault of Executive. Executive acknowledges that such information is of great value to the Company, is the sole property of the Company, and has been and will be acquired by her in confidence. In consideration of the obligations undertaken by the Company herein, Executive will not, at any time, during or after her employment hereunder, reveal, divulge or make known to any person, any information acquired by Executive during the course of her employment, which is treated as confidential by the Company, and not otherwise in the public domain. The provisions of this Section 12 shall survive the termination of Executive's employment hereunder for a period of three (3) years. Information will not be deemed to be Confidential Information if: (i) the information was in Executive's possession or within Executive's knowledge before the Company disclosed it to Executive; (ii) the information was or became generally known to those who could take economic advantage of it; (iii) Executive obtained the information from a third party that was not known by Executive to be bound by a confidentiality agreement or other obligation of confidentiality to the Company or any other party with respect to such information or (iv) Executive is required to disclose the information pursuant to legal process (e.g. a subpoena), provided that Executive notifies the Company promptly upon receiving or becoming aware of such legal process.

(b) Executive affirms that she will not rely upon the protected trade secrets or confidential or proprietary information of any prior employer(s) in providing services to the Company or its subsidiaries.

(c) In the event that Executive's employment with the Company terminates for any reason, Executive shall deliver forthwith to the Company any and all originals and copies, including those in electronic or digital formats, of Confidential Information; provided, however, Executive shall be entitled to retain: (i) papers and other materials of a personal nature, including, but not limited to, photographs, correspondence, personal diaries, calendars and rolodexes, personal files and phone books, (ii) information showing her compensation or relating to reimbursement of expenses, (iii) information that she reasonably believes may be needed for tax and estate planning purposes and (iv) copies of plans, programs and agreements relating to her employment, or termination thereof, with the Company.

13. Non-Solicitation.

(a) Executive agrees and acknowledges that the restrictions set forth herein are reasonable and necessary and do not impose undue hardship or burdens on Executive. Executive also acknowledges that the products and services developed or provided by the Company, its affiliates and/or its clients or customers are or are intended to be sold, provided, licensed and/or distributed to customers and clients primarily in and throughout the United States (the "Territory") (to the extent the Company comes to operate, either directly or through the engagement of a distributor or joint or co-venturer, or sell a significant amount of its products and services to customers located, in areas other than the United States during the term of the Employment Period, the definition of Territory shall be automatically expanded to cover such other areas), and that the Territory, scope of prohibited competition, and time duration set forth in the non-competition restrictions set forth below are reasonable and necessary to maintain the value of the Confidential Information of, and to protect the goodwill and other legitimate business interests of, the Company, its affiliates and/or its clients or customers. The provisions of this Section 13 shall survive the termination of Executive's employment hereunder.

(b) Executive hereby agrees and covenants that she shall not without the prior written consent of the Company, directly or indirectly, in any capacity whatsoever, including, without limitation, as an employee, employer, consultant, principal, partner, shareholder, officer, director or any other individual or representative capacity (other than (i) as a holder of less than ten (10%) percent of the outstanding securities of a Company whose shares are traded on any national securities exchange or (ii) as a limited partner, passive minority interest holder in a venture capital fund, private equity fund or similar investment entity which holds or may hold an equity or debt position in portfolio companies that are competitive with the Company; provided however, that Executive shall be precluded from serving as an operating partner, general partner, manager or governing board designee with respect to such portfolio companies), or whether on Executive's own behalf or on behalf of any other person or entity or otherwise howsoever, during the Employment Period and the Separation Period and thereafter to the extent described below, within the Territory:

(1) Recruit, solicit or hire, or attempt to recruit, solicit or hire, any employee, or independent contractor of the Company to leave the employment (or independent contractor relationship) thereof, whether or not any such employee or independent contractor is party to an employment agreement, for the purpose of competing with the business of the Company;

(2) Attempt in any manner to solicit or accept from any customer of the Company, with whom Executive had significant contact during Executive's employment by the Company (whether under this Agreement or otherwise), business of the kind or competitive with the business done by the Company with such customer or to persuade or attempt to persuade any such customer to cease to do business or to reduce the amount of business which such customer has customarily done or might do with the Company, or if any such customer elects to move its business to a person other than the Company, provide any services of the kind or competitive with the business of the Company for such customer, or have any discussions regarding any such service with such customer, on behalf of such other person; or

(3) Interfere with any relationship, contractual or otherwise, between the Company and any other party, including, without limitation, any supplier, distributor, co-venturer or joint venturer of the Company, for the purpose of soliciting such other party to discontinue or reduce its business with the Company.

With respect to the activities described in Paragraphs (1), (2) and (3), above, the restrictions of this Section 13(b) shall continue during the Employment Period and until one (1) year following the termination of this Agreement or of Executive's employment with the Company (including upon expiration of this Agreement), whichever occurs later; provided, however, that if this Agreement or Executive's employment is terminated by Executive for Good Reason or by the Company without Cause, then the restrictions of this Section 13(b) shall terminate concurrently with the termination and shall be of no further effect. In the event that any provision of this Section 13 is determined by a court to be unenforceable, such provision shall not render the entire Section unenforceable but, to the extent possible, shall be appropriately adjusted to render such provision enforceable.

14. Inventions. All systems, inventions, discoveries, apparatus, techniques, methods, know-how, formulae or improvements made, developed or conceived by Executive during Executive's employment by the Company that: (i) are directly relevant to the Company's business as then constituted, (ii) are developed as a part of the tasks and assignments that are the duties and responsibilities of Executive and (iii) were created using substantially the Company's resources, such as time, materials and space, shall be and continue to remain the Company's exclusive property, without any added compensation or any reimbursement for expenses to Executive, and upon the conception of any and every such invention, process, discovery or improvement and without waiting to perfect or complete it, Executive promises and agrees that Executive will immediately disclose it to the Company and to no one else and thenceforth will treat it as the property and secret of the Company. Executive will also execute any instruments requested, from time to time, by the Company to vest in it complete title and ownership to such invention, discovery or improvement and will, at the request of the Company, do such acts and execute such instruments as the Company may require, but at the Company's expense (and if requested following the term of this Agreement, then at the customary hourly rate for time requested and spent), to obtain patents, trademarks or copyrights in the United States and foreign countries, for such invention, discovery or improvement and for the purpose of vesting title thereto in the Company, all without any reimbursement for expenses (except as provided in Section 9 or otherwise) and without any additional compensation of any kind to Executive.

15. Section 409A.

The provisions of this Agreement are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and any final regulations and guidance promulgated thereunder ("Section 409A"): and shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

To the extent that Executive will be reimbursed for costs and expenses or in-kind benefits, except as otherwise permitted by Section 409A, (a) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; provided that the foregoing clause (b) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect and (c) such payments shall be made on or before the last day of the taxable year following the taxable year in which you incurred the expense.

A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination constitutes a "Separation from Service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement references to a "termination," "termination of employment" or like terms shall mean Separation from Service.

Each installment payable hereunder shall constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b), including Treasury Regulation Section 1.409A-2(b)(2)(iii). Each payment that is made within the terms of the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4) is intended to meet the "short-term deferral" rule. Each other payment is intended to be a payment upon an involuntary termination from service and payable pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), et. seq., to the maximum extent permitted by that regulation, with any amount that is not exempt from Code Section 409A being subject to Code Section 409A.

Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination, then only that portion of the severance and benefits payable to Executive pursuant to this Agreement, if any, and any other severance payments or separation benefits which may be considered deferred compensation under Section 409A (together, the "Deferred Compensation Separation Benefits"), which (when considered together) do not exceed the Section 409A Limit (as defined herein) may be made within the first six (6) months following Executive's termination of employment in accordance with the payment schedule applicable to each payment or benefit. Any portion of the Deferred Compensation Separation Benefits in excess of the Section 409A Limit otherwise due to Executive on or within the six (6) month period following Executive's termination will accrue during such six (6) month period and will become payable in one lump sum cash payment on the date six (6) months and one (1) day following the date of Executive's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following termination but prior to the six (6) month anniversary of Executive's termination date, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit.

For purposes of this Agreement, "Section 409A Limit" will mean a sum equal: (x) to the amounts payable prior to March 15 following the year in which Executive terminations plus (y) the lesser of two (2) times: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during the Company's taxable year preceding the Company's taxable year of Executive's termination of employment as determined under Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any IRS guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive's employment is terminated.

16. Miscellaneous.

(a) Executive acknowledges that the services to be rendered by her under the provisions of this Agreement are of a special, unique and extraordinary character and that it would be difficult or impossible to replace such services. Furthermore, the parties acknowledge that monetary damages alone would not be an adequate remedy for any breach by Executive of Section 12 or Section 13 of this Agreement. Accordingly, Executive agrees that any breach by Executive of Section 12 or Section 13 of this Agreement shall entitle the Company, in addition to all other legal remedies available to it, to apply to any court of competent jurisdiction to seek to enjoin such breach. The parties understand and intend that each restriction agreed to by Executive hereinabove shall be construed as separable and divisible from every other restriction, that the unenforceability of any restriction shall not limit the enforceability, in whole or in part, of any other restriction, and that one or more or all of such restrictions may be enforced in whole or in part as the circumstances warrant. In the event that any restriction in this Agreement is more restrictive than permitted by law in the jurisdiction in which the Company seeks enforcement thereof, such restriction shall be limited to the extent permitted by law. The remedy of injunctive relief herein set forth shall be in addition to, and not in lieu of, any other rights or remedies that the Company may have at law or in equity.

(b) Neither Executive nor the Company may assign or delegate any of their rights or duties under this Agreement without the express written consent of the other; provided, however, that the Company shall have the right to delegate its obligation of payment of all sums due to Executive hereunder, provided that such delegation shall not relieve the Company of any of its obligations hereunder.

(c) During the term of this Agreement, the Company: (i) shall indemnify and hold harmless Executive and her heirs and representatives as, and to the extent, provided in the Company's bylaws and (ii) shall cover Executive under the Company's directors' and officers' liability insurance on the same basis as it covers other senior executive officers and directors of the Company.

(d) This Agreement constitutes and embodies the full and complete understanding and agreement of the parties with respect to Executive's employment by the Company, supersedes all prior understandings and agreements, whether oral or written, between Executive and the Company, and shall not be amended, modified or changed except by an instrument in writing executed by the party to be charged. The invalidity or partial invalidity of one or more provisions of this Agreement shall not invalidate any other provision of this Agreement. No waiver by either party of any provision or condition to be performed shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

(e) This Agreement shall inure to the benefit of, be binding upon and enforceable against, the parties hereto and their respective successors, heirs, beneficiaries and permitted assigns.

(f) The headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, sent by registered or certified mail, return receipt requested, postage prepaid, or by reputable national overnight delivery service (e.g. Federal Express) for overnight delivery to the Company at its principal executive office or to Executive at her address of record in the Company's records, or to such other address as either party may hereafter give the other party notice of in accordance with the provisions hereof. Notices shall be deemed given on the sooner of the date actually received or the third business day after deposited in the mail or one business day after deposited with an overnight delivery service for overnight delivery.

(h) This Agreement shall be governed by and construed in accordance with the internal laws of the State of California 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 San Diego County, California.

(i) This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one of the same instrument. The parties hereto have executed this Agreement as of the date set forth above.

(j) Executive represents and warrants to the Company that she has the full power and authority to enter into this Agreement and to perform her obligations hereunder and that the execution and delivery of this Agreement and the performance of her obligations hereunder will not conflict with any agreement to which Executive is a party.

(k) The Company represents and warrants to Executive that it has the full power and authority to enter into this Agreement and to perform its obligations hereunder and that the execution and delivery of this Agreement and the performance of its obligations hereunder will not conflict with any agreement to which the Company is a party.

(l) In the event of any dispute, controversy, disagreement, breach or claim arising out of or relating to this Agreement or interpretation of any of the provisions, the same shall be submitted, for resolution, to final and binding arbitration in accordance with the following procedures: The parties shall first attempt to mediate the matter(s). If the matter(s) has not been satisfactorily resolved (or waived), within thirty (30) days after written notice by either party to the other requesting mediation, then the matter shall be referred to arbitration for resolution under the then commercial arbitration rules of the American Arbitration Association (the "A.A.A.") and the decision of the arbitrator shall be final and binding on the parties. The parties shall have the right to select the arbitrator. If the parties are unable to agree upon an arbitrator within thirty (30) days following a notice of initiating arbitration to the other party, then the arbitrator shall be appointed by the A.A.A. Each party shall be responsible for the filing fee and the arbitrator's fee; and otherwise, each party shall be responsible for its own costs and expenses, including but not limited to, travel, consultants, depositions, witnesses and attorneys' fees and disbursements. The arbitrator shall be authorized to only interpret and apply the provisions of this Agreement or any related agreements entered into under this Agreement and shall have no power or authority to modify or change any of the above in any manner.

The arbitrator shall have no authority to award punitive or speculative damages or any damages inconsistent with this Agreement. In addition to monetary award, the arbitrator shall be empowered to award equitable relief, including an injunction and specific performance of any obligation under this Agreement. The arbitrator shall, within thirty (30) days of the conclusion of the hearing, unless such time is extended by mutual agreement, notify the parties in writing of his/her decision, stating the reasons for such decision and separately listing the findings of fact and conclusions of law. The arbitration shall be conducted in New York, New York, and shall be governed by the laws of the State of Delaware, and the decision of the arbitrator may be entered in any court of competent jurisdiction. Any costs, fees or taxes incident to enforcing the award shall, to the maximum extent permitted by Law, be charged against the non-prevailing party or shall be recovered by the prevailing party, as applicable, in any final judgment or arbitration award.

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

IN WITNESS WHEREOF, Executive and the Company have caused this Executive Employment Agreement to be executed as of the date first above written.

THE COMPANY:

STRATUS MEDIA GROUP, INC.

By:_____
Name:_____
Title:_____

EXECUTIVE:

_____
Yael Schwartz, Ph.D.

EXHIBIT 10.3

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of the ___ day of _____, 2013 (the "Effective Date"), by and between Stratus Media Group, Inc., a Nevada corporation with an address at 1800 Century Park East, 6th Floor, Los Angeles, California 90067 (the "Company"), and CRAIG ABOLIN, Ph.D., a natural person with a residence at 513 Lookout Loop, Eastsound, WA 98245 ("Executive").

W I T N E S S E T H:

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

NOW, THEREFORE, in consideration of the foregoing recitals and the respective covenants and agreements of the parties contained in this document, the Company and Executive hereby agree as follows:

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") may from time to time assign to Executive. Executive shall report to the President-DermaGenesis Division.

Executive shall devote all of his time, attention, and energies to the business of the Company. Provided that none of the additional activities materially interfere with the performance of the duties and responsibilities of Executive, nothing in this Section 1 shall prohibit Executive from: (a) serving as a director or trustee of any charitable or educational organization or (b) engaging in additional activities in connection with personal investments and community affairs; *provided* that such activities are not inconsistent with Executive's duties under this Agreement and do not violate the terms of Section 13.

2. Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of three (3) years subject to extension upon mutual agreement of the Company and Executive. "Employment Period" shall mean the initial three (3) year term plus extension periods, if any.

3. Place of Employment. Executive's job site shall be in Eastsound, Washington (the "Job Site"). The parties acknowledge, however, that Executive may be required to travel in connection with the performance of his duties hereunder.

4. Base Salary. For all services to be rendered by Executive pursuant to this Agreement, the Company agrees to pay Executive during the initial year of the Employment Period a base salary (the "Base Salary") at an annual rate of Two Hundred Forty One Thousand ($241,000) Dollars. For the second and third years of the Employment Period, the Executive and the President - Dermagenesis Division shall meet and agree upon appropriate increases to the Executive's Base Salary and thereafter, the President - Dermagenesis Division shall recommend such increases to the Company's Board of Directors. The Base Salary shall be paid in periodic installments in accordance with the Company's regular payroll practices.

5. Bonuses. During the Employment Period, the Board or the Compensation Committee of the Board (the "Compensation Committee") in its sole discretion may grant to Executive a bonus or bonuses with a target year-end bonus of thirty (30%) percent of Executive's annual compensation.

6. Severance Compensation. Upon termination of Executive's employment prior to expiration of the Employment Period unless Executive's employment is terminated for Cause or Executive terminates his employment without Good Reason, then:

(a) Executive shall be entitled to receive any and all reasonable expenses paid or incurred by Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date, any accrued but unused vacation time through the termination date in accordance with Company policy and an amount equal to Executive's Base Salary during the prior six (6) months (the "Separation Period"), as in effect as of the date of termination (the "Separation Payment"), provided that Executive executes an agreement releasing Company and its affiliates from any liability associated with this Agreement in form and terms satisfactory to the Company and that all time periods imposed by law permitting cancellation or revocation of such release by Executive shall have passed or expired; and subject to anything to the contrary in Section 11(d)(3), the Separation Payment shall be paid in in accordance with the customary payroll practices of the Company; and

(b) Subject to Executive's (1) timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") with respect to the Company's group health insurance plans in which the Employee participated immediately prior to the termination date ("COBRA Continuation Coverage"), and (2) continued payment of premiums for such plans at the active employee rate (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), the Company will pay, or reimburse Executive, the cost of COBRA Continuation Coverage for Executive and his eligible dependents until the earliest of: (x) Executive or his eligible dependents, as the case may be, ceasing to be eligible under COBRA, and (y) twelve (12) months following the termination date (the benefits provided under this clause (b), the "Medical Continuation Benefits") or until such time as Executive shall obtain reasonably equivalent benefits from subsequent employment or spousal benefits.

7. Equity Awards. Executive shall be eligible for such grants of awards under the Straus Media Group, Inc. Incentive Compensation Plan (or any successor or replacement plan adopted by the Board and approved by the stockholders of the Company) (the "Plan") as the Compensation Committee (or the Board, if there is no Compensation Committee) may from time to time determine (the "Share Awards"). Share Awards shall be subject to the applicable Plan terms and conditions; provided, however, that Share Awards shall be subject to any additional terms and conditions as are provided herein or in any award agreement, which shall supersede any conflicting provisions governing Share Awards provided under the Plan.

8. Clawback Rights. All amounts paid to Executive by the Company relating solely to either: (i) performance based cash payments and (ii) performance based stock options granted during the Employment Period (the "Clawback Benefits") shall be subject to "Clawback Rights" as follows: during the period that Executive is employed by the Company and upon the termination or expiration of Executive's employment and for a period of eighteen (18) months thereafter, if any of the following events occur, Executive agrees to repay or surrender to the Company the Clawback Benefits if a restatement (a "Restatement") of any financial results from which any Clawback Benefits to Executive shall have been determined (such restatement resulting from material non-compliance of the Company with any financial reporting requirement under the federal securities laws and shall not include a restatement of financial results resulting from subsequent changes in accounting pronouncements or requirements which were not in effect on the date the financial statements were originally prepared), then Executive agrees to immediately repay or surrender upon demand by the Company any Clawback Benefits which were determined by reference to any Company financial results which were later restated, to the extent the Clawback Benefits amounts paid exceed the Clawback Benefits amounts that would have been paid, based on the restatement of the Company's financial information All Clawback Benefits amounts resulting from such Restatements shall be retroactively adjusted by the Compensation Committee (or the Board, if there is no Compensation Committee) to take into account the restated results and if any excess portion of the Clawback Benefits resulting from such restated results is not so repaid or surrendered by Executive within one hundred eighty (180) days of the revised calculation being provided to Executive by the Company following a publicly announced restatement, the Company shall have the right to take any and all actions to effectuate such adjustment. For avoidance of doubt, the Company and the Executive agree and acknowledge that Article 8 is specifically limited to the Company clawing back only performance based cash payments and performance based stock options when it is finally determined (in accordance with the timeline set forth herein), following a Restatement of the financial results that, in the first instance, the performance based cash award should not have been made and the performance based stock options should not have been granted.

The amount of Clawback Benefits to be repaid or surrendered to the Company shall be reasonably determined by the Compensation Committee (or the Board, if there is no Compensation Committee) and applicable law, rules and regulations. All determinations by the Compensation Committee (or the Board, if there is no Compensation Committee) with respect to the Clawback Rights shall be final and binding on the Company and Executive unless a request for arbitration is submitted as provided for in Section 16(l) hereof. The parties acknowledge it is their intention that the foregoing Clawback Rights as relates to Restatements conform in all respects to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd Frank Act") and requires recovery of all "incentive-based" compensation, pursuant to the provisions of the Dodd Frank Act and any and all rules and regulations promulgated thereunder from time to time in effect. Accordingly, the terms and provisions of this Agreement shall be deemed automatically amended from time to time to assure compliance with the Dodd Frank Act and such rules and regulation as hereafter may be adopted and in effect.

9. Expenses. Executive shall be entitled to prompt reimbursement by the Company for all reasonable ordinary and necessary travel, entertainment, and other expenses incurred by Executive while employed (in accordance with the policies and procedures established by the Company for its senior executive officers) in the performance of his duties and responsibilities under this Agreement; provided, that Executive shall properly account for such expenses in accordance with Company policies and procedures.

10. Other Benefits; Vacation. During the term of this Agreement, Executive shall be eligible to participate in incentive, stock purchase, savings, retirement (401(k)), and welfare benefit plans, including, without limitation, health, medical, dental, vision, life (including accidental death and dismemberment) and disability insurance plans (collectively, "Benefit Plans"), in substantially the same manner and at substantially the same levels as the Company makes such opportunities available to the Company's managerial or salaried executive employees. During the term of this Agreement, Executive shall be entitled to accrue, on a pro rata basis, twenty two (22) paid vacation days per year, which if not taken will accrue and be carried forward. Vacation shall be taken at such times as are mutually convenient to Executive and the Company and no more than ten (10) consecutive days shall be taken at any one time without the advance approval of the Board.

11. Termination of Employment.

(a) Death. If Executive dies during the Employment Period, this Agreement and Executive's employment with the Company shall automatically terminate and the Company shall have no further obligations to Executive or his heirs, administrators or executors with respect to compensation and benefits accruing thereafter, except for the obligation to pay to Executive's heirs, administrators or executors any earned but unpaid Base Salary, unpaid pro rata annual Bonus for the current year through the date of death, the Severance Payment and reimbursement of any and all reasonable expenses paid or incurred by Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date and any accrued but unused vacation time through the termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions. In addition, Executive's spouse and minor children shall be entitled to Medical Continuation Benefits.

(b) Disability. In the event that, during the term of this Agreement Executive shall be prevented from performing his duties and responsibilities hereunder to the full extent required by the Company by reason of Disability (as defined below), this Agreement and Executive's employment with the Company shall automatically terminate and the Company shall have no further obligations or liability to Executive or his heirs, administrators or executors with respect to compensation and benefits accruing thereafter, except for the obligation to pay Executive or his heirs, administrators or executors any earned but unpaid Base Salary, unpaid pro rata annual Bonus for the current year accrued through Executive's last date of employment with the Company, the Severance Payment and reimbursement of any and all reasonable expenses paid or incurred by Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date and any accrued but unused vacation time through the termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions through the last date of Executive's employment with the Company. In addition, Executive's spouse and minor children shall be entitled to Medical Continuation Coverage. For purposes of this Agreement, "Disability" shall mean a physical or mental disability that prevents the performance by Executive, with or without reasonable accommodation, of his duties and responsibilities hereunder for a period of not less than an aggregate of three (3) months during any twelve (12) consecutive months.

(c) Cause.

(1) At any time during the Employment Period, the Company may terminate this Agreement and Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall consist of a termination due to the following, as specified in the written notice of termination (and in each case following written notice a failure by Executive to cure within thirty (30) days of such notice except as to clauses (E) or (f) which shall not be subject to cure: (A) Executive's failure to substantially perform the fundamental duties and responsibilities associated with Executive's position, including Executive's continued failure or refusal to carry out reasonable instructions; (B) Executive's material breach of any material written Company policy; (C) Executive's gross misconduct in the performance of Executive's duties for the Company; (D) Executive's material breach of the terms of this Agreement; (E) being convicted of any fraudulent or felony criminal offense or any other criminal offense which reflects adversely on the Company or reflects conduct or character that the Board reasonably concludes is inconsistent with continued employment; or (F) conviction of any criminal conduct that is a "statutory disqualifying event" (as defined under federal securities laws, rules and regulations).

(2) Prior to any termination for Cause, and following the thirty (30) day cure period provided for in Section 11(c)(1) hereof, Executive will be given five (5) business days written notice specifying the alleged Cause event and will be entitled to appear (with counsel) before the full Board to present information regarding his views on the Cause event and the cure of the same, and after such hearing, there is at least a majority vote of the full Board (other than Executive) to terminate him for Cause. After providing the notice in foregoing sentence, the Board may suspend Executive with full pay and benefits until a final determination pursuant to this Section 11(c) has been made.

(3) Upon termination of this Agreement for Cause, the Company shall have no further obligations or liability to Executive or his heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligation to pay Executive any earned but unpaid Base Salary, reimbursement of any and all reasonable expenses paid or incurred by Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date, and any accrued but unused vacation time through the termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(d) Good Reason and Without Cause.

(1) At any time during the term of this Agreement, subject to the conditions set forth in Section 11(d)(2) below, Executive may terminate this Agreement and Executive's employment with the Company for "Good Reason." For purposes of this Agreement, "Good Reason" shall mean any of the following actions taken by the Company or a successor corporation or entity without Executive's consent a: (A) material reduction of Executive's Base Salary or benefits; (B) material reduction in Executive's title, authority, duties or responsibilities; (C) failure or refusal of a successor to the Company to materially assume the Company's obligations under this Agreement in the event of a Change of Control; (D) relocation of Executive's the Job Site that results in an increase in Executive's one-way driving distance by more than forty (40) miles from Executive's then-current principal residence; or (E) any other material breach by the Company of this Agreement.

(2) Executive shall not be entitled to terminate this Agreement for Good Reason unless and until he or she shall have delivered written notice to the Company within ninety (90) days of the date upon which the facts giving rise to Good Reason occurred of his intention to terminate this Agreement and his employment with the Company for Good Reason, which notice specifies in reasonable detail the circumstances claimed to provide the basis for such termination for Good Reason, and the Company shall not have eliminated the circumstances constituting Good Reason within thirty (30) days of its receipt from Executive of such written notice.

(3) In the event that Executive terminates this Agreement and his employment with the Company for Good Reason or the Company terminates this Agreement and Executive's employment with the Company without Cause, the Company shall pay or provide to Executive (or, following his death, to Executive's heirs, administrators or executors) the Separation Payment amount. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(4) Notwithstanding anything herein to the contrary, the benefits to Executive under this Agreement shall be reduced by the amount of any insurance proceeds payable to Executive.

(e) Without "Good Reason" by Executive. At any time during the term of this Agreement, Executive shall be entitled to terminate this Agreement and Executive's employment with the Company without Good Reason by providing prior written notice of at least thirty (30) days to the Company. Upon termination by Executive of this Agreement or Executive's employment with the Company without Good Reason, the Company shall have no further obligations or liability to Executive or his heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligation to pay Executive any earned but unpaid Base Salary, reimbursement of any and all reasonable expenses paid or incurred by Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date, and any accrued but unused vacation time through the termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(f) Change of Control. For purposes of this Agreement, "Change of Control" shall mean the occurrence of any one or more of the following: (i) the accumulation (if over time, in any consecutive twelve (12) month period), whether directly, indirectly, beneficially or of record, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) of 50.1% or more of the shares of the outstanding common stock of the Company, whether by merger, consolidation, sale or other transfer of shares of Company common stock (other than a merger or consolidation where the stockholders of the Company prior to the merger or consolidation are the holders of a majority of the voting securities of the entity that survives such merger or consolidation), (ii) a sale of all or substantially all of the assets of the Company or (iii) during any period of twelve (12) consecutive months, the individuals who, at the beginning of such period, constitute the Board, and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the 12-month period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; *provided, however*, that the following acquisitions shall not constitute a Change of Control for the purposes of this Agreement: (A) any acquisitions of Company common stock or securities convertible, exercisable or exchangeable into Company common stock directly from the Company, or (B) any acquisition of Company common stock or securities convertible, exercisable or exchangeable into Company common stock by any employee benefit plan (or related trust) sponsored by or maintained by the Company.

(g) Any termination of Executive's employment by the Company or by Executive (other than termination by reason of Executive's death) shall be communicated by written Notice of Termination to the other party of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, provided, however, failure to provide timely notification shall not affect the employment status of Executive.

12. Confidential Information.

(a) Disclosure of Confidential Information. Executive recognizes, acknowledges and agrees that he has had and will continue to have access to secret and confidential information regarding the Company, its subsidiaries and their respective businesses ("Confidential Information"), including but not limited to, its products, methods, formulas, software code, patents, sources of supply, customer dealings, data, know-how, trade secrets and business plans, provided such information is not in or does not hereafter become part of the public domain, or become known to others through no fault of Executive. Executive acknowledges that such information is of great value to the Company, is the sole property of the Company, and has been and will be acquired by him in confidence. In consideration of the obligations undertaken by the Company herein, Executive will not, at any time, during or after his employment hereunder, reveal, divulge or make known to any person, any information acquired by Executive during the course of his employment, which is treated as confidential by the Company, and not otherwise in the public domain. The provisions of this Section 12 shall survive the termination of Executive's employment hereunder for a period of three (3) years. Information will not be deemed to be Confidential Information if: (i) the information was in Executive's possession or within Executive's knowledge before the Company disclosed it to Executive; (ii) the information was or became generally known to those who could take economic advantage of it; (iii) Executive obtained the information from a third party that was not known by Executive to be bound by a confidentiality agreement or other obligation of confidentiality to the Company or any other party with respect to such information; or (iv) Executive is required to disclose the information pursuant to legal process (e.g. a subpoena), provided that Executive notifies the Company promptly upon receiving or becoming aware of such legal process.

(b) Executive affirms that he or she will not rely upon the protected trade secrets or confidential or proprietary information of any prior employer(s) in providing services to the Company or its subsidiaries.

(c) In the event that Executive's employment with the Company terminates for any reason, Executive shall deliver forthwith to the Company any and all originals and copies, including those in electronic or digital formats, of Confidential Information; provided, however, Executive shall be entitled to retain (i) papers and other materials of a personal nature, including, but not limited to, photographs, correspondence, personal diaries, calendars and rolodexes, personal files and phone books, (ii) information showing his compensation or relating to reimbursement of expenses, (iii) information that he or she reasonably believes may be needed for tax and estate planning purposes and (iv) copies of plans, programs and agreements relating to his employment, or termination thereof, with the Company.

13. Non-Solicitation.

(a) Executive agrees and acknowledges that the restrictions set forth herein are reasonable and necessary and do not impose undue hardship or burdens on Executive. Executive also acknowledges that the products and services developed or provided by the Company, its affiliates and/or its clients or customers are or are intended to be sold, provided, licensed and/or distributed to customers and clients primarily in and throughout the United States (the "Territory") (to the extent the Company comes to operate, either directly or through the engagement of a distributor or joint or co-venturer, or sell a significant amount of its products and services to customers located, in areas other than the United States during the term of the Employment Period, the definition of Territory shall be automatically expanded to cover such other areas), and that the Territory, scope of prohibited competition, and time duration set forth in the non-competition restrictions set forth below are reasonable and necessary to maintain the value of the Confidential Information of, and to protect the goodwill and other legitimate business interests of, the Company, its affiliates and/or its clients or customers. The provisions of this Section 13 shall survive the termination of Executive's employment hereunder.

(b) Executive hereby agrees and covenants that he shall not without the prior written consent of the Company, directly or indirectly, in any capacity whatsoever, including, without limitation, as an employee, employer, consultant, principal, partner, shareholder, officer, director or any other individual or representative capacity (other than: (i) as a holder of less than ten (10%) percent of the outstanding securities of a Company whose shares are traded on any national securities exchange or (ii) as a limited partner, passive minority interest holder in a venture capital fund, private equity fund or similar investment entity which holds or may hold an equity or debt position in portfolio companies that are competitive with the Company; provided however, that Executive shall be precluded from serving as an operating partner, general partner, manager or governing board designee with respect to such portfolio companies), or whether on Executive's own behalf or on behalf of any other person or entity or otherwise howsoever, during the Employment Period and the Separation Period and thereafter to the extent described below, within the Territory:

(1) Recruit, solicit or hire, or attempt to recruit, solicit or hire, any employee, or independent contractor of the Company to leave the employment (or independent contractor relationship) thereof, whether or not any such employee or independent contractor is party to an employment agreement, for the purpose of competing with the business of the Company;

(2) Attempt in any manner to solicit or accept from any customer of the Company, with whom Executive had significant contact during Executive's employment by the Company (whether under this Agreement or otherwise), business of the kind or competitive with the business done by the Company with such customer or to persuade or attempt to persuade any such customer to cease to do business or to reduce the amount of business which such customer has customarily done or might do with the Company, or if any such customer elects to move its business to a person other than the Company, provide any services of the kind or competitive with the business of the Company for such customer, or have any discussions regarding any such service with such customer, on behalf of such other person; or

(3) Interfere with any relationship, contractual or otherwise, between the Company and any other party, including, without limitation, any supplier, distributor, co-venturer or joint venturer of the Company, for the purpose of soliciting such other party to discontinue or reduce its business with the Company.

With respect to the activities described in Paragraphs (1), (2) and (3), above, the restrictions of this Section 13(b) shall continue during the Employment Period and until one (1) year following the termination of this Agreement or of Executive's employment with the Company (including upon expiration of this Agreement), whichever occurs later; provided, however, that if this Agreement or Executive's employment is terminated by Executive for Good Reason or by the Company without Cause, then the restrictions of this Section 13(b) shall terminate concurrently with the termination and shall be of no further effect. In the event that any provision of this Section 13 is determined by a court to be unenforceable, such provision shall not render the entire Section unenforceable but, to the extent possible, shall be appropriately adjusted to render such provision enforceable.

14. Inventions. All systems, inventions, discoveries, apparatus, techniques, methods, know-how, formulae or improvements made, developed or conceived by Executive during Executive's employment by the Company that (i) are directly relevant to the Company's business as then constituted, (ii) are developed as a part of the tasks and assignments that are the duties and responsibilities of Executive, and (iii) were created using substantially the Company's resources, such as time, materials and space, shall be and continue to remain the Company's exclusive property, without any added compensation or any reimbursement for expenses to Executive, and upon the conception of any and every such invention, process, discovery or improvement and without waiting to perfect or complete it, Executive promises and agrees that Executive will immediately disclose it to the Company and to no one else and thenceforth will treat it as the property and secret of the Company. Executive will also execute any instruments requested from time to time by the Company to vest in it complete title and ownership to such invention, discovery or improvement and will, at the request of the Company, do such acts and execute such instruments as the Company may require, but at the Company's expense (and if requested following the term of this Agreement, then at the customary hourly rate for time requested and spent), to obtain patents, trademarks or copyrights in the United States and foreign countries, for such invention, discovery or improvement and for the purpose of vesting title thereto in the Company, all without any reimbursement for expenses (except as provided in Section 9 or otherwise) and without any additional compensation of any kind to Executive.

15. Section 409A.

The provisions of this Agreement are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and any final regulations and guidance promulgated thereunder ("Section 409A") and shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

To the extent that Executive will be reimbursed for costs and expenses or in-kind benefits, except as otherwise permitted by Section 409A, (a) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; provided that the foregoing clause (b) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect and (c) such payments shall be made on or before the last day of the taxable year following the taxable year in which you incurred the expense.

A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination constitutes a "Separation from Service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement references to a "termination," "termination of employment" or like terms shall mean Separation from Service.

Each installment payable hereunder shall constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b), including Treasury Regulation Section 1.409A-2(b)(2)(iii). Each payment that is made within the terms of the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4) is intended to meet the "short-term deferral" rule. Each other payment is intended to be a payment upon an involuntary termination from service and payable pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), et. seq., to the maximum extent permitted by that regulation, with any amount that is not exempt from Code Section 409A being subject to Code Section 409A.

Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination, then only that portion of the severance and benefits payable to Executive pursuant to this Agreement, if any, and any other severance payments or separation benefits which may be considered deferred compensation under Section 409A (together, the "Deferred Compensation Separation Benefits"), which (when considered together) do not exceed the Section 409A Limit (as defined herein) may be made within the first six (6) months following Executive's termination of employment in accordance with the payment schedule applicable to each payment or benefit. Any portion of the Deferred Compensation Separation Benefits in excess of the Section 409A Limit otherwise due to Executive on or within the six (6) month period following Executive's termination will accrue during such six (6) month period and will become payable in one lump sum cash payment on the date six (6) months and one (1) day following the date of Executive's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following termination but prior to the six (6) month anniversary of Executive's termination date, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit.

For purposes of this Agreement, "Section 409A Limit" will mean a sum equal (x) to the amounts payable prior to March 15 following the year in which Executive terminations plus (y) the lesser of two (2) times: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during the Company's taxable year preceding the Company's taxable year of Executive's termination of employment as determined under Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any IRS guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive's employment is terminated.

16. Miscellaneous.

17. Executive acknowledges that the services to be rendered by him under the provisions of this Agreement are of a special, unique and extraordinary character and that it would be difficult or impossible to replace such services. Furthermore, the parties acknowledge that monetary damages alone would not be an adequate remedy for any breach by Executive of Section 12 or Section 13 of this Agreement. Accordingly, Executive agrees that any breach by Executive of Section 12 or Section 13 of this Agreement shall entitle the Company, in addition to all other legal remedies available to it, to apply to any court of competent jurisdiction to seek to enjoin such breach. The parties understand and intend that each restriction agreed to by Executive hereinabove shall be construed as separable and divisible from every other restriction, that the unenforceability of any restriction shall not limit the enforceability, in whole or in part, of any other restriction, and that one or more or all of such restrictions may be enforced in whole or in part as the circumstances warrant. In the event that any restriction in this Agreement is more restrictive than permitted by law in the jurisdiction in which the Company seeks enforcement thereof, such restriction shall be limited to the extent permitted by law. The remedy of injunctive relief herein set forth shall be in addition to, and not in lieu of, any other rights or remedies that the Company may have at law or in equity.

(a) Neither Executive nor the Company may assign or delegate any of their rights or duties under this Agreement without the express written consent of the other; provided, however, that the Company shall have the right to delegate its obligation of payment of all sums due to Executive hereunder, provided that such delegation shall not relieve the Company of any of its obligations hereunder.

(b) During the term of this Agreement, the Company: (i) shall indemnify and hold harmless Executive and his heirs and representatives as, and to the extent, provided in the Company's bylaws and (ii) shall cover Executive under the Company's directors' and officers' liability insurance on the same basis as it covers other senior executive officers and directors of the Company.

(c) This Agreement constitutes and embodies the full and complete understanding and agreement of the parties with respect to Executive's employment by the Company, supersedes all prior understandings and agreements, whether oral or written, between Executive and the Company, and shall not be amended, modified or changed except by an instrument in writing executed by the party to be charged. The invalidity or partial invalidity of one or more provisions of this Agreement shall not invalidate any other provision of this Agreement. No waiver by either party of any provision or condition to be performed shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

(d) This Agreement shall inure to the benefit of, be binding upon and enforceable against, the parties hereto and their respective successors, heirs, beneficiaries and permitted assigns.

(e) The headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, sent by registered or certified mail, return receipt requested, postage prepaid, or by reputable national overnight delivery service (e.g. Federal Express) for overnight delivery to the Company at its principal executive office or to Executive at his address of record in the Company's records, or to such other address as either party may hereafter give the other party notice of in accordance with the provisions hereof. Notices shall be deemed given on the sooner of the date actually received or the third business day after deposited in the mail or one business day after deposited with an overnight delivery service for overnight delivery.

(g) This Agreement shall be governed by and construed in accordance with the internal laws of the State of California 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 San Diego County, California.

(h) This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one of the same instrument. The parties hereto have executed this Agreement as of the date set forth above.

(i) Executive represents and warrants to the Company that he or she has the full power and authority to enter into this Agreement and to perform his obligations hereunder and that the execution and delivery of this Agreement and the performance of his obligations hereunder will not conflict with any agreement to which Executive is a party.

(j) The Company represents and warrants to Executive that it has the full power and authority to enter into this Agreement and to perform its obligations hereunder and that the execution and delivery of this Agreement and the performance of its obligations hereunder will not conflict with any agreement to which the Company is a party.

(k) In the event of any dispute, controversy, disagreement, breach or claim arising out of or relating to this Agreement or interpretation of any of the provisions, the same shall be submitted, for resolution, to final and binding arbitration in accordance with the following procedures: The parties shall first attempt to mediate the matter(s). If the matter(s) has not been satisfactorily resolved (or waived), within thirty (30) days after written notice by either party to the other requesting mediation, then the matter shall be referred to arbitration for resolution under the then commercial arbitration rules of the American Arbitration Association (the "A.A.A.") and the decision of the arbitrator shall be final and binding on the parties. The parties shall have the right to select the arbitrator. If the parties are unable to agree upon an arbitrator within thirty (30) days following a notice of initiating arbitration to the other party, then the arbitrator shall be appointed by the A.A.A. Each party shall be responsible for the filing fee and the arbitrator's fee; and otherwise, each party shall be responsible for its own costs and expenses, including but not limited to, travel, consultants, depositions, witnesses and attorneys' fees and disbursements. The arbitrator shall be authorized to only interpret and apply the provisions of this Agreement or any related agreements entered into under this Agreement and shall have no power or authority to modify or change any of the above in any manner.

The arbitrator shall have no authority to award punitive or speculative damages or any damages inconsistent with this Agreement. In addition to monetary award, the arbitrator shall be empowered to award equitable relief, including an injunction and specific performance of any obligation under this Agreement. The arbitrator shall, within thirty (30) days of the conclusion of the hearing, unless such time is extended by mutual agreement, notify the parties in writing of his/her decision, stating the reasons for such decision and separately listing the findings of fact and conclusions of law. The arbitration shall be conducted in New York, New York, and shall be governed by the laws of the State of Delaware, and the decision of the arbitrator may be entered in any court of competent jurisdiction. Any costs, fees or taxes incident to enforcing the award shall, to the maximum extent permitted by Law, be charged against the non-prevailing party or shall be recovered by the prevailing party, as applicable, in any final judgment or arbitration award.

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

IN WITNESS WHEREOF, Executive and the Company have caused this Executive Employment Agreement to be executed as of the date first above written.

THE COMPANY:

STRATUS MEDIA GROUP, INC.

By:_____
Name:_____
Title:_____

EXECUTIVE:

_____
Craig Abolin, Ph.D.

EXHIBIT 10.4

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (the "Agreement") is made and entered into as of November 18, 2013, by and among Stratus Media Group, Inc., a Nevada corporation (the "Company"), and those Persons listed on Appendix A (the "Holders").

Recitals

A. Pursuant to an Agreement and Plan of Merger entered into among the Company, Canterbury Acquisition, LLC, a Delaware limited liability company, Hygeia Acquisition, Inc., a Delaware corporation, Canterbury Laboratories, LLC, a Delaware limited liability company, Hygeia Therapeutics, Inc., a Delaware corporation, and Yael Schwartz, Ph.D., (the "Merger Agreement") concurrently herewith, the Company is issuing to the Holders an aggregate of not more than 115,011,563 shares of the Common Stock of the Company (the "Shares").

B. In connection with that issuance, the Company has agreed to grant to the Holders certain registration rights with respect to the Shares on the terms set forth herein.

C. Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in the Merger Agreement.

Agreements

NOW, THEREFORE, in consideration of their respective promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Holders hereby agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the specified meanings:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls or is controlled by or under common control with such Person. For the purposes of this definition, "control," when used with respect to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "affiliated," "controlling" and "controlled" have meanings correlative to the foregoing.

"Business Day" means any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of California are authorized or required by law or other government actions to close.

"Commission" means the Securities and Exchange Commission.

"Common Stock" means the Company's $0.001 par value common stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Holder" or "Holders" means the holder or holders, as the case may be, from time-to-time of the Registrable Securities.

"Person" means an individual or a corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Prospectus" means the prospectus included in a registration statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by such registration statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference in such Prospectus.

"Registrable Securities" means (i) the Shares, (ii) any shares issuable upon any stock split, stock dividend, recapitalization or similar event with respect to the Shares and (iii) any other dividend or other distribution with respect to, conversion or exchange of, or in replacement of, the Shares.

"Rule 144" means Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 158" means Rule 158 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Securities Act" means the Securities Act of 1933, as amended.

"Shares" means the shares of Common Stock issued pursuant to the Merger Agreement as set forth on Appendix A.

2. Registration.

(a) Piggy-Back Registrations.

(i) If at any time (but without any obligation to do so) when there is not already an effective registration statement covering the Registrable Securities, the Company shall decide to prepare and file with the Commission a registration statement relating to an offering for its own account of any of its equity securities or the account of other holders of any of its equity securities, other than on Form S-4 or Form S-8 (or their then equivalents relating to equity securities to be issued solely in connection with the acquisition of an entity or business, or equity securities issuable in connection with stock option or other employee benefit plans or a registration in which the only stock being registered is Common Stock issuable upon conversion of debt securities which are also being registered, or any registration on any form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities), the Company shall send to each Holder written notice of such decision, and, to the extent permitted under the provisions of Rule 145 under the Securities Act, include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within fifteen (15) days after receipt of such notice, on the same terms and conditions as the securities otherwise being sold in such registration, subject to the Company's right to exclude a Holder as set forth below; provided, however, that if at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to each selling Holder and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay expenses in accordance with Section 5 hereof) and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities being registered pursuant to this Section 2(a) for the same period as the delay in registering such other securities. The foregoing notwithstanding, the Company shall not be required to register any Registrable Securities pursuant to this Section 2(a) if (i) such Registrable Securities are eligible for sale pursuant to Rule 144 and (ii) upon presentation of the appropriate legal opinion and other documentation typically required for the sale of restricted securities under Rule 144, the Company acts promptly in allowing (or causing its stock transfer agent to allow) the sale of such Registrable Securities.

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

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

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2 prior to or following the effectiveness of such registration, whether or not any Holder has Registrable Securities included in such registration.

3. Registration Procedures. If and whenever the Company effects the registration of any Registrable Securities, the Company shall:

(a) Initial Filing. Not less than five Business Days prior to the filing of the registration statement or any related Prospectus or any amendment or supplement thereto (including any document that would be incorporated therein by reference), (i) furnish to each selling Holder copies of all such documents proposed to be filed, which documents (other than those incorporated by reference) will be subject to the review of each such selling Holder and (ii) at the request of a selling Holder, and subject to the execution of a confidentiality agreement in form and substance reasonably satisfactory to the Company, cause the Company's officers, directors, counsel and independent certified public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of counsel to such selling Holder, to conduct a reasonable investigation within the meaning of the Securities Act.

(b) Related Matters. Notify each Holder of Registrable Securities to be sold and any counsel therefor as promptly as possible (and, in the case of clause (i)(A) below, not less than five Business Days prior to such filing) (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a registration statement is proposed to be filed, (B) when the Commission notifies the Company whether there will be a "review" of such registration statement and whenever the Commission comments in writing on such registration statement and (C) with respect to a registration statement or any post-effective amendment, when the same has become effective, (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a registration statement or Prospectus or for additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of a registration statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose and (v) of the occurrence of any event that makes any statement made in a registration statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a registration statement, Prospectus or other documents so that, in the case of such registration statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) Incorporation of Certain Matters. If requested by the Holders of a majority of the Registrable Securities for which written requests have been received by the Company pursuant to Section 2(a) in connection with an offering, (i) promptly incorporate in a Prospectus supplement or post-effective amendment to a registration statement such information as the Company reasonably agrees should be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated therein.

(d) Copies. To the extent requested by any Holder, provide to each Holder and any counsel therefor, without charge, at least one conformed copy of each registration statement and each amendment thereto (including financial statements and schedules, documents incorporated or deemed to be incorporated therein by reference, and all exhibits), such documents to be provided promptly after their filing with the Commission.

(e) Delivery. Promptly deliver to each Holder and any counsel therefor, without charge, as many copies of the Prospectus or Prospectuses and each amendment or supplement thereto as they may reasonably request; and the Company hereby consents to the use of each such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offer and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto.

(f) Blue Sky Matters. (A) Prior to any public offering of the Registrable Securities, use commercially reasonable efforts to register or qualify or cooperate with the selling Holders and any counsel therefor in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities laws (the "Blue Sky laws") of such jurisdictions within the United States as any Holder reasonably requests in writing and (B) perform or do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of those Registrable Securities covered by a registration statement; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject or subject the Company to any material tax in any such jurisdiction where it is not then so subject.

(g) Preparation of Certificates. Cooperate with each Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold pursuant to a registration statement, which certificates shall be free of all restrictive legends, and cause such certificates to be in such denominations and registered in such names as each Holder may request at least two Business Days prior to any sale of Registrable Securities.

(h) Misrepresentation. Upon the occurrence of any event contemplated by Section 3(b)(v), as promptly as possible, prepare a supplement or amendment, including a post-effective amendment, to the registration statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither such registration statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) Listing and Quotation. Use its commercially reasonable efforts to cause all Registrable Securities offered by a registration statement to be quoted on any securities exchange, quotation system or other market on which similar securities issued by the Company are then listed or quoted.

(j) Rule 158. Comply in all material respects with all applicable rules and regulations of the Commission and make generally available to its security holders an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 not later than 45 days after the end of any twelve-month period (or 90 days after the end of any twelve-month period if such period is a fiscal year) commencing on the first day of the first fiscal quarter of the Company after the effective date of the registration statement.

4. Additional Matters.

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

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

(c) Holder Covenants. Each Holder covenants and agrees that (i) it will not sell any Registrable Securities under a registration statement until it has received copies of the Prospectus as then amended or supplemented as contemplated in Section 3(g) and notice from the Company that such registration statement and any post-effective amendments thereto have become effective as contemplated by Section 3(c) and (ii) it and its officers, directors and Affiliates, if any, will comply with the prospectus delivery requirements of the Securities Act as applicable to them in connection with the sale of Registrable Securities pursuant to such registration statement.

(d) Discontinuance. Each Holder agrees by its acquisition of Registrable Securities that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in clauses (ii) through (v) of Section 3(b) or suspension of the use of the registration statement pursuant to Section 2(c) hereof, such Holder will immediately discontinue disposition of such Registrable Securities under the registration statement until such Holder's receipt of the copies of the supplemented Prospectus and/or amended registration statement contemplated by Section 3(h), or until it is advised in writing by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or registration statement.

5. Registration Expenses. All fees and expenses incident to the performance of or compliance with this Agreement by the Company shall be borne by the Company, whether or not a registration statement is filed or becomes effective and whether or not any Registrable Securities are sold pursuant to a registration statement; provided, however, that all underwriting discounts and selling commissions applicable to the Registrable Securities shall be borne by the Holders selling such Registrable Securities, in proportion to the number of Registrable Securities sold by each such Holder. Such fees and expenses shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made by or with each securities exchange, quotation system or other market on which Registrable Securities are required hereby to be listed or quoted, (B) with respect to filings required to be made with the Commission and (C) in compliance with applicable Blue Sky laws (including, without limitation, reasonable fees and disbursements of counsel for each Holder in connection with Blue Sky law qualifications of the Registrable Securities and any determination of the eligibility of the Registrable Securities for investment under the laws of such jurisdictions as the Holders of a majority of Registrable Securities may designate)), (ii) printing expenses (including, without limitation, expenses of printing certificates for the Registrable Securities and of printing Prospectuses, if the printing of Prospectuses is requested by the Holders of a majority of the Registrable Securities included in the registration statement), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company and fees and disbursements, not to exceed $10,000, of a single counsel for the Holders, (v) Securities Act liability insurance, if the Company so desires such insurance and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, including, without limitation, the Company's independent public accountants (including any costs associated with the delivery by independent public accountants of a comfort letter or comfort letters). In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit, and the fees and expenses incurred in connection with the listing or quoting of the Registrable Securities on any securities exchange, quotation system or other market on which Registrable Securities are required to be listed or quoted. If the Holders are required to pay any registration expenses not payable by the Company pursuant hereto, such expenses shall be borne by the holders of securities (including Registrable Securities) requesting such registration in proportion to the number of shares for which registration was requested.

6. Indemnification.

(a) Indemnification by the Company. To the extent permitted by law, the Company shall, notwithstanding any termination of this Agreement, defend, indemnify and hold harmless each Holder, each officer, director, manager, owner, agent and employee of each Holder, each Person who controls any Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and each officer, director, manager, owner, agent and employee of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, reasonable costs (including, without limitation, costs of investigation, preparation and reasonable attorneys' fees actually incurred) and expenses (collectively, "Losses"), as incurred, arising out of or relating to any untrue or alleged untrue statement of a material fact contained in a registration statement or any Prospectus or any amendment or supplement thereto, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Holder which was furnished in writing to the Company by such Holder expressly for use therein, (ii) such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder for use in the registration statement or such Prospectus or in any amendment or supplement thereto or (iii) the use by such Holder of an outdated or defective prospectus (without any Company provided supplement correcting such outdated or defective prospectus) after the Company has notified such Holder in writing that such prospectus is suspended from use, outdated or defective. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding of which the Company is aware in connection with the transactions contemplated by this Agreement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party and shall survive the transfer of Registrable Securities by a Holder.

(b) Indemnification by Holders. To the extent permitted by law, each Holder shall, severally and not jointly, defend, indemnify and hold harmless the Company, the Company's directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising solely out of or based solely upon any untrue statement of a material fact contained in a registration statement, any Prospectus or any amendment or supplement thereto, or arising solely out of or based solely upon any omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that (i) such untrue statement or omission is contained in or omitted from any information so furnished in writing by such Holder to the Company specifically for inclusion in such registration statement or such Prospectus or an amendment or supplement thereto, (ii) such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in such registration statement or such Prospectus or any amendment or supplement thereto or (iii) the use by such Holder of an outdated or defective prospectus (without any Company provided supplement correcting such outdated or defective prospectus) after the Company has notified such Holder in writing that such prospectus is suspended from use, outdated or defective. Notwithstanding anything to the contrary contained herein, a Holder shall be liable under this Section 6(b) for only that amount which does not exceed the net proceeds to such Holder as a result of the sale of Registrable Securities pursuant to such registration statement.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party promptly shall notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have proximately and materially adversely prejudiced the Indemnifying Party. An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (i) the Indemnifying Party has agreed in writing to pay such fees and expenses, (ii) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding following receipt of notice and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding or (iii) the named parties to any such Proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent both the Indemnified Party and the Indemnifying Party (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Indemnifying Party). If the Indemnifying Party is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one counsel with respect to such claim. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding. All fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within 30 Business Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that the Indemnified Party is not entitled to indemnification hereunder; provided, that the Indemnifying Party may require the Indemnified Party to undertake to reimburse all such fees and expenses to the extent it is finally judicially determined that the Indemnified Party is not entitled to indemnification hereunder).

(d) Contribution. If a claim for indemnification under Section 6(a) or 6(b) is unavailable to an Indemnified Party because of a failure or refusal of a governmental authority to enforce such indemnification in accordance with its terms (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying, Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 6(c), any reasonable attorneys' or other reasonable fees or expenses incurred in connection with any Proceeding to the extent there would have been indemnification for such fees or expenses if the indemnification provided in this Section was available in accordance with its terms. Notwithstanding anything to the contrary contained herein, a Holder shall be liable or required to contribute under this Section 6(d) for only such amount as does not exceed the net proceeds to such Holder as a result of the sale of Registrable Securities pursuant to the registration statement. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in this paragraph. No Person guilty of fraudulent misrepresentation (within the meaning provided in the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The indemnity and contribution agreements contained in this Section are in addition to any liability that an Indemnifying Party may have to an Indemnified Party.

7. Rule 144. For so long as any Holder owns any Shares, the Company agrees to timely file (or obtain extensions in respect thereof and file within the applicable extension period) all reports required to be filed by the Company pursuant to Section 13 or 15(d) of the Exchange Act. In addition, as long as any Holder owns any Shares, if the Company is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act, it will prepare and furnish to each Holder and make publicly available in a timely fashion the information specified in Rule 144. Subject to Section 8, the Company further agrees that it will take such further action as any Holder may reasonably request to the extent required from time-to-time to enable each Holder to sell Shares without registration under the Securities Act within the limitation of the exemption provided by Rule 144 including promptly causing its counsel, at the Company's cost, to issue an opinion permitting resale subject to Holder providing necessary documentation.

8. Lock-Up Shares. In consideration of the Company agreeing to enter into this Agreement each Holder hereby agrees that until the expiration of twelve (12) months following the date of this Agreement (the "Lock-Up Period"), such Holder will not make, offer to make, agree to make, or suffer any Disposition (as defined below) of the Shares beneficially owned by the Holders or any interest therein. For the purposes of this Agreement, "Disposition" shall mean any sale, exchange, assignment, gift, pledge, mortgage, hypothecation, transfer or other disposition or encumbrance of all or any part of the rights and incidents of ownership of the Shares, including the right to vote, and the right to possession of the Shares as collateral for indebtedness, whether such transfer is outright or conditional, or for or without consideration. Notwithstanding anything in this Agreement to the contrary, (x) Shares may be transferred upon the death of any Holder to the estate, representatives, and heirs of the deceased Holder and (y) the Holders shall be permitted to transfer the Shares for estate planning purposes provided that, in either case of (x) or (y), any transferee takes subject to this Agreement. The Holder hereby agrees that, during the Lock-Up Period, the Holder will not (i) grant any proxies or powers of attorney that would permit any such proxy or attorney-in-fact to take any action inconsistent herewith, (ii) deposit such Holder's Shares into a voting trust or enter into a voting agreement with respect to the Shares; or (iii) take any action that would make any representation or warranty of any Holder untrue or incorrect or would result in a breach by the Holder of such Holder's obligations under this Agreement. The Holder further agrees not to enter into any agreement or understanding with any other person or entity, the effect of which would be inconsistent with or violative of any provision contained in this Agreement.

9. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or any Holder of any of their obligations under this Agreement, each non-breaching party, in addition to being entitled to exercise all rights granted by law or under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate. The Company and the Holders also acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which any of them may be entitled by law or equity.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, shall not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof shall not be given, unless the same shall be in writing and signed by the Company and the applicable Holder. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates generally to the rights of the Holders may be given by Holders of at least a majority of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, waived, modified, or supplemented except in accordance with the provisions of the immediately preceding sentence. Notwithstanding the foregoing, Appendix A may be amended by the Company to reflect transfers of Registrable Securities and changes in contact information without the consent of any party hereto.

(c) Notices. Any and all communications required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective as provided in the Merger Agreement. The addresses for such communications shall be as set forth on Appendix A hereto or such other address or addresses as a party may most recently have designated in writing to the other party hereto.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. The Holders may not assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the Company.

(e) Assignment of Registration Rights. Subject to Section 8, the rights of each Holder hereunder, including the right to have the Company register for resale Registrable Securities in accordance with the terms of this Agreement, shall be automatically assignable by each Holder to any transferee of such Holder of all or a portion of the Registrable Securities if: (i) the Holder agrees in writing with the transferee to assign such rights and a copy of such agreement is furnished to the Company, (ii) the Company is furnished with written notice of (A) the name and address of such transferee or assignee and (B) the securities with respect to which such registration rights are being transferred or assigned, (iii) following such transfer or assignment the further disposition of such securities by the transferee or assignees is restricted under the Securities Act and applicable state securities laws, (iv) the transferee agrees in writing with the Company to be bound by all of the provisions of this Agreement and (v) such transfer shall have been made in accordance with applicable federal and state securities laws. The rights to assignment shall apply to each Holder and to their subsequent successors and assigns.

(f) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) such document with the same force and effect as if such facsimile signature were the original thereof.

(g) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Nevada without regard to the principles of conflict of laws. The parties hereto agree that a final, non-appealable judgment in any suit or proceeding with respect to this Agreement shall be conclusive and may be enforced in other jurisdictions by suit on such judgment or in any other lawful manner.

(h) Cumulative Remedies. No provision of this Agreement providing for any specific remedy to a party shall be construed to limit such party to the specific remedy described, and that any other remedy that would otherwise be available to such party at law or in equity shall also be available. The parties also intend that the rights and remedies hereunder be cumulative, so that exercise of any one or more of such rights or remedies shall not preclude the later or concurrent exercise of any other rights or remedies.

(i) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(j) Headings; Interpretation. The headings of this Agreement are for convenience of reference and shall not form a part of, or affect the interpretation of, this Agreement. As used herein, (i) the neuter gender includes the masculine or feminine and the singular number includes the plural, and vice versa, as the context may require and (ii) unless the context clearly requires otherwise, the words "herein," "hereunder" and "hereby," shall refer to this entire Agreement and not only to the Section or paragraph in which such word appears. If any date specified herein falls upon a Saturday, Sunday or public or legal holidays, the date shall be construed to mean the next Business Day following such Saturday, Sunday or public or legal holiday. Each party intends that this Agreement be deemed and construed to have been jointly prepared by the parties. As a result, the parties agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them.

(k) Attorney's Fees. If any party to this Agreement shall bring any action for relief against the other arising out of or in connection with this Agreement, in addition to all other remedies to which the prevailing party may be entitled, the losing party shall be required to pay to the prevailing party a reasonable sum for attorney's fees and costs incurred in bringing or defending such action and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorney's fees and costs incurred in enforcing such judgment. For the purposes of this Section, attorney's fees shall include, without limitation, reasonable fees incurred with respect to the following: (i) post-judgment motions, (ii) contempt proceedings, (iii) garnishment, levy and debtor and third party debtor and third party examinations, (iv) discovery and (v) bankruptcy litigation.

(l) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Holders and the Company have caused this Agreement to be duly executed by their respective authorized persons on the date first written above.

STRATUS MEDIA GROUP, INC.

By:_____
Name:_____
Title:_____

_____

Appendix A

HOLDERS AND REGISTRABLE SECURITIES

Name of Holder	Contact Information	Registrable Securities

EXHIBIT 10.5

EXCLUSIVE LICENSE AGREEMENT

THIS AGREEMENT (the "Agreement") by and between YALE UNIVERSITY, a corporation organized and existing under and by virtue of a charter granted by the general assembly of the Colony and State of Connecticut and located in New Haven, Connecticut ("YALE"), and Hygeia Therapeutics, Inc., a corporation organized and existing under the laws of the State of Delaware, and with principal offices located in Holden, MA ("LICENSEE") is effective as of October 26th, 2007 ("EFFECTIVE DATE").

ARTICLE 1. BACKGROUND

1.1. In the course of research conducted under YALE auspices, Dr. Richard B. Hochberg, in the Department of Obstetrics, Gynecology and Reproductive Sciences at YALE (the "INVENTOR"), has produced an invention entitled "15a-Substituted Estradiol Carboxylic Acid Esters as Locally Active Estrogens (OCR #1400)" (the "INVENTION").

1.2. INVENTOR has assigned to YALE of all INVENTOR's right, title and interest in and to the INVENTION and any resulting patents.

1.3. YALE wishes to have the INVENTION and any resulting patents commercialized to benefit the public good.

1.4. LICENSEE has represented to YALE to induce YALE to enter into this Agreement that it shall act diligently to develop and commercialize the LICENSED PRODUCTS for public use throughout the LICENSED TERRITORY (as defined below).

1.5. YALE is willing to grant a license to LICENSEE, subject to the terms and conditions of this Agreement.

1.6. In consideration of these statements and mutual promises, YALE and LICENSEE agree to the terms of this Agreement.

ARTICLE 2. DEFINITIONS

The following terms used in this Agreement shall be defined as set forth below:

2.1. "AFFILIATE" shall mean any entity or person that directly or indirectly controls, is controlled by or is under common control with LICENSEE. For purposes of this definition, "control" means possession of the power to direct the management of such entity or person, whether through ownership of more than fifty percent (50%) of voting securities, by contract or otherwise.

2.2. "CONFIDENTIAL INFORMATION" shall mean all information disclosed by one party to the other during the negotiation of or under this Agreement in any manner, whether orally, visually or in tangible form, that relates to LICENSED PATENTS, LICENSED INFORMATION or the Agreement itself, unless such information is subject to an exception described in Article 82, CONFIDENTIAL INFORMATION that is disclosed in tangible form shall be marked "Confidential" at the time of disclosure and CONFIDENTIAL INFORMATION that is disclosed orally or visually shall be identified as confidential at the time of disclosure and subsequently reduced to writing, marked confidential and delivered to the other party within thirty (30) days of such disclosure, CONFIDENTIAL INFORMATION shall include, without limitation, the following, whether or not patentable: materials, know-how and data (whether technical or non-technical), trade secrets, inventions, methods and processes. Notwithstanding any other provisions of this Article 2.2, CONFIDENTIAL INFORMATION of LICENSEE that is subject to Article 8 of this Agreement is limited to information that LICENSEE supplies pursuant to LICENSEE's obligations under Articles 7 and 9 of this Agreement, unless otherwise mutually agreed to in writing by the parties.

2.3. “CHANGE OF CONTROL” shall mean (a) any consolidation, merger, combination, reorganization or other transaction in which LICENSEE is not the surviving entity, (b) the shares of stock of LICENSEE constituting in excess of fifty (50%) of the voting power of LICENSEE are exchanged for or changed into other stock or securities, cash, and/or any other property, or (c) a sale or other disposition of all or substantially all of the assets of LICENSEE.

2.4. “EARNED ROYALTY” is defined in Article 6.1.

2.5. “EFFECTIVE DATE” is defined in the introductory paragraph of this Agreement.

2.6. “FIELD” shall mean all uses, including without limitation, the diagnosis, prevention and treatment of any and all diseases or conditions in mammals.

2.7. “FIRST SALE” shall mean the first sale to a third party of any LICENSED PRODUCT or LICENSED METHOD in any country.

2.8. “IND” shall mean an investigational new drug application filed with the United States Food and Drug Administration prior to beginning clinical trials in humans in the United States or any comparable application filed with regulatory authorities in or for a country or group of countries other than the United States.

2.9. “INVENTION” and “INVENTOR” are defined in Article 1.1.

2.10. “INSOLVENT” shall mean that LICENSEE (i) has ceased to pay its debts in the ordinary course of business, (ii) has current assets that are insufficient to pay its current obligations, (iii) is insolvent as defined by the United States Federal Bankruptcy Law, as amended from time to time, or (iv) has commenced bankruptcy, reorganization, receivership or insolvency proceedings, or any other proceeding under any Federal, state or other law for the relief of debtors.

2.11. “LICENSE” refers to the license granted under Article 3.1.

2.12. “LICENSED INFORMATION” shall mean all inventions, concepts, processes, information, data, know-how and the like that are owned by YALE and in YALE’s possession as of the EFFECTIVE DATE, not claimed in a patent or patent application, and necessary for the use, manufacture or sale of LICENSED PRODUCTS or the practice of LICENSED METHODS.

2.13. “LICENSED METHODS” shall mean any method, procedure, service or process the practice of which, in the absence of a license from YALE, would infringe a VALID CLAIM of a LICENSED PATENT or which uses a LICENSED PRODUCT.

2.14. “LICENSED PATENTS” shall mean the United States or foreign patent application(s) and patents(s) listed in Appendix A and owned by YALE during the TERM of this Agreement, together with any continuations, divisionals, and continuations-in-part, to the extent the claims of any such patent or patent application are directed to subject matter specifically described in the patent applications listed on Appendix A; any reissues, re-examinations, or extensions thereof, or substitutes therefor; and the relevant international equivalents of any of the foregoing. Appendix A is incorporated into this Agreement.

2.15. “LICENSED PRODUCTS” shall mean any product (including any apparatus or kit) or component part thereof, the manufacture, use or sale of which, in the absence of a license from YALE, would infringe a VALID CLAIM of a LICENSED PATENT.

2.16. “LICENSED TERRITORY” shall mean worldwide.

2.17. “NDA” shall mean a new drug application filed with the United States Food and Drug Administration to obtain marketing approval for a LICENSED PRODUCT in the United States or any comparable application filed with a regulatory authority in or for a country or group of countries other than the United States.

2.18. “NET SALES” shall mean:

(a) gross invoice price from the sale, lease or other transfer or disposition of the LICENSED PRODUCTS or LICENSED METHODS, or from services performed using LICENSED PRODUCTS or LICENSED METHODS, by LICENSEE, SUBLICENSEES or AFFILIATES to third parties, except as set forth in Article 2.17(b), less the following deductions, provided they actually pertain to the disposition of the LICENSED PRODUCTS or LICENSED METHODS and appear separately on an invoice:

(i) all discounts, credits, rebates, chargebacks and allowances;

(ii) transportation and insurance; and

(iii) duties, taxes and other governmental charges levied on the sale, transportation or delivery of LICENSED PRODUCTS or practice of the LICENSED METHODS, but not including income taxes.

No deductions shall be made for any other costs or expenses, including but not limited to commissions to independents, agents or those on LICENSEE’s, SUBLICENSEE’s or an AFFILIATE’s payroll or for the cost of collection.

(b) “NET SALES” shall not include the gross invoice price for LICENSED PRODUCTS or LICENSED METHODS sold to, or services performed using LICENSED PRODUCTS or LICENSED METHODS for, any AFFILIATE unless such AFFILIATE is an end-user of any LICENSED PRODUCT or LICENSED METHOD, in which case such consideration shall be included in NET SALES at the average selling price charged to a third party during the same quarter.

2.19. “PHASE I” shall mean a clinical trial of a LICENSED PRODUCT or LICENSED METHOD in human subjects where the purpose of the clinical trial is to assess the safety, tolerability, pharmacokinetics, biomarker response, and/or pharmacodynamics of a LICENSED PRODUCT or LICENSED METHOD. PHASE I shall also mean a first trial of each new formulation or preparation of a LICENSED PRODUCT or LICENSED METHOD for any reason. In the event that a PHASE I trial becomes a proof of concept trial in order to assess clinical efficacy a ‘‘PHASE I/II” trial, the trial shall be considered a PHASE II trial.

2.20. “PHASE II” shall mean a human clinical trial that is intended to initially evaluate the effectiveness of a drug for a particular indication or indications in patients with the disease or indication under study or that would otherwise satisfy requirements of 21 CFR 312.21(b) in the United States of America or the equivalent of such regulation in another country or jurisdiction.

2.21. “PHASE III” shall mean a human clinical trial that is designed to establish that a drug is safe and efficacious for its intended use, and to define warnings, precautions and adverse reactions that are associated with the drug in the dosage range to be prescribed, and designed to support regulatory approval of such drug or label expansion of such drug.

2.22. “REASONABLE COMMERCIAL EFFORTS” shall mean documented efforts that are consistent with those utilized by companies of similar size and type that have successfully developed products and services similar (meaning products that are similar with respect to the stage of development, patent coverage, market potential and safety and efficacy profile) to LICENSED PRODUCTS and LICENSED METHODS. In determining REASONABLE COMMERCIAL EFFORTS with respect to a particular LICENSED PRODUCT or LICENSED METHOD, LICENSEE may not reduce such efforts due to the competitive, regulatory or other impact of any other product or method that it owns, licenses or is developing or commercializing.

2.23. “SUBLICENSE INCOME” shall mean consideration in any form received by LICENSEE or an AFFILIATE in consideration with the grant to any third party or parties of a sublicense or other right, license, privilege or immunity to make, have made, use, sell, have sold, distribute, import or export LICENSED PRODUCTS or to practice LICENSED METHODS, but excluding consideration included within EARNED ROYALTIES. For avoidance of doubt, a sublicense shall not include the right of a purchaser of a LICENSED PRODUCT to re-sell or distribute, on a wholesale retail or other basis, the LICENSED PRODUCT as part of the established supply chain for pharmaceutical products. SUBLICENSE INCOME shall include without limitation any license signing fee, license maintenance fee, unearned portion of any minimum royalty payment received by LICENSEE, distribution or joint marketing fee, research and development funding in excess of LICENSEE’s cost of performing such research and development, and any consideration received for an equity interest in, extension of credit to or other investment in LICENSEE to the extent such consideration exceeds the fair market value of the equity or other interest received as determined by agreement of the parties or by an independent appraiser mutually agreeable to the parties.

2.24. “SUBLICENSEE” shall mean any third party sublicensed by LICENSEE to make, have made, use, sell, have sold, import or export any LICENSED PRODUCT or to practice any LICENSED METHOD.

2.25. “TERM” is defined in Article 3.4.

2.26. “VALID CLAIM” shall mean a pending, issued or unexpired claim of a LICENSED PATENT so long as such claim shall not have been irrevocably abandoned or declared to be invalid in an unappealable decision of a court or other authority or competent jurisdiction through no fault of cause of LICENSEE.

ARTICLE 3. LICENSE GRANT AND TERM

3.1. Subject to all the terms and conditions of this Agreement, YALE hereby grants to LICENSEE an exclusive license, under the LICENSED PATENTS, with the right to grant sublicenses, to make, have made, use, sell, have sold, import and export LICENSED PRODUCTS, and to practice any LICENSED METHOD, within the FIELD in the LICENSED TERRITORY (the “LICENSE”), and a non-exclusive license under the LICENSED INFORMATION, with the right to grant sublicenses, to use LICENSED INFORMATION solely for activities related to any LICENSED PRODUCT or LICENSED METHOD.

3.2. To the extent that any invention included within the LICENSED PATENTS has been funded in whole or in part by the United States government, the United States government retains certain rights in such invention as set forth in 35 U.S.C. §200-212 and all regulations promulgated thereunder, as amended, and any successor statutes and regulations (the “Federal Patent Policy”). As a condition of the license granted hereby, LICENSEE acknowledges and shall comply with all aspects of the Federal Patent Policy applicable to the LICENSED PATENTS, including the obligation that LICENSED PRODUCTS used or sold in the United States be manufactured substantially in the United States. Nothing contained in this Agreement obligates or shall obligate YALE to take any action that would conflict in any respect with its past, current or future obligations to the United States Government under the Federal Patent Policy with respect to the LICENSED PATENTS.

3.3. The LICENSE is expressly made subject to YALE’s reservation of the right to make, use and practice the LICENSED PATENTS, LICENSED METHODS and LICENSED INFORMATION for research, clinical, teaching or other non-commercial purposes, and to give academic research institutions access to the LICENSED PATENTS, LICENSED METHODS and LICENSED INFORMATION for research, clinical, or teaching purposes and not for purposes of commercial development, use, manufacture or distribution. Nothing in this Agreement shall be construed to grant by implication, estoppel or otherwise any licenses tinder patents of YALE other than the LICENSED PATENTS.

3.4. Unless terminated earlier as provided in Article 13, the term of the LICENSE shall commence on the EFFECTIVE DATE and shall automatically expire on the date on which the last of the claims of the patents described in the LICENSED PATENTS expires, lapses or is declared to be invalid by a non-appealable decision of a court of competent jurisdiction through no fault or cause of LICENSEE (the “TERM”).

3.5. Upon expiration of this Agreement, the LICENSE granted in Artide 3,1 shall automatically convert to a paid-up, non-exclusive license.

3.6. Upon conversion to a non-exclusive license under Article 3.5, the LICENSEE's right to grant any sublicense terminates and each existing sublicense shall convert to a paid-up, non-exclusive license in the applicable country.

3.7. Within 30 days of the EFFECTIVE DATE, YALE shall disclose the LICENSED INFORMATION to LICENSEE, which LICENSEE shall be entitled to use as provided in this Article 3.

3.8. Except as expressly provided in this Agreement, under no circumstances will LICENSEE, as a result of this Agreement, obtain any interest in or any other right to any technology, know-how, patents, patent applications, materials or other intellectual or proprietary property of YALE.

ARTICLE 4. SUBLICENSES

4.1. LICENSEE shall have the full right to sublicense the rights granted to it under this Agreement, through one or more tiers, subject to the requirements of this Article 4.

4.2. Any sublicense granted by LICENSEE shall include substantially the same definitions and provisions on Due Diligence, Confidentiality and Publicity, Reporting Requirements, Indemnification, Insurance and Warranties, Patent Notices and Use of YALE's Name, as are agreed to in this Agreement, and such other provisions as are needed to enable LICENSEE to comply with this Agreement. LICENSEE will provide YALE with a copy of each Sublicense Agreement (and all amendments thereof) promptly after execution. LICENSEE shall remain responsible for the performance of all SUBLICENSEES under any such sublicense as if such performance were carried out by LICENSEE itself, including, without limitation, the payment of any royalties or other payments provided for hereunder, regardless of whether the terms of any sublicense provide for such amounts to be paid by the SUBLICENSEE directly to YALE. A breach of this provision shall constitute a material breach that is subject to Article 13.1(b).

4.3. LICENSEE shall pay royalties to YALE on NET SALES of SUBLICENSEES based on the same royalty rate as apply to NET SALES by LICENSEE and its AFFILIATES, regardless of the royalty rates payable by SUBLICENSEES to LICENSEE under a sublicense agreement. In addition, LICENSEE shall pay to YALE Fifteen Per Cent (15%) of any SUBLICENSE INCOME.

4.4. LICENSEE agrees that it has sole responsibility to promptly:

(a) provide YALE with a copy of any amendments to sublicenses granted by LICENSEE under this Agreement and to notify YALE of termination of any sublicense; and

(b) summarize and deliver copies of all reports provided to LICENSEE by SUBLICENSEES.

ARTICLE 5. LICENSE ISSUE ROYALTY; LICENSE MAINTENANCE ROYALTY; MILESTONE ROYALTIES; EQUITY

5.1. Within ten (10) business days after the EFFECTIVE DATE, LICENSEE shall convey to YALE, Thirty Two (32) shares (the "Shares") of LICENSEE' s common stock representing five percent (5%) of LICENSEE's total outstanding shares. The Shares shall be fully-paid and are non-assessable upon issuance to YALE and shall be subject to a shareholder agreement and restrictions on transfer. LICENSEE represents to YALE that LICENSEE, has not issued any securities other than common stock, nor rights to receive any securities in the LICENSEE, to any third party as of the EFFECTIVE DATE.

5.2. Within ninety (90) days after the EFFECTIVE DATE, LICENSEE shall pay to YALE Sixteen Thousand Seven Hundred Eighty One dollars and Ten cents (US $16,781,10) as reimbursement in full for all past patent expenses incurred by YALE.

5.3. During the TERM of this Agreement, LICENSEE agrees to pay to YALE an annual license maintenance royalty ("LMR") commencing on the first anniversary of the EFFECTIVE DATE and every anniversary thereafter until LICENSEE starts to pay Minimum Royalty Payments under Article 6.3 according to the following schedule:

Anniversary of EFFECTIVE DATE	LMR
1st	$1,000.00
2nd	$2,500.00
3rd	$5,000.00
4th	$10,000.00
5th and each anniversary thereafter until MRP commencement	$25,000.00

5.4. LICENSEE shall pay the following milestone royalties to YALE for each LICENSED PRODUCT developed by LICENSEE. For avoidance of doubt, for purposes of this Section 5.4, LICENSED PRODUCTS that contain the same active ingredient(s), but that are different in other respects, for example LICENSED PRODUCTS that have different approved indications, formulations or dosages, shall be considered to be a single "LICENSED PRODUCT" and only one set of the following milestones shall be payable in connection with the development and regulatory approval of such LICENSED PRODUCTS no matter how many times a particular milestone is achieved. For further clarification, if two LICENSED PRODUCTS having different active ingredients achieve the same milestones, then each of those milestones shall be payable in respect of each such LICENSED PRODUCT.

(a) a non-refundable milestone royalty of Fifty Thousand Dollars ($50,000.00) when LICENSEE receives IND approval for such LICENSED PRODUCT.

(b) a non-refundable milestone royalty of Fifty Thousand Dollars ($50,000,00) when LICENSEE initiates PHASE II for such LICENSED PRODUCT. The PHASE II study shall be deemed to have been initiated when the first patient has been treated with the investigational agent under the first PHASE II clinical protocol.

(c) a non-refundable milestone royalty of Three Hundred Thousand Dollars ($300,000.00) when LICENSEE initiates PHASE III for such LICENSED PRODUCT, The PHASE III study shall be deemed to have been initiated when the first patient has been treated with the investigational agent under the first PHASE III clinical protocol.

(d) a non-refundable milestone royalty of Two Hundred Thousand Dollars ($200,000) upon completion of patient enrollment in the first PHASE III study.

(e) a non-refundable milestone royalty of One Million Two Hundred Thousand Dollars ($1,200,000.00) when LICENSEE receives NDA approval for such LICENSED PRODUCT.

5.5. Neither the license issue royalty set forth in Article 5.1 nor the patent reimbursement payments of Article 5.2 nor the LMR of Article 5.3 nor the milestone royalties set forth in Article 5.4 shall be credited against EARNED ROYALTIES payable under Article 6.

ARTICLE 6. EARNED ROYALTIES MINIMUM ROYALTY PAYMENTS

6.1. During the TERM of this Agreement, as partial consideration for the LICENSE, LICENSEE shall pay to YALE an earned royalty on worldwide annual NET SALES of LICENSED PRODUCTS or LICENSED METHODS by LICENSEE or its SUBLICENSEES or AFFILIATES in each calendar year (“EARNED ROYALTIES”) according to the following schedule:

Annual NET SALES	EARNED ROYALTY
0 to $100,000,000	2%
$100,000,001 to $200,000,000	2.5%
Over $200,000,000	3%

6.2. LICENSEE shall pay all EARNED ROYALTIES accruing to YALE within thirty (30) days from the end of each calendar quarter (March 31, June 30, September 30 and December 31), beginning in the first calendar quarter in which NET SALES occur.

6.3. During the term of this Agreement, LICENSEE agrees to pay YALE total annual Minimum Royalty Payments (“MRP”), commencing on the first anniversary of the date of FIRST SALE of the first LICENSED PRODUCT according to the following schedule:

1st anniversary	$100,000.00
2nd anniversary	$100,000.00
3rd anniversary	$200,000. 00
4th anniversary	$300,000,00
5th anniversary	$400,000.00 and each anniversary thereafter

LICENSEE shall continue to pay the MRP until the end of the TERM, YALE shall fully credit each MRP made against any EARNED ROYALTIES payable by LICENSEE in the same year.

6.4. All EARNED ROYALTIES and other payments due under this Agreement shall be paid to YALE in United States Dollars. In the event that conversion from foreign currency is required in calculating a payment under this Agreement, the exchange rate used shall be the Interbank rate quoted by Citibank at the end of the last business day of the quarter in which the royalty was earned. If overdue, the royalties and any other payments due under this Agreement shall bear interest until payment at a per annum rate two percent (2%) above the prime rate in effect at Citibank on the due date and YALE shall be entitled to recover reasonable attorneys' fees and costs related to the administration or enforcement of this Agreement, including collection of royalties or other payments, following such failure to pay. The payment of such interest shall not foreclose YALE from exercising any other right it may have as a consequence of the failure of LICENSEE to make any payment when due.

6.5. In the event that a patent included within LICENSED PATENTS expires or lapses, or if all of its claims are declared invalid by a non-appealable decision of a court of competent jurisdiction, the obligation to pay EARNED ROYALTIES and MRP for LICENSED PRODUCTS and LICENSED METHODS covered by the invalidated patent claim(s) shall be reduced by Fifty Percent (50%) if the LICENSED PRODUCT or LICENSED METHOD is not covered by any remaining LICENSED PATENTS or claims thereunder, but the LICENSED PRODUCT or LICENSED METHOD incorporates or relies upon LICENSED INFORMATION for its manufacture or use. This Agreement shall remain in effect as to any other LICENSED PRODUCTS and LICENSED METHODS covered by any remaining LICENSED PATENT or remaining claims under the LICENSED PATENTS.

ARTICLE 7. DUE DILIGENCE

7.1. LICENSEE has designed a plan for developing and commercializing the LICENSED PATENTS that includes a description of research and development, testing, government approval, manufacturing, marketing and sale or lease of LICENSED PRODUCTS and/or LICENSED METHODS ("PLAN"), A copy of the PLAN is attached to this Agreement as Appendix C and incorporated herein by reference,

7.2. LICENSEE shall use REASONABLE COMMERCIAL EFFORTS, within one hundred eighty (180) days after the EFFECTIVE DATE of this Agreement, to begin to implement the PLAN at its sole expense and thereafter to diligently commercialize and develop markets for the LICENSED PRODUCTS and LICENSED METHODS.

7.3. LICENSEE shall provide YALE with an updated and revised copy of the PLAN on each anniversary date of the EFFECTIVE DATE,

7.4. Within thirty (30) days of each anniversary of the EFFECTIVE DATE of this Agreement, LICENSEE shall provide a written report to YALE, indicating LICENSEE's progress and problems to date in performance under the PLAN, commercialization of LICENSED PRODUCTS and LICENSED METHODS, and a forecast and schedule of major events required to market the LICENSED PRODUCTS. Within thirty (30) days following any assignment by LICENSEE pursuant to Section 17.6, the assignee shall provide YALE with an updated and revised copy of the PLAN.

7.5. LICENSEE shall immediately notify YALE if at any time LICENSEE (a) abandons or suspends its research, development or marketing of the LICENSED PRODUCTS and or LICENSED METHODS, or its intent to research, develop and market such products or methods, or (b) fails to comply with its due diligence obligations under this Article for a period exceeding ninety (90) days.

7.6. LICENSEE agrees that YALE shall be entitled to terminate this Agreement pursuant to Article 13.1(b) upon the occurrence of any of the following:

(a) LICENSEE shall fail to implement the PLAN in accordance with Article 7.4 or otherwise fails to fulfill any of its obligations under Article 7.5, or this Article 7.6; or

(b) LICENSEE gives notice pursuant to Article 7.5 (which shall be deemed a material breach not capable of being cured); or

(c) LICENSEE has failed to initiate proof of concept studies in an established preclinical model (e.g., a primate model) within two (2) years of the EFFECTIVE DATE.

(d) LICENSEE has failed to have raised equity capital of no less than $1,000,000.00 within two (2) years of the EFFECTIVE DATE.

(e) LICENSEE has failed to have filed an IND for a LICENSED PRODUCT or LICENSED METHOD within four (4) years of the EFFECTIVE DATE.

(f) LICENSEE has failed, in any calendar year following the filing of an IND, to perform at least one of the following with respect to LICENSED PRODUCT:

(i) expend one million dollars ($1,000,000.00) for development of LICENSED PRODUCT;

(ii) manufacture LICENSED PRODUCT for clinical trial under an approved IND;

(iii) actively conduct a PHASE I clinical trial with respect to LICENSED PRODUCT;

(iv) actively conduct a PHASE II clinical trial with respect to LICENSED PRODUCT;

(v) actively conduct a PHASE III clinical trial with respect to LICENSED PRODUCT;

(vi) prepare documents for NDA filing with respect to LICENSED PRODUCT;

(vii) make an NDA filing for LICENSED PRODUCT;

(viii) after NDA filing, pursue NDA approval for LICENSED PRODUCT;

(ix) receive an NDA approval for LICENSED PRODUCT; or

(x) launch or sell LICENSED PRODUCT in the United States or another major market (i.e., Canada, France, Germany, Italy, Japan or the U.K.).

ARTICLE 8. CONFIDENTIALITY AND PUBLICITY

8.1. Subject to the parties' rights and obligations pursuant to this Agreement, YALE and LICENSEE agree that during the term of this Agreement and for five (5) years thereafter, each of them:

(a) will keep confidential and will cause their AFFILIATES and, in the case of LICENSEE, its SUBLICENSEES, to keep confidential, CONFIDENTIAL INFORMATION disclosed to it by the other party, by taking whatever action the party receiving the CONFIDENTIAL INFORMATION would take to preserve the confidentiality of its own CONFIDENTIAL INFORMATION, which in no event shall be less than reasonable care; and

(b) will only disclose that part of the other's CONFIDENTIAL INFORMATION to its officers, employees or agents that is necessary for those officers, employees or agents who need to know to carry out its responsibilities under this Agreement; and

(c) will not use the other party's CONFIDENTIAL INFORMATION other than as expressly set forth in this Agreement or disclose the other's CONFIDENTIAL INFORMATION to any third parties under any circumstance without advance written permission from the other party unless a confidentiality agreement is first executed between LICENSEE and such third party with terms and conditions that are similar and consistent with those of this Agreement; and

(d) will, within sixty (60) days of termination of this Agreement, return all the CONFIDENTIAL INFORMATION disclosed to it by the other party pursuant to this Agreement except for one copy which may be retained by the recipient for monitoring compliance with this Article 8.

8.2. The obligations of confidentiality described above shall not pertain to that part of the CONFIDENTIAL INFORMATION that:

(a) was known to the recipient prior to the disclosure by the disclosing party; or

(b) is at the time of disclosure or has become thereafter publicly known through no fault or omission attributable to the recipient; or

(c) is rightfully given to the recipient from sources independent of the disclosing party; or

(d) is independently developed by the receiving party without use of or reference to the CONFIDENTIAL INFORMATION of the other party as evidenced by written records; or

(e) is required to be disclosed by law in the opinion of recipient's attorney, but only after the disclosing party is given prompt written notice and an opportunity to seek a protective order.

8.3. Except as required by law, neither party may disclose the financial terms of this Agreement without the prior written consent of the other party.

ARTICLE 9. REPORTS, RECORDS AND INSPECTIONS

9.1. LICENSEE shall, within thirty (30) days after the calendar year in which NET SALES first occur, and within thirty (30) days after each calendar quarter (March 31, June 30, September 30 and December 31) thereafter, provide YALE with a written report detailing the NET SALES and uses, if any, made by LICENSEE, its SUBLICENSEES and AFFILIATES of LICENSED PRODUCTS and LICENSED METHODS during the preceding calendar quarter and calculating the payments due pursuant to Article 6. NET SALES of LICENSED PRODUCTS or LICENSED METHODS shall be deemed to have occurred on the date of invoice for such LICENSED PRODUCTS or LICENSED METHODS. Each such report shall be signed by an officer of LICENSEE (or the officer's designee), and must include:

(a) the number of LICENSED PRODUCTS manufactured, sold, leased or otherwise transferred or disposed of, and the amount of LICENSED METHODS sold, by LICENSEE, SUBLICENSEES and AFFILIATES;

(b) a calculation of NET SALES for the applicable reporting period in each country, including the gross invoice prices charged for the LICENSED PRODUCTS and LICENSED METHODS and any permitted deductions made pursuant to Article 2.18;

(c) a calculation of total royalties or other payment due, including any exchange rates used for conversion; and

(d) names and addresses of all SUBLICENSEES and the type and amount of any SUBLICENSE INCOME received from each SUBLICENSEE.

9.2. LICENSEE and its SUBLICENSEES shall keep and maintain complete and accurate records and books containing an accurate accounting of all data in sufficient detail to enable verification of EARNED ROYALTIES and other payments under this Agreement. LICENSEE shall preserve such books and records for three (3) years after the calendar year to which they pertain. Such books and records shall be open to inspection by YALE or an independent certified public accountant selected by YALE, at YALE's expense, during normal business hours upon ten (10) days' prior written notice, for the purpose of verifying the accuracy of the reports and computations rendered by LICENSEE, In the event LICENSEE underpaid the amounts due to YALE with respect to the audited period by more than five percent (5%), LICENSEE shall pay the reasonable cost of such examination, together with the deficiency not previously paid, within thirty (30) days of receiving notice thereof from YALE.

9.3. On or before the ninetieth (901h) day following the close of LICENSEE's fiscal year, LICENSEE shall provide YALE with LICENSEE's certified financial statements for the preceding fiscal year including, at a minimum, a balance sheet and an income statement. All information contained in such certified financial statements are hereby deemed to be CONFIDENTIAL INFORMATION of LICENSEE for all purposes under this Agreement.

ARTICLE 10. PATENT PROTECTION

10.1. LICENSEE shall reimburse YALE for all reasonable and customary costs of filing, prosecution and maintenance of all United States patent applications contained in the LICENSED PATENTS accrued as of the EFFECTIVE DATE or during the TERM of this Agreement. Any and all such United States patent applications, and resulting issued patents, shall remain the property of YALE.

10.2. LICENSEE shall reimburse YALE for all reasonable and customary costs, accrued as of the EFFECTIVE DATE or during the TERM of this Agreement, of filing, prosecution and maintenance of all foreign patent applications, and patents contained in the LICENSED PATENTS in the countries outside the United States in the LICENSED TERRITORY selected by YALE and agreed to by LICENSEE. All such applications or patents shall remain the property of YALE.

10.3. If LICENSEE does not agree to pay the expenses of filing, prosecuting or maintaining a patent application or patent in any country outside the United States, or fails to pay the expenses of filing, prosecuting or maintaining a patent application or patent in the United States, then LICENSEE's rights under this Agreement with respect to such patent or patent application shall terminate automatically with respect to that country.

10.4. The costs mentioned in Articles 10.1 and 102 shall include, but are not limited to, any past, present and future taxes, annuities, working fees, maintenance fees, renewal and extension charges. Payment of such costs shall be made, at YALE's option, either directly to patent counsel or by reimbursement to YALE. In either case, LICENSEE shall make payment directly to the appropriate party within thirty (30) days of receiving its invoice. If LICENSEE fails to make payment to YALE or patent counsel, as appropriate, within the thirty day period, LICENSEE shall be charged a five percent (5%) surcharge on the invoiced amount per month or fraction thereof or such higher amount as may be charged by patent counsel. Failure of LICENSEE to pay the surcharge shall be grounds for termination by YALE under Article 13.1 (b).

10.5. All patent applications under the LICENSED PATENTS shall be prepared, prosecuted, filed and maintained by independent patent counsel chosen by YALE and reasonably acceptable to LICENSEE. Said independent patent counsel shall be ultimately responsible to YALE. YALE shall instruct patent counsel to keep both YALE and LICENSEE fully informed of the progress of all patent applications and patents, and to give both YALE and LICENSEE reasonable opportunity to comment on the type and scope of useful claims and the nature of supporting disclosures. YALE will not abandon any patent application for which LICENSEE is bearing expenses without LICENSEE's consent. Yale shall have no liability to LICENSEE for damages, whether direct, indirect or incidental, consequential or otherwise, allegedly arising from its good faith decisions, actions and omissions in connection with such prosecution.

10.6. LICENSEE shall mark, and shall require SUBLICENSEES to mark, all LICENSED PRODUCTS with the numbers of all patents included in LICENSED PATENTS that cover the LICENSED PRODUCTS. Without limiting the foregoing, all LICENSED PRODUCTS shall be marked in such a manner as to conform with the patent marking notices required by the law of any country where such LICENSED PRODUCTS are made, sold, used or shipped, including, but not limited to, the applicable patent laws of that country.

ARTICLE 11. INFRINGEMENT AND LITIGATION

11.1. Each party shall promptly notify the other in writing in the event that it obtains knowledge of infringing activity by third parties, or is sued or threatened with an inf•ingement suit, in any country in the LICENSED TERRITORY as a result of activities that concern the LICENSED PATENTS and shall supply the other party with documentation of the infringing activities that it possesses.

11.2. During the TERM of this Agreement:

(a) LICENSEE shall have the first right and obligation to use REASONABLE COMMERCIAL EFFORTS to defend the LECENSED PA'1ENTS against infringement or interference in the FIELD and in the LICENSED TERRITORY by third parties. This right and obligation includes bringing any legal action for infringement and defending any counter claim of invalidity or action of a third party for declaratory judgment for non-infringement or non-interference. If, in the reasonable opinion of both LICENSEE's and YALE's respective counsel, YALE is required to be a named party to any such suit for standing purposes, LICENSEE may join YALE as a party; provided, however, that (i) YALE shall not be the first named party in any such action, (ii) the pleadings and any public statements about the action shall state that the action is being pursued by LICENSEE and that LICENSEE has joined YALE as a party; and (iii) LICENSEE shall keep YALE reasonably apprised of all developments in any such action. LICENSEE may settle such suits solely in its own name and solely at its own expense and through counsel of its own selection; provided, however, that no settlement shall be entered without YALE's prior written consent. LICENSEE shall bear the expense of such legal actions. Except for providing reasonable assistance, at the request and expense of LICENSEE, YALE shall have no obligation regarding the legal actions described in Article 11.2 unless required to participate by law. However, YALE shall have the right to participate in any such action through its own counsel and at its own expense. Any recovery shall first be applied to LICENSEE's out of pocket expenses, including legal fees, and second shall be applied to YALE's out of pocket expenses, including legal fees. YALE shall recover amounts awarded for lost sales at the royalty rate for those sales as described in Article 6.1 and 25% of any additional compensation that may be awarded.

(b) In the event LICENSEE fails to exercise REASONABLE COMMERCIAL EFFORTS to initiate and pursue the actions described in Article 11.2(a) within sixty (60) days of (a) notification of infringement from YALE or (b) the date LICENSEE otherwise first becomes aware of an infringement, whichever is earlier, YALE shall have the right to initiate such legal action at its own expense and YALE may use the name of LICENSEE as party plaintiff to uphold the LICENSED PATENTS. In such case, LICENSEE shall provide reasonable assistance to YALE if requested to do so. YALE may settle such actions solely through its own counsel. Any recovery shall be retained by YALE. Under such circumstances, YALE may terminate the LICENSE in the country where such legal action is taken.

11.3. In the event LICENSEE is permanently enjoined from exercising its LICENSE under this Agreement pursuant to an infringement action brought by a third party, or if both LICENSEE and YALE elect not to undertake the defense or settlement of a suit alleging infringement for a period of six (6) months from notice of such suit, then either party shall have the right to terminate this Agreement with respect to the LICENSED PATENTS in the country where the suit was filed with respect to the licensed patent following thirty (30) days' written notice to the other party in accordance with the terms of Article 15.

ARTICLE 12. USE OF YALE'S NAME

LICENSEE shall not use the name "Yale" or "Yale University," nor any variation or adaptation thereof, nor any trademark, tradename or other designation owned by YALE, nor the names of any of its trustees, officers, faculty, students, employees or agents, for any purpose without the prior written consent of YALE in each instance, except that LICENSEE may state that it has licensed from YALE one or more of the patents and/or applications comprising the LICENSED PATENTS.

ARTICLE 13. TERMINATION

13.1. YALE shall have the right to terminate this Agreement upon written notice to LICENSEE in the event LICENSEE:

(a) fails to make any payment whatsoever due and payable pursuant to this Agreement unless LICENSEE shall make all such payments (and all interest due on such payments under Article 6.4) within the thirty (30) day period after receipt of written notice from YALE; or

(b) commits a material breach of any other material provision of this Agreement which is not cured (if capable of being cured) within the sixty (60) day period after receipt of written notice thereof from YALE, or upon receipt of such notice if such breach is not capable of being cured; or

(c) fails to obtain or maintain adequate insurance as described in Article 14, whereupon YALE may terminate this Agreement immediately upon written notice to LICENSEE.

13.2. This Agreement shall terminate automatically without any notice to LICENSEE in the event LICENSEE shall cease to carry on its business or becomes INSOLVENT, or a petition in bankruptcy is filed against LICENSEE and is consented to, acquiesced in or remains undismissed for sixty (60) days, or LICENSEE makes a general assignment for the benefit of creditors, or a receiver is appointed for LICENSEE.

13.3. LICENSEE shall have the right to terminate this Agreement upon written notice to YALE:

(a) at any time on ninety (90) days notice to YALE, and upon payment of all amounts due YALE throughout the effective date of termination; or

(b) in the event YALE commits a material breach of any of the material provisions of this Agreement and such breach is not cured (if capable of being cured) within the sixty (60) day period after receipt of written notice thereof from LICENSEE, or upon receipt of such notice if such breach is not capable of being cured.

13.4. Upon termination of this Agreement for any reason, all rights and licenses granted to LICENSEE under the terms of this Agreement are terminated and YALE, in its sole discretion, may terminate any sublicense granted by LICENSEE. Upon such termination, LICENSEE shall cease to manufacture LICENSED PRODUCTS, cease to use LICENSED INFORMATION and cease to practice LICENSED METHODS, unless and until such manufacture, use or practice would no longer constitute an infringement of YALE's intellectual property rights. Within sixty (60) days of the effective date of termination LICENSEE shall return to YALE:

(a) all CONFIDENTIAL INFORMATION disclosed by YALE;

(b) the last report required under Article 7 or 9; and

(c) all payments incurred up to the effective date of termination.

Upon the occurrence of an uncured material breach by YALE of any material provision of this AGREEMENT, each of LICENSEE'S payment obligations hereunder shall automatically be reduced by fifty percent (50%) as and when each such payment becomes due and payable hereunder.

13.5. Termination of this Agreement shall not affect any rights or obligations accrued prior to the effective date of such termination and specifically LICENSEE's obligation to pay all royalties and other payments specified by Article 5 and 6. The following provisions shall survive any termination: Articles 2 and 8, the preservation and inspection obligations of Article 9, Article 12, this Article 13.5, Article 13.8, Article 14, Article 15, Article 16.1, and Article 17. The parties agree that claims giving rise to indemnification may arise after the TERM or termination of the LICENSE granted herein.

13.6. The rights provided in this Article 13 shall be in addition and without prejudice to any other rights which the parties may have with respect to any default or breach of the provisions of this Agreement.

13.7. Waiver by either party of one or more defaults or breaches shall not deprive such party of the right to terminate because of any subsequent default or breach.

13.8. Upon termination of this AGREEMENT by YALE under Section 13.1 or by LICENSEE because LICENSEE has decided to abandon efforts to develop and commercialize the LICENSED PRODUCTS, LICENSEE shall permit YALE and its future licensees to utilize, reference and otherwise have the benefit of all regulatory approvals of, or clinical trials or other studies conducted on, and all filings made with regulatory agencies with respect to, the LICENSED PRODUCTS or LICENSED METHODS subject to the terms and conditions of 14.2. In addition, at YALE's request, LICENSEE shall deliver to YALE all records required by regulatory authorities to be maintained with respect to the sale, storage, handling, shipping and use of the LICENSED PRODUCTS or LICENSED METHODS, all reimbursement approval files, all documents, data and information related to clinical trials and other studies of LICENSED PRODUCTS or LICENSED METHODS, any other data, techniques, know-how and other information developed or generated that relate to the LICENSED PATENTS, LICENSED PRODUCTS or LICENSED METHODS, and all copies and facsimiles of such materials, documents, information and files. YALE agrees that, subject to the provisions of Article 8, LICENSEE may retain one copy thereof to the extent LICENSEE is required by law to maintain such copy.

ARTICLE 14. INDEMNIFICATION; INSURANCE; NO WARRANTIES

14.1. LICENSEE shall defend, indemnify and hold harmless YALE, its trustees, directors, officers, employees, and agents and their respective successors, heirs and assigns against any and all liabilities, claims, demands, damages, judgments, losses and expenses of any nature, including without limitation legal expenses and attorneys' fees, arising out of any theory of liability (including without limitation tort, warranty, or strict liability) or the death, personal injury, or illness of any person or out of damage to any property related in any way to the exercise and/or practice by LICENSEE, its AFFILIATES, SUBLICENSEES or any other transferees (other than YALE or its licensees or transferees as provided for in Section 13.8) of the rights granted under this Agreement, or resulting from the production, manufacture, sale, use, lease, or other disposition or consumption or advertisement of the LICENSED PRODUCTS or LICENSED METHODS by LICENSEE, its AFFILIATES, SUBLICENSEES or any other transferees (other than YALE or its licensees or transferees as provided for in Section 13.8); or arising in connection with any statement, representation or warranty of LICENSEE, its AFFILIATES, SUBLICENSEES or any other transferees (other than YALE or its licensees or transferees as provided for in Section 13.8) with respect to the LICENSED PRODUCTS or LICENSED METHODS.

14.2. If YALE exercises its right under Section 13.8, then, as a condition to YALE's right to grant any licenses of its rights thereunder, Yale shall secure from any future licensees agreement to defend, indemnify and hold harmless LICENSEE, its directors, officers, employees, and agents and their respective successors, heirs and assigns against any and all liabilities, claims, demands, damages, judgments, losses and expenses of any nature, including without limitation legal expenses and attorneys' fees, arising out of any theory of liability (including without limitation tort, warranty, or strict liability) or the death, personal injury, or illness of any person or out of damage to any property related in any way to the exercise and/or practice by YALE or its licensees or transferees of any rights granted to them as provided for in Section 13.8, including without limitation. the production, manufacture, sale, use, lease, or other disposition or consumption or advertisement of products pursuant to the exercise of such rights.

14.3. A claim to which indemnification applies under Section 14.1 or Section 14.2 shall be referred to herein as an "Indemnification Claim". If any person or entity (collectively, the "Indemnitee") intends to claim indemnification under this Article 14, the Indemnitee shall notify the other Party (the "Indemnitor") in writing promptly upon becoming aware of any claim that may be an Indemnification Claim (it being understood and agreed, however, that the failure by an Indemnitee to give such notice shall not relieve the Indemnitor of its indemnification obligation under this Agreement except and only to the extent that the Indemnitor is actually prejudiced as a result of such failure to give notice). The indemnitor shall have the right to assume and control the defense of the Indemnification Claim at its own expense with counsel selected by the Indemnitor and reasonably acceptable to the Indemnitee, *provided*, *however*, that an Indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the Indemnitee, if representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other party represented by such counsel in such proceedings. If the Indemnitor does not assume the defense of the Indemnification Claim as aforesaid, the Indemnitee may defend the Indemnification Claim but shall have no obligation to do so. The Indemnitee shall not settle or compromise the Indemnification Claim without the prior written consent of the Indemnitor, and the Indemnitor shall not settle or compromise the Indemnification Claim in any manner which would have an adverse effect on the Indemnitee's interests, without the prior written consent of the Indemnitee, which consent, in each case, shall not be unreasonably withheld or delayed. The Indemnitee shall reasonably cooperate with the Indemnitor at the Indemnitor's expense and shall make available to the Indemnitor all pertinent information under the control of the Indemnitee.

14.4. LICENSEE shall purchase and maintain in effect and shall require its SUBLICENSEES to purchase and maintain in effect a policy of commercial, general liability insurance to protect YALE with respect to events described in Article 14.1. Such insurance shall:

(a) list "YALE, its trustees, directors, officers, employees and agents" as additional insureds under the policy;

(b) provide that such policy is primary and not excess or contributory with regard to other insurance YALE may have;

(c) be endorsed to include product liability coverage in amounts no less than $2 Million Dollars per incident and $5 Million Dollars annual aggregate; and

(d) be endorsed to include contractual liability coverage for LICENSEE's indemnification under Article 14.1; and

(e) by virtue of the minimum amount of insurance coverage required under Article 14.4(c), not be construed to create a limit of LICENSEE's liability with respect to its indemnification under Article 14.1.

14.5. By signing this Agreement, LICENSEE certifies that the requirements of Article 14.4 will be met on or before the earlier of (a) the date of FIRST SALE of any LICENSED PRODUCT or LICENSED METHOD or (b) the date any LICENSED PRODUCT, or LICENSED METHOD is tested or used on humans, and will continue to be met thereafter. Upon YALE's request, LICENSEE shall furnish a Certificate of Insurance and a copy of the current Insurance Policy to YALE. LICENSEE shall give thirty (30) days' written notice to YALE prior to any cancellation of or material change to the policy.

14.6. (a) YALE MAKES NO REPRESENTATIONS OR WARRANTIES THAT ANY CLAIMS OF THE LICENSED PATENTS, ISSUED OR PENDING, ARE VALID, OR THAT THE MANUFACTURE, USE, SALE OR OTHER DISPOSAL OF THE LICENSED PRODUCTS, OR PRACTICE OF THE LICENSED METHODS, OR USE OF THE LICENSED INFORMATION DOES NOT OR WILL NOT INFRINGE ANY PATENT OR OTHER RIGHTS NOT VESTED IN YALE,

(b) YALE MAKES NO, AND EXPRESSLY DISCLAIMS ALL WARRANTIES WHATSOEVER WITH RESPECT TO THE LICENSED PATENTS, LICENSED INFORMATION, LICENSED PRODUCTS AND LICENSED METHODS, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LICENSEE SHALL, MAKE NO STATEMENTS, REPRESENTATION OR WARRANTIES WHATSOEVER TO ANY THIRD PARTIES WHICH ARE INCONSISTENT WITH SUCH DISCLAIMER BY YALE. IN NO EVENT SHALL YALE, OR ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES AND AFFILIATES, BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGE OR INJURY TO PROPERTY AND LOST PROFITS, REGARDLESS OF WHETHER YALE SHALL BE ADVISED, SHALL HAVE OTHER REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY OF THE FOREGOING. EXCLUDING AMOUNTS THAT MAY BECOME PAYABLE BY YALE'S FUTURE LICENSEES UNDER ARTICLE 14.2, IN NO OTHER EVENT SHALL YALE, OR ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES AND AFFILIATES, BE LIABLE FOR DAMAGES IN EXCESS OF AMOUNTS YALE HAS RECEIVED FROM LICENSEE UNDER THIS LICENSE.

ARTICLE 15. NOTICES, PAYMENTS

15.1. Any payment, notice or other communication required by this Agreement (a) shall be in writing, (b) may be delivered personally or sent by reputable overnight courier with written verification of receipt or by registered or certified first class United States Mail, postage prepaid, return receipt requested, (c) shall be sent to the following addresses or to such other address as such party shall designate by written notice to the other party, and (d) shall be effective upon receipt:

FOR YALE:
Managing Director
YALE UNIVERSITY
Office of Cooperative Research
433 Temple Street
New Haven, CT 06511

FOR LICENSEE:
Yael Schwartz
Hygeia Therapeutics, Inc.
8 Canterbury Lane
Holden, MA 01520

ARTICLE 16. LAWS, FORUM AND REGULATIONS

16.1. Any matter arising out of or related to this Agreement shall be governed by and in accordance with the substantive laws of the State of Connecticut, without regard to its conflicts of law principles, except where the federal laws of the United States are applicable and have precedence. Any dispute arising out of or related to this Agreement shall be brought in a court of competent jurisdiction in the State of Connecticut.

16.2. LICENSEE shall comply, and shall cause its AFFILIATES and SUBLICENSEES to comply, with all foreign and United States federal, state, and local laws, regulations, rules and orders applicable to the testing, production, transportation, packaging, labeling, export, sale and use of the LICENSED PRODUCTS and practice of the LICENSED METHODS. In particular, LICENSEE shall be responsible for assuring compliance with all United States export laws and regulations applicable to this LICENSE and LICENSEE's activities under this Agreement.

ARTICLE 17. MISCELLANEOUS

17.1. This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors and permitted assigns.

17.2. This Agreement constitutes the entire agreement of the parties relating to the LICENSED PATENTS, LICENSED PRODUCTS, LICENSED METHODS and LICENSED INFORMATION, and all prior representations, agreements and understandings, written or oral, are merged into it and are superseded by this Agreement.

17.3. The provisions of this Agreement shall be deemed separable. If any part of this Agreement is rendered void, invalid, or unenforceable, such determination shall not affect the validity or enforceability of the remainder of this Agreement unless the part or parts which are void, invalid or unenforceable shall substantially impair the value of the entire Agreement as to either party.

17.4. Paragraph headings are inserted for convenience of reference only and do not form a part of this Agreement.

17.5. No person not a party to this Agreement, including any employee of any party to this Agreement, shall have or acquire any rights by reason of this Agreement. Nothing contained in this Agreement shall be deemed to constitute the parties partners with each other or any third party.

17.6. This Agreement may not be amended or modified except by written agreement executed by each of the parties. This Agreement is personal to LICENSEE and shall not be assigned by LICENSEE without the prior written consent of YALE; except that, subject to the conditions below, LICENSEE may assign the Agreement in the event of any CHANGE OF CONTROL without any written consent.

Prior to any assignment, the following conditions must be met:

(a) LICENSEE must give YALE reasonable written notice, but not less than Ten (10) business days, of the assignment, including the new assignee's contact information; and

(b) The new assignee must agree in writing to YALE to be bound by the Agreement; and

(c) The new assignee must provided representation in writing that it has financial resources of no less than One Million Dollars ($1,000,000.00) to commit to the development and commercialization of LICENSED PRODUCTS.

17.7. LICENSEE, or any SUBLICENSEE or assignee, will not create, assume or permit to exist any lien, pledge, security interest or other encumbrance on this Agreement or any sublicense.

17.8. The failure of any party hereto to enforce at any time, or for any period of time, any provision of this Agreement shall not be construed as a waiver of either such provision or of the right of such party thereafter to enforce each and every provision of this Agreement.

17.9. Neither Party shall be liable for delay or failure in the performance of any of its obligations hereunder if such delay or failure is due to causes beyond its reasonable control, including, without limitation, acts of God, fires, earthquakes, strikes and labor disputes, acts of war, terrorism, civil unrest or intervention of any governmental authority ("Force Majeure"); provided, however, that the affected Party promptly notifies the other Party and further provided that the affected Party shall use its reasonable best efforts to avoid or remove such causes of non-performance and to mitigate the effect of such occurrence, and shall continue performance with the utmost dispatch whenever such causes are removed. When such circumstances arise, the Parties shall negotiate in good faith any modifications of the terms of this Agreement that may be necessary or appropriate in order to arrive at an equitable solution.

17.10. This Agreement may be executed in any number of counterparts and any party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

IN WITNESS to their Agreement, the parties have caused this Agreement to be executed in duplicate originals by their duly authorized representatives.

YALE UNIVERSITY	HYGEIA THERAPEUTICS, INC.
By:/s/_____	By:/s/_____
E. Jonathan Soderstrom, Ph.D. Managing Director Officer of Cooperative Research	Name: Yael Schwartz, Ph.D. Title: President and CEO
Date:_____	Date:_____

Appendix A

LICENSED PATENTS

U.S. patent number 7,015,211 issued on March 21, 2006.

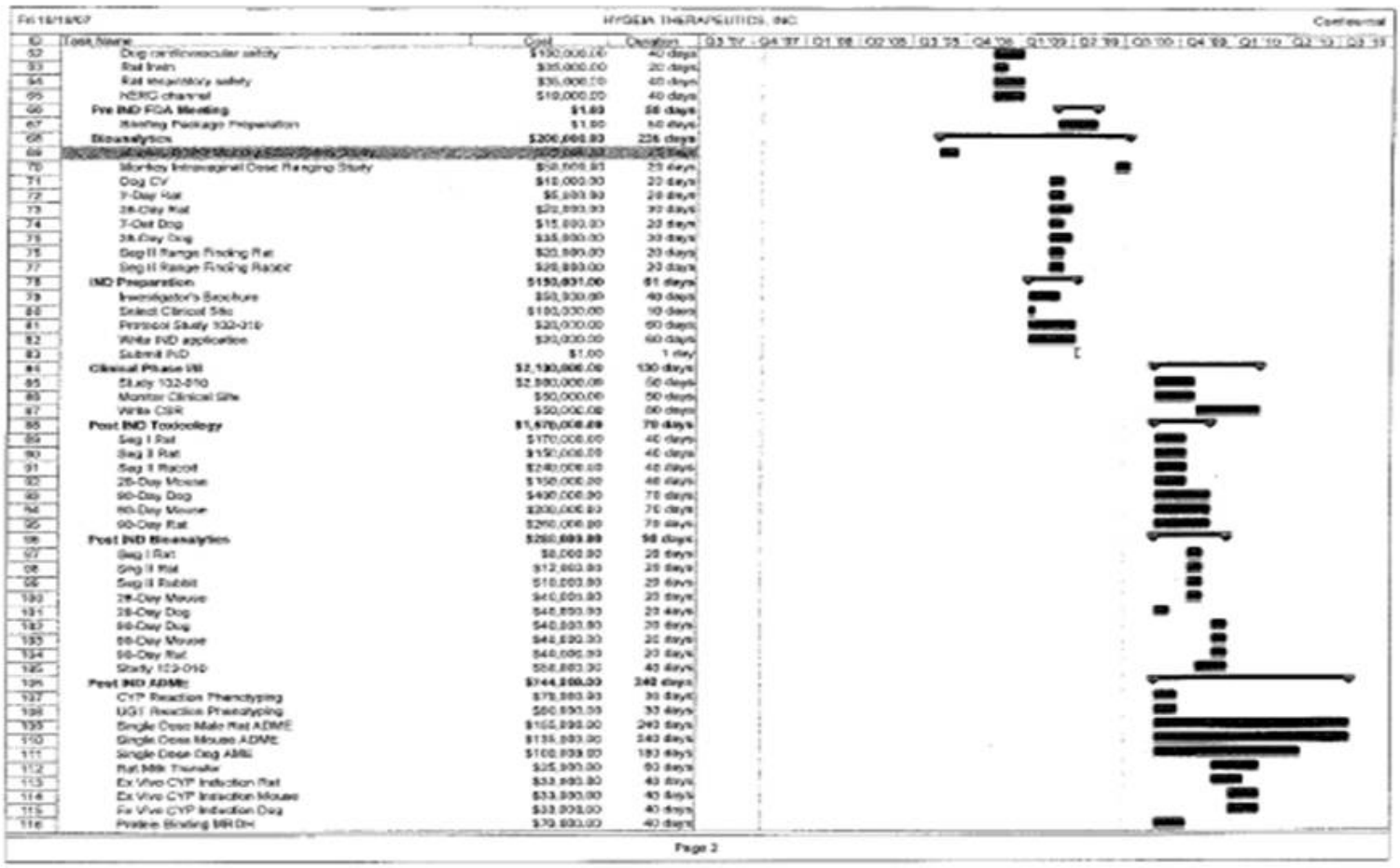
APPENDIX B

PLAN

Fri 10/19/07 — HYGEIA THERAPEUTICS, INC. — Confidential

ID	Task Name	Cost	Duration
0	**Hygeia Therapeutics Drug Development Plan**	**$11,649,592.00**	**778 days**
1	**Funding**	**$0.00**	**315 days**
3	Second Round	$0.00	40 days
4	**CDAs and MSAs**	**$0.00**	**20 days**
13	**API and Internal Standards Manufacturing**	**$3,585,900.00**	**375 days**
16	OHC-102 (1 kg batch)	$750,000.00	100 days
18	Radioactive OHC-102	$80,000.00	60 days
19	Clinical GMP Batch	$2,500,000.00	100 days
20	**Formulation Development & Manufacturing**	**$1,360,000.00**	**375 days**
23	Preclinical Intravaginal and Topical Formulation	$500,000.00	120 days
24	Clinical Intravaginal Formulation	$500,000.00	100 days
25	Clinical Topical Formulation	$250,000.00	100 days
26	**Bioanalytical Method Validation**	**$165,000.00**	**205 days**
28	GLP Mmkp Plasma	$25,000.00	70 days
29	GLP Mouse Plasma	$25,000.00	70 days
30	GLP Rat Plasma Method	$25,000.00	70 days
31	GLP Dog Plasma Method	$25,000.00	70 days
32	GLP Rabbit Plasma Method	$25,000.00	70 days
33	GLP Human Plasma Method	$25,000.00	70 days
35	**Metabolism**	**$165,000.00**	**250 days**
37	14C-Metabolite Profiling MIDH Hep and Mice	$45,000.00	90 days
38	Dermal ADME Profile in Mmkpn	$100,000.00	60 days
39	**Primary Pharmacology**	**$143,000.00**	**265 days**
41	Monkey Intravaginal Dose Ranging Study	$10,000.00	30 days
42	In Vitro and In Vivo Functional Activity	$15,000.00	45 days
43	Binding to SHBG	$5,000.00	10 days
44	**Secondary Pharmacology**	**$30,000.00**	**90 days**
46	**Pre-IND Toxicology**	**$611,500.00**	**180 days**
47	Ames	$6,500.00	15 days
48	Chorio Allo (in vitro)	$20,000.00	15 days
49	Mouse Micronucleus	$35,000.00	15 days
50	Photosensitivity in Guinea Pig	$15,000.00	10 days
51	Dermal Sensitization in Rabbits	$50,000.00	10 days
52	Dermal Tolerance in Rabbits	$50,000.00	10 days
53	Multiple Topical Dose Mmkpn	$100,000.00	40 days
54	Contact Sensitization in Guinea Pigs	$25,000.00	30 days
55	7-Day Rat	$40,000.00	15 days
56	28-Day Rat	$180,000.00	30 days
57	7-Day Dog	$40,000.00	15 days
58	28-Day Dog	$230,000.00	30 days
59	Seg II Range Finding Rat	$40,000.00	20 days
60	Seg II Range Finding Rabbit	$60,000.00	20 days
61	**Safety Pharmacology**	**$105,000.00**	**40 days**

Page 1


HYGEIA THERAPEUTICS, INC
Confidential
Page 2

FIRST AMENDMENT TO THE EXCLUSIVE LICENSE AGItEEMENT

THIS FIRST AMENDMENT TO THE EXCLUSIVE LICENSE AGREEMENT (this "Amendment") is entered into as of the date of final signature below (the "Effective Date"), by and between Yale University, a corporation organized and existing under and by virtue of a charter granted by the general assembly of the Cefony and State of Connecticut and located in New Haven, Connecticut ("YALE"), and Hygeia Therapeutics, Inc., a corporation organized and existing under the laws of the State of Delaware, and with principal offices located at 8 Canterbury Lane, Holden, MA 01520 ("LICENSEE").

RECITALS

Whereas YALE and LICENSEE are parties to the License Agreement, effective as of October 26th, 2007 (the "Agreement"), which sets forth the terms and conditions under which LICENSEE has rights to YALE's invention entitled "15a-Substituted Estradiol Carboxylic Acid Esters as Locally Active Estrogens (OCR #1400)".

Whereas YALE and LICENSEE desire to modify the Agreement, as set forth below,

Now therefore, in consideration of the mutual covenants and undertakings of the parties hereto, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, accepted and agreed to, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Amendment to Section 1.1. The following language is hereby substituted for the existing text of Section 1.1 of the Agreement:

"In the course of research conducted under YALE auspices, Dr. Richard B. Hochberg, in the Department of Obstetrics, Gynecology and Reproductive Sciences at YALE (the "INVENTOR"), has produced an invention entitled "15-a-Substituted Estradiol Carboxylic Acid Esters as Locally Active Estrogens (OCR #1400)" and an invention entitled "Estradiol 16-a-Carboxylic Acid Esters as Locally Active Estrogens (OCR #1151)", (lointly the "INVENTION')."

2. Amendment to Section 4.2 of the Agreement. The following language is hereby added to the existing text of Section 4.2 of the Agreement:

"For avoidance of doubt and for clarification purposes, it is agreed and understood that, to the extent that, any and all actions taken and completed by a SUBLICENSEE, including, without limitation, Articles 4 and 7 and the Due Diligence obligations, that are required of the LICENSEE and that are, in fact, performed by the SUBLICENSEE in compliance with the requirements of this Agreement, shall automatically, and without the requirement of any further act or deed fulfill, satisfy and complete the LICENSEE's obligations, solely with respect to such actions completed by the SUBLICENSEE, under this Agreement."

3. Amendment to Section 5.2. The following language is hereby added to the existing text of Section 5.2. of the Agreement:

"Within thirty (30) days after the Motive Date of the Amendment, LICENSEE agrees to pay to YALE Twenty-Two Thousand Two Hundred Forty-Six Dollars and Thirty-Seven Cents ($22,246.37) as reimbursement in full for all past patent expenses incurred by YALE for the invention entitled "Estradiol 16-a-Carboxylic Acid Esters as Locally Active Estrogens (OCR. #1 15 1)"."

4. With respect to Article 7 of the Agreement, YALE hereby acknowledges and agrees that, as of the Effective Date of this Amendment, Sections 7.1 and 7.2 have been satisfied by the LICENSEE in their entirety.

5. Amendment to Section 7.6(c) of the Agreement The following language is hereby subject to the existing text of Section 7.6(c) of the Agreement:

"LICENSEE has failed to initiate proof of concept studies in an established pre-clinical model (e.g., a primate model) within two (2) years of the Effective Date of this Amendment."

6. Amendment to Section 7.6(d) of the Agreement. The following language is hereby substituted for the existing text of Section 7.6(d) of the Agreement:

"LICENSEE has failed to have raised equity capital of no less than $1,000,000.00 within one (I) year of the Effective Date of this Amendment"

7. Amendment to Section 7.6(e) of the Agreement. The following language is hereby substituted for the existing text of Section 7.6(e) of the Agreement:

"LICENSEE has failed to file an IND for a LICENSED PRODUCT or LICENSED METHOD within four (4) years of the Effective Date of this Amendment.

8. Pursuant to the terms of Article 17.6 of the Agreement, YALE hereby consents to the proposed Series A Preferred Stock Financing and agrees that, as of the close of the Series A Preferred Stock Financing, the LICENSEE will be in compliance with the provisions of Article 17.6 of the Agreement.

9. As of the Effective Date, to YALE's knowledge, LICENSEE is not in breach of any terms of the Agreement, as currently amended.

10. Amendment Co Appendix A. The following language is hereby added to the existing test of Appendix A of the Agreement:

"U.S. patent number 6,476,012 issued on November 5, 2002."

11. Amendment to Appendix B. The revised Appendix B attached to this Amendment is hereby accepted by YALE and substituted for the Appendix B of the Agreement.

The Next Page is the Signature Page.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute this Amendment as of the Effective Date. This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original and shall collectively constitute one agreement.

YALE UNIVERSITY

By:/s/
Name: E. Jonathan Soderstrom
Title: Managing Director, OCR
Hereunto Duly Authorized

Date:

HYGEIA THERAPEUTICS, INC.

By:/s/
Name: Yael Schwartz, Ph.D.
Title: President and CEO
Hereunto Duly Authorized

Date:

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made effective as of September __, 2011 (the "Effective Date") by and between Hygeia Therapeutics, Inc., a Delaware corporation ("Hygeia") and Canterbury Laboratories, Inc., a Delaware corporation ("Canterbury"), each with an address of 8 Canterbury Lane, Holden, MA 01520.

WHEREAS, Hygeia and Yale University ("Yale") entered into that certain Exclusive License Agreement dated June 30, 2011 with respect to licensed products that are non-prescription products under US. patent 6,476,012 issued on November 5, 2002 with respect to Estradiol 16-a-Carboxylic Acid Esters as Locally Active Estrogens ("Licenser);

WHEREAS, with the prior written consent of Yale, Hygcia is entitled to assign its rights and obligations under the License;

WHEREAS, Hygeia desires to assign all of its rights and obligations under the License to Canterbury and Canterbury desires to assume such rights and obligations;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth below, the parties hereby agree to the terms set forth below.

(1) Effective as of the Effective Date, Hygeia assigns to Canterbury all of Hygeia's rights, title, interest, and obligations under the License and Canterbury assumes all of Hygeia's rights, title, interest, and obligations under the License, and Canterbury will, hereafter on a timely basis pay, perform and discharge all of the obligations associated with the License whether arising prior to, on, or after the Effective Date.

(2) Except for the assignment described herein, Hygeia has never assigned, pledged, hypothecated, or otherwise transferred any of its rights, title, interest, or obligations in or under the License to any other person or entity.

EXECUTED as of the Effective Date.

HYGEIA THERAPEUTICS, INC.

By:/s/
Yael Schwartz, Ph.D., President and CEO
Hereunto Duly Authorized

CANTERBURY LABORATORIES, INC.

By:/s/
Yael Schwartz, Ph.D., President and CEO
Hereunto Duly Authorized

Assented and Agreed to:
YALE UNIVERSITY

By:/s/
E Jonathan Soderstrom, Ph.D.
Managing Director
Officer of Cooperative Research
Hereunto Duly Authorized

EXHIBIT 10.6

SUBLICENSE AGREEMENT

THIS SUBLICENSE AGREEMENT ("Agreement") is made and entered into as of the 22nd day of March, 2012 ("Effective Date"), by and between Canterbury Laboratories, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware, together with its successors, assigns and affiliates and having its principal place of business at 8 Canterbury Lane, Holden, MA 01520 ("Canterbury:" or "Sub-Licensor") and Ferndale Pharma Group, Inc., a corporation duly organized and existing under the laws of the State of Michigan and having its principal place of business at 780 West Eight Mile Road, Ferndale, Michigan 48220 ("Sub-Licensee").

RECITALS

A. Hygeia Therapeutics, Inc. ("Hygeia") entered into a certain Exclusive License Agreement dated June 30, 2011, with Yale University (the "Yale License") for the research, development and commercialization of "Estradiol 16 — α — Carboxylic Acid Esters as Locally Active Estrogens" (the "Invention"). The Yale License provides, in part, that Hygeia, as the Licensee, may commercialize the Invention only for Licensed Licensed Products that are Non-Prescription Products, as defined in the Yale License. Following the execution and delivery of the Yale License, Hygeia established Canterbury and transferred the Yale License and all related liabilities and obligations to Canterbury in accordance with the terms and conditions of an Agreement and Plan of Reorganization and Separation dated and approved by Hygeia as of October 20, 2011, thus establishing Canterbury as a separate limited liability company and the holder of the Yale License. Accordingly, Canterbury replaced Hygeia as the Licensee, and Canterbury as the Licensee under the Yale License, now wishes to enter into this Agreement as the Sub-Licensor.

B. Subject to the terms and conditions of this Agreement and the Yale License, Sub-Licensor has agreed to sub-license to the Sub-Licensee an exclusive Sub-License to the Yale Patent (US 6,476,012) issued on November 5, 2002 (the "Yale Patent") in order to develop formulations and to manufacture, market and sell Non-Prescription Licensed Products for topical administration ("Licensed Products") through and within the Distribution Channel, as hereinafter defined, throughout the Territory as hereinafter defined. For clarification, Licensed Products in this Agreement has the same definition as Licensed Products in the Yale License.

C. The parties acknowledge and agree that this Agreement is subject to the terms and conditions of the Yale License, a redacted copy of which is annexed hereto as Exhibit A and made a part hereof. Capitalized terms not defined herein shall have the same meanings as set forth in the Yale License.

NOW, THEREFORE, for good and valuable consideration, including the representations, provisions, warranties, promises, covenants and agreements contained herein, the receipt and legal sufficiency of which is hereby acknowledged, accepted and agreed to, the parties, intending to be legally bound, hereby agree as follows:

1. **Sub-License**.

1.1 Subject to the terms and conditions of this Agreement and the Yale License, Sub-Licensor hereby sublicenses to Sub-Licensee the exclusive right to manufacture, have manufactured, use, market, have marketed, sell and have sold, import and export Licensed Products only through the Distribution Channel, in the Territory. For purposes of this Section 1.1 and this Agreement, the Distribution Channel means the direct sale of the Licensed Product(s) through the offices of surgeons, physicians and other health care providers that are located in the Territory (the "Distribution Channel").

1.2 Sub-Licensor retains the right to sub-license and grant other rights and licenses under the Yale License and Yale Patent which includes: (i) all patent applications which are renewals, divisions, continuations, continuations-in-part, substitutions, or additions of the Yale Patent to manufacture, have manufactured, use, market, have marketed, sell and have sold, import and export Licensed Product(s) in the Territory and outside of the Distribution Channel, For avoidance of doubt and clarification purposes, the Sub-Licensee acknowledges and understands that this Agreement is limited to the Sub-Licensee's manufacture and sale of the Licensed Product(s) only through the Distribution Channel in the Territory. Notwithstanding the foregoing, and in order to permit Sub-Licensee sufficient time to research, formulate and develop the Licensed Products for sale within the Distribution Channel, the Sub-Licensor agrees that it will not sell Licensed Products that it develops for a period of nine (9) months following the Effective Date of this Agreement.

1.3 For purposes of this Agreement: "Territory" means the world.

1.4 Subject to the terms of this Agreement and the Yale License, Sub-Licensee may sub-license the rights licensed under this Agreement with the prior written consent of Sub-Licensor, which consent shall not be unreasonably withheld. Subject to the terms of this Agreement and the Yale License, Sub-Licensee shall have the sole discretion to determine the financial and other terms on which any such sub-sub-license is granted. In connection with any such sub-sub-license, the Sub-Licensee shall remain responsible for the performance of all such sub-sub-licensee(s) under which any such sub-sub-license is granted as if such performance was carried out by the Sub-Licensee itself, including, without limitation, the payment of any royalties or other payments provided for hereunder. Sub-Licensee shall provide Sub-Licensor with a fully executed copy of each such sub-sub-license (and all amendments thereof) within five (5) days following execution of such sub-sub-license (or amendment thereof).

2. **Representations and Warranties of the Parties**.

(A) Sub-Licensor. Sub-Licensor represents and warrants to Sub-Licensee that:

2.1 Sub-Licensor is the exclusive licensee of all rights to the Yale Patent, has the right to enter into this exclusive sub-license to Sub-Licensee, and has not licensed the same right to develop, manufacture, have manufactured, use, market, have marketed, sell and have sold, import and export Licensed Products to any other person, firm or corporation in the Territory through the Distribution Channel.

2.2 By execution of this Agreement, Sub-Licensor is not violating any other agreements, rights or obligations existing between Sub-Licensor and any other person, firm, corporation or other entity.

2.3 There are no existing or, to it knowledge, threatened actions, suits or claims pending against Sub-Licensor with respect to Sub-Licensor' s right to enter into and perform its obligations under this Agreement.

2.4 Sub-Licensor is not aware (i.e. does not have actual knowledge) of any third party intellectual property rights that are infringed by the Yale Patent.

(B) **Sub-Licensee**. Sub-Licensee represents and warrants to Sub-Licensor that:

2.5 By execution of this Agreement, the Sub-Licensee is not violating any other agreements, rights or obligations existing between the Sub-Licensee and any other person, firm, corporation or other entity.

2.6 There are no existing or, to its knowledge, threatened actions, suits or claims pending against Sub-Licensee with respect to the Sub-Licensee's right to enter into and perform its obligations under this Agreement.

2.7 Sub-Licensee is not aware (i.e. does not have actual knowledge) of any third-party intellectual property rights that are infringed by intellectual property owned by the Sub-Licensee and utilized by the Sub-Licensee in connection with this Agreement.

3. **The Yale Patent**.

3.1 Except as specifically granted to Sub-Licensor pursuant to the Yale License, all rights, title and interest, in and to the Yale Patent, vests solely in Yale University.

3.2 All patents subsequently issued on improvements to the Yale Patent received or reduced to practice during the term of this Agreement or thereafter, which are included in the Yale Patent by Yale University in its discretion and which become the exclusive property of Sub-Licensor, shall be subject to this Agreement and sub-licensed to the Sub¬Licensee during the Term of this Agreement, to manufacture, have manufactured, use, market, have marketed, sell and have sold, import and export Licensed Product(s) through the Distribution Channel and in the Territory under the terms of and during the Term of this Agreement.

3.3 Sub-Licensor shall, at its sole cost and expense, maintain and keep enforceable the Yale Patent in the Territory during the Term of this Agreement. Sub-Licensor shall, without further consideration and at no expense to Sub-Licensee, and at the reasonable request of Sub-Licensee, do all reasonable acts necessary to obtain, sustain, reissue, extend, defend, and enforce the Yale Patent, other rights and any other letters based on the Yale Patent and to the extent necessary, the Sub-Licensee shall co-operate with the Sub-Licensor in such efforts.

3.4 Sub-Licensor shall not, during the Term of this Agreement and subject to the terms of the Yale License, abandon the Yale Patent without first consulting with Sub-Licensee and obtaining Sub-Licensee's prior written consent for such abandonment, not to be unreasonably withheld, unless voluntarily abandonment is in favor of a subsequent patent application claiming the subject matter of the proposed abandoned application and the patentability of the subject matter is not negatively affected.

3.5 During the Term of this Agreement and subject to the Yale License, Sub-Licensor shall not sub-license to any other person, firm or corporation any right, license, or privilege under the Yale Patent as it relates to the Invention to manufacture, have manufactured, use, market, have marketed, sell, have sold, import or export the Licensed Product(s) through the Distribution Channel in the Territory; but Sub-Licensor may, in its sole discretion, enter into any agreement(s) for the sale of the Licensed Product(s) outside of the Distribution Channel throughout the Territory. Sub-Licensor acknowledges and agrees that so long as Sub-Licensee has the expertise, capability and capacity to formulate and manufacture the Licensed Products and is competitively priced, Sub-Licensor will for its own account, contract with Sub-Licensee for the formulation and manufacture of the Licensed Products.

4. **Information**.

4.1 Sub-Licensor shall, at Sub-Licensee's request, furnish to Sub-Licensee or its nominees, all information and documents in Sub-Licensor's possession which are necessary to commercialize the Licensed Product(s) through the Distribution Channel in the Territory.

4.2 Sub-Licensee shall, within thirty (30) days, following the conclusion of each calendar quarter with respect to sales made within the United States and sixty (60) days following the conclusion of each calendar quarter for sales made outside of the United States, furnish to Sub-Licensor, its nominees or designees, all information and documents which are necessary to calculate royalty and other amounts to be paid pursuant to this Agreement; and together with such reports and information, pay to Sub-Licensor, all royalty and other amounts then due; or confirming that no royalty and other payments are then due and payable for that applicable quarterly reporting period.

4.3 Confidential Information exchanged between the parties in connection with this Agreement, including the terms of this Agreement, are governed by the Confidentiality Agreement, of even date attached hereto as Exhibit B.

5. **Use Fees, Royalties and Milestone Payments**.

5.1 Sub-Licensee shall pay to Sub-Licensor the following amounts: (i) a country by country use fee as set forth and payable in accordance with Subsection 5.1.c ("Use Fee"), (ii) Milestone Payments in accordance with Section 5.2 and (iii) royalty payments in the following amounts:

5.1.a Ten (10.0%) percent of Net Sales of Licensed Products sold by Sub-Licensor or its sub-sub-licenses within the Territory where the Yale Patent is valid and in force; and

5.1.b Four and One-Half (4.5%) percent of Net Sales of Licensed Products sold within the Territory when the Yale Patent has expired and Two (2.0%) percent of Net Sales of Licensed Products sold within the Territory by Sub-Licensor or its sub-sub-licenses when the Yale Patent has been held invalid by final judgment of a court of competent jurisdiction.

5.1.c A Use Fee shall be paid by the Sub-Licensee as follows:

(i) One Hundred Thousand ($100,000) Dollars payable within thirty (30) days following the first commercial sale of a Licensed Product in the United States and Canada;

(ii) Twenty Thousand ($20,000) Dollars payable within thirty (30) days following the first commercial sale of a Licensed Product in each of the following countries: (a) Germany, (b) France, (c) United Kingdom, (d) Japan and (e) Brazil; and

(iii) Any license fees received by Sub-Licensee from a distributor or other comparable party during the Term shall be divided equally, between Sub-Licensee and Sub-Licensor, and Sub-Licensee shall pay the Sub-Licensor its fifty (50%) percent share when received by Sub-Licensee.

5.2 Sub-Licensee shall pay to Sub-Licensor the following additional milestone payments on a country by country basis:

5.2.1 One Hundred Thousand ($100,000) Dollars at such time as the trailing twelve (12) months of Net Sales in any country in the Territory first exceeds One Million ($1,000,000) Dollars;

5.2.1 Two Hundred Thousand ($200,000) Dollars at such time as the trailing twelve (12) months of Net Sales in any country in the Territory first exceeds Five Million ($5,000,000) Dollars; and

5.2.1 Four Hundred Thousand ($400,000) Dollars at such time as the trailing twelve (12) months of Net Sales in any country in the Territory first exceeds Ten Million ($10,000,000) Dollars.

For purposes of this Section 5.2, the United States and Canada shall be considered and calculated as one (1) country.

5.3 “Net Sales” is defined for the purpose of this Section 5.3 as the gross amounts actually received by Sub-Licensee and its sub sub-licensees, affiliates and assigns during the Term of this Agreement (or longer periods if Licensed Product(s) continue to be sold), for the sale of Licensed Products less the following amounts: (i) discounts, including cash discounts, wholesaler discounts, discounts to managed care or similar organizations or government organizations, rebates paid, credited, accrued or actually taken, including government rebates such as Medicaid charge backs or rebates, and retroactive price reductions or allowances actually allowed or deducted from the billed amount; (ii) credits or allowances actually paid upon claims, rejections or returns of such sales of Licensed Product, including recalls, regardless of the party requesting the claim, rejection, or return; (iii) separately itemized freight, postage, packaging, shipping and insurance charges paid for delivery of such Licensed Product and (iv) taxes, duties, or other governmental charges levied on or measured by the invoiced amount for the Licensed Product, whether absorbed by the billing party or the billed party and separately stated on the invoice; provided, however, that under no circumstances shall the deductions under this Section 5.3 exceed seven and one-half percent (7.5%) percent of the gross amount actually received. For mathematical illustration purposes only, if the gross amount received by the Sub-Licensee in any applicable period is Five Hundred Thousand ($500,000) Dollars, then the Net Sales cannot, under any circumstances, be less than Four Hundred Sixty Two Thousand Five Hundred ($462,500) Dollars. No deductions shall be made for any other costs or expenses, including but not limited to commission to independent agents or those of Sub-Licensee’s or an affiliate’s or for the cost of collection.

5.4 **Purchase of Raw Material**. Sub-Licensee shall purchase and Sub-Licensor shall supply all of Sub-Licensee's required supply of CL 214 consistent with purchase orders submitted and at Sub-Licensor's cost of CL-214 and directly related costs and expenses. Following the Effective Date, the parties shall negotiate and enter into a mutually satisfactory Supply Agreement on then commercially reasonable terms and conditions.

6. **Payment of Royalties**.

6.1 Sub-Licensee and sub-sub-licensees, affiliates, successors and assigns shall keep accurate records of all sales of Licensed Product, shall render written statements thereof to Sub-Licensor within thirty (30) days after the end of each calendar quarter with respect to sales made in the United States and sixty (60) days with respect to sales made outside of the United States during the term of this Agreement (or longer periods if Licensed Product(s) continue to be sold), and shall pay to Sub-Licensor with each such statement the amount of all royalties earned during the applicable calendar quarter. The written statements will provide details of gross and Net Sales by country, by Licensed Product and by package, including an itemized listing of any deductions taken and the basis for the same. The written statements shall be mailed (via certified mail, return receipt requested) to Sub-Licensor at the addresses indicated above or sent by electronic mail at yael_schwartz@canterbury-labs.com, or in either case, to such other address as Sub-Licensor shall direct by written notice to Sub-Licensee. Sub-Licensee shall impose the same reporting requirements upon its sub-sub-licensees, affiliates, successors and assigns, except that the information shall be determined by sub-sub-licensees, affiliates, successors and assigns within twenty (20) days from the end of each calendar quarter so that Sub-Licensee may pay the royalties earned on sales by sub sub-sub-licensees, affiliates, successors and assigns, simultaneously with Sub-Licensee's royalties. Payment of royalties and license fees shall be made by checks, or wire transfers in United States Dollars, payable to Sub Licensor at address or bank account number provided in writing to Sub-Licensee. Sub-Licensee agrees, upon written request by Sub-Licensor, to promptly make available to an accountant or firm retained at Sub-Licensor' s expense all books and records necessary to calculate the royalties due in accordance with this Agreement. Sub-Licensor has the right to audit the records of the Sub-Licensee at the reasonable convenience of the Sub-Licensee and only upon at least fifteen (15) days prior written notice. Further, the Sub-Licensee acknowledges and accepts the reporting obligations imposed on the Sub-Licensor by Article 9 of the Yale License; and accordingly, the Sub-Licensee agrees that it will, and will cause it sub-sub-licensees, agents, contractors and distributors to strictly comply with all of the provisions of Article 9 of the Yale License so that the Sub-Licensor can, in turn, comply with the provisions of Article 9 of the Yale License.

6.2 All royalties and other payments due under this Agreement shall be paid to Sub-Licensor in United States Dollars. In the event that conversion from foreign currency is required in calculating a royalty payment under this Agreement, the exchange rate used shall be the Interbank rate quoted by Citibank at the end of the last business day of the quarter in which the royalty was earned. If overdue, the royalties and any other payments due under this Agreement shall bear interest until payment at a per annum rate two (2.%) percent above the prime rate in effect at Citibank on the due date and Sub-Licensor shall be entitled to recover reasonable attorneys' fees and costs related to the administration or enforcement of this Agreement, including collection of royalties or other payments, following such failure to pay. The payment of such interest shall not foreclose Sub-Licensor from exercising any other right it may have as a consequence of the failure of Sub-Licensee to make any payment when due.

7. **Term and Termination**.

7.1 This Agreement and the rights licensed hereunder shall commence on the Effective Date and, unless earlier terminated pursuant to this Agreement or the Yale License, shall continue in full force and effect until the last of the claims in the Yale Patent expires, lapses or is declared to be invalid by a non-appealable decision of a court of competent jurisdiction through no fault or cause of the Sub-Licensee, or such longer period if the Sub-Licensee continues to sell Licensed Product(s) after the last claims in the Yale Patent expire or are declared invalid (the "Term"). All Licensed Product held by Sub-Licensee or a sub-sub-licensee as of such date may be sold by such party in accordance with the terms of this Agreement, including specifically, Section 7.5 hereof.

7.2 Upon any breach or default under this Agreement, the non-breaching party may terminate this Agreement by providing thirty (30) days' prior written notice to the breaching party. Said termination shall become effective at the end of such thirty (30) day period unless, during said period, the breaching party cures such defect or default to the reasonable satisfaction of the non-breaching party.

7.3 Either party may immediately terminate this Agreement if the other party is adjudicated a bankrupt or becomes insolvent, or enters into a composition with creditors, or if a receiver is appointed for it. Further, Sub-Licensee shall have the right to terminate this Agreement upon ninety (90) days prior written notice to the Sub-Licensor, and upon the expiration of the aforesaid ninety (90) days period this Agreement shall terminate and be null and void except for those provisions that survive in accordance with their terms. If any inventory remains at the conclusion of said ninety (90) day period, Sub-Licensee may continue to sell Licensed Product in accordance with Section 7.5 hereof.

7.4 Upon termination of this Agreement for any reason: (a) Sub-Licensee shall fully account for, and pay to, Sub-Licensor all royalties within sixty (60) days of such termination (or sixty (60) days after the date of sale of Licensed Product(s) if the sale occurs after the date of termination); and (b) Sub-Licensee shall immediately transfer to Sub-Licensor: (i) copies of all information, reports, submissions and data relating to the Licensed Products and generated by Sub-Licensee during the term of this Agreement (except for certain information, reports, submissions and data Sub-Licensee is obligated to maintain under applicable law) and (ii) all rights which Sub-Licensee may possess under this Agreement and all rights licensed to Sub-Licensee pursuant to this Agreement shall immediately terminate and thereafter, be of no further force or effect.

7.5 Notwithstanding Section 7.4 hereof, upon termination or expiration of this Agreement for any reason, Sub-Licensee and its sub sub-licensees, affiliates, distributors, agents and wholesalers shall, without restriction, and in their sole discretion, have the right, subject to the terms of this Agreement, to market and sell Licensed Product(s) remaining in their inventory. Any and all royalty payments due Sub-Licensor shall be made pursuant to Section 5. Any sub-sub-licenses shall automatically terminate and be null and void upon the expiration or termination of this Agreement.

8. **Infringement**.

8.1 Defense. Notwithstanding any other provision herein, Sub-Licensor shall have the obligation, to defend, at its own expense, all infringement suits that may be brought against Sub-Licensee or its sub sub-licensees based on or related to the manufacture, use, or sale of the Licensed Product(s) based on or using the Yale Patent pursuant to this Agreement. For avoidance of doubt, Sub-Licensee shall not alter or change the Licensed Product. Sub-Licensor's indemnity obligations of every nature and kind pursuant to this Section 8.1 are capped at a maximum of One Million (US $1,000,000) Dollars.

8.2 Prosecution. Notwithstanding any other provision herein, in the event any information is brought to the attention of Sub-Licensor that others without benefit, rights or license are infringing any of the rights licensed pursuant to this Agreement, Sub-Licensor shall have the obligation, at its own expense, to diligently prosecute all such infringers. In any of the foregoing suits, Sub-Licensee may, at Sub-Licensee's expense, be represented by counsel of its own choice.

8.3 Notice. In the event any party learns of facts that might reasonably result in a lawsuit involving the Yale Patent, the Licensed Product(s) and/or this Agreement, such party shall promptly notify the other party to this Agreement.

9. **Indemnity**. Sub-Licensee shall defend, indemnify and hold Sub-Licensor (and its directors, officers, medical and professional staff, employees and agents) and their respective successors, heirs and assigns harmless from and against all costs, liabilities, damages, expenses, and losses (including reasonable attorney fees and costs) incurred through claims, suits, actions, demands, or judgments of third parties against Sub-Licensor based on the fault of Sub-Licensee, any agent, servant, employee or contractor nor any party acting for or on behalf of the Sub¬Licensee in the manufacture, use and/or sale of the Licensed Products. Sub-Licensor shall defend, indemnify and hold Sub-Licensee and its affiliates, directors, officers, medical and professional staff, employees and agents and their respective successors, heirs and assigns harmless against all costs, liabilities, damages, expenses, and losses (including reasonable attorney fees and costs) incurred through claims, suits, actions, demands, or judgments of third parties against Sub-Licensee based on the infringement, misappropriation or impairment of or damage to any third party's intellectual property rights arising out of Sub-Licensee's exercise of the fights licensed under this Agreement. Nothing herein is intended to relieve any party from liability for its own act, omission or negligence. No party shall have any liability to another party for consequential, lost profits, speculative or punitive damages of the other party. For avoidance of doubt, the preceding sentence shall not apply with respect to indemnity obligations in respect of claims of third parties.

10. **Insurance**. Sub-Licensee shall, throughout the Term of this Agreement commencing as of the Effective Date, obtain and maintain at its own cost and expense from a qualified insurance company licensed to do business in the states and countries where Sub¬Licensee sells Licensed Product(s) and reasonably acceptable to the Sub-Licensor, standard product liability insurance and such other insurances as are required by Section 14.4 of the Yale License, the provisions of which are incorporated herein and made a part hereof. As of the Effective Date, Sub-Licensee shall furnish Sub-Licensor with a certificate of insurance evidencing such coverage, and in no event shall Sub-Licensee manufacture, distribute, or sell the Licensed Product(s) prior to obtaining such insurance and delivering the certificate of insurance to the Sub-Licensor.

11. **Notices**. Any notice or payment required under this Agreement shall be in writing and addressed to the parties at their addresses first above written. Any party may change the address to which notices shall be given by notice in writing. Any notice to the Sub-Licensor shall require a copy, which shall not constitute notice, to Rubin and Rudman LLP, 50 Rowes Wharf, 3rd Floor Boston, MA 02110, attention: Peter B. Finn, Esquire. All notices may be delivered personally in part by reputable overnight courier with written verification of receipt or by registered or certified mail first class United States Mail, postage prepaid, return receipt requested and shall be effective upon receipt.

12. **Assignment**. The parties shall not have the right to assign this Agreement, or any rights licensed hereunder, without the prior written consent of the other party (such consent not to be unreasonably withheld); provided that, Sub-Licensee may assign this Agreement or any rights licensed hereunder, to any of its affiliates without the consent of the Sub-Licensor, provided such affiliate agrees in writing to be bound by the terms and conditions of this Agreement. Notwithstanding the foregoing, either party may transfer its rights, duties and privileges under this Agreement and assign this Agreement in connection with a merger or consolidation with another person or firm in which it is not the surviving entity or in connection with the sale of all or substantially all of its assets or securities or in connection with any business combination in which the party is not the surviving entity, provided that such person or firm shall first have agreed with Sub-Licensor or Sub-Licensee, as the case may be in writing to perform the transferring party’s obligations and duties hereunder and further, that it has the management team and financial capacity to commit to the development and commercialization of the Licensed Product(s).

13. **Binding Effect**. This Agreement shall inure to the benefit of and be binding upon the parties and their respective heirs, representatives, successors and assigns, but nothing contained in this paragraph shall be deemed to license a right to make assignments other than as is above provided.

14. **Governing Law**. Any matters arising out of or related to this Agreement, and any other dispute shall be governed by the substantive laws of the State of New York, without regard to its conflicts of law principles. Any dispute shall be brought in the appropriate courts of competent jurisdiction in New York City, New York.

15. **Complete Agreement**. This Agreement, including its attached Exhibits, contains the entire agreement between the parties regarding its subject matter and supersedes all previous agreements and negotiations.

16. **Amendment**. None of the terms of this Agreement shall be amended or modified except in a writing signed and delivered by the parties.

17. **Counterparts**. This Agreement may be executed in counterparts and each counterpart shall be deemed an original hereof and together shall constitute one (1) agreement.

18. **Waiver**. No action of a party or failure of a party to take any action or assert any right hereunder shall be deemed to be a waiver of such right in the event the continuance or repetition of the circumstances giving rise to such right in the absence of a signed writing to the contrary.

19. **Cumulative Remedies**. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any right and remedies otherwise available at law or in equity.

20. **Headings**. Article and section headings in this Agreement are included for convenience of reference only, and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

21. **Independent Contractor Relationship**. Sub-Licensor and Sub-Licensee are acting solely as independent contractors and nothing in this Agreement shall be construed to create a partnership or joint venture, principal/agent, employer/employee or other fiduciary relationship. No party has the power or authority to act for, bind or commit any other party in any way. No party is authorized to make any statement, claims, representation or warranties, or to act on behalf of another party, except as specifically authorized in writing by the other.

22. **Survival of Sections**. Sections 7.4, 8, 9, 14 and 19 shall be in force during the Term of this Agreement and any extension hereof and shall survive termination or expiration (as the case may be) of this Agreement and shall remain in full force and effect. The provisions of this Agreement which do not survive termination or expiration hereof (as the case may be) shall nonetheless be controlling on, and shall be used in construing and interpreting the rights and obligations of the parties hereto with regard to any dispute, controversy or claim which may arise under, out of, in connection with, or relating to this Agreement.

23. **Representations and Warranties**. In addition to the representations and warranties made by the parties in Article 2 hereof, the undersigned each represent and warrant to the other that:

23.1 The parties hereto are each a corporation or limited liability company duly organized, validly existing and in good standing under the laws of their respective state(s) of incorporation or formation, that each has the corporate power and authority to enter into this Agreement and all documents and agreements in connection with this Agreement and to consummate the transactions contemplated hereby and thereby.

23.2 The undersigned signatories to this Agreement warrant and represent that they are authorized, directed and empowered to act for on behalf of said entities in executing this Agreement as authorized corporate officers.

23.3 The execution, delivery and performance of this Agreement and all other documents and agreements to be executed, delivered or performed by either party in connection with this Agreement, have been duly authorized, and no further corporate action will be necessary to make them valid and binding upon the parties.

23.4 The execution, delivery and performance of this Agreement and all other documents and agreements to be executed, delivered or performed by the parties in connection with this Agreement will not:

23.4.1 Constitute a breach or a violation of that party's Articles of Incorporation, Certificate of Formation, Bylaws, corporate or company resolutions or of any law, rule or regulation, contract, agreement or other instrument to which either party is a party or by which it is bound;

23.4.2 Constitute a violation of any order, judgment or decree to which either party is a party or by which any of its assets or properties is bound or affected; and

23.5 The parties will not create, assume or permit to exist any lien, pledge, security interest or other encumbrance on this Agreement, the Sub-License or any sub-sub-license.

24. **Intellectual Property**.

24.1 It is agreed and understood that each party owns or shall own all rights, title and interest in and to its respective background technology, including all associated intellectual property.

24.2 As to the Licensed Product(s):

(i) Sub-Licensor owns all rights, title and interest, including all associated intellectual property in and to all technology made, conceived, developed, invented or reduced to practice, patentable or not, by either party independently or jointly developed pursuant to or in contemplation of this Agreement that constitutes an improvement, enhancement or discovery to any of the Sub-Licensor' s background technology, intellectual property or the Yale Patent. All test results, data, information and the like created or developed pursuant to the Exclusive Development Collaboration Agreement by and between the parties dated as of March 28, 2011 shall belong to the Sub-Licensor.

(ii) To the extent that the Sub-Licensee acquires, owns or purports to own any ownership rights or intellectual property in and to any of the Sub-Licensor' s owned technology, background technology, intellectual property or the Yale Patent, as a result of Sub-Licensee's performance of its obligations under this Agreement or developed in contemplation of this Agreement, Sub-Licensee hereby irrevocably agrees to assign and transfer, without any fee, cost or consideration to Sub-Licensor all of its worldwide rights, title and interest in and to such Sub-Licensee owned or claimed technology, including all intellectual property rights associated therewith.

(iii) For avoidance of doubt, it is agreed and understood that any jointly developed technology or jointly developed intellectual property shall be owned by Sub-Licensor; and Sub-Licensee hereby agrees to assign, and does hereby assign, without any additional cost, charge or fee all of its right, title and interest in and to such jointly developed technology or jointly developed intellectual property to Sub-Licensor in accordance with this Section 24. The Sub-Licensee agrees that it will, and will promptly cause all of its employees, advisors, consultants and contractors to execute when presented, whether during the Term or at any time thereafter, without any additional cost, charge, fee or consideration, all documents, agreements, applications and instruments and perform all lawful acts which the Sub-Licensor considers necessary or advisable to secure its rights hereunder and to carry the intent of this Section 24.

24.3 Upon termination of this Agreement by Sub-Licensor or by Sub-Licensee because Sub-Licensee has decided to abandon efforts to develop and commercialize the Licensed Product(s), Sub-Licensee shall permit Sub-Licensor and its future sub-licensees to utilize, reference and otherwise have the benefit of all regulatory approvals of, or clinical trials or other studies conducted on, and all filings made with regulatory agencies with respect to, the Licensed Product(s). In addition, at Sub-Licensor' s request, Sub-Licensee shall deliver to Sub-Licensor all records required by regulatory authorities to be maintained with respect to the sale, storage, handling, shipping and use of the Licensed Product(s), all reimbursement approval files, all documents, data and information related to clinical trials and other studies of Licensed Product(s), any other data, techniques, know-how and other information developed or generated that relate to the Licensed Product(s), and all copies and facsimiles of such materials, documents, information and files.

The Next Page is the Signature Page.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed as of the Effective Date.

CANTERBURY LABORATORIES, LLC

By:/s/_____
Yael Schwartz, Ph.D.
President and CEO
Hereunto Duly Authorized

FERNDALE LABORATORIES, INC.

By:/s/_____
Michael J. Burns, Ph.D
President and COO
Hereunto Duly Authorized

EXHIBIT A

YALE LICENSE

EXCLUSIVE LICENSE AGREEMENT

THIS EXCLUSIVE LICENSE AGREEMENT (the "Agreement") by and between YALE UNIVERSITY, a corporation organized and existing under and by virtue of a charter granted by the general assembly of the Colony and State of Connecticut and located in New Haven, Connecticut ("YALE"), and Hygeia Therapeutics, Inc., a corporation organized and existing under the laws of the State of Delaware, and with principal offices located in Holden, MA ("LICENSEE") is effective as of the date of final execution of this Agreement ("EFFECTIVE DATE").

ARTICLE 1. BACKGROUND

1.1 In the course of research conducted under YALE auspices, Dr. Richard B. Hochberg, in the Department of Obstetrics, Gynecology and Reproductive Sciences at YALE (the "INVENTOR"), has produced an invention entitled "Estradiol 16-α-Carboxylic Acid Esters as Locally Active Estrogens (OCR #1151)" (the "INVENTION").

1.2 INVENTOR has assigned to YALE of all INVENTOR' s right, title and interest in and to the INVENTION and any resulting patents.

1.3 LICENSEE has previously entered into an Exclusive License Agreement with YALE effective as of October 26th, 2007, and subsequently amended as of March 26, 2010 for the purpose of commercializing the INVENTION for LICENSED PRODUCTS that are PRESCRIPTION PRODUCTS only (the "RX AGREEMENT").

1.4 YALE and LICENSEE hereby agree that this Agreement is the sole Agreement between the parties pertaining to any LICENSED PRODUCT that is a NON-PRESCRIPTION PRODUCT as defined herein. Further, the parties agree that, as of the EFFECTIVE DATE of this Agreement, the RX AGREEMENT shall no longer grant any rights to any LICENSED PRODUCT that is a NON-PRESCRIPTION PRODUCT, as defined herein.

1.5 YALE wishes to have the INVENTION and any resulting patents commercialized to benefit the public good.

1.6 LICENSEE has represented to YALE to induce YALE to enter into this Agreement that it shall act diligently to develop and commercialize the LICENSED PRODUCTS for public use throughout the LICENSED TERRITORY (as defined below).

1.7 YALE is willing to grant a license to LICENSEE, subject to the terms and conditions of this Agreement.

1.8 In consideration of these statements and mutual promises, YALE and LICENSEE agree to the terms of this Agreement.

ARTICLE 2. DEFINITIONS

The following terms used in this Agreement shall be defined as set forth below:

2.1 "AFFILIATE" shall mean any entity or person that directly or indirectly controls, is controlled by or is under common control with LICENSEE. For purposes of this definition, "control" means possession of the power to direct the management of such entity or person, whether through ownership of more than fifty percent (50%) of voting securities, by contract or otherwise.

2.2 "CONFIDENTIAL INFORMATION" shall mean all information disclosed by one party to the other during the negotiation of or under this Agreement in any manner, whether orally, visually or in tangible form, that relates to LICENSED PATENTS or the Agreement itself, unless such information is subject to an exception described in Article 8.2. CONFIDENTIAL INFORMATION that is disclosed in tangible form shall be marked "Confidential" at the time of disclosure and CONFIDENTIAL INFORMATION that is disclosed orally or visually shall be identified as confidential at the time of disclosure and subsequently reduced to writing, marked confidential and delivered to the other party within thirty (30) days of such disclosure. CONFIDENTIAL INFORMATION shall include, without limitation, the following, whether or not patentable: materials, know-how and data (whether technical or non¬technical), trade secrets, inventions, methods and processes. Notwithstanding any other provisions of this Article 2.2, CONFIDENTIAL INFORMATION of LICENSEE that is subject to Article 8 of this Agreement is limited to information that LICENSEE supplies pursuant to LICENSEE' s obligations under Articles 7 and 9 of this Agreement, unless otherwise mutually agreed to in writing by the parties.

2.3 "CHANGE OF CONTROL" shall mean: (a) any consolidation, merger, combination, reorganization or other transaction in which LICENSEE is not the surviving entity, (b) the shares of stock of LICENSEE constituting in excess of fifty (50%) of the voting power of LICENSEE are exchanged for or changed into other stock or securities, cash, and/or any other property, or (c) a sale or other disposition of all or substantially all of the assets of LICENSEE.

2.4 "EARNED ROYALTY" is defined in Article 6.1.

2.5 "EFFECTIVE DATE" is defined in the introductory paragraph of this Agreement.

2.6 "FIELD" shall mean all uses, including without limitation, the prevention and treatment of any and all diseases or conditions in mammals.

2.7 "FIRST SALE" shall mean the first sale to a third party of any LICENSED PRODUCT or LICENSED METHOD in any country.

2.8 "INVENTION" and "INVENTOR" are defined in Article 1.1.

2.9 "INSOLVENT" shall mean that LICENSEE: (i) has ceased to pay its debts in the ordinary course of business,, (ii) has current assets that are insufficient to pay its current obligations, (iii) is insolvent as defined by the United States Federal Bankruptcy Law, as amended from time to time or (iv) has commenced bankruptcy, reorganization, receivership or insolvency proceedings, or any other proceeding under any Federal, state or other law for the relief of debtors.

2.10 "LICENSE" refers to the license granted under Article 3.1.

2.11 “LICENSED METHODS” shall mean any method, use, procedure, service or process the practice of which, in the absence of a license from YALE, would infringe a VALID CLAIM of a LICENSED PATENT or which uses a LICENSED PRODUCT.

2.12 “LICENSED PATENTS” shall mean the United States or foreign patent application(s) and patents(s) listed in Appendix A and owned by YALE during the TERM of this Agreement, together with any continuations, divisionals, and continuations-in-part, to the extent the claims of any such patent or patent application are directed to subject matter specifically described in the patent applications listed on Appendix A; any reissues, re-examinations, or extensions thereof, or substitutes therefor; and the relevant international equivalents of any of the foregoing. Appendix A is incorporated into this Agreement.

2.13 “LICENSED PRODUCTS” shall mean any NON-PRESCRIPTION PRODUCT (including any apparatus or kit) or component part thereof, the manufacture, use or sale of which, in the absence of a license from YALE, would infringe a VALID CLAIM of a LICENSED PATENT.

2.14 “LICENSED TERRITORY” shall mean worldwide. 2.15.

2.15 “NET SALES” shall mean:

(a) gross invoice price from the sale, lease or other transfer or disposition of the LICENSED PRODUCTS or LICENSED METHODS, or from services performed using LICENSED PRODUCTS or LICENSED METHODS, by LICENSEE, SUBLICENSEES or AFFILIATES to third parties, except as set forth in Article 2.17(b), less the following deductions, provided they actually pertain to the disposition of the LICENSED PRODUCTS or LICENSED METHODS and can be demonstrably accounted for:

(i) all discounts, credits, rebates, chargebacks and allowances;

(ii) transportation and insurance;

(iii) duties, taxes and other governmental charges levied on the sale, transportation or delivery of LICENSED PRODUCTS or practice of the LICENSED METHODS, but not including income taxes; and

(iv) the return of LICENSED PRODUCTS and bad debt deductions, provided such deductions shall not exceed five percent (5%) of amounts invoiced as described in 2.15 (a).

No deductions shall be made for any other costs or expenses, including but not limited to commissions to independents, agents or those on LICENSEE’s, SUBLICENSEE’s or an AFFILIATE’s payroll or for the cost of collection.

(b) “NET SALES” shall not include the gross invoice price for LICENSED PRODUCTS or LICENSED METHODS sold to, or services performed using LICENSED PRODUCTS or LICENSED METHODS for, any AFFILIATE unless such AFFILIATE is an end-user of any LICENSED PRODUCT or LICENSED METHOD, in which case such consideration shall be included in NET SALES at the average selling price charged to a third party during the same quarter.

2.16 “NON-PRESCRIPTION PRODUCT” shall mean any product which does not require approval or registration of the product as a prescription therapeutic or prophylactic drug by the U.S. FDA, or comparable regulatory authority in any other country, before it can be used by, or marketed to, or sold to consumers.

2.17 “PRESCRIPTION PRODUCT” shall mean any product which requires approval or registration of the product as a prescription therapeutic or prophylactic drug by the U.S. FDA, or comparable regulatory authority in any other country, before it can be used by, or marketed to, or sold to consumers.

2.18 “REASONABLE COMMERCIAL EFFORTS” shall mean documented efforts that are consistent with those generally utilized by companies of similar size and type that have successfully developed products and services similar (meaning products that are similar with respect to the stage of development, patent coverage, sales potential and safety and efficacy profile) to LICENSED PRODUCTS and LICENSED METHODS. In determining REASONABLE COMMERCIAL EFFORTS with respect to a particular LICENSED PRODUCT or LICENSED METHOD, LICENSEE may not reduce such efforts due to the competitive, regulatory or other impact of any other product or method that it owns, licenses or is developing or commercializing.

2.19 “SUBLICENSE INCOME” shall mean consideration in any form received by LICENSEE or an AFFILIATE in consideration with the grant to any third party or parties of a sublicense or other right, license, privilege or immunity to make, have made, use sell, have sold, distribute, import or export LICENSED PRODUCTS or to practice LICENSED METHODS, but excluding consideration included within EARNED ROYALTIES. For avoidance of doubt, a sublicense shall not include the right of a purchaser of a LICENSED PRODUCT to re-sell or distribute, on a wholesale retail or other basis, the LICENSED PRODUCT as part of the established supply chain for pharmaceutical products. SUBLICENSE INCOME shall include without limitation any license signing fee, license maintenance fee, unearned portion of any minimum royalty payment received by LICENSEE, distribution or joint marketing fee, research and development funding in excess of LICENSEE’s cost of performing such research and development, and any consideration received for an equity interest in, extension of credit to or other investment in LICENSEE to the extent such consideration exceeds the fair market value of the equity or other interest received as determined by agreement of the parties or by an independent appraiser mutually agreeable to the parties.

2.20 “SUBLICENSEE” shall mean any third party sublicensed by LICENSEE to make, have made, use, sell, have sold, import or export any LICENSED PRODUCT or to practice any LICENSED METHOD.

2.21 “TERM” is defined in Article 3.4.

2.22 “VALID CLAIM” shall mean a pending, issued or unexpired claim of a LICENSED PATENT so long as such claim shall not have been irrevocably abandoned or declared to be invalid in an unappealable decision of a court or other authority or competent jurisdiction through no fault of cause of LICENSEE.

ARTICLE 3. LICENSE GRANT AND TERM

3.1 Subject to all the terms and conditions of this Agreement, YALE hereby grants to LICENSEE an exclusive license, under the LICENSED PATENTS, with the right to grant sublicenses, to make, have made, use, sell, have sold, import and export LICENSED PRODUCTS, and to practice any LICENSED METHOD, within the FIELD in the LICENSED TERRITORY (the "LICENSE").

3.2 To the extent that any invention included within the LICENSED PATENTS has been funded in whole or in part by the United States government, the United States government retains certain rights in such invention as set forth in 35 U.S.C. §200-212 and all regulations promulgated thereunder, as amended, and any successor statutes and regulations (the "Federal Patent Policy"). As a condition of the license granted hereby, LICENSEE acknowledges and shall comply with all aspects of the Federal Patent Policy applicable to the LICENSED PATENTS, including the obligation that LICENSED PRODUCTS used or sold in the United States be manufactured substantially in the United States. Nothing contained in this Agreement obligates or shall obligate YALE to take any action that would conflict in any respect with its past, current or future obligations to the United States Government under the Federal Patent Policy with respect to the LICENSED PATENTS.

3.3 The LICENSE is expressly made subject to YALE's reservation of the right to make, use and practice the LICENSED PATENTS and LICENSED METHODS for research, clinical, teaching or other non-commercial purposes, and to give academic research institutions access to the LICENSED PATENTS and LICENSED METHODS for research, clinical, or teaching purposes and not for purposes of commercial development, use, manufacture or distribution. Nothing in this Agreement shall be construed to grant by implication, estoppel or otherwise any licenses under patents of YALE other than the LICENSED PATENTS.

3.4 Unless terminated earlier as provided in Article 13, the term of the LICENSE shall commence on the EFFECTIVE DATE and shall automatically expire on the date on which the last of the claims of the patents described in the LICENSED PATENTS expires, lapses or is declared to be invalid by a non-appealable decision of a court of competent jurisdiction through no fault or cause of LICENSEE (the "TERM").

3.5 Upon expiration of this Agreement, the LICENSE granted in Article 3.1 shall automatically convert to a fully paid-up, non-royalty bearing and non-exclusive license.

3.6 Upon conversion to a non-exclusive license under Article 3.5, the LICENSEE's right to grant any sublicense terminates and each existing sublicense shall convert to a fully paid¬-up, non-royalty bearing and non-exclusive license in the applicable country or countries.

3.7 Except as expressly provided in this Agreement, under no circumstances will LICENSEE, as a result of this Agreement, obtain any interest in or any other right to any technology, know-how, patents, patent applications, materials or other intellectual or proprietary property of YALE.

ARTICLE 4. SUBLICENSES

4.1 LICENSEE shall have the full right to sublicense the rights granted to it under this Agreement, through one or more tiers, subject to the requirements of this Article 4.

4.2 Any sublicense granted by LICENSEE shall include substantially the same definitions and provisions on Due Diligence, Confidentiality and Publicity, Reporting Requirements, Indemnification, Insurance and Warranties, Patent Notices and Use of YALE's Name, as are agreed to in this Agreement, and such other provisions as are needed to enable LICENSEE to comply with this Agreement. LICENSEE will provide YALE with a copy of each Sublicense Agreement (and all amendments thereof) promptly after execution. LICENSEE shall remain responsible for the performance of all SUBLICENSEES under any such sublicense as if such performance were carried out by LICENSEE itself, including, without limitation, the payment of any royalties or other payments provided for hereunder, regardless of whether the terms of any sublicense provide for such amounts to be paid by the SUBLICENSEE directly to YALE. A breach of this provision shall constitute a material breach. that is subject to Article 13.1(b).

4.3

4.4 LICENSEE agrees that it has sole responsibility to promptly:

(a) provide YALE with a copy of any amendments to sublicenses granted by LICENSEE under this Agreement and to notify YALE of termination of any sublicense; and

(b) summarize and deliver copies of all reports provided to LICENSEE by SUBLICENSEES.

ARTICLE 5. LICENSE ISSUE ROYALTY; LICENSE MAINTENANCE ROYALTY; MILESTONE ROYALTIES; EQUITY

5.1 During the TERM of this Agreement, LICENSEE agrees to pay to YALE an annual license maintenance royalty ("LMR") commencing on the first anniversary of the EFFECTIVE DATE and every anniversary thereafter in accordance with the schedule set forth below, until LICENSEE starts to pay Minimum Royalty Payments in accordance with the schedule set forth in Article 6.3.

5.2 LICENSEE shall pay the following milestone royalties to YALE for each LICENSED PRODUCT developed by LICENSEE. For avoidance of doubt, for purposes of this Section 5.2, LICENSED PRODUCTS that contain the same active ingredient(s), but that are different in other respects, for example LICENSED PRODUCTS that have different approved indications, formulations or dosages, shall be considered to be a single "LICENSED PRODUCT" and only one set of the following milestones shall be payable in connection with the development and. regulatory approval of such LICENSED PRODUCTS no matter how many times a particular milestone is achieved. For further clarification, if two LICENSED PRODUCTS having different active ingredients achieve the same milestones, then each of those milestones shall be payable in respect of each such LICENSED PRODUCT.

5.3

ARTICLE 6. EARNED ROYALTIES; MINIMUM ROYALTY PAYMENTS

6.1 During the TERM of this Agreement, as partial consideration for the LICENSE, LICENSEE shall pay to YALE an earned royalty on worldwide annual NET SALES of LICENSED PRODUCTS or LICENSED METHODS by LICENSEE or its SUBLICENSEES or AFFILIATES in each calendar year ("EARNED ROYALTIES") according to the following schedule:

6.2 LICENSEE shall pay all EARNED ROYALTIES accruing to YALE within thirty (30) days from the end of each calendar quarter (March 31, June 30, September 30 and December 31), beginning in the first calendar quarter in which NET SALES occur.

6.3 During the term of this Agreement, LICENSEE agrees to pay YALE total annual Minimum Royalty Payments ("MRP"), commencing on the first anniversary of the date of FIRST SALE of the first LICENSED PRODUCT according to the following schedule:

6.4 All EARNED ROYALTIES and other payments due under this Agreement shall be paid to YALE in United States Dollars. In the event that conversion from foreign currency is required in calculating a payment under this Agreement, the exchange rate used shall be the Interbank rate quoted by Citibank at the end of the last business day of the quarter in which the royalty was earned. If overdue, the royalties and any other payments due under this Agreement shall bear interest until payment at a per annum rate two percent (2%) above the prime rate in effect at Citibank on the due date and YALE shall be entitled to recover reasonable attorneys' fees and costs related to the administration or enforcement of this Agreement, including collection of royalties or other payments, following such failure to pay. The payment of such interest shall not foreclose YALE from exercising any other right it may have as a consequence of the failure of LICENSEE to make any payment when due.

ARTICLE 7. DUE DILIGENCE

7.1 LICENSEE has designed a plan for developing and commercializing the LICENSED PATENTS, manufacturing, marketing and sale or lease of LICENSED PRODUCTS and/or LICENSED METHODS ("PLAN"). A copy of the PLAN is attached to this Agreement as Appendix B and incorporated herein by reference.

7.2 LICENSEE shall use REASONABLE COMMERCIAL EFFORTS, within one hundred eighty (180) days after the EFFECTIVE DATE of this Agreement, to begin to implement the PLAN at its sole expense and thereafter to diligently commercialize the LICENSED PRODUCTS and LICENSED METHODS.

7.3 LICENSEE shall provide YALE with an updated and revised copy of the PLAN on each anniversary date of the EFFECTIVE DATE.

7.4 Within thirty (30) days of each anniversary of the EFFECTIVE DATE of this Agreement, LICENSEE shall provide a written report to YALE, indicating LICENSEE's progress and problems to date in performance under the PLAN, commercialization of LICENSED PRODUCTS and LICENSED METHODS, and a forecast and schedule of major events required to commercialize the LICENSED PRODUCTS. Within thirty (30) days following any assignment by LICENSEE pursuant to Section 17.6, the assignee, if any, shall provide YALE with an updated and revised copy of the PLAN.

7.5 LICENSEE shall immediately notify YALE if at any time LICENSEE, SUBLICENSEE, AFFILIATES or any other party on behalf of LICENSEE: (a) abandons or suspends its research, development or marketing of the LICENSED PRODUCTS and or LICENSED METHODS, or its intent to research, develop and market such products or methods or (b) fails to comply with its due diligence obligations under this Article for a period exceeding ninety (90) days.

7.6 LICENSEE agrees that YALE shall be entitled to terminate this Agreement pursuant to Article 13.1(b) upon the occurrence of any of the following:

(a) LICENSEE shall fail to implement the PLAN in accordance with Article 7.4. or otherwise fails to fulfill any of its obligations under Article 7.5, or this Article 7.6; or

(b) LICENSEE gives notice pursuant to Article 7.5 (which shall be deemed a material breach not capable of being cured); or

(c) LICENSEE has failed to launch or sell a LICENSED PRODUCT in the United States or any other major market (i.e., Canada, France, Germany, Italy, Japan or the U.K.) within two (2) years of the EFFECTIVE DATE.

ARTICLE 8. CONFIDENTIALITY AND PUBLICITY

8.1 Subject to the parties' rights and obligations pursuant to this Agreement, YALE and LICENSEE agree that during the term of this Agreement and for five (5) years thereafter, each of them:

(a) will keep confidential and will cause their AFFILIATES and, in the case of LICENSEE, its SUBLICENSEES, to keep confidential, CONFIDENTIAL INFORMATION disclosed to it by the other party, by taking whatever action the party receiving the CONFIDENTIAL INFORMATION would take to preserve the confidentiality of its own CONFIDENTIAL INFORMATION, which in no event shall be less than reasonable care; and

(b) will only disclose that part of the other's CONFIDENTIAL INFORMATION to its officers, employees or agents that is necessary for those officers, employees or agents who need to know to carry out its responsibilities under this Agreement; and

(c) will not use the other party's CONFIDENTIAL INFORMATION other than as expressly set forth in this Agreement or disclose the other's CONFIDENTIAL INFORMATION to any third parties under any circumstance without advance written permission from the other party unless a confidentiality agreement is first executed between LICENSEE and such third party with terms and conditions that are similar and consistent with those of this Agreement; and

(d) will, within sixty (60) days of termination of this Agreement, return all the CONFIDENTIAL INFORMATION disclosed to it by the other party pursuant to this Agreement except for one copy which may be retained by the recipient for monitoring compliance with this Article 8.

8.2 The obligations of confidentiality described above shall not pertain to that part of the CONFIDENTIAL INFORMATION that:

(a) was known to the recipient prior to the disclosure by the disclosing party; or

(b) is at the time of disclosure or has become thereafter publicly known through no fault or omission attributable to the recipient; or

(c) is rightfully given to the recipient from sources independent of the disclosing party; or

(d) is independently developed by the receiving party without use of or reference to the CONFIDENTIAL INFORMATION of the other party as evidenced by written records; or

(e) is required to be disclosed by law in the opinion of recipient's attorney, but only after the disclosing party is given prompt written notice and an opportunity to seek a protective order.

8.3 Except as required by law, neither party may disclose the financial terms of this Agreement without the prior written consent of the other party.

ARTICLE 9. REPORTS RECORDS AND INSPECTIONS

9.1 LICENSEE shall, within thirty (30) days after the calendar year in which NET SALES first occur, and within thirty (30) days after each calendar quarter (March 31, June 30, September 30 and December 31) thereafter, provide YALE with a written report detailing the NET SALES and uses, if any, made by LICENSEE, its SUBLICENSEES and AFFILIATES of LICENSED PRODUCTS and LICENSED METHODS during the preceding calendar quarter and calculating the payments due pursuant to Article 6. NET SALES of LICENSED PRODUCTS or LICENSED METHODS shall be deemed to have occurred on the date of invoice for such LICENSED PRODUCTS or LICENSED METHODS. Each such report shall be signed by an officer of LICENSEE (or the officer's designee), and must include:

(a) the number of LICENSED PRODUCTS manufactured, sold, leased or otherwise transferred or disposed of and the amount of LICENSED METHODS sold, by LICENSEE, SUBLICENSEES and AFFILIATES;

(b) a calculation of NET SALES for the applicable reporting period in each country, including the gross invoice prices charged for the LICENSED PRODUCTS and LICENSED METHODS and any permitted deductions made pursuant to Article 2.18;

(c) a calculation of total royalties or other payment due, including any exchange rates used for conversion; and

(d) names and addresses of all SUBLICENSEES and the type and amount of any SUBLICENSE INCOME received from each SUBLICENSEE.

9.2 LICENSEE and its SUBLICENSEES shall keep and maintain complete and accurate records and books containing an accurate accounting of all data in sufficient detail to enable verification of EARNED ROYALTIES and other payments under this Agreement. LICENSEE shall preserve such books and records for three (3) years after the calendar year to which they pertain. Such books and records shall be open to inspection by YALE or an independent certified public accountant selected by YALE, at YALE's expense, during normal business hours upon ten (10) days' prior written notice, for the purpose of verifying the accuracy of the reports and computations rendered by LICENSEE. In the event LICENSEE underpaid the amounts due to YALE with respect to the audited period by more than five percent (5%), LICENSEE shall pay the reasonable cost of such examination, together with the deficiency not previously paid, within thirty (30) days of receiving notice thereof from YALE

9.3 On or before the ninetieth (90th) day following the close of LICENSEE's fiscal year, LICENSEE shall provide YALE with LICENSEE's certified financial statements for the preceding fiscal year including, at a minimum, a balance sheet and an income statement. All information contained in such certified financial statements are hereby deemed to be CONFIDENTIAL INFORMATION of LICENSEE for all purposes under this Agreement.

ARTICLE 10. PATENT PROTECTION

10.1 LICENSEE shall reimburse YALE for all reasonable and customary costs of filing, prosecution and maintenance of all United States patent applications contained in the LICENSED PATENTS accrued as of the EFFECTIVE DATE or during the TERM of this Agreement. Any and all such United States patent applications, and resulting issued patents, shall remain the property of YALE.

10.2 LICENSEE shall reimburse YALE for all reasonable and customary costs, accrued as of the EFFECTIVE DATE or during the TERM of this Agreement, of filing, prosecution and maintenance of all foreign patent applications, and patents contained in the LICENSED PATENTS in the countries outside the United States in the LICENSED TERRITORY selected by YALE and reasonably acceptable to and agreed to by LICENSEE. All such applications or patents shall remain the property of YALE.

10.3 If LICENSEE does not agree to pay the expenses of filing, prosecuting or maintaining a patent application or patent in any country outside the United States, or fails to pay the expenses of filing, prosecuting or maintaining a patent application or patent in the United States, then LICENSEE's rights under this Agreement with respect to such patent or patent application shall terminate automatically with respect to that country.

10.4 The costs mentioned in Articles 10.1 and 10.2 shall include, but are not limited to, any past, present and future taxes, annuities, working fees, maintenance fees, renewal and extension charges. Payment of such costs shall be made, at YALE's option, either directly to patent counsel or by reimbursement to YALE. In either case, LICENSEE shall make payment directly to the appropriate party within thirty (30) days of receiving its invoice. If LICENSEE fails to make payment to YALE or patent counsel, as appropriate, within the thirty (30) day period, LICENSEE shall be charged a five percent (5%) surcharge on the invoiced amount per month or fraction thereof or such higher amount as may be charged by patent counsel. Failure of LICENSEE to pay the surcharge shall be grounds for termination by YALE under Article 13.1

10.5 All patent applications under the LICENSED PATENTS shall be prepared, prosecuted, filed and maintained by independent patent counsel chosen by YALE and reasonably acceptable to LICENSEE. Said independent patent counsel shall be ultimately responsible to YALE. YALE shall instruct patent counsel to keep both YALE and LICENSEE fully informed of the progress of all patent applications and patents, and to give both YALE and LICENSEE reasonable opportunity to comment on the type and scope of useful claims and the nature of supporting disclosures. YALE will not abandon any patent application for which LICENSEE is bearing expenses without LICENSEE's consent. Yale shall have no liability to LICENSEE for damages, whether direct, indirect or incidental, consequential or otherwise, allegedly arising from its good faith decisions, actions and omissions in connection with such prosecution.

10.6 To the extent feasible, LICENSEE shall mark, and shall require SUBLICENSEES to mark, all LICENSED PRODUCTS with the numbers of all patents included in LICENSED PATENTS that cover the LICENSED PRODUCTS. Without limiting the foregoing, all LICENSED PRODUCTS shall be marked in such a manner as to conform with the patent marking notices required by the law of any country where such LICENSED PRODUCTS are made, sold, used or shipped, including, but not limited to, the applicable patent laws of that country.

ARTICLE 11. INFRINGEMENT AND LITIGATION

11.1 Each party shall promptly notify the other in writing in the event that it obtains knowledge of infringing activity by third parties, or is sued or threatened with an infringement suit, in any country in the LICENSED TERRITORY as a result of activities that concern the LICENSED PATENTS and shall supply the other party with documentation of the infringing activities that it possesses.

11.2 During the TERM of this Agreement:

(a) LICENSEE shall have the first right and obligation to use REASONABLE COMMERCIAL EFFORTS to defend the LICENSED PATENTS against infringement or interference in the FIELD and in the LICENSED TERRITORY by third parties. This right and obligation includes bringing any legal action for infringement and defending any counter claim of invalidity or action of a third party for declaratory judgment for non-infringement or non-interference. If, in the reasonable opinion of both LICENSEE's and YALE's respective counsel, YALE is required to be a named party to any such suit for standing purposes, LICENSEE may join YALE as a party; provided, however, that (i) YALE shall not be the first named party in any such action, (ii) the pleadings and any public statements about the action shall state that the action is being pursued by LICENSEE and that LICENSEE has joined YALE as a party; and (iii) LICENSEE shall keep YALE reasonably apprised of all developments in any such action. LICENSEE may settle such suits solely in its own name and solely at its own expense and through counsel of its own selection; provided, however, that no settlement shall be entered without YALE's prior written consent, LICENSEE shall bear the expense of such legal actions. Except for providing reasonable assistance, at the request and expense of LICENSEE, YALE shall have no obligation regarding the legal actions described in Article 11.2 unless required to participate by law. However, YALE shall have the right to participate in any such action through its own counsel and at its own expense. Any recovery shall first be applied to LICENSEE's out of pocket expenses, including legal fees, and second shall be applied to YALE's out of pocket expenses, including legal fees. YALE shall recover amounts awarded for lost sales at the royalty rate for those sales as described in Article 6.1 and 25% of any additional compensation that may be awarded.

(b) In the event LICENSEE fails to exercise REASONABLE COMMERCIAL EFFORTS to initiate and pursue the actions described in Article 11.2(a) within sixty (60) days of: (a) notification of infringement from YALE or (b) the date LICENSEE otherwise first becomes aware of an infringement, whichever is earlier, YALE shall have the right to initiate such legal action at its own expense and YALE may use the name of LICENSEE as party plaintiff to uphold the LICENSED PATENTS. In such case, LICENSEE shall provide reasonable assistance to YALE if requested to do so. YALE may settle such actions solely through its own counsel. Any recovery shall be retained by YALE. Under such circumstances, YALE may terminate the LICENSE in the country where such legal action is taken.

11.3 In the event LICENSEE is permanently enjoined from exercising its LICENSE under this Agreement pursuant to an infringement action brought by a third party, or if both LICENSEE and YALE elect not to undertake the defense or settlement of a suit alleging infringement for a period of six (6) months from notice of such suit, then either party shall have the right to terminate this Agreement with respect to the LICENSED PATENTS in the country where the suit was filed with respect to the licensed patent following thirty (30) days' written notice to the other party in accordance with the terms of Article 15.

ARTICLE 12. USE OF YALE'S NAME

LICENSEE shall not use the name "Yale" or "Yale University," nor any variation or adaptation thereof, nor any trademark, tradename or other designation owned by YALE, nor the names of any of its trustees, officers, faculty, students, employees or agents, for any purpose without the prior written consent of YALE in each instance, except that LICENSEE may state that it has licensed from YALE one or more of the patents and/or applications comprising the LICENSED PATENTS.

ARTICLE 13. TERMINATION

13.1 YALE shall have the right to terminate this Agreement upon written notice to LICENSEE in the event LICENSEE:

(a) fails to make any payment whatsoever due and payable pursuant to this Agreement unless LICENSEE shall make all such payments (and all interest due on such payments under Article 6.4) within the thirty (30) day period after receipt of written notice from YALE; or

(b) commits a material breach of any other material provision of this Agreement which is not cured (if capable of being cured) within the sixty (60) day period after receipt of written notice thereof from YALE, or upon receipt of such notice if such breach is not capable of being cured; or

(c) fails to obtain or maintain adequate insurance as described in Article 14, whereupon YALE may terminate this Agreement immediately upon written notice to LICENSEE.

13.2 This Agreement shall terminate automatically without any notice to LICENSEE in the event LICENSEE shall cease to carry on its business or becomes INSOLVENT, or a petition in bankruptcy is filed against LICENSEE and is consented to, acquiesced in or remains undismissed for sixty (60) days, or LICENSEE makes a general assignment for the benefit of creditors, or a receiver is appointed for LICENSEE.

13.3 LICENSEE shall have the right to terminate this Agreement upon written notice to YALE:

(a) at any time on ninety (90) days notice to YALE, and upon payment of all amounts due YALE throughout the effective date of termination; or

(b) in the event YALE commits a material breach of any of the material provisions of this Agreement and such breach is not cured (if capable of being cured) within the sixty (60) day period after receipt of written notice thereof from LICENSEE, or upon receipt of such notice if such breach is not capable of being cured.

13.4 Upon termination of this Agreement for any reason, all rights and licenses granted to LICENSEE under the terms of this Agreement are terminated and YALE, in its sole discretion, may terminate any sublicense granted by LICENSEE. Upon such termination, LICENSEE shall cease to manufacture LICENSED PRODUCTS and cease to practice LICENSED METHODS, unless and until such manufacture, use or practice would no longer constitute an infringement of YALE's intellectual property rights; provided however, that LICENSEE or SUBLICENSEE shall be entitled to continue to sell LICENSED PRODUCTS, manufactured or in the process of being manufactured, as of the date of termination, for a period of One Hundred Eighty (180) days following the date of termination and shall pay to YALE the Royalties and other payments due under this Agreement relating to the sale of such LICENSED PRODUCTS in accordance with the terms and conditions of this Agreement. Within sixty (60) days of the effective date of termination LICENSEE shall return to YALE:

(a) all CONFIDENTIAL INFORMATION disclosed by YALE;

(b) the last report required under Article 7 or 9; and

(c) all payments incurred up to the effective date of termination.

Upon the occurrence of an uncured material breach by YALE of any material provision of this AGREEMENT, each of LICENSEE'S payment obligations hereunder shall automatically be reduced by fifty percent (50%) as and when each such payment becomes due and payable hereunder.

13.5 Termination of this Agreement shall not affect any rights or obligations accrued prior to the effective date of such termination and specifically LICENSEE's obligation to pay all royalties and other payments specified by Article 5 and 6. The following provisions shall survive any termination: Articles 2 and 8, the preservation and inspection obligations of Article 9, Article 12, this Article 13.5, Article 13.8, Article 1.4, Article 1.5, Article 16.1, and Article 17. The parties agree that claims giving rise to indemnification may arise after the TERM or termination of the LICENSE granted herein.

13.6 The rights provided in this Article 13 shall be in addition and without prejudice to any other rights which the parties may have with respect to any default or breach of the provisions of this Agreement.

13.7 Waiver by either party of one or more defaults or breaches shall not deprive such party of the right to terminate because of any subsequent default or breach.

13.8 Upon termination of this AGREEMENT by YALE under Section 13.1 or by LICENSEE because LICENSEE has decided to abandon efforts to develop and commercialize the LICENSED PRODUCTS, LICENSEE shall permit YALE and its future licensees to utilize, reference and otherwise have the benefit of all regulatory approvals of, or clinical trials or other studies conducted on, and all filings made with regulatory agencies with respect to, the LICENSED PRODUCTS or LICENSED METHODS subject to the terms and conditions of 14.2. In addition, at YALE's request, LICENSEE shall deliver to YALE all records required by regulatory authorities to be maintained with respect to the sale, storage, handling, shipping and use of the LICENSED PRODUCTS or LICENSED METHODS, all reimbursement approval files, all documents, data and information related to clinical trials and other studies of LICENSED PRODUCTS or LICENSED METHODS, any other data, techniques, know-how and other information developed or generated that relate to the LICENSED PATENTS, LICENSED PRODUCTS or LICENSED METHODS, and all copies and facsimiles of such materials, documents, information and files. YALE agrees that subject to the provisions of Article 8, LICENSEE may retain one copy thereof to the extent LICENSEE is required by law to maintain such copy.

ARTICLE 14. INDEMNIFICATION; INSURANCE; NO WARRANTIES

14.1 LICENSEE shall defend, indemnify and hold harmless YALE, its trustees, directors, officers, employees, and agents and their respective successors, heirs and assigns against any and all liabilities, claims, demands, damages, judgments, losses and expenses of any nature, including without limitation legal expenses and attorneys' fees, arising out of any theory of liability (including without limitation tort, warranty, or strict liability) or the death, personal injury, or illness of any person or out of damage to any property related in any way to the exercise and/or practice by LICENSEE, its AFFILIATES, SUBLICENSEES or any other transferees (other than YALE or its licensees or transferees as provided for in. Section 13.8) of the rights granted under this Agreement, or resulting from the production, manufacture, sale, use, lease, or other disposition or consumption or advertisement of the LICENSED PRODUCTS or LICENSED METHODS by LICENSEE, its AFFILIATES, SUBLICENSEES or any other transferees (other than YALE or its licensees or transferees as provided for in Section 13.8); or arising in connection with any statement, representation or warranty of LICENSEE, its AFFILIATES, SUBLICENSEES or any other transferees (other than YALE or its licensees or transferees as provided for in Section 13.8) with respect to the LICENSED PRODUCTS or LICENSED METHODS.

14.2 If YALE exercises its right under Section 13.8, then, as a condition to YALE's right to grant any licenses of its rights thereunder, Yale shall secure from any future licensees agreement to defend, indemnify and hold harmless LICENSEE, its directors, officers, employees, and agents and their respective successors, heirs and assigns against any and all liabilities, claims, demands, damages, judgments, losses and expenses of any nature, including without limitation legal expenses and attorneys' fees, arising out of any theory of liability (including without limitation tort, warranty, or strict liability) or the death, personal injury, or illness of any person or out of damage to any property related in any way to the exercise and/or practice by YALE or its licensees or transferees of any rights granted to them as provided for in Section 13.8, including without limitation the production, manufacture, sale, use, lease, or other disposition or consumption or advertisement of products pursuant to the exercise of such rights.

14.3 A claim to which indemnification applies under Section 14.1 or Section 14.2 shall be referred to herein as an "Indemnification Claim". If any person or entity (collectively, the "Indemnitee") intends to claim indemnification under this Article 14, the Indemnitee shall notify the other Party (the "Indemnitor") in writing promptly upon becoming aware of any claim that may be an Indemnification Claim (it being understood and agreed, however, that the failure by an Indemnitee to give such notice shall not relieve the Indemnitor of its indemnification obligation under this Agreement except and only to the extent that the Indemnitor is actually prejudiced as a result of such failure to give notice). The Indemnitor shall have the right to assume and control the defense of the Indemnification Claim at its own expense with counsel selected by the Indemnitor and reasonably acceptable to the Indemnitee, provided however, that an Indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the Indemnitee, if representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other party represented by such counsel in such proceeding. If the Indemnitor does not assume the defense of the Indemnification Claim as aforesaid, the Indemnitee may defend the Indemnification Claim but shall have no obligation to do so. The Indemnitee shall not settle or compromise the Indemnification Claim without the prior written consent of the Indemnitor, and the Indemnitor shall not settle or compromise the Indemnification Claim in any manner which would have an adverse effect on the Indemnitee's interests, without the prior written consent of the Indemnitee, which consent, in each case, shall not be unreasonably withheld or delayed. The Indemnitee shall reasonably cooperate with the Indemnitor at the Indemnitor's expense and shall make available to the Indemnitor all pertinent information under the control of the Indemnitee.

14.4 LICENSEE shall purchase and maintain in effect and shall require its SUBLICENSEES to purchase and maintain in effect a policy of commercial, general liability insurance to protect YALE with respect to events described in Article 14.1. Such insurance shall:

(a) list "YALE, its trustees, directors, officers, employees arid agents" as additional insureds under the policy;

(b) provide that such policy is primary and not excess or contributory with regard to other insurance YALE may have;

(c) be endorsed to include product liability coverage in amounts no less than $2 Million Dollars per incident and $5 Million Dollars annual aggregate; and

(d) be endorsed to include contractual liability coverage for LICENSEE's indemnification under Article 14.1; and

(e) by virtue of the minimum amount of insurance coverage required under Article 14.4(c), not be construed to create a limit of LICENSEE's liability with respect to its indemnification under Article 14.1.

14.5 By signing this Agreement, LICENSEE certifies that the requirements of Article 14.4 will be met on or before the earlier of: (a) the date of FIRST SALE of any LICENSED PRODUCT or LICENSED METHOD or (b) the date any LICENSED PRODUCT, or LICENSED METHOD is tested or used on humans, and will continue to be met thereafter. Upon YALE's request, LICENSEE shall furnish a Certificate of Insurance and a copy of the current Insurance Policy to YALE. LICENSEE shall give thirty (30) days' written notice to YALE prior to any cancellation of or material change to the policy.

14.6 (a) YALE MAKES NO REPRESENTATIONS OR WARRANTIES THAT ANY CLAIMS OF THE LICENSED PATENTS, ISSUED OR PENDING, ARE VALID, OR THAT THE MANUFACTURE, USE, SALE OR OTHER DISPOSAL OF THE LICENSED PRODUCTS, OR PRACTICE OF THE LICENSED METHODS DOES NOT OR WILL NOT INFRINGE ANY PATENT OR OTHER RIGHTS NOT VESTED IN YALE.

(b) YALE MAKES NO, AND EXPRESSLY DISCLAIMS ALL WARRANTIES WHATSOEVER WITH RESPECT TO THE LICENSED PATENTS, LICENSED PRODUCTS AND LICENSED METHODS, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LICENSEE SHALL MAKE NO STATEMENTS, REPRESENTATION OR WARRANTIES WHATSOEVER TO ANY THIRD PARTIES WHICH ARE INCONSISTENT WITH SUCH DISCLAIMER BY YALE. IN NO EVENT SHALL YALE, OR ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES AND AFFILIATES, BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGE OR INJURY TO PROPERTY AND LOST PROFITS, REGARDLESS OF WHETHER YALE SHALL BE ADVISED, SHALL HAVE OTHER REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY OF THE FOREGOING. EXCLUDING AMOUNTS THAT MAY BECOME PAYABLE BY YALE'S FUTURE LICENSEES UNDER ARTICLE 14.2, IN NO OTHER EVENT SHALL YALE, OR ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES AND AFFILIATES, BE LIABLE FOR DAMAGES IN EXCESS OF AMOUNTS YALE HAS RECEIVED FROM LICENSEE UNDER THIS LICENSE.

ARTICLE 15. NOTICES, PAYMENTS

15.1 Any payment, notice or other communication required by this Agreement: (a) shall be in writing, (b) may be delivered personally or sent by reputable overnight courier with written verification of receipt or by registered or certified first class United States Mail, postage prepaid, return receipt requested, (c) shall be sent to the following addresses or to such other address as such party shall designate by written notice to the other party and (d) shall be effective upon receipt:

FOR YALE:
Managing Director
YALE UNIVERSITY
Office of Cooperative Research
433 Temple Street
New Haven, CT 06511

FOR LICENSEE:
Yael Schwartz, Ph.D., President and CEO
Hygeia Therapeutics, Inc.
8 Canterbury Lane
Holden, MA 01520

ARTICLE 16. LAWS, FORUM AND REGULATIONS

16.1 Any matter arising out of or related to this Agreement shall be governed by and in accordance with the substantive laws of the State of Connecticut, without regard to its conflicts of law principles, except where the federal laws of the United States are applicable and have precedence. Any dispute arising out of or related to this Agreement shall be brought in a court of competent jurisdiction in the State of Connecticut.

16.2 LICENSEE shall comply, and shall cause its AFFILIATES and SUBLICENSEES to comply, with all foreign and United States federal, state, and local laws, regulations, rules and orders applicable to the testing, production, transportation, packaging, labeling, export, sale and use of the LICENSED PRODUCTS and practice of the LICENSED METHODS. In particular, LICENSEE shall be responsible for assuring compliance with all United States export laws and regulations applicable to this LICENSE and LICENSEE's activities under this Agreement.

ARTICLE 17. MISCELLANEOUS

17.1 This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors and permitted assigns.

17.2 This Agreement constitutes the entire agreement of the parties relating to the LICENSED PATENTS, LICENSED PRODUCTS and LICENSED METHODS, and all prior representations, agreements and understandings, written or oral, are merged into it and are superseded by this Agreement.

17.3 The provisions of this Agreement shall be deemed separable. If any part of this Agreement is rendered void, invalid, or unenforceable, such determination shall not affect the validity or enforceability of the remainder of this Agreement unless the part or parts which are void, invalid or unenforceable shall substantially impair the value of the entire Agreement as to either party.

17.4 Paragraph headings are inserted for convenience of reference only and do not form a part of this Agreement.

17.5 No person not a party to this Agreement, including any employee of any party to this Agreement, shalt have or acquire any rights by reason of this Agreement. Nothing contained in this Agreement shalt be deemed to constitute the parties partners with each other or any third party.

17.6 This Agreement may not be amended or modified except by written agreement executed by each of the parties. This Agreement is personal to LICENSEE and shall not be assigned by LICENSEE without the prior written consent of YALE; except that, subject to the conditions below, LICENSEE may assign the Agreement in the event of any CHANGE OF CONTROL without any written consent.

Prior to any assignment, the following conditions must be met:

(a) LICENSEE must give YALE reasonable written notice, but not less than Ten (10) business days, of the assignment, including the new assignee's contact information; and

(b) The new assignee must agree in writing to YALE to be bound by the Agreement; and

(c) The new assignee must represent and warrant, in writing, that it has the management team and financial capacity to commit to the development and commercialization of LICENSED PRODUCTS.

17.7 LICENSEE, or any SUBLICENSEE or assignee, will not create, assume or permit to exist any lien, pledge, security interest or other encumbrance on this Agreement or any sublicense.

17.8 The failure of any party hereto to enforce at any time, or for any period of time, any provision of this Agreement shall not be construed as a waiver of either such provision or of the right of such party thereafter to enforce each and every provision of this Agreement.

17.9 Neither Party shall be liable for delay or failure in the performance of any of its obligations hereunder if such delay or failure is due to causes beyond its reasonable control, including, without limitation, acts of God, fires, earthquakes, strikes and labor disputes, acts of war, terrorism, civil unrest or intervention of any governmental authority ("Force Majeure"); provided, however, that the affected Party promptly notifies the other Party and further provided that the affected Party shall use its reasonable best efforts to avoid or remove such causes of non¬performance and to mitigate the effect of such occurrence, and shall continue performance with the utmost dispatch whenever such causes are removed. When such circumstances arise, the Parties shall negotiate in good faith any modifications of the terms of this Agreement that may be necessary or appropriate in order to arrive at an equitable solution.

17.10 This Agreement may be executed in any number of counterparts and any party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

The Next Page is the Signature Page.

IN WITNESS to their Agreement, the parties have caused this Agreement to be executed in duplicate originals by their duly authorized representatives.

YALE UNIVERSITY

By:/s/
E. Jonathan Soderstrom, Ph.D.
Managing Director
Officer of Cooperative Research

Date:

HYGEIA THERAPEUTICS, INC.

By:/s/
Name: Yael Schwartz, Ph.D.
Title: President and CEO

Date:

Appendix A

LICENSED PATENTS

U.S. patent number 6,476,012 issued on November 5th, 2002.

Appendix B

PLAN

Plan for the Development of HYG-214

Activities planned for Early Development of HYG-214

#	Activity	Estimated Time (months)
1	Synthesis of 250-mg batches of HYG-214 and acid metabolite, HYG-216 (acid metabolite)	2
2	Synthesis of 100-mg batches of stable isotope internal standards for HYG-214 and HYG-216 and HYG-216	2
3	Broad pharmacology profiling screen of HYG-214 and HYG-216	2
4	Cultured human keratinocyte proliferation of HYG-214 versus estradiol	2
5	Metabolic profiling of HYG-214 in human hepatocytes	2
	Total Time	6-8

Footnote: It is agreed that upon completion of Item #1 in the EDC, Hygeia will furnish to Partners sufficient of the HYG-214 synthesized for Partners to be able to perform solubility studies on HYG-214 in order to establish that HYG-214 possesses a solubility profile that will enable it to be satisfactorily formulated in RioZone's patented topical delivery system. In the event that HYG-214 does not possess the desired solubility characteristics, the Parties will meet to discuss appropriate next steps including the selection of an alternative HYG compound for the purposes of the EDC.

EXHIBIT B

CONFIDENTIALITY AGREEMENT

MUTUAL CONFIDENTIALITY AGREEMENT

THIS MUTUAL CONFIDENTIALITY AGREEMENT ("Confidentiality Agreement") is made by and between Ferndale Pharma Group, Inc., a Michigan corporation duly organized under law, with a principal place of business at 780 W. Eight Mile Road, Ferndale, Michigan 48220 ("Sub-Licensee") and Canterbury Laboratories, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware or its assigns and having its principal place of business at 8 Canterbury Lane, Holden, MA 01520 ("Sub-Licensor").

RECITALS

A. Sub-Licensee is in the business of researching, developing, marketing, and selling various cosmetic, aesthetic and health care products; and

B. Sub-Licensor is in the business of researching, developing and producing products for the skin care industry and Sub-Licensor is the Licensee of a certain patent from Yale University set forth on Exhibit A (the "Yale Patents"); and

C. Sub-Licensor and Sub-Licensee have entered into the Sublicense Agreement effective as March 22, 2012, dated November 11, 2011, with regard to the Yale Patent (the "Agreement"); and

D. In connection with the Agreement, Sub-Licensor and Sub-Licensee may, from time to time, disclose to each other certain confidential information.

NOW, THEREFORE, based on the foregoing Recitals, which the parties accept as true and as a part of the basis for this Confidentiality Agreement, and in consideration of the representations, warranties, and promises in the Agreement and this Confidentiality Agreement, the receipt and legal sufficiency of which is hereby acknowledged, accepted and agreed to and relied upon, the parties intending to be legally bound, hereby agreed as follows:

1. **Confidential Information**. "Confidential Information" as used herein means any and all information owned, controlled or licensed by a party, including, but not limited to, product specifications, manufacturing processes and operations, compositions, formulations, formulation techniques, analytical methodology, safety and efficacy data, testing data, future market and produce plans, samples, marketing and financial data, customer lists, supplier lists, employee lists, know-how, trade secrets, ideas and other information of a technical or economic nature which:

(a) Is disclosed by either party to the other party; and

(b) Is disclosed either: (i) in a writing bearing a label or stamp identifying the information as secret, confidential, or proprietary or otherwise, by the nature of the material should be deemed to be confidential information, or (ii) orally and a subsequent reduction of such information to writing, the writing to be labeled as set out in Section 1(b) (i) and sent to the receiving party within thirty (30) days of the oral disclosure.

2. **Use and Obligation of Confidence**. In consideration of receiving any Confidential Information which the disclosing party in its sole discretion elects to disclose, the receiving party shall, during the term of this Agreement and for a period of five (5) years after expiration or termination hereof:

(a) Use the Confidential Information of the disclosing party only pursuant to the terms of this Agreement and the Agreement; and

(b) Hold the Confidential Information in billet confidence and disclose it only on a need-to-know basis to its own employees, agents, servants, contractors and affiliates unless otherwise agreed in writing by the other party; and

(c) Prevent unauthorized use or reproduction of the Confidential Information, including by limiting access to Confidential Information to employees, agents, servants, contractors or affiliates who are necessary to perform or facilitate the purposes of the Sublicense Agreement and who are bound to hold such Confidential Information in confidence pursuant to the terms of this Confidentiality Agreement. For the purposes of these Agreements, “affiliate” shall mean a corporation or business entity that, directly or indirectly, is controlled by, controls or is under common control with the receiving party; and

(d) Acknowledge the confidential nature and the disclosing party as the originator by its receipt of the Confidential Information; and

(e) Exercise, without limiting the foregoing, the same degree of care to fulfill its obligations of confidentiality which it exercises to safeguard its own proprietary information, and further agree that the obligation under Section 2 shall survive termination of any subsequent or consequent business agreement or any other business collaboration regardless of the manner in which the termination of this Agreement occurs.

3. **Exceptions**.

3.1 Notwithstanding Sections 1 and 2, this Confidentiality Agreement shall impose no obligation upon either party with respect to any Confidential Information which: (a) is now or subsequently becomes generally known or available by publication, commercial use or otherwise without breach of this Agreement; (b) is known to the receiving party at the time of receipt, provided that such prior knowledge can be substantiated to the disclosing party’s reasonable satisfaction; (c) is subsequently rightfully furnished to the receiving party by a third person without a restriction of disclosure; or (d) is independently developed by employees of the receiving party who have not had access to the disclosing party’s Confidential Information as substantiated by the receiving party’s contemporaneously made written records, or which the receiving party is required by law to disclose.

3.2 Nothing in this Confidentiality Agreement shall be construed to relieve a party of its obligations under the Agreement, including but not limited to the Sub-Licensor's duty to enforce the Yale Patent against potential and actual infringers.

4. **Representations**. Each party represents and warrants that it has the right to disclose any Confidential Information provided to the other party under this Confidentiality Agreement, without violating any agreement with or right of any other person or company. The Confidential Information disclosed by a party may include confidential information of a third party provided that the third party has authorized the disclosure. In that event, this Confidentiality Agreement shall apply equally to the third party's proprietary information and shall inure to the benefit of the third party.

5. **Working With Others**. This Confidentiality Agreement will not preclude either party from working with others in any connection, provided that the obligations of Section 2 are respected.

6. **Return of Confidential Information**. Upon the expiration or termination of the Agreement or this Confidentiality Agreement, upon request by the disclosing party, the receiving party shall promptly return to the disclosing party any and all documents and tangible information of any sort containing Confidential Information received from the disclosing party.

7. **Term**. This Confidentiality Agreement shall be effective as of the Effective Date. This Confidentiality Agreement shall expire when the Agreement dated March 22, 2012 expires; provided that the obligations of confidentiality and non-disclosure shall continue for a period of five (5) years after delivery of the Confidential Information.

8. **No Assignment**. The parties shall not have the right to assign this Agreement, or any rights licensed hereunder, without the prior written consent of the other party (such consent not to be unreasonably withheld); provided that, Sub-Licensee may assign this Agreement or any rights licensed hereunder, to any of its affiliates without the consent of the Sub-Licensor provided such affiliate agrees in writing to be bound by the terms and conditions of this Agreement. Notwithstanding the foregoing, either party may transfer its rights, duties and privileges under this Agreement and assign this Agreement in connection with a merger or consolidation with another person or firm in which it is not the surviving entity or in connection with the sale of all or substantially all of its assets or securities or in connection with any business combination in which the party is not the surviving entity, provided that such person or firm shall first have agreed with Sub-Licensor or Sub-Licensee, as the case may be, in writing to perform the transferring party's obligations and duties hereunder.

9. **Relationship Of The Parties**. The relationship of the parties shall be that of independent contractors and nothing contained herein shall be deemed to create any relationship of agency, joint venture or partnership. Neither party hereto shall have any power to commit, contract for or otherwise obligate the other party.

10. **Injunctive Relief**. In the event that a breach of this Confidentiality Agreement by either party occurs or is threatened, the other party shall be entitled to injunctive relief restraining the act or threatened act which constitutes or would constitute a breach hereunder. In addition, the aggrieved party shall be entitled to receive damages or other available relief for any such breach.

11. **Choice of Law**. This Agreement: (a) may be amended only by a written amendment duly signed and executed by the parties and (b) shall be governed by and construed in accordance with the laws of the State of New York. Jurisdiction over any disputes arising from this Confidentiality Agreement will be in the courts of New York City.

IN WITNESS WHEREOF, the parties have caused this Confidentiality Agreement to be executed by their duly authorized representatives effective as of March 22, 2012 (the "Effective Date").

FERNDALE LABORATORIES, INC.

By:/s/
Michael J. Burns
President and COO
Hereunto Duly Authorized

CANTERBURY LABORATORIES, LLC

By:/s/
Yael Schwartz, Ph.D.
President and CEO
Hereunto Duly Authorized

EXHIBIT 10.7

COLLABORATION AGREEMENT

THIS COLLABORATION AGREEMENT ("Agreement") is made and entered into as of the 25th day of July, 2013 ("Effective Date"), by and between **CANTERBURY LABORATORIES, LLC**, a Delaware limited liability company duly organized under law and having an usual place of business at 8 Canterbury Lane, Holden, MA 01520 ("Canterbury") and **FERNDALE PHARMA GROUP, INC.**, a Michigan corporation duly organized and having an usual place of business at 780 West Eight Mile Road, Ferndale, Michigan 48220 ("Ferndale"). Canterbury and Ferndale are hereinafter sometimes referred to as a "Party" and collectively, as the "Parties".

RECITALS

On March 22, 2012, the Parties entered in a Sub-License Agreement (the "Sublicense **Agreement**"), pursuant to which Canterbury, as the Sub-Licensor, granted an exclusive Sub-License to Ferndale, as the Sub-Licensee, to develop formulations and to manufacture, market and sell Canterbury's compound, Methyl 3-(3,17b-dihydroxyestra-1,3,5(10)-trien-16a-yl) propanoate, hereafter identified as CL-214, for topical administration (the "Licensed Products') through and within the Distribution Channel, as defined below, throughout the Territory, as defined below.

By agreement, the Parties limited the Sublicense Agreement to the sale of the Licensed Products by Ferndale by direct sale through the office of surgeons, physicians and other healthcare providers (collectively the "Distribution Channel") anywhere in the world (the "Territory"). Capitalized terms not defined herein shall have the same meaning as in the Sublicense Agreement.

The research and development of the Licensed Products is ongoing and commercialization of the Licensed Products has not yet commenced; however, Ferndale has indicated its interest in being able to sell the Licensed Products outside of the Distribution Channel; and Canterbury is willing to consider expanding the Distribution Channel in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, including the representations, provisions, warranties, promises, covenants and agreements contained herein, the receipt and legal sufficiency of which is hereby acknowledged, accepted and agreed to, the Parties, intending to be legally bound, hereby agree as follows:

1. At any time during the Term of this Agreement, as hereinafter defined, Ferndale shall have the option to request that the Parties commence negotiations to allow Ferndale to sell the Licensed Products outside of the Distribution Channel by giving Canterbury written notice of such interest (the "Expansion Notice") and including in the Expansion Notice the proposed consideration and other terms and conditions being suggested to expand the Distribution Channel. Within fifteen (15) days of receiving the Expansion Notice, the Parties shall do the following: (i) enter into a mutual non-disclosure agreement consistent with Canterbury's customary form and (ii) either meet in person at Canterbury's offices or by conference call to discuss the terms and conditions proposed in the Expansion Notice. Thereafter, the Parties shall confer for a period of up to thirty (30) days from the date of the meeting or conference call referred to in subsection (ii) above to negotiate the terms and conditions upon which the Distribution Channel could be expanded under the Sublicense Agreement, which period may be extended for an additional period of thirty (30) days by mutual agreement (the "Negotiation Period"). If the Parties reach an agreement during the Negotiation Period on all of the terms and conditions on which the Distribution Channel is to be expanded, then Canterbury will provide a draft amendment within ten (10) business days following the date that agreement is reached and the Parties will then negotiate and finalize the amendment with fifteen (15) business days thereafter. The amendment shall be effective when it is fully executed and delivered by the Parties.

2. With respect to each and every obligation of the Parties set forth in Article 1 above, it is understood and agreed that the Parties agree to use their commercial efforts, in good faith, to reach agreement on the terms and conditions of, and finalize, an amendment to the Sublicense Agreement as described in Article 1 above, but there is no contractual obligation on either Party to reach an agreement on the terms and conditions of such amendment or the final form thereof and failing to reach such an agreement in a form acceptable to each Party within the time frames set forth in Article 1 above shall not constitute a violation of or default under this Agreement.

It is further understood and agreed that the process and procedures set forth in Article 1 shall apply each and every time that Ferndale wishes to expand the Distribution Channel. If an amendment(s) is fully executed and delivered, then the amendment(s) shall be annexed to the Sublicense and made a part therefor as if set forth verbatim.

3. The term of this Agreement shall be five (5) years commencing on the Effective Date and terminating on July 24, 2018 (the "Termination Date") unless extended, in writing, by mutual agreement of the Parties (the "Term"). Notwithstanding the foregoing, either Party may immediately terminate this Agreement if the other Party is adjudicated a bankrupt or becomes insolvent, or enters into a composition with its creditors or if a receiver is appointed for it.

4. Any notice required under this Agreement shall be in writing and addressed to the parties at their addresses first above written. Any party may change the address to which notices shall be given by notice in writing. Any notice to Canterbury shall require a copy, which shall not constitute notice, to Rubin and Rudman LLP, 50 Rowes Wharf, 3rd Floor Boston, MA 02110, attention: Peter B. Finn, Esquire. All notices may be delivered personally in part by reputable overnight courier with written verification of receipt or by registered or certified mail first class United States Mail, postage prepaid, return receipt requested and shall be effective upon receipt.

5. The Parties shall not have the right to assign this Agreement, or any rights granted hereunder, without the prior written consent of the other Party (which may be withheld in its sole and absolute discretion); provided that, Ferndale may assign this Agreement or any rights granted hereunder, to any of its Affiliates to which Ferndale has assigned the Sublicense Agreement in accordance with its terms without the consent of Canterbury, provided such Affiliate agrees in writing to be bound by the terms and conditions of this Agreement. Notwithstanding the foregoing, either Party may transfer its rights, duties and privileges under this Agreement and assign this Agreement in connection with a merger or consolidation with another person or firm in which it is not the surviving entity or in connection with the sale of all or substantially all of its assets or securities or in connection with any business combination in which the Party is not the surviving entity, provided that such person or firm shall first have agreed with Canterbury or Ferndale, as the case may be, in writing to perform the transferring Party's obligations and duties hereunder and provided, further that the Sublicense Agreement has also been assigned to such transferee in accordance with its terms. For purposes of this Article 5 and this Agreement, an Affiliate of Ferndale is defined to mean one (1) of Ferndale's subsidiary companies, which is One Hundred (100%) percent owned by Ferndale.

6. Any matters arising out of or related to this Agreement, and any other dispute shall be governed by the substantive laws of the State of New York, without regard to its conflicts of law principles. Any dispute shall be brought in the appropriate courts of competent jurisdiction in New York City, New York.

7. This Agreement contains the entire agreement between the Parties regarding its subject matter and supersedes all previous agreements and negotiations. None of the terms of this Agreement shall be amended or modified except in a writing signed and delivered by the Parties.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed as of the Effective Date.

CANTERBURY LABORATORIES, LLC

By:_____
Yael Schwartz, Ph.D.
President and CEO
Hereunto Duly Authorized

FERNDALE PHARMA GROUP, INC.

By:_____
Michael J. Burns, Ph.D.
President and COO
Hereunto Duly Authorized

EXHIBIT 10.8

CANTERBURY LABORATORIES, LLC

MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT (the "Agreement") is made and entered into as of March, 22, 2012 (the "Effective Date"), by and between **Canterbury Laboratories, LLC**, ("Canterbury") duly organized under law and having an usual place of business at 8 Canterbury Lane, Holden, MA 01520 and MicroConstants, Inc. a corporation duly organized under law and having a usual place of business at 9050 Camino Santa Fe, San Diego, CA (the "Company").

Canterbury wishes to engage the Company to provide certain services, as hereinafter defined, and the Company has agreed to provide the services in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, for good and valuable consideration, including the herein promises, covenants, agreements, representations and warranties, the receipt and legal sufficiency of which is hereby acknowledged, accepted and agreed to, Canterbury and the Company, intending to be legally bound, hereby agree as follows:

1. The Company hereby agrees to perform the services (the "Services") set forth in any Task Order issued in the form attached hereto as Exhibit A by Canterbury and accepted by Company. This Agreement shall apply to any Task Order mutually agreed to, executed and delivered, and to all Services performed pursuant thereto. Each such Task Order issued by Canterbury shall constitute a separate and distinct contract between the parties, it being understood and agreed, however, that the terms and conditions of this Agreement shall be deemed incorporated by reference in each such Task Order and shall take precedence over and control any contrary or inconsistent terms and conditions appearing or referred to in any such Task Order, unless the Task Order explicitly states otherwise. No such contrary or inconsistent terms and conditions, nor any contrary, inconsistent or additional terms in any document issued by either party shall become part of any such contract unless accepted in writing by the parties.

2. Unless sooner terminated pursuant to Section 9 hereof, this Agreement shall be deemed effective as of the Effective Date, and shall continue in full force and effect for a period of five (5) years from such date. Notwithstanding the foregoing, should any Task Order(s) entered into during the period of this Agreement require Services to be performed beyond the expiration or termination date of this Agreement, then the terms of this Agreement shall remain in effect with respect to such Task Order(s) until the expiration or termination of the Task Order(s). Except as otherwise set forth in the applicable Task Order, said Task Order shall terminate upon the expiration or termination of the Agreement.

3. In consideration of the satisfactory performance of the Services, Canterbury will make payments to the Company as set forth in accordance with any applicable Task Order.

4. The Company shall keep in strictest confidence and shall not, without the prior written authorization of Canterbury, publish, disclose, disseminate or use for any purpose other than as contemplated by this Agreement any and all information disclosed to or developed by the Company in connection with this Agreement or with providing any Services performed hereunder (collectively the "Information"). This obligation of non-disclosure and non-use shall not apply to Information which: (i) is, at the time of disclosure or thereafter, publicly available through no fault of Company; (ii) the Company can demonstrate through competent written records was in its possession before receipt; (iii) is disclosed to Company by a third party with the legal right to do so; or (iv) is required to be disclosed pursuant to judicial process, court order or administrative request, provided that Company shall so notify Canterbury sufficiently prior to disclosing such Information as to permit Canterbury to seek a protective order. The Company shall ensure that each of its employees, subcontractors, consultants, servants and agents who have access to Information understand the confidential nature thereof and agree to be bound by the obligations set forth in this Section 4. The Company shall not have any publication rights and all of the same shall belong to Canterbury.

5. All information, data, reports, writings, works of art, ideas, source codes, inventions and other work product, in any form whatsoever, both tangible and intangible, developed as a result of the Company's performance of the Services (collectively, the "Works"), shall be the sole and exclusive property of Canterbury. The Company hereby assigns, and to the extent any such assignment cannot be made at present hereby agrees to timely assign to Canterbury and further agrees to cause its employees to assign to Canterbury all rights, title and interest in and to any such Works. All such assignments now and in the future shall be immediately made when requested by Canterbury and shall be made without any additional consideration or fee. During the term of this Agreement or at any time after the termination thereof, at the request of Canterbury, Company shall make, or cause its employees to make promptly, or cooperate in the making thereof, an application for United States letters patent and foreign letters patent or for copyright registration on any materials Company may develop in the course of performing the Services and developing the Works contemplated by this Agreement. Furthermore, Company shall assign, or shall cause its employees and all others involved with or who participated in providing the Services, to assign, to Canterbury or its designee: (i) any such application for copyright registration or for letters patent and patents issuing thereon; (ii) any other rights arising out of the Works (iii) any other intellectual property rights arising out of or related to this Agreement.

For avoidance of doubt, the Company agrees that any theory, discovery, invention, formulation, know-how, method, technology, development, confidential information, enhancement, modification, improvement or trade secret owned by or licensed to Canterbury as of the Effective Date or at any time during the Term of this Agreement, shall remain exclusively owned or licensed by Canterbury (the "Canterbury Background Intellectual Property"). In addition, any and all discoveries, inventions or improvements thereto, together with any enhancements, additions, trade secrets or know-how created, developed, conceived or reduced to practice by the Company (whether patentable or not), during the term of this Agreement and in the performance, directly or indirectly, of the Services (the "Services IP") shall be solely owned by Canterbury.

6. Neither party will use, nor authorize others to use, the name, symbols, or marks of the other party in any advertising or publicity material or make any form of representation or statement with regard to the Services which would constitute an express or implied endorsement by the other party of any commercial product or service without that other party's prior written approval.

7. The Company agrees to indemnify, defend and hold Canterbury and its subsidiaries and affiliates (including all officers, directors, employees, contractors and agents of the foregoing) harmless from and against any and all claims, demands, causes of action, damages, liabilities, losses, costs and expenses, including attorneys' fees (collectively, the "Claims"), arising out of, incidental to, or resulting directly or indirectly from performance by the Company (including but not limited to Company's employees, servants, agents, consultants and subcontractors) hereunder, or from the breach by the Company of its warranties, duties and obligations hereunder, except to the extent that such Claims were caused by the gross negligence or willful misconduct of Canterbury.

8. The Company agrees that it shall maintain during the performance of this Agreement the following insurance in amounts no less than that specified for each type: (i) general liability insurance with combined limits of not less than $1,000,000 per occurrence and $1,000,000 per accident for bodily injury, including death, and property damage; (ii) workers' compensation insurance in the amount required by the law of the state(s) in which the Company's workers are located and employers liability insurance with limits of not less than $1,000,000 per occurrence; and (iii) in the event that the use of a company-owned motor vehicle is required in the performance of this Agreement, automobile liability insurance with combined limits of not less than $1,000,000 per occurrence and $1,000,000 per accident for bodily injury, including death, and property damage is required. Upon execution of this Agreement, and written request by Canterbury, the Company will provide Canterbury with evidence of the Company's insurance. The Company will name Canterbury as an additional insured party under the Company's insurance policy, and will provide to Canterbury at least thirty (30) days prior written notice of any change or cancellation to the Company's insurance program.

9. This Agreement and any Task Orders issued hereunder may be terminated by Canterbury for any reason, or no reason, upon thirty (30) days prior written notice to the Company. In the event that: (i) either party becomes insolvent or is unable to pay its debts as they become due, or a petition in bankruptcy or for reorganization is filed by or against it, or a receiver is appointed of the whole or any substantial portion of its property; or (ii) either party is in material breach of its obligations hereunder, which breach remains uncured for five (5) business days following receipt of written notice from the other specifying the breach, then the other party shall have the right to immediately terminate this Agreement, without prejudice to its other rights or remedies, by written notice of such election.

10. The Company shall perform the Services: (i) in a first class professional manner in accordance with the terms and conditions of this Agreement and any Task Order, (ii) in conformance with that level of care and skill ordinarily exercised in similar circumstances by providers of the same or similar services and (iii) in compliance with all applicable federal, state and local laws, rules, regulations, orders, ordinances and binding obligations. The Company warrants that the Company is presently, and will remain, for the term of this Agreement and any extension thereof, free from any commitments or conflicts of interest that would impair the Company from rendering its undivided loyalty to Canterbury or providing the Services in an accurate and timely manner. The Company shall require any subcontractors or consultants retained to assist the Company in the performance of this Agreement to agree to maintain itself free from conflicts of interest pursuant to terms substantially similar to those set forth in this Section 10. The Company undertakes that any animals used in experiments as part of the Services will be used and disposed of in strict accordance with the applicable laws and regulations, but at least by US standards (see the Animal Welfare Act and Regulations at: http://www.nal.usda.gov/awic/legislattusdalegt htm), and will under no circumstances be used as food for humans or animals.

11. In the course of performing the Services and for the limited purpose of providing the Services, Canterbury will transfer to Company proprietary materials ("Canterbury Materials") as set forth in Exhibit B. Canterbury Materials shall also include any progeny and derivatives of the materials listed in Exhibit B. The Company may use Canterbury Materials (and derivatives thereof) only for the purpose of performing the Services, shall acquire no rights therein, and shall comply with the Material Transfer Provisions as set forth in Exhibit B hereof.

12. The Company shall not subcontract this Agreement or any portion thereof, without the prior written approval of Canterbury. Any such approval shall not relieve Company of its obligations under this Agreement. Further, the Company may not assign, delegate or transfer any of its rights or obligations under this Agreement without the written consent of Canterbury. Any attempted assignment, delegation or transfer in breach of this Section 12 shall be null and void.

13. Any Services performed by the Company for Canterbury under this Agreement are to be performed by the Company in the Company's capacity as an independent contractor. Neither the Company nor its employees, agents or representatives are employees of Canterbury. The Company retains the sole right to hire, discipline, evaluate and terminate its own employees and to set their hours, wages and terms and conditions of employment in accordance with law and the Company's obligations herein. All income, employment and other similar taxes required to be withheld and/or paid with respect to all services provided hereunder will be timely paid by the Company directly to the appropriate governmental agency. The employees, representatives or agents of the Company are not entitled to and will not receive from Canterbury in connection with the Services, any benefits normally provided by Canterbury to its employees. The Company agrees to defend, indemnify and hold Canterbury harmless against any claim that Canterbury is jointly or severally liable or obligated to Company's employees, agents, employees' representative, a benefit plan or any governmental fund or entity on the basis of a statute, regulation or common law duty relating to employment.

14. All notices required or permitted hereunder shall be given in writing and sent by facsimile transmission, or mailed postage prepaid by certified or registered mail, or sent by a nationally recognized express courier service, or hand delivered at the following addresses:

To Canterbury:

Canterbury Laboratories, Inc. 8 Canterbury Lane
Holden, MA 01520
Attn: President

Rubin and Rudman LLP 50 Rowes Wharf
3rd Floor
Boston, MA 02110
Attn: Peter B. Finn, Esq.
Fax: (617) 330-7550

To Company:

MicroConstants, Inc.
9050 Camino Santa Fe
San Diego, CA 92121
Attn: President & CSO

Any notice, if mailed properly addressed, postage prepaid, shall be deemed made three (3) days after the date of mailing as indicated on the certified or registered mail receipt, or on the next business day if sent by express courier service or on the date of delivery or transmission if hand delivered or sent by facsimile transmission.

15. This Agreement and any Task Orders issued hereunder represents the entire understanding of the parties with respect to the subject matter hereof and merge and supersede all prior and contemporaneous agreements or understandings, oral or written, with respect thereto. This Agreement shall not be modified except by a written agreement signed by the parties hereto specifying that it is a modification to the Agreement. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in writing and signed by the party making the waiver. The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision hereof. This Agreement shall be construed by and enforced in accordance with the laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

16. The Company shall, during the course of this Agreement and for four (4) years after the termination or expiration of this Agreement keep and make available to Canterbury or its public accountants or other representatives for inspection and audit at all reasonable times, time (including Company's employee billing/time records), cost and expense records in connection with fees and expenses, including outside expenses incurred and services and materials procured by Company under this Agreement, but excluding payroll records for Company employees. Any such audits or inspections shall be conducted at Canterbury' expense; however, in the event an audit or inspection reveals an overcharge equal to or in excess of five percent (5%) of the total fees and expenses for the period of the audit, the Company shall bear the cost of the audits. This Agreement give us rights or benefits to anyone other than Canterbury and the Company. There are no third party beneficiaries.

17. The provisions of Sections 4, 5, 6, 7, 11, 12, 13, 16 and 17 shall survive the expiration or termination of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives as of the day and year first above written, This Agreement may be executed in multiple counterparts which shall be deemed to be an original and collectively shall constitute one Agreement.

Canterbury Laboratories, Inc.

/s/
(signature)

Yael Schwartz, Ph.D.
(name printed)

President and CEO
(title)

(date)

MicroConstants, Inc.

/s/
(signature)

Gilbert Lam, Ph.D.
(name printed)

President and CEO
(title)

(date)

Exhibit A

MASTER SERVICES AGREEMENT
TASK ORDER NO.

This Task Order is entered into as of by and between Canterbury Laboratories, Inc., with an office at 8 Canterbury Lane, Holden, MA 01520 ("Canterbury"), and MicroConstants, Inc., with an office located at 9050 Camino Santa Fe, San Diego, CA 92121, ("Company"), pursuant to the terms of the Master Services Agreement between Canterbury and Company dated _____ __, 20XX.

PART I: PROJECT INFORMATION

A. Project Title

B. Description

[additional details to be provided]

C. Tasks and Timeframe

Company shall complete the following Tasks in accordance with the following schedule:

Task	Completion Date

D. Additional Requirements

[To be provided]

PART II: COSTS AND PAYMENT SCHEDULE

The total professional fees for the project described in this Task Order shall be $X,XXX.

Upon completion by Company and approval by Canterbury of the following Milestones, Company may submit to Canterbury invoices for the following amounts:

Milestone	**Expected Completion Date**	**$ Amount**	**% of Total**
1.			
TOTAL:			100%

PART III: COMMUNICATIONS

All communications provided for in this Task Order shall be mailed postage prepaid and addressed to the respective parties as follows:

To Canterbury:

8 Canterbury Lane
Holden, MA 01520
(774) 829-1992
Attn: President

To Company:

Project Management
MicroConstants, Inc.
Street Address
San Diego, CA
Phone: (858) 652-4600
Fax: (858) 652-4699

PART IV: PAYMENTS

Payee: MicroConstants, Inc.

Mailing
Address: 9050 Camino Santa Fe, San Diego, CA 92121

Tax 1D #: 33-0809500

PART V: AFFILIATES OF FORMA

Certain Affiliates may wish to become party to this Agreement and any Task Order. In such case, upon due execution of the document attached hereto as Exhibit A-1, an Affiliate shall become a party to this Agreement and any Task Order and shall enjoy the same rights, and be subject to the same obligations, as Canterbury. Affiliates shall mean corporations, partnerships or other business entities, and the employees and agents thereof which, directly or indirectly, are controlled by, control, or are under common control with, Canterbury.

The Next Page is the Signature Page to Exhibit A.

IN WITNESS WHEREOF, the parties hereto have caused this Task Order to be executed by their respective duly authorized representatives as of the day and year first above written.

Canterbury Laboratories, Inc.	**MicroConstants, Inc.**
_____	_____
(signature)	(signature)
Yael Schwartz, Ph.D.	_____
(name printed)	(name printed)
President and CEO	_____
(title)	(title)
_____	_____
(date)	(date)

Exhibit A-1

AFFILIATE AGREEMENT

The undersigned Affiliate wishes to become party to the Master Services Agreement between the Company and Canterbury, dated _____ __, 20__ and Task Order(s) [Insert Task Order Number(s)], dated [insert date of Task Order(s)] to said Agreement. Accordingly, upon execution of this Affiliate Agreement, the undersigned Affiliate shall become a party to said Master Service Agreement and Task Order(s) and be entitled to all of the rights enjoyed by, and be subject to all of the obligations imposed upon, Canterbury thereunder.

Affiliate Name: _____

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B

MASTER TRANSFER PROVISIONS

The Materials listed herein will be transferred to the Company by Canterbury for the purpose of allowing the Company to perform the Services as described in the accompanying Master Services Agreement ("Canterbury Materials"):

The Company agrees to comply with the following terms and conditions with respect to samples and other materials exchanged between them in connection with the Services ("Canterbury Materials"):

1. The Company is regularly engaged in conducting laboratory studies or animal tests, and has all the required authorizations to perform such experimental work in vitro or with laboratory animals in vivo at the place of investigation. In particular, the Company is entitled under all applicable laws and regulations to perform the Services using Canterbury Materials.

2. Canterbury Materials will be used in full compliance with all laws and regulations applicable in the country where the Services are performed, especially all guidelines for use of Canterbury Materials and research conducted with animals. The Company employees working on the Services have adequate training and facilities to use Canterbury Materials and will directly supervise the Services.

3. Canterbury Materials will be used solely for performance of the Services in the facilities of the Company under suitable containment conditions in accordance with all applicable laws and regulations. Canterbury Materials will under no circumstances be administered to humans.

4. Canterbury Materials will not be analyzed or modified other than necessary for the purpose of the Services without prior written consent of Canterbury.

5. Canterbury Materials will not be transferred or made available to any individual other than those under the supervision and control of Company assigned to the performance of the Services without the prior written consent of Canterbury. At the end of the performance of the Services, Canterbury will require the Company to return or destroy any unused Canterbury Materials in accordance with all applicable laws and regulations and instructions of Canterbury (if any).

6. Any animals used in experiments with Canterbury Materials or derivatives thereof will be disposed under the Company's supervision in accordance with all applicable laws and regulations and the instructions of Canterbury, if any, and will under no circumstances be used as food for humans or animals.

7. Canterbury Materials are being supplied to the Company with no warranties, express or implied, of merchantability or fitness for a particular purpose or otherwise. In particular, Canterbury does not represent or warrant that the use of Canterbury Materials will not infringe or violate any patent or proprietary rights of third parties.

8. Canterbury Materials are to be used with caution and prudence in any experimental work, since not all of the characteristics are necessarily known. The Company shall bear all risk to it and/or any others resulting, directly or indirectly, from use, application, storage or disposal/destruction of Canterbury Materials.

Dated:_____

[Company Name]

By:_____
Name:_____
Title:_____

EXHIBIT 10.9

COMPANY: GLSynthesis, Inc.
COMPANY CONTACT: George Wright, Ph.D.
CANTERBURY CONTACT: Craig Abolin, Ph.D.

EFFECTIVE DATE: 8/27/2013

MASTER CONTRACT SERVICES AGREEMENT

THIS MASTER CONTRACT SERVICES AGREEMENT (together with any Statement(s) of Work, the "Agreement") is made as of the date written above (the "Effective Date") by and between Canterbury Laboratories, LLC, a Delaware limited liability company with a principal office at 8 Canterbury Lane, Holden, MA 01520 ("CANTERBURY') and GLSynthesis Inc. ("Service Provider"), a Massachusetts corporation having a principal office at One Innovation Drive, Worcester, MA 01605.

1. **Agreement Structure**. From time to time, CANTERBURY may want the Service Provider to provide certain preclinical or laboratory research-related services (the "Services"). This Agreement contains general terms and conditions under which CANTERBURY would engage the Service Provider and under which the Service Provider would provide Services. CANTERBURY and the Service Provider must complete and execute a work order, project order or statement of work ("Statement of Work") before any Services are provided. Each Statement of Work will include, at a minimum, the information relating to the specific Services outlined in the sample Statement of Work attached as **Appendix A**. However, neither CANTERBURY nor the Service Provider is obligated to execute any Statement of Work. Once executed, a Statement of Work becomes part of this Agreement, although the terms in a Statement of Work will govern only Services described in that Statement of Work. A Statement of Work may not change any term in this Agreement. Any change or modification to the Agreement must be in accordance with Section 9.6 below.

2. **About the Services**.

2.1 **Provision of Services**. The Service Provider agrees to provide all Services identified in any Statement of Work: (a) promptly; (b) at such times and at such places as CANTERBURY may reasonably request; (c) within the time period specified in the relevant Statement of Work, and (d) in accordance with the highest prevailing industry standards and practices for the performance of similar services. For each Statement of Work, Service Provider will designate a "Project Leader" who will be available for frequent communications with CANTERBURY regarding the Services provided under that Statement of Work.

2.2 **Audits**. After reasonable notice by CANTERBURY to Service Provider, Service Provider will allow CANTERBURY employees and representatives, and representatives of regulatory agencies, during normal business hours, to inspect the facilities used to render the Services under the applicable Statement of Work.

2.3 **Subcontracting**. With CANTERBURY's prior written consent, Service Provider may subcontract the performance of certain of its obligations under a specific Statement of Work to qualified third parties, provided that (a) Service Provider notifies CANTERBURY of the proposed subcontractor and identifies the specific Services to be performed by the subcontractor (b) the subcontractor performs those Services in a manner consistent with the terms and conditions of this Agreement, and (c) Service Provider remains liable for the performance of the subcontractor.

3. **Representations by Service Provider**. The Service Provider makes the following representations and agrees to notify CANTERBURY immediately upon any future breach of these representations:

3.1 **Organization of Service Provider**. Service Provider is and will remain a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

3.2 **Enforceability of this Agreement**. The execution and delivery of this Agreement has been authorized by all requisite corporate action. This Agreement is and will remain a valid and binding obligation of Service Provider, enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors.

3.3 **Absence of Other Contractual Restrictions**. Service Provider is under no contractual or other obligation or restriction that is inconsistent with Service Provider's execution or performance of this Agreement. Service Provider will not enter into any agreement, either written or oral, that would conflict with Service Provider's responsibilities under a Statement of Work.

3.4 **Qualifications of Service Provider Personnel**. Service Provider has, and will engage, employees, subcontractors and/or consultants ("Service Provider Personnel") with the proper skill, training and experience to provide the Services. Service Provider will be solely responsible for paying Service Provider Personnel and providing any employee benefits that they are owed. Before providing Services, all Service Provider Personnel must have agreed in writing to (a) confidentiality obligations consistent with the terms of this Agreement, and (b) effectively vest in Service Provider any and all rights that such personnel might otherwise have in the results of their work.

3.5 **Legal Compliance**. Service Provider will comply, in all material respects, with all federal and state laws, regulations and orders applicable to its operations. In addition, Service Provider will comply with all reasonable and applicable CANTERBURY guidelines, such as standard operating procedures, that CANTERBURY provides in writing.

3.6 **Conflicts with Rights of Third Parties**. Service Provider warrants and represents that its provision of, and CANTERBURY's use of, Services and Deliverables (defined below) in accordance with this Agreement will not violate any patent, trade secret or other proprietary or intellectual property right of any third party.

3.7 **Absence of Debarment**. Service Provider represents and warrants that neither Service Provider nor any Service Provider Personnel performing Services under this Agreement have been debarred, and to the best of Service Provider's knowledge, are not under consideration to be debarred, by the United States Food and Drug Administration ("FDA") from working in or providing services to any pharmaceutical or biotechnology company under the Generic Drug Enforcement Act of 1992.

4. **Compensation**. As full consideration for the Services, CANTERBURY will pay Service Provider in accordance with the applicable Statement of Work. Service Provider will invoice CANTERBURY for all amounts due under a Statement of Work. All undisputed payments will be made by CANTERBURY within thirty (30) days of its receipt of an invoice.

5. **Proprietary Rights**.

5.1 **Materials**. All documentation, information, and biological, chemical or other materials controlled by CANTERBURY and furnished to Service Provider (the "Materials") and all associated intellectual property rights will remain the exclusive property of CANTERBURY. Service Provider will use Materials provided by CANTERBURY only as necessary to perform the Services.

5.2 **Deliverables**. Service Provider agrees to assign and assigns to CANTERBURY all rights to information, data, documentation, reports, inventions and other products of the Services (the "Deliverables"). All work products resulting from the Services that are "Works Made for Hire" as defined in the U.S. Copyright Act and other copyrightable works will be deemed, upon creation, to be assigned to CANTERBURY. CANTERBURY will be free to use Deliverables for any and all purposes. Service Provider will retain ownership of any pre-existing products, materials, tools, methodologies, technologies or intellectual property rights of Service Provider embodied in the Deliverables or to any improvements made to these items as a result of rendering the Services ("Service Provider Technology"). Service Provider agrees not to incorporate any Service Provider Technology into Deliverables that would prevent CANTERBURY from using Deliverables for any and all purposes.

5.3 **Work at Third Party Facilities**. Service Provider will not transfer Materials or use any third party facilities or intellectual property in performing the Services without CANTERBURY' s prior written consent.

5.4 **Records; Records Storage**. Service Provider will maintain all materials and all other data and documentation obtained or generated by Service Provider in the course of preparing for and providing Services hereunder, including all computerized records and files (the "Records") in a secure area reasonably protected from fire, theft and destruction. These Records will be "Works Made for Hire" and will remain the exclusive property of CANTERBURY.

5.5 **Record Retention**. Upon written instruction of CANTERBURY, all Records will, at CANTERBURY's option either be (a) delivered to CANTERBURY or to its designee in such form as is then currently in the possession of Service Provider, (b) retained by Service Provider for a period of five (5) years, or as required under applicable law or regulation, or (c) disposed of, at the direction and written request of CANTERBURY, unless such Records are otherwise required to be stored or maintained by Service Provider as a matter of law or regulation. In no event will Service Provider dispose of any such Records without first giving CANTERBURY sixty (60) days' prior written notice of its intent to do so. Service Provider may, however, retain copies of any Records as are reasonably necessary for regulatory or insurance purposes, subject to Service Provider's obligations of confidentiality.

6. **Confidential Information**.

6.1 **Definition**. The term "Confidential Information" includes all non-public information that CANTERBURY considers confidential or proprietary, including the Materials and Deliverables, whether or not labeled "Confidential." However, the term "Confidential Information" does not include information that (a) is known to Service Provider at the Effective Date and is not subject to another confidentiality obligation to CANTERBURY, (b) is publicly known at the Effective Date or later becomes publicly known under circumstances involving no breach of this Agreement, (c) is lawfully and in good faith disclosed to Service Provider by a third party who is not subject to a confidentiality obligation to CANTERBURY, or (d) is independently developed by Service Provider as evidenced by its written records.

6.2 **Confidentiality Obligation**. Service Provider acknowledges that CANTERBURY is and will remain the sole owner of Confidential Information. During the term of this Agreement and for a period of ten (10) years thereafter, Service Provider will take all commercially reasonable precautions to protect the confidentiality of Confidential Information, and will not disclose or use any Confidential Information except with CANTERBURY' s knowledge and as necessary to perform the Services. In particular, Service Provider may disclose Confidential Information to Service Provider Personnel who need to know such Confidential Information in order to provide the Services and who are obligated to protect the confidentiality of such Confidential Information under terms at least as stringent as those set forth in this Section 6. If required by law, Service Provider may disclose Confidential Information to a governmental authority, provided that reasonable advance notice is given to CANTERBURY and Service Provider reasonably cooperates with CANTERBURY to obtain confidentiality protection of such information.

6.3 **Irreparable Injury**. Service Provider acknowledges and agrees that any violation of the terms of this Agreement relating to the disclosure or use of Confidential Information may result in irreparable injury and damage to CANTERBURY not adequately compensable in money damages, and for which CANTERBURY will have no adequate remedy at law. Service Provider acknowledges and agrees, therefore, that if those disclosure terms are violated, CANTERBURY may need to obtain injunctions, orders, or decrees in order to protect the Confidential Information and will be entitled to do so without having to post a bond.

7. **Indemnification and Insurance**.

7.1 **Indemnification by Service Provider**. Service Provider agrees to indemnify CANTERBURY for any third party claims, including reasonable attorneys' fees for defending those claims, arising out of (a) Service Provider's performance of the Services, (b) Service Provider's negligence or willful misconduct, or (c) Service Provider's breach of this Agreement, except to the extent such claims result from CANTERBURY's negligence, willful misconduct, or breach of this Agreement. As a condition of this indemnification obligation, CANTERBURY must promptly notify Service Provider of a covered claim, must tender to Service Provider (and/or its insurer) full authority to defend or settle the claim, and must reasonably cooperate with the defense.

7.2 **Indemnification by CANTERBURY**. CANTERBURY agrees to indemnify Service Provider for any third party claims, including reasonable attorneys' fees for defending those claims, arising out of (a) CANTERBURY' s use of the Deliverables, (b) CANTERBURY's negligence or willful misconduct in connection with this Agreement or (c) CANTERBURY's breach of this Agreement, except to the extent such claims result from Service Provider's negligence, willful misconduct, or breach of this Agreement. As a condition of this indemnification obligation, Service Provider must promptly notify CANTERBURY of a covered claim, must tender to CANTERBURY (and/or its insurer) full authority to defend or settle the claim, and must reasonably cooperate with the defense.

7.3 **Insurance**. Service Provider will maintain the following minimum insurance coverage with financially sound and nationally reputable insurers: Workers Compensation (applicable statutory limits), Employers Liability ($1,000,000), Commercial General Liability including Products and Completed Operations ($1,000,000 per ocurrence/$2,000,000 aggregate).

8. **Expiration and Termination**.

8.1 **Expiration**. This Agreement will expire on the later of (a) two (2) years from the Effective Date or (b) the completion of all Services under the last Statement of Work executed by the parties prior to the second anniversary of the Effective Date. The Agreement may be extended by mutual agreement of the parties or earlier terminated in accordance with Section 8.2 or 8.3 below.

8.2 **Termination by CANTERBURY**. CANTERBURY may immediately terminate this Agreement at any time upon written notice to Service Provider in the event of a breach of this Agreement by Service Provider which cannot be cured (i.e. breach of the confidentiality obligations). Further, CANTERBURY may terminate this Agreement or any Statement of Work at any time upon thirty (30) days' prior written notice to Service Provider.

8.3 **Termination by Service Provider**. Service Provider may terminate this Agreement or any Statement of Work upon thirty (30) days' prior written notice to CANTERBURY if CANTERBURY breaches this Agreement or any Statement of Work and fails to cure the breach during the notice period.

8.4 **Effect of Termination or Expiration**. Upon termination or expiration of this Agreement, neither Service Provider nor CANTERBURY will have any further obligations under this Agreement, or in the case of termination or expiration of a Statement of Work, under that Statement of Work, except that:

(a) Service Provider will terminate all Services in progress in an orderly manner as soon as practical and in accordance with a schedule agreed to by CANTERBURY, unless CANTERBURY specifies in the notice of termination that Services in progress should be completed;

(b) Service Provider will deliver to CANTERBURY any Materials in its possession or control and all Deliverables developed through termination or expiration,

(c) CANTERBURY will pay Service Provider any monies due and owing Service Provider, up to the time of termination or expiration, for Services actually performed and all authorized expenses actually incurred (as specified in the applicable Statement of Work),

(d) Service Provider will promptly remit to CANTERBURY any monies paid in advance by CANTERBURY for Services not yet rendered and expenses not yet incurred as of the date of termination,

(e) Service Provider will promptly return to CANTERBURY all Confidential Information and copies thereof provided to Service Provider under this Agreement or under any Statement of Work which has been terminated or has expired, except for one (1) copy which Service Provider may retain solely to monitor Service Provider's surviving obligations of confidentiality; and

(f) Particular obligations within the Proprietary Rights, Confidential Information, and Indemnification and Insurance sections will survive any such termination or expiration.

9. **Miscellaneous**.

9.1 **Independent Contractor**. All Services will be rendered by Service Provider as an independent contractor and this Agreement does not create an employer-employee relationship between CANTERBURY and Service Provider. Service Provider shall not in any way represent itself to be a partner or joint venture of or with CANTERBURY.

9.2 **Publicity**. Neither party may use the other party's name in any form of advertising, promotion or publicity, including press releases, without the prior written consent of the other party. This term does not restrict a party's ability to use the other party's name in filings with the Securities and Exchange Commission, FDA, or other governmental agencies, when required to do so.

9.3 **Notices**. All notices required or permitted under this Agreement will be in writing and will be given by addressing the same to the address or facsimile number for the recipient set forth in this Agreement or at such other address or facsimile number as the recipient may specify in writing under this procedure. Communications and notices to CANTERBURY will be marked "Attention: "PRESIDENT". Notices will be deemed to have been given (a) three (3) business days after deposit in the United States Mail with proper postage for first class registered or certified mail prepaid, return receipt requested; (b) one (1) business day after facsimile transmission, with transmission confirmed and followed by mailing pursuant to (a); or (c) one (1) business day after sending by nationally recognized bonded courier.

9.4 **Assignment**. This Agreement may not be assigned by Service Provider without the prior written consent of CANTERBURY, and any attempted assignment by Service Provider not in compliance with the foregoing will be of no force or effect. CANTERBURY may assign this Agreement in whole without consent of Service Provider. No assignment will relieve either party of the performance of any accrued obligation that such party may then have under this Agreement.

9.5 **Entire Agreement**. This Agreement constitutes the entire agreement of the parties with regard to its subject matter, and supersedes all previous written or oral representations, agreements and understandings between CANTERBURY and Service Provider. In the event of any conflict, discrepancy, or inconsistency between this Agreement and any Statement of Work, the terms of this Agreement will control.

9.6 **No Modification**. This Agreement and/or any Statement of Work may be changed only by a writing signed by authorized representatives of both parties.

9.7 **Severability; Reformation**. Each and every provision set forth in this Agreement is independent and severable from the others, and no restriction will be rendered unenforceable by virtue of the fact that, for any reason, any other or others of them may be invalid or unenforceable in whole or in part. If any provision of this Agreement is invalid or unenforceable for any reason whatsoever, that provision will be appropriately limited and reformed to the maximum extent provided by applicable law. If the scope of any restriction contained herein is too broad to permit enforcement to its full extent, then such restriction will be enforced to the maximum extent permitted by law so as to be judged reasonable and enforceable.

9.8 **Governing Law**. This Agreement will be construed and interpreted and its performance governed by the laws of the Commonwealth of Massachusetts, without giving effect to the doctrine of conflict of laws.

9.9 **Waiver**. No waiver of any term, provision or condition of this Agreement (whether by conduct or otherwise) in any one or more instances will be deemed to be or construed as a further or continuing waiver of any such term, provision or condition of this Agreement.

9.10 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together will constitute one and the same instrument.

9.11 **Headings**. This Agreement contains headings only for convenience and the headings do not constitute or form a part of this Agreement, and should not be used in the construction of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

By:/s/

Print Name: Yael Schwartz, Ph.D.

Title: President and CEO
Duly authorized

Date: August 27, 2013

By:/s/

Print Name: George E. Wright, PhD

Title: President
Duly authorized

Date: 8-27-13

Tax ID No. 043318873
(Required for Payment)

APPENDIX A
SAMPLE STATEMENT OF WORK

THIS STATEMENT OF WORK (the "Statement of Work") by and between CANTERBURY LABORATORIES, LLC ("CANTERBURY") and *GLSynthesis, Inc.* (the "Service Provider"), will be effective as of the last date of signature below, and upon execution will be incorporated into the Master Contract Services Agreement between CANTERBURY and Service Provider dated ***insert date*** (the "Agreement"). Capitalized terms in this Statement of Work will have the same meaning as set forth in the Agreement.

CANTERBURY hereby engages Service Provider to provide Services, as follows:

1. **Services**. Service Provider will render to CANTERBURY the following Services:

   Describe specific Service to be provided including all Deliverables.

   [If Applicable, attach Transfer of Obligations document.]

   [If Applicable, specify that Services must be in accordance with GLP or GCP]

   Any Deliverables will be provided to CANTERBURY in a mutually agreeable format.

2. **Materials**. CANTERBURY will provide to Service Provider the following Materials for the Services:

   Describe specific materials being provided by CANTERBURY

3. **Completion**. The Services will be completed within ***INSERT TIME PERIOD***.

4. **Service Provider Contacts**.

   Project Management Contact: *Name and Title*

   Administration Contact: *Name and Title*

   Payment Contact: *Name and Title*

5. **CANTERBURY Contact**. *Name and Title*

6. **Compensation**. The total compensation due Service Provider for Services under this Statement of Work is ***INSERT WRITTEN AMOUNT (numerical amount)***. Such compensation will be paid ***INSERT PAYMENT SCHEDULE***. CANTERBURY and Service Provider must agree in advance of either party making any change in compensation. Service Provider will invoice CANTERBURY for all amounts due under a Statement of Work. Service Provider will invoice CANTERBURY to the attention of ***INSERT NAME*** for Services rendered hereunder. All undisputed payments will be made by CANTERBURY within thirty (30) days of its receipt of an invoice.

All terms and condition of the Agreement will apply to this Statement of Work.

AGREED TO AND ACCEPTED BY:

CANTERBURY LABORATORIES, LLC

By:/s/

Print Name: Yael Schwartz, Ph.D.

Title: President and CEO
Duly authorized

Date:

GLSYNTHESIS INC.

By:/s/

Print Name: George E. Wright, PhD

Title: President
Duly authorized

Date:

EXHIBIT 10.10

Service Agreement

This Service Agreement ("Agreement") is made by and between:

Canterbury Laboratories, LLC with an address 513 Lookout Loop, Eastsound, WA 98245 USA ("CLIENT")

and

CEREP, having a place of business at le Bois L'Eveque - BP 1 - 86600 Celle L'Evescault, France ("CEREP")

For the purpose of this Agreement "CEREP" shall mean CEREP SA and its wholly owned subsidiaries.

Preamble. This Agreement confirms the terms and conditions under which CLIENT will disclose to CEREP proprietary or confidential information ("CLIENT INFORMATION") or materials or samples ("CLIENT MATERIAL") and under which CEREP will perform any pharmacological and pharmaceutical research services described in CEREP's catalogues, web site or other sales materials, or any other research services that the Parties may agree to submit to the terms of the present Agreement (hereinafter referred to as "SCIENTIFIC SERVICES").

1. CEREP agrees to carry out SCIENTIFIC SERVICES requested by CLIENT in connection with CLIENT MATERIAL or CLIENT INFORMATION that CLIENT may provide to CEREP. CEREP will indicate to CLIENT within two weeks of receiving CLIENT's written request, (i) the list of assays and the financial terms for the SCIENTIFIC SERVICES to be performed, and (ii) the time schedule for completion of said SCIENTIFIC SERVICES, by providing CLIENT with a Quotation ("Quotation"). If acceptable to both Parties and except as otherwise mentioned in writing, each Quotation will be considered as part of this Agreement.

2. The SCIENTIFIC SERVICES described to date in CEREP's catalogue, web site or other sales materials may be subject to changes or may be suppressed. To the best of CEREP's knowledge, CEREP is entitled to perform the SCIENTIFIC SERVICES without infringing any issued patents in the country where the SCIENTIFIC SERVICES are performed. Notwithstanding the foregoing, in no event will CEREP be held liable for not being able to perform any SCIENTIFIC SERVICES requested by CLIENT.

3. In carrying out the SCIENTIFIC SERVICES, CEREP will take all necessary steps and make reasonable efforts to ensure that the results obtained are scientifically accurate and valid according to the standards presently accepted in the relevant field.

4. The results of the SCIENTIFIC SERVICES will be reported in writing to CLIENT promptly upon their completion (“Results”). Unless otherwise agreed by the Parties in a Quotation, CLIENT shall pay for the SCIENTIFIC SERVICES as follows:

· The total amount due for the SCIENTIFIC SERVICES upon receipt of the final report that includes the Results; or

· The total amount due for the SCIENTIFIC SERVICES performed upon receipt of an interim report including the Results already produced should:

  · additional SCIENTIFIC SERVICES be requested by CLIENT as a follow-up

  · assay(s) be unavailable

Then the remaining amount for the SCIENTIFIC SERVICES performed will be paid by CLIENT upon receipt of the final report.

5. Should CLIENT request in writing to have access via the Internet to the data obtained by CEREP as the result of the SCIENTIFIC SERVICES and other related information as the case may be (‘‘Data”), using “Data Online”, a service developed by CEREP on its Web site, such access shall be made under the following conditions :

a. CLIENT hereby acknowledges that it has been informed of Data Online’s main operation rules attached hereto as Appendix 1.

b. The Data on Data Online are provided to CLIENT on an “as is”, and “as available” basis.

c. CEREP may at any time and without prior notice to CLIENT interrupt the access to Data Online if it is necessary to maintain the security of Data Online. CEREP shall not be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of CLIENT use of, or inability to use, Data Online.

d. CEREP agrees that CEREP security measures set forth in this Agreement and as hereto attached in Appendix 1 are efficient and adequate to protect the Data, and that CEREP is fulfilling its confidentiality obligations with regard to the Data pursuant to this Agreement.

e. CEREP will not accept liability for any errors or omissions in the contents of Data which may arise as a result of Internet transmission. In no event will CEREP be held liable for any incorrect or lost Data as a result of transmission of the Data as authorized by CLIENT.

6. In connection with the SCIENTIFIC SERVICES, CEREP may provide, upon CLIENT’s request, interpretation profile services as described in Appendix 2 to this Agreement. At any time during the term of the present Agreement, CEREP may refuse to provide interpretation profile services requested by CLIENT.

Report derived from interpretation profile services (“Interpretation Profile Report”) is generated using BioPrint® database, a database proprietary to CEREP. BioPrint® data generated by CEREP have been obtained using quality control processes consistent with those used for pharmacological screening or profiling of CLIENT compounds. BioPrinte data derived from literature have been reported with reasonable care and accuracy.

Interpretation Profile Report is generated using statistical tools and may contain certain errors, omissions or bias usually associated with the use of statistical tools; therefore CEREP makes no representation and warranty with regards to information contained in the Interpretation Profile Report and their suitability for a particular purpose.

CEREP does not warrant to CLIENT (i) that Interpretation Profile Report is patentable in whole or in part and (ii) that the use of such Interpretation Profile Report does not infringe third party's rights.

7. If necessary for the performance of the SCIENTIFIC SERVICES, CLIENT will transfer to CEREP the sufficient or requested quantities of CLIENT MATERIAL involved in the SCIENTIFIC SERVICES and, if deemed necessary, will provide all pertinent information regarding the solubility, stability and/or any other information regarding CLIENT MATERIAL. CEREP will be responsible for and bear the expenses of obtaining any other chemicals, materials, equipment, animals and facilities needed to conduct the SCIENTIFIC SERVICES.

8. In return for performance of the SCIENTIFIC SERVICES, CLIENT shall pay CEREP a certain fee indicated in the corresponding Quotation.

9. CLIENT MATERIAL supplied to CEREP by CLIENT will be considered as CLIENT's confidential information and will not be distributed by CEREP to any third party and will remain proprietary to CLIENT. The remaining quantity of CLIENT MATERIAL will be returned to CLIENT upon written request of CLIENT and will not be used by CEREP except as agreed by CLIENT. CEREP agrees not to perform any physical, chemical or biological analysis, other than those listed in the Quotation provided to CLIENT, nor to attempt any determination of the structure of CLIENT MATERIAL (when such CLIENT MATERIAL refers to samples). Notwithstanding the foregoing, CEREP may receive from CLIENT or itself determine the structure of said CLIENT MATERIAL when such determination is strictly necessary for the performance of the SCIENTIFIC SERVICES, as stated in the Quotation and agreed by CLIENT. Should CLIENT MATERIAL be shipped upon request of CLIENT, such shipping will be made at CLIENT's sole risk and expense, said expense being mentioned in the Quotation.

10. CLIENT INFORMATION disclosed by CLIENT to CEREP, as defined in the preamble of the present Agreement, the results of the SCIENTIFIC SERVICES and any written report prepared by CEREP for CLIENT (hereafter the "CONFIDENTIAL INFORMATION"), are considered to be confidential and proprietary to CLIENT. CEREP agrees to hold such CONFIDENTIAL INFORMATION in strict confidence and not to disclose it to third parties whether orally, in writing or by way of samples without CLIENT's prior written consent for a period of five (5) years from the date of the disclosure of said CONFIDENTIAL INFORMATION. Furthermore, CEREP shall not use the CONFIDENTIAL INFORMATION for any purpose other than as recited herein and shall take all necessary and reasonable steps to assure that the CONFIDENTIAL INFORMATION is maintained in confidence. However, CLIENT agrees that CEREP may disclose solely the existence of the engagement of CEREP by CLIENT in normal customer lists prepared by CEREP for general marketing purposes. The obligations of confidentiality and non-use shall apply to each of CEREP's employees who have access to the CONFIDENTIAL INFORMATION. At the request of CLIENT, CEREP shall destroy all copies of documents containing the CONFIDENTIAL INFORMATION in the possession of CEREP, except that CEREP may retain one (1) copy of such CONFIDENTIAL INFORMATION in its confidential files, solely for record purposes as a mean of determining any continuing obligations under this Agreement. Except as otherwise agreed in writing by the Parties, CEREP will retain a copy of reports and experimental records containing experimental descriptions and data generated from this Agreement for a period of five (5) years from their generation. After this time and on request by CLIENT, CEREP shall provide to CLIENT all experimental records and reports obtained from the work performed under the terms of this Agreement. Should these files not be requested by CLIENT six months after the expiration of the five year period above mentioned, CEREP will be entitled to destroy them.

11. All ideas, inventions, data conceived or obtained during the performance of the SCIENTIFIC SERVICES under the terms of this Agreement will be the exclusive property of CLIENT and are to be formally assigned to CLIENT, whether or not patentable, except as otherwise expressly agreed in writing by CLIENT and CEREP. CEREP shall, and shall cause its employees to, (i) execute all documents and perform all acts deemed reasonably necessary by CLIENT to evidence CLIENT's ownership of the intellectual property and (ii) assist CLIENT in preparing, prosecuting, obtaining, registering, maintaining, defending and enforcing, at CLIENT's sole expense, discretion and exclusive control, all patents and any foreign equivalents thereof, copyrights, trade secret rights and other proprietary rights. Notwithstanding the foregoing, cLIENT agrees that CEREP's core technologies shall remain the sole property of CEREP, and that any and all improvements to CEREP's core technologies, whether or not conceived within the performance of services in connection with this Agreement, shall be the sole property of CEREP. For the purpose of the present Agreement "CEREP's core technologies" means all models, programs, methodologies, know-how and general knowledge possessed by CEREP, including without limitation, all generally accepted accounting and actuarial principles and all interpretations thereof.

12. CEREP may supply certain data or experimental procedures to CLIENT that are considered to be confidential and proprietary to CEREP, as clearly indicated by CEREP. CLIENT agrees to hold such information in strict confidence and not to disclose it to third parties whether orally, in writing or by any other means without CEREP's prior written consent for a period of five (5) years from the date of the disclosure of said information.

13. One Party (the "RECEIVING PARTY") shall have no obligation of confidentiality with respect to any information disclosed by the other Party (the "DISCLOSING PARTY") that:

a. is now in the public domain or subsequently enters the public domain without fault or negligence on the part of the RECEIVING PARTY, its employees, or its affiliates; or

b. can be demonstrated by documentation or other competent proof to have been in the RECEIVING PARTY's possession prior to disclosure by the DISCLOSING PARTY; or

c. is properly received by the RECEIVING PARTY from a third party with a valid legal right to disclose such information and such third party is not under confidentiality agreement to the DISCLOSING PARTY; or

d. is required to be disclosed pursuant to any order of a court having jurisdiction or any lawful action of a government or regulatory agency; or

e. the RECEIVING PARTY's employees who have no knowledge of the DISCLOSING PARTY's confidential information subsequently develop such information independently.

14. CEREP may supply data or experimental procedures to CLIENT that are not confidential. CEREP agrees that CLIENT shall own and he free to use all such non-confidential material without incurring any further obligation.

15. Indemnification. CLIENT shall defend, indemnify and hold harmless CEREP, its employees, directors and officers, from and against any and all liability which it may incur, by reason of CLIENT's use of the results of the SCIENTIFIC SERVICES hereunder : provided, however, that CEREP shall indemnify CLIENT, its employees, directors and officers for any claims for injuries to persons or damage which occur on CEREP's premises or premises under the exclusive, control of CEREP,

16. CLIENT acknowledges and agrees that research services provided by CFREP are performed on a non-exclusive basis and, accordingly, CEREP has the light to perform similar services tor portles other lhan CLIENT, provided that CEREP shall comply with its obligations of non-disclosure and confidentiality.

17. Termination of this Agreement shall not affect any rights or obligations of the Parties which may have accrued prior to the termination, nor shall it affect the coming into or continuance In force of any provisions of this Agreement which are expressly, or by implication, intended to come into or continue in force after termination. Notwithstanding the Foregoing, the obligations of the present Agreement will be suspended in the case of the occurrence of any acts of God or force majeure such as but not limited to fire, flooding, water damage, storms and lighting, accidents, an act emanating from an administrative authority, war, rioting, strikes or any other circumstance having a cause beyond the control of one or the other Party, including, without limitation, failure of suppliers, subcontractors or carriers, and preventing said Party from Fulfilling any obligations of the present Agreement.

18. Independent Contractors. It is not the intent of CEREP and CLIENT to form any partnership or joint venture, and nothing contained herein shall be construed to empower either Party to act as on agent for the other. The Parties agree that each of them shall, in relation to its obligations hereunder, be acting as an independent contractor.

19. Entire Agreement-Amendments. This Agreement constitutes the entire agreement between the Parties with respect to the subject matters addressed herein. This Agreement may not be amended or modified except by a written agreement signed by both Parties hereto.

20. Validity. The invalidity or unenforceability of any provision of this Agreement shalt not affect the validity or enforceability of any other provision of this Agreement, each of which shall train in full force and effect.

21. Headings. The descriptive headings are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

22. This Agreement shall in all events and tor all purposes be governed by, and construed in accordance with, the law of France, without regard to any choice of law principle that would dictate the application of the low of another jurisdiction,

23. This Agreement shall remain in force and effect for a period ol five (5) years from the last of the two signing dates hereafter.

24. This Agreement may be executed in one or more counterparts by the parties by signature of a person hewing authority to bind the party, each of which when executed and delivered by facsimile, electronic transmission or by mail delivery, will be an original and all of which shall constitute but one and the some Agreement.

CEREP	CLIENT
By:	By: Craig Abolin, PhD
Title:	Title: Chief Scientific Officer
Date:	Date:
Signature	Signature /s/

APPENDIX 1

DATA ONLINE'S MAIN OPERATION RULES

DESCRIPTION

CEREP Data Online is a web-based, secured system to view study information in real-time and perform safe downloads of data and reports.

ACCESS

- CEREP's Data Online services can be accessed using common Internet browserl and are located at https://www.cerep.fr/Secure
- Unique user name and password will be provided via mail, e-mail or fax to CLIENT when accepting a Quotation, thus mandating CEREP to perform a study. CLIENT will then have online access to the data generated in the scope of the study.
- CLIENT may require an "Administrator" account granting access to all the data generated in the scope of all the studies performed by CEREP for CLIENT. In this case, CEREP will request a written confirmation by fax or e-mail with a list of person(s) employed by CLIENT, authorised to access such data,
- CLIENT is responsible for its user name and password.

Two options are available:

- The Real-time data option enables the CLIENT to view study data as they are produced, and also to extract them into MS Excel.
- The Final Report option enables the CLIENT to download complete study reports and other related documents as they are produced.

SECURITY / CONFIDENTIALITY

- To deliver a high level of trust, Entrust & Digicert authenticate CEREP, enabling end users to verify our site and communicate via state-of-the-art SSL encryption. Our server supports all browser SSL encryption types (40 bit, 56 bit, 128 bit strong encryption). All computer operating systems and software are updated immediately upon receipt of the provider's security bulletin. These security measures are set forth in order to ensure adequate level of confidentiality to protect CLIENT's data.
- The user name, password and all Data on Data On Line are strongly encrypted depending on the browser used by the end user (i.e. if the browser supports the highest encryption, it will be automatically used).

- Passwords are not stored in any database; they are owned and encrypted by the operating system security mechanism thus the CLIENT is the only one to have knowledge of the password and who can change it as wished.

- The CLIENT can safely enter his/her password and download files from the secure server before any connection. Furthermore, for real time option, the data transferred corresponds to codes undecipherable for anyone except the CLIENT.

- The network topology to access the Data Online web server is also secured via state-of-the-art network security solutions. However the CLIENT must be aware of risks inherent to Internet transmissions, which cannot be guaranteed to be fully secured or error-free as information could be intercepted, corrupted, lost, destroyed, or contain viruses. This is why CEREP will not accept liability for any errors or omissions in the contents of Data which may arise as a result of Internet transmission.

To experience the power and convenience of Data Online, use ‘demo’ as login and password.

APPENDIX 2

DESCRIPTION OF BIOPRINT® SERVICES DELIVERABLES

Phase A. CLIENT's compound BioPrint® profile

CEREP will profile CLIENT's compound on BioPrint° assays and will provide CLIENT with the report including results of such profile (CLIENT's compound profiling data).

Phase B. BloPrint® Analysis

For the purpose of the present section "BioPrint® Analysis" shall mean interpretation of CLIENT' s compound profiling data to identify the nearest neighbors to CLIENT's compound and associated ADRs (adverse drug reactions).

B.1. Nearest neighbors to CLIENT's compound

Should interpretation of CLIENT's compound profiling data (as described above) be impossible to perform (level of activity, absence of neighbors..), CLIENT will be informed, and no charges will be associated to the Phase B.

Should a BioPrint® Analysis be performed as a result of interpretation of CLIENT's compound profiling data, CLIENT will receive a report containing (the "Phase B Report"):

- the chemical narne and the structure (generic name if available) of the five nearest neighbors to CLIENT's compound;
- the distance between CLIENT's compound and its five nearest neighbors (Cluster distances). Cluster distances to other compounds are also included in the report (without the name of such compounds).

B.2. ADR reports

The Phase B Report will also include:

- the description of ADRs associated to CEREP assays on which CLIENT's compound is active Spearman coefficient/ risk ratio are generated for each ADR);
- the description of ADRs of the five nearest neighbors identified.

Phase C. BloPrint® Data

CLIENT may elect to purchase datasets containing information on neighbors identified in Phase B.

Purchased data will be incorporated into the Phase B Report.

Three datasets are available for purchase (at CLIENT's sole choice) within the frame of a BioPrint® Analysis:

- a BioPrint® Full Profile. (which includes Bioprint0 Pharmaco and BioPrint® ADMETox mentioned below),
- BioPrint® Pharmoco (pharmacological data only),
- a BioPrint® ADMETox (ADMETox data only).

Purchase of a BioPrint® dataset involves delivery of:

- neighbors profiling data,
- ADR report on CLIENT' s compound and neighbor compounds,
- A set of different presentations and figures (giving comparative views on inhibition percentage and IC50s from CLIENT' s compound and neighbors).

Exhibit 99.1

HYGEIA THERAPEUTICS, INC. AND CANTERBURY LABORATORIES, LLC

COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011
SEPTEMBER 30, 2013 AND 2012

HYGEIA THERAPEUTICS, INC. AND CANTERBURY LABORATORIES, LLC
COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
SEPTEMBER 30, 2013 AND 2012

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Hygeia Therapeutics, Inc. and Canterbury Laboratories, LLC

We have audited the accompanying combined balance sheets of Hygeia Therapeutics, Inc. and Canterbury Laboratories, LLC (the "Company") as of December 31, 2012 and 2011, and the related statements of operations, changes in stockholders' equity, and cash flows for each of the years in the two-year period ended December, 2012. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December, 2012 and 2011, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2012 in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements were prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations and as of December 31, 2012 had negative working capital, accumulated deficit and stockholders and members deficit. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans concerning these matters are described in Note 2. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Goldman, Kurland and Mohidin LLP

Encino, CA
November 14, 2013

HYGEIA THERAPEUTICS, INC. AND CANTERBURY LABORATORIES, LLC
COMBINED BALANCE SHEETS

	December 31, 2012	December 31, 2011	September 30, 2013 (unaudited)
ASSETS			
Current assets			
Cash	$ 6,673	$ 48,090	$ 129,672
Accounts receivable	–	–	23,655
Prepaid expenses	–	7,255	–
Total current assets	**6,673**	**55,345**	**153,327**
Property and equipment, net	5,112	5,095	7,446
Intangible assets, net	155,821	171,685	132,571
Total assets	**$ 167,606**	**$ 232,125**	**$ 293,344**
LIABILITIES, STOCKHOLDERS' AND MEMBERS' DEFICIT			
Current liabilities			
Advances from stockholder/member	62,814	64,856	62,814
Payables and accrued expenses	414,374	360,488	412,790
Total current liabilities	**477,188**	**425,344**	**475,604**
Long-term liabilities - convertible notes payable	**–**	**–**	**715,000**
Commitments and contingencies			
Stockholders' and members' deficit			
Hygeia Series A convertible preferred stock, par value $0.0001 Authorized 42,000,000 shares: 20,000,064 shares issued and outstanding	2,000	2,000	2,000
Canterbury Series A convertible preferred units Authorized 91,000,000 shares: 53,745,298, 0 and 53,745,298 units issued and outstanding	–	–	–
Canterbury common units Authorized 106,000,000 units: 7,774,260 units issued and outstanding	–	–	–
Canterbury profit units. Authorized 7,341,880 units: 2,349,965, 0 and 2,349,965 units issued and outstanding	–	–	–
Hygeia common stock, par value $0.0001. Authorized 27,000,000 shares, issued and outstanding 10,124,225 shares	1,012	1,012	1,012
Additional paid-in-capital and member's equity	2,106,790	1,927,088	2,086,416
Accumulated deficit	(2,419,384)	(2,123,319)	(2,986,688)
Total shareholders' and members' deficit	**(309,582)**	**(193,219)**	**(897,260)**
Total liabilities and shareholders' and members' deficit	**$ 167,606**	**$ 232,125**	**$ 293,344**

See accompanying notes to financial statements.

HYGEIA THERAPEUTICS, INC. AND CANTERBURY LABORATORIES, LLC
COMBINED STATEMENTS OF OPERATIONS

	Years Ended December 31,		Nine Months Ended September 30,	
	2012	**2011**	**2013**	**2012**
			(unaudited)	**(unaudited)**
Contract revenues	**$ 246,731**	**$ 318,146**	**$ 127,167**	**$ 80,245**
Cost of revenues	123,374	25,325	89,387	38,505
Gross profit	**123,357**	**292,821**	**37,780**	**41,740**
Operating expenses				
General and administrative	324,261	354,316	210,359	147,422
Legal and professional services	77,965	95,105	329,224	39,920
Research and development	–	83,000	20,668	–
Depreciation and amortization	17,196	4,449	24,566	8,728
Total operating expenses	**419,422**	**536,870**	**584,817**	**196,070**
Loss from operations	**(296,065)**	**(244,049)**	**(547,037)**	**(154,330)**
Interest expense	–	–	20,267	–
Net loss	**$ (296,065)**	**$ (244,049)**	**$ (567,304)**	**$ (154,330)**

See accompanying notes to financial statements.

HYGEIA THERAPEUTICS, INC. AND CANTERBURY LABORATORIES, LLC
COMBINED STATEMENTS OF STOCKHOLDERS'/MEMBERS' DEFICIT

	Hygeia Series A Convertible Preferred Stock		Hygeia Common Stock		Number of Canterbury Units			Additional Paid-in Capital and Members' Equity	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Series A Preferred	Common	Profit			
Balance - December 31, 2010	**18,394,029**	**$ 1,839**	**10,124,225**	**$ 1,012**	–	–	–	**$ 1,752,249**	**$ (1,879,270)**	**$ (124,170)**
Capitalized license for issuance of shares to Yale University	1,606,035	161	–	–	–	–	–	174,839	–	175,000
Net loss									(244,049)	(244,049)
Balance - December 31, 2011	**20,000,064**	**2,000**	**10,124,225**	**1,012**	–	–	–	**1,927,088**	**(2,123,319)**	**(193,219)**
Units issued due to reorganization	–	–	–	–	20,000,064	7,774,260	2,349,965	–	–	–
Units issued in 2012, net	–	–	–	–	33,745,234	–	–	179,702	–	179,702
Net loss	–	–	–	–	–	–	–	–	(296,065)	(296,065)
Balance - December 31, 2012	**20,000,064**	**$ 2,000**	**10,124,225**	**$ 1,012**	**53,745,298**	**7,774,260**	**2,349,965**	**$ 2,106,790**	**$ (2,419,384)**	**$ (309,582)**
Offering cost for member's units	–	–	–	–	–	–	–	(20,374)	–	(20,374)
Net loss	–	–	–	–	–	–	–	–	(567,304)	(567,304)
Balance - September 30, 2013 (unaudited)	**20,000,064**	**$ 2,000**	**10,124,225**	**$ 1,012**	**53,745,298**	**7,774,260**	**2,349,965**	**$ 2,086,416**	**$ (2,986,688)**	**$ (897,260)**

See accompanying notes to financial statements.

HYGEIA THERAPEUTICS, INC. AND CANTERBURY LABORATORIES, LLC
COMBINED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		Nine Months Ended September 30,	
	2012	**2011**	**2013**	**2012**
			(unaudited)	**(unaudited)**
Cash flows from operating activities:				
Net loss	**$ (296,065)**	**$ (244,049)**	**$ (567,304)**	**$ (154,330)**
Adjustments to reconcile net loss to net cash used in operating activities.				
Depreciation and amortization	17,196	4,449	24,566	8,728
Decrease/(Increase) in assets				
Accounts receivable	–	–	(23,655)	–
Prepaid expenses	7,255	43,915	–	–
Increase in liabilities:				
Accrued expenses	53,886	217,115	(1,584)	27,102
Net cash provided by (used in) operating activities	**(217,728)**	**21,430**	**(567,977)**	**(118,500)**
Cash flows from investing activities:				
Purchase of fixed assets	(1,349)	(2,418)	(3,650)	(922)
Net cash used in investing activities	**(1,349)**	**(2,418)**	**(3,650)**	**(922)**
Cash flows from financing activities:				
Due from/(payments to) related party	–	912	–	(16,600)
Advances from/(payments to) shareholder/member	(2,042)	5,000	–	–
Proceeds from Series A convertible preferred stock, net	179,702	–	–	171,883
Proceeds from notes	–	–	715,000	–
Offering costs for issuance of ownership units	–	–	(20,374)	(12,181)
Net cash provided by (used in) financing activities	**177,660**	**5,912**	**694,626**	**143,102**
Net increase/(decrease) in cash and equivalents	**(41,417)**	**24,924**	**122,999**	**23,680**
Cash and equivalents, beginning of period	**48,090**	**23,166**	**6,673**	**–**
Cash and equivalents, end of period	**$ 6,673**	**$ 48,090**	**$ 129,672**	**$ 23,680**
Supplemental disclosure of cash flow information:				
Cash paid during the period for interest	$ –	$ –	$ –	$ –
Cash paid during the period for income taxes	$ –	$ –	$ –	$ –

See accompanying notes to financial statements.

1. Description of Operations

Hygeia Therapeutics, Inc. ("Hygeia"), a Delaware Corporation, based in Holden, Massachusetts was formerly known as Orcas Therapeutics, Inc. It was incorporated on November 14, 2005 to acquire and develop biodegradable hormone receptor modulators for topical indications. Hygeia is focused on developing topical therapies for conditions where localized treatments offer advantages over systemic therapies. It also conducts testing on drugs including topical synthetic estrogen and anti-androgen.

Hygeia has signed an Exclusive License Agreement (the "Yale License") with Yale University ("Yale") under U.S. Patent 7,015,211 *"15.alpha.-Substituted Estradiol Carboxylic Acid Esters as Locally Active Estrogens,"* U.S. Patent 6,476,012 *"Estradiol-16.alpha Carboxylic Acid Esters as Locally Active Estrogens"* and U.S. Patent 8,552,061 *"Locally active "soft" antiandrogens"* ("Yale Patents"). Hygeia agreed to pay royalty fees to Yale quarterly beginning in the first calendar quarter in which net sales occur.

Canterbury Laboratories, LLC ("Canterbury"), is a Delaware Limited Liability Company that was formed on October 14, 2011 and began operations on February 22, 2012. Initially, the Company was a wholly owned subsidiary of Hygeia. Canterbury is engaged in the premium cosmeceutical business. Cosmeceuticals are the latest addition to the health industry and are sometimes described as cosmetic products with "drug-like benefits." Generally, cosmeceuticals are products sold over-the-counter, without the regulatory requirement of approval from the U.S. Food and Drug Authority ("FDA").

A reorganization and separation agreement was signed on October 20, 2011 between Canterbury and Hygeia under which Hygeia received 100% of all issued and outstanding units of all classes of limited liability company membership interests of Canterbury. Hygeia distributed these profit units to holders of its common and preferred stock, with each holder of 1 share of common or preferred stock in Hygeia given 1 profit unit in Canterbury. Further, 720,821 shares were issued to the Hygeia's non-qualifying stock option ("NSO") holders to liquidate the 720,821 shares of outstanding NSO's. Holders of Hygeia stock purchase warrants for 1,782,901 shares were issued in exchange an equal number of units of Canterbury stock purchase warrants. Pursuant to the license agreement 1,606,035 shares of Series A convertible preferred stock was issued to Yale University for the Yale License. In February 2012, Hygeia assigned its rights and obligations related to non-prescription products under the Yale License to Canterbury.

As of September 30, 2013, equity holders of Hygeia held 94% of the membership units of Canterbury. Accordingly, the financial results of Hygeia and Canterbury are presented herein on a combined basis and the combination of Hygeia and Canterbury will be referred to herein as the "Company" or "Canterbury Group."

2. Going Concern

The Company has suffered losses from operations and, without additional capital, currently lacks liquidity to meet its current obligations. The Company had a net loss for the years ended December 31, 2012 and 2011 of $296,065 and $244,049, respectively and a loss of $567,304 for the nine months ended September 30, 2013. As of December 31, 2012 the Company had negative working capital of $470,515 and an accumulated deficit of $2,419,384 and as of September 30, 2013, the Company had negative working capital of $322,277 and an accumulated deficit of $2,986,688. Unless additional financing is obtained, the Company may not be able to continue as a going concern.

In 2011, the Company raised $912 through an advance from a related party and $5,000 through an advance from a shareholder. In 2012, the Company raised $179,702 through the issuance of Series A convertible preferred stock for Canterbury and used $2,042 to repay an advance from a shareholder. In the nine months ended September 30, 2013, the Company raised a net of $659,547 through the issuance of convertible promissory notes. The Company is seeking additional capital to continue and expand its operation. However, due to the current economic environment and the Company's current financial condition, we cannot assure current and future stockholders there will be adequate capital available when needed and on acceptable terms. The financial statements were prepared on a going concern basis which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result if the Company is unable to continue as a going concern.

3. Basis of Presentation and Summary of 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 balance sheets at December 31, 2012 and 2011 and September 30, 2013, along with the statements of operations for 2011 and 2012 and the nine months ended September 30, 2013, combine the accounts of Hygeia and Canterbury. All significant intercompany balances were eliminated in combination.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Equivalents

The Company considers highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

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

Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation and amortization. Depreciation is computed utilizing the straight-line method over the five-year estimated useful lives of the related assets.

Intangible Asset

The intangible asset is the $175,000 the Company paid for Yale License in 2011, net of amortization. The value of this intangible asset was $155,281 and $171,685 as of December 31, 2011 and 2012, respectively and $132,571 as of September 30, 2013.

To review the value of the intangible asset at December 31, 2012 and 2011 and September 30, 2013, the Company followed the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 350 "*Intangibles- Goodwill and Other Intangible Assets"* and first examined the facts and circumstances for the asset to determine if it was more likely than not that an impairment had occurred. The Company then compares 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 the intangible 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. Based on this process, the Company determined that the value of the intangible asset was not impaired as of December 31, 2012 and 2011 or September 30, 2013.

The forecast for the revenue streams associated with the intangible asset 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 for a total discount rate of 24%. Terminal values were determined by taking cash flows in year five of the forecast, then applying an annual growth of 2% and discounting that stream of cash flows by the discount rate used for that section of the business.

Revenue Recognition

The Company performs research to develop compounds for prescription pharmaceuticals and non-prescription "cosmeceuticals." The first of these compounds has been developed for incorporation into a non-prescription, cosmeceutical product formulation ("Product") under an Exclusive Development Collaboration Agreement ("EDC"). The EDC party agreed to pay the Company the costs and expenses associated with the contract and fees for management services provided by the Company. Revenue is recognized when each sub-project of the product research is completed and delivered.

Research and Development Expenses

Research and development expenditures are expensed as incurred and were $83,000 for 2011, $0 for 2012 and $20,668 for the nine months ended September 30, 2013.

Income Taxes

Canterbury is a limited liability partnership for tax purposes and income and losses are distributed to the members. Hygeia is a C Corporation for tax purposes and Hygeia utilizes FASB 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.

Recent Accounting Pronouncements

On July 27, 2012, the FASB issued ASU 2012-02 "*Intangibles-Goodwill and Other (Topic 350)"* Testing Indefinite-Lived Intangible Assets for Impairment. The ASU provides entities with an option to first assess qualitative factors to determine whether events or circumstances indicate that it is more likely than not that the indefinite-lived intangible asset is impaired. If an entity concludes that it is more than 50% likely that an indefinite-lived intangible asset is not impaired, no further analysis is required. However, if an entity concludes otherwise, it would be required to determine the FV of the indefinite-lived intangible asset to measure the amount of actual impairment, if any, as currently required under US GAAP. The ASU is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted. The adoption of this pronouncement did not have a material impact on our financial statements.

4. Litigation

The Company is not a party to any litigation.

5. Property and equipment, net

Property and equipment consists of the following as of December 31, 2012 and 2011 and September 30, 2013:

	2012	2011	September 30, 2013 (unaudited)
Office equipment	$ 6,148	$ 6,939	$ 9,798
Accumulated depreciation	(1,036)	(1,844)	(2,352)
	$ 5,112	$ 5,095	$ 7,446

Depreciation expense was $1,036 and $1,134 for the years ended December 31, 2012 and 2011, respectively and $1,316 and $687 for the nine months ended September 30, 2013 and 2012, respectively.

6. Intangible Assets

On October 14, 2011, in exchange for the Yale License, Hygeia issued 1,606,035 shares of Series A convertible preferred stock to Yale when the Company's stock was valued at $0.108964. Hygeia capitalized $175,000 for the value of the patent license and was amortizing it over the life of the underlying patent which expires in 2022. On February 22, 2012, Hygeia transferred the net carrying value of this asset totaling $168,154 to Canterbury. The amortization for this license was $31,000 and $31,986 for 2012 and 2011, respectively, and $23,250 and $3,762 for the nine months ended September 30, 2013 and 2012, respectively. Intangible assets are reviewed for impairment when events or circumstances indicate their carrying amount may not be recoverable. No impairment was recorded in 2011 or 2012, or for the nine months ended September 30, 2013.

7. Payables and Accrued Liabilities

The following are the components of payables and accrued liabilities for the dates indicated:

	December 31, 2012	December 31, 2011	September 30, 2013 (unaudited)
Research fees payable	$ 101,000	$ 101,000	$ 101,000
Legal and accounting fees payable	113,078	109,453	190,647
Health insurance reimbursable to officers	123,858	112,662	26,902
Accrued interest	–	–	20,267
Accrued royalty fees	62,986	31,986	73,974
Other accrued expenses	13,452	5,387	–
Total payables and accrued expenses	**$ 414,374**	**$ 360,488**	**$ 412,790**

Research fees are due to a third party who performed a portion of the research work for the EDC. Legal and accounting fees are for legal work and the preparation of the Company's financial statements contained herein. Health insurance reimbursable to officers is for health insurance costs paid directly by the two officers of the Company that are reimbursable by the Company. The accrued royalty fees are for payments accrued for the Yale License.

8. Convertible Notes Payable

From May to September 2013, Canterbury entered into a number of promissory notes totaling $715,000. These notes bear interest at 8%, mature on December 31, 2014 and are convertible into units of ownership of Canterbury at 154% of the amount of the note, divided by the per unit price of a financing over $1 million or consideration offered for the purchase or transfer of assets of Canterbury, or the transfer or sale of 50% or more of the ownership of Canterbury. These notes are unsecured.

9. Stockholders' Equity for Hygeia

Hygeia has 27,000,000 shares of common stock authorized and 10,124,225 shares issued and outstanding as of December 31, 2012 and September 30, 2013. These shares have a par value of $0.0001. The Hygeia Series A convertible preferred ("Hygeia Series A") has 42,000,000 shares authorized and 20,000,064 shares outstanding as of December 31, 2012 and September 30, 2013. Hygeia Series A holders have the right at any time to convert their Hygeia Series A into common stock of the company at an initial price of $0.108964 per share. This initial conversion price is subject to adjustment for events such as stock splits and dividends.

10. Members' Equity for Canterbury

Canterbury is authorized to issue 106,000,000 common units, 7,341,880 profit units and 91,000,000 Canterbury Series A convertible preferred shares ("Canterbury Series A"). In 2012, the Company issued 7,774,260 common units and 2,349,965 profit units and 20,000,064 Series Canterbury Series A convertible preferred units to Hygeia in exchange for assets and liabilities transferred by Hygeia. Hygeia transferred these units to its owners on the same day.

The following is a summary of units issued and outstanding as of December 31, 2012 and September 30, 2013:

	Common Units	Profit Units	Series A Convertible Preferred Units	Total
Balance at December 31, 2011	**–**	**–**	**–**	**–**
Issued at inception	7,774,260	2,349,965	20,000,064	30,124,289
Issued to existing members	–	–	24,617,714	24,617,714
Issued to founders	–	–	9,127,520	9,127,520
Balance at December 31, 2012 and September 30, 2013	**7,774,260**	**2,349,965**	**53,745,298**	**63,869,523**

In 2012, the Company issued 24,617,714 new Canterbury Series A convertible preferred stock to existing members at $0.007795 per unit. In addition, 9,127,520 shares of Canterbury Series A were issued to founders, for which no proceeds were received.

The members holding Series A convertible preferred stock have the right to convert, at any time, to common units at $0.007795, the initial Series A conversion price. This initial conversion price is subject to adjustment for events such as stock splits and dividends.

11. Canterbury Warrants

In 2012, Canterbury granted warrants to two investors to purchase an aggregate of 803,017 units of Canterbury Series A at an exercise price of $0.007795. The warrants became exercisable immediately and expire on June 9, 2018. On the same date, the Company granted warrants to a consultant to purchase 979,884 units of ownership of the Company's Series A Units at an exercise price of $0.007795. The warrants do not contain a reset clause, became exercisable immediately and expire on March 31, 2020.

12. Income Taxes

Canterbury is a limited liability partnership for tax purposes and losses are distributed to the members and not retained by Canterbury. Hygeia is a C Corporation for tax purposes and retains losses at Hygeia. At December 31, 2012 Hygeia had available unused net operating loss carry-forwards that may be applied against future taxable income. Hygeia incurred net operating losses and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded because of the uncertainty of the realization of any tax assets. The net operating loss carry-forwards for Hygeia, if not realized, will begin to expire in 2028.

For financial reporting purposes, Hygeia has incurred a loss each year since inception. Based on the available objective evidence, including Hygeia's history and losses, management believes it is more likely than not that the net operating losses will not be fully realized. Accordingly, Hygeia provided for a full valuation allowance against its net operating loss deferred assets at December 31, 2012 and 2011 and at September 30, 2013.

As of December 31, 2011, Hygeia had a deferred tax asset of $687,671 that was fully reserved and a net operating loss carryforward of $1,719,178 for Federal and state tax purposes. As of December 31, 2012, Hygeia had a deferred tax asset of $723,901 that was fully reserved and a net operating loss carryforward of $1,809,752 for Federal and state tax purposes. As of September 30, 2013, Hygeia had a deferred tax asset of approximately $880,000 that was fully reserved and a net operating loss carryforward of approximately $2,200,000 for Federal and state tax purposes. The ability of Hygeia to utilize these net operating loss carryforwards is subject to a number of conditions and significant changes in the ownership structure of Hygeia will significantly impact the availability of these net operating loss carryforwards to reduce taxable income in future periods.

The Company's total deferred tax assets, deferred tax liabilities and deferred tax asset valuation allowance at December 31, 2012 and 2011 and September 30, 2013 are as follows:

	2012	2011	September 30, 2013 (unaudited)
Federal and state net loss carryforwards	**$ 1,809,752**	**$ 1,719,178**	**$ 2,200,000**
Deferred tax assets	$ 723,901	$ 687,671	$ 880,000
Less valuation allowance	(723,901)	(687,671)	(880,000)
Net deferred tax assets	**$ –**	**$ –**	**$ –**

13. Related Party Transactions

From time to time prior to February 22, 2012, a stockholder of Hygeia advanced working capital to Hygeia. On February 22, 2012, Hygeia transferred the liability of $62,814 to Canterbury, which remained on the Company's balance sheet as of September 30, 2013. Stockholder advances are non-interest bearing and due on demand. Accrued expenses at December 31, 2012 and 2011 include $123,858 and $112,662, respectively, for health insurance expenses covering two officers and stockholders of Hygeia and accrued expenses as of September 30, 2013 include $52,346 for health insurance expenses for these officers and members.

14. Commitments and Contingencies

Payments under Yale License

Hygeia executed the Yale License 2007, which was amended through the years, for the use of the Yale Patents. The Company also has the right to grant sublicenses, to make, sell and use the products created under the license. The final amendment was in February 2012, when Hygeia transferred all rights and obligations for non-prescription products under the Yale License to Canterbury.

License royalty payments totaling $43,500 are due on each of the first five anniversaries following March 2010, ranging from $1,000 to a high of $25,000. The $25,000 annual payment will continue until the royalty payments commence, on the first anniversary of the date of first sale of the first licensed product. License fees were accrued in the amount of $31,000 and $31,986 in 2012 and 2011, respectively. In addition, a non-refundable milestone royalty of $20,000 will be paid within nine months following the first sale of a licensed product. Total license fees due to Yale as of December 31, 2012 and September 30, 2013 were $62,986 and 31,986, respectively. Total license fees due to Yale as of September 30, 2013 were $73,974.

The Yale License is subject to earned royalty payments as follows:

Annual Net Sales	Earned Royalty
0 to $100,000,000	2.0%
$100,000,001 to $200,000,000	2.5%
Over $200,000,000	3.0%

The Annual Minimum Royalty fee is as follows:

1st anniversary	$	20,000
2nd anniversary	$	20,000
3rd anniversary	$	40,000
4th anniversary	$	60,000
5th anniversary, and thereafter	$	80,000

Exclusive Development Collaboration with Ferndale Pharma Group, Inc.

On March 28, 2011, the Company signed an EDC with Ferndale Pharma Group Inc. ("Ferndale") to perform commercial development of Hygeia's soft estrogen product. Ferndale agreed to be responsible for all costs and expenses associated with the EDC, together with salaries and management services provided by Hygeia, up to a total amount of $280,000. Pursuant to the EDC, Ferndale performed early development studies to identify a lead dermaceutical candidate suitable for aging skin. Following the completion of the EDC studies, Canterbury, on March 22, 2012, entered into a Sublicense Agreement (the "Sublicense") with Ferndale for the formulation, manufacture, sale and marketing of compounds covered by the Yale License within Ferndale's established marketing channel for cosmeceuticals. This sublicense provides for a license fee to Canterbury of 10% on Ferndale's revenues, along with use fees of $20,000 to $100,000 following the start of revenues in certain countries and fees to Canterbury of $100,000 to $400,000 upon achievement of milestone revenue targets. All revenue for the years ended December 31, 2012 and 2011 and for the nine months ended September 30, 2013 were from the EDC with Ferndale.

15. Subsequent Events

Effective September 30, 2013, Stratus Media Group, Inc. ("Stratus") entered into an Agreement and Plan of Merger (the "Merger Agreement") with Canterbury Acquisition LLC, a wholly owned subsidiary of Stratus ("Canterbury Merger Sub"), Hygeia Acquisition, Inc., a wholly owned subsidiary of Stratus ("Hygeia Merger Sub"), Canterbury, Hygeia and the Company's Chief Executive Officer as Holder Representative, pursuant to which Stratus will acquire all of the capital stock of Canterbury and Hygeia (the "Mergers") with Canterbury and Hygeia becoming wholly owned subsidiaries of Stratus. The Mergers closed on November 18, 2013 and the consideration for the Mergers was an aggregate of 115,011,563 restricted shares of Stratus common stock to be issued to the stakeholders of Canterbury and Hygeia. The Mergers are subject to rescission if Stratus has not raised $7.5 million or more in gross financing proceeds by January 15, 2014.

At the closing, the Canterbury Group's current Chief Executive Officer became President of the two new Stratus subsidiaries, and Canterbury Group's current Chief Scientific Officer became Vice President of Research and Development of the subsidiaries. In addition, the Canterbury Group's Chief Executive Officer and Chairman of the Canterbury board of directors became members of the board of directors of Stratus.

Exhibit 99.2

The following pro forma financial information has been prepared as if the Mergers (as defined in this Report on Form 8-K) occurred on: September 30, 2013 for the Pro Forma Statement of Financial Position, September 30, 2013 on page 2 of this Exhibit; on January 1, 2013 for the Pro Forma Statement of Income for the Nine Months Ended September 30, 2013 on page 3 of this Exhibit; and on January 1, 2012 for the Pro Forma Statement of Income for the Year Ended December 31, 2012 on page 4 of this Exhibit.

The information in these pro forma financials for Hygeia and Canterbury has been derived from the audited financial statements for the year ended December 31, 2012 and the unaudited financial statements for the nine months ended September 30, 2013. The information in these pro forma financials for Stratus has been derived from the audited financial statements for the year ended December 31, 2012 and the unaudited financial statements for the nine months ended September 30, 2013.

Stratus Media Group, Inc., Hygeia Therapeutics, Inc. and Canterbury Laboratories, LLC
Pro Forma Statement of Financial Position
September 30, 2013

	September 30, 2013			
	Stratus Media Group	**Hygeia/ Canterbury**	**Pro Forma Adjustments**	**Pro Forma Combined**
ASSETS				
Current assets				
Cash and equivalents	$ 255,596	$ 129,672	$ –	$ 385,268
Accounts receivable	53,013	23,655	–	76,668
Prepaid expenses and deposits	2,901,438	–	–	2,901,438
Total current assets	**3,210,047**	**153,327**	**–**	**3,363,374**
Property and equipment, net	24,461	7,446	–	31,907
Goodwill			8,672,656(a)	8,672,656
Intangible assets	–	132,571	7,646,429(b)	7,779,000
Total assets	**$ 3,234,508**	**$ 293,344**	**$ 16,319,085**	**$ 19,846,937**
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities				
Accounts payable	$ 1,540,706	$ 291,647	$ –	$ 1,832,353
Deferred salary	1,425,365	–	–	1,425,365
Accrued interest	207,593	20,267	–	227,860
Other accrued expenses and other liabilities	2,350,011	73,974	–	2,423,985
Amounts payable to officers	211,358	26,902	–	238,260
Advances from Stockholder/member	–	62,814		62,814
Rent liability for facilities no longer occupied	1,260,644	–	–	1,260,644
Notes payable	2,575,002	–	–	2,575,002
Total current liabilities	**9,570,679**	**475,604**	**–**	**10,046,283**
Long-term liabilities - convertible notes payable	**–**	**715,000**	**–**	**715,000**
Deffered tax liability	–	–	3,000,576(c)	3,000,576
Total long-term liabilities	**–**	**715,000**	**3,000,576**	**3,715,576**
Commitments and contingencies				
Stockholders' deficit				
Series C 10% Preferred Stock, $0.001 par value: 1,000,000 shares authorized, 0 shares issued and outstanding	–	–	–	–
Series D 10% Preferred Stock, $0.001 par value: 500,000 shares authorized, 0 shares issued and outstanding	–	–	–	–
Series E 5% Preferred Stock, $0.001 par value: 10,000 shares authorized, 0 shares issued and outstanding	–	–	–	–
Hygeia Series A convertible preferred stock, par value $0.0001: 42,000,000 shares authorized, 20,000,064 shares issued and outstanding	–	2,000	(2,000)(d)	–
Canterbury Series A convertible preferred units: 91,000,000 shares authorized, 53,745,298 units issued and outstanding	–	–	–	–
Canterbury common units, 106,000,000 units authorized,: 7,774,260 units issued and outstanding	–	–	–	–
Canterbury profit units. Authorized 7,341,880 units: 2,349,965, units issued and outstanding	–	–	–	–
Common stock, $0.001 par value: 1,000,000,000 shares authorized	420,966	1,012	114,000(e)	535,978
Additional paid-in capital	53,256,628	2,086,416	10,219,821(f)	65,562,865
Accumulated deficit	(59,966,621)	(2,986,688)	2,986,688(g)	(59,966,621)
Total Stratus stockholders' deficit	**(6,289,027)**	**(897,260)**	**13,318,509**	**6,132,222**
Non-controlling interest/(deficit)	**(47,144)**	**–**	–	**(47,144)**
Total stockholders' deficit	**(6,336,171)**	**(897,260)**	**13,318,509**	**6,085,078**
Total liabilities and stockholders' deficit	**$ 3,234,508**	**$ 293,344**	**$ 16,319,085**	**$ 19,846,937**

(a) Total consideration of $12,421,249 using the closing stock price at September 30, 2013 of $0.108 times 115,011,163 shares issued for the Mergers, less $7,634,644 adjustment based on preliminary allocation to intangible assets, plus deferred tax liability of $3,053,858, plus net assets acquired of $839,264.
(b) To increase the carrying value of Yale License to estimated value of $7,779,000 based on the preliminary allocation, less $144,356 book value of the Yale License.
(c) Fair value of patents of $ 7,779,000 less book value of $144,356 tax effected for combined Federal and state taxes.
(d) To eliminate Canterbury Series A convertible preferred units.
(e) To account for $115,012 for 115,011,563 shares issued for the Mergers less $1,012 to eliminate common stock of Hygeia.
(f) Includes $12,421,249 fair value of shares issues less $115,012 par value of common stock less elimination of additional paid in capital of Canterbury and Hygeia $ 2,132,627, less $115,012 for the issuance of shares for the Mergers.
(g) Elimination of accumulated deficit of $2,986,688 for Hygeia and Canterbury.

Stratus Media Group, Inc., Hygeia Therapeutics, Inc. and Canterbury Laboratories, LLC
Pro Forma Statement of Income
For the Nine Months Ended September 30, 2013

	Nine Months Ended September 30, 2013			
	Stratus Media Group	**Hygeia/ Canterbury**	**Pro Forma Adjustments**	**Pro Forma Combined**
Revenues	$ 71,667	$ 127,167	$ –	$ 198,834
Cost of revenues	–	89,387	–	89,387
Gross profit	**71,667**	**37,780**	**–**	**109,447**
Operating expenses				
General and administrative	1,766,561	210,359	340,007(a)	2,316,927
Impairment of intangible assets	1,935,621	–	–	1,935,621
Warrants, options and stock	4,238,650	–	–	4,238,650
Fair value of common stock exchanged for warrants	3,069,792	–	–	3,069,792
Legal and professional services	1,010,415	329,224	–	1,339,639
Research and development	–	20,668	–	20,668
Depreciation and amortization	24,577	33,808	560,457(b)	618,842
Total operating expenses	**12,045,616**	**594,059**	**900,464**	**13,540,139**
Loss from operations	**(11,973,949)**	**(556,279)**	**(900,464)**	**(13,430,692)**
Other (income)/expenses				
(Gain)/loss on adjustments to fair value of derivative liability	(8,980,077)	–	–	(8,980,077)
Gain on extinguishment of derivative liability	(1,409,530)	–	–	(1,409,530)
Other (income)/expenses	(54,498)	–	–	(54,498)
Interest expense	152,778	20,267	–	173,045
Total other (income)/expenses	**(10,291,327)**	**20,267**	**–**	**(10,271,060)**
Net loss	(1,682,622)	(576,546)	(900,464)	(3,159,632)
Net loss attributed to non-controlling interests	28,065	–	–	28,065
Net loss attributed to Stratus Media Group	**(1,654,557)**	**(576,546)**	**(900,464)**	**(3,131,567)**
Preferred dividends	171,625	–	–	171,625
Net income/(loss) attributable to Stratus Media Group common shareholders	**$ (1,826,182)**	**$ (576,546)**	**$ (900,464)**	**$ (3,303,192)**
Basic and diluted earnings per share	**$ (0.01)**			**$ (0.01)**
Basic and fully-diluted weighted average shares outstanding	**264,660,276**		**115,011,563(c)**	**379,671,839**

(a) Additional salaries and related taxes that would be due under employment contracts for two officers for nine months ended September 30, 2013.
(b) Nine months of amortization of the initial $7,779,000 value for Yale Patents, based on preliminary allocations, that is being amortized over the average 132 month remaining life of the patents.
(c) Shares issued for Mergers with Canterbury and Hygeia.

Stratus Media Group, Inc., Hygeia Therapeutics, Inc. and Canterbury Laboratories, LLC
Pro Forma Statement of Income
For the Year Ended December 31, 2012

	Year Ended December 31, 2012			
	Stratus Media Group	**Hygeia/ Canterbury**	**Pro Forma Adjustments**	**Pro Forma Combined**
Revenues	$ 374,542	$ 246,731	$ –	$ 621,273
Cost of revenues	235,803	123,374	–	359,177
Gross profit	**138,739**	**123,357**	**–**	**262,096**
Operating expenses				
General and administrative	4,570,162	324,261	396,626(a)	5,291,049
Impairment of intangible assets	1,423,844	–	–	1,423,844
Warrants, options and stock	3,643,662	–	–	3,643,662
Legal and professional services	2,258,898	77,965	–	2,336,863
Research and development	–	–	–	–
Depreciation and amortization	34,043	17,196	747,276(b)	798,515
Total operating expenses	**11,930,609**	**419,422**	**1,143,902**	**13,493,933**
Loss from operations	**(11,791,869)**	**(296,065)**	**(1,143,902)**	**(13,231,837)**
Other (income)/expenses				
Fair value of derivative liabilities in excess of proceeds	408,501	–	–	408,501
(Gain)/loss on adjustments to fair value of derivative liability	(6,907,748)	–	–	(6,907,748)
Other (income)/expenses	379,188	–	–	379,188
Present value of remaining lease payments for facilities no longer occupied	1,010,111	–	–	1,010,111
Interest expense	167,894	–	–	167,894
Total other (income)/expenses	**(4,942,054)**	**–**	**–**	**(4,942,054)**
Net loss	(6,849,815)	(296,065)	(1,143,902)	(8,289,783)
Preferred dividends	497,167	–	–	497,167
Net income/(loss) attributable to Stratus Media Group common shareholders	**$ (7,346,982)**	**$ (296,065)**	**$ (1,143,902)**	**$ (8,786,950)**
Basic and diluted earnings per share	**$ (0.08)**			**$ (0.04)**
Basic and fully-diluted weighted average shares outstanding	**89,534,257**		**115,011,563(c)**	**204,545,820**

(a) Additional salaries and related taxes that would be due under employment contracts for two officers for the year ended December 31, 2012.
(b) Twelve months of amortization of the initial $7,779,000 value for Yale Patents, based on preliminary allocations, that is being amortized over the average 132 month remaining life of the patents.
(c) Shares issued for Mergers with Canterbury and Hygeia.