

# EVENTURE INTERACTIVE, INC.

## FORM 10-Q (Quarterly Report)

Filed 08/19/14 for the Period Ending 06/30/14

Address	3420 BRISTOL STREET 6TH FLOOR COSTA MESA, CA 92626
Telephone	949-500-6960
CIK	0001509351
Symbol	EVTI
SIC Code	7370 - Computer Programming, Data Processing, And
Industry	Communications Equipment
Sector	Technology
Fiscal Year	12/31

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **June 30, 2014**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **333-172685**

**EVENTURE INTERACTIVE, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation)

**27-4387595**

(I.R.S. Employer Identification No.)

**3420 Bristol Street, 6<sup>th</sup> Floor, Costa Mesa, CA 92626**

(Address of principal executive offices)

**855.986.5669**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer   
(Do not check if a smaller  
Reporting company)

Smaller reporting company

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

There were 24,332,098 shares of the issuer's common stock outstanding as of August 14, 2014.

---

EVENTURE INTERACTIVE, INC.  
FORM 10-Q  
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2014  
TABLE OF CONTENTS

	<u>PAGE</u>
<b>PART I - FINANCIAL INFORMATION</b>	
Item 1. Financial Statements	3
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3. Quantitative and Qualitative Disclosures About Market Risk	17
Item 4. Controls and Procedures	17
<b>PART II - OTHER INFORMATION</b>	
Item 1. Legal Proceedings	19
Item 1A. Risk Factors	19
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	19
Item 3. Defaults Upon Senior Securities	20
Item 4. Mine Safety Disclosures	20
Item 5. Other Information	20
Item 6. Exhibits	22
<b>SIGNATURES</b>	<b>24</b>

**PART I – FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

	<u>PAGE</u>
Consolidated Balance Sheets as of June 30, 2014 and December 31, 2013 (unaudited)	4
Consolidated Statements of Operations for the three and six months ended June 30, 2014 and 2013 (unaudited)	5
Consolidated Statements of Cash Flows for the six months ended June 30, 2014 and 2013 (unaudited)	6
Notes to Consolidated Financial Statements (unaudited)	7

**EVENTURE INTERACTIVE, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

	<u>June 30, 2014</u>	<u>December 31, 2013</u>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash	\$ 186,509	\$ 67,762
Deposits	15,196	5,000
<b>Total current assets</b>	<u>201,705</u>	<u>72,762</u>
Software development costs	682,488	312,973
Fixed assets, net	60,857	33,049
Intangible asset - domain name	103,750	103,750
<b>Total assets</b>	<b><u>\$ 1,048,800</u></b>	<b><u>\$ 522,534</u></b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u></b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 187,684	\$ 121,518
Accrued expenses	287,831	136,070
<b>Total current liabilities</b>	<u>475,515</u>	<u>257,588</u>
Warrant derivative liabilities	3,837,638	-
<b>Total liabilities</b>	<u>4,313,153</u>	<u>257,588</u>
Commitments and contingencies		
<b>Stockholders' Equity(Deficit)</b>		
Preferred Stock, \$0.001 par value, 10,000,000 authorized, -0- shares issued and outstanding	-	-
Common stock, \$0.001 par value, 300,000,000 shares authorized; 24,332,098 and 18,807,500 shares issued and outstanding, respectively	24,332	18,807
Additional paid-in-capital	23,220,940	4,599,514
Accumulated deficit	<u>(26,509,625)</u>	<u>(4,353,375)</u>
<b>Total stockholders' equity (deficit)</b>	<u>(3,264,353)</u>	<u>264,946</u>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b><u>\$ 1,048,800</u></b>	<b><u>\$ 522,534</u></b>

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

**EVENTURE INTERACTIVE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	<b>Three Months Ended June 30, 2014</b>	<b>Three Months Ended June 30, 2013</b>	<b>Six Months Ended June 30, 2014</b>	<b>Six Months Ended June 30, 2013</b>
Revenues	\$ -	\$ -	\$ -	\$ -
General and administrative expenses	<u>2,720,116</u>	<u>549,232</u>	<u>18,768,236</u>	<u>2,106,988</u>
Total operating expenses	<u>2,720,116</u>	<u>549,232</u>	<u>18,768,236</u>	<u>2,106,988</u>
Operating loss	<u>(2,720,116)</u>	<u>(549,232)</u>	<u>(18,768,236)</u>	<u>(2,106,988)</u>
Unrealized loss on warrant derivative liabilities	<u>(3,388,014)</u>	<u>-</u>	<u>(3,388,014)</u>	<u>-</u>
<b>Net loss</b>	<b><u>\$ (6,108,130)</u></b>	<b><u>\$ (549,232)</u></b>	<b><u>\$ (22,156,250)</u></b>	<b><u>\$ (2,106,988)</u></b>
Loss per common share – basic and diluted	<u>\$ (0.26)</u>	<u>\$ (0.03)</u>	<u>\$ (1.00)</u>	<u>\$ (0.12)</u>
Weighted average number of common shares outstanding – basic and diluted	23,662,145	18,249,258	22,053,748	18,130,014

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

**EVENTURE INTERACTIVE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	Six Months Ended June 30,	
	2014	2013
<b>Cash flows from operating activities</b>		
Net loss	\$ (22,156,250)	\$ (2,106,988)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	17,801,575	1,652,393
Unrealized loss on warrant derivative liabilities	3,388,014	-
Depreciation expense	8,377	-
Changes in operating assets and liabilities:		
Deposits	(10,196)	-
Accounts payable	66,166	65,264
Accrued expenses	151,761	(26,256)
<b>Net cash used in operating activities</b>	<u>(750,553)</u>	<u>(415,587)</u>
<b>Cash flows from investing activities</b>		
Payments for software development costs	(369,515)	(76,750)
Acquisition of fixed assets	(36,185)	(1,900)
<b>Net cash used in investing activities</b>	<u>(405,700)</u>	<u>(78,650)</u>
<b>Cash flows from financing activities</b>		
Proceeds from related party loans	120,107	-
Payments of related party loans	(120,107)	-
Proceeds from sale of common stock and warrants	1,275,000	450,000
<b>Net cash provided by financing activities</b>	<u>1,275,000</u>	<u>450,000</u>
<b>Net change in cash</b>	118,747	(44,237)
<b>Cash at beginning of the period</b>	<u>67,762</u>	<u>357,643</u>
<b>Cash at end of the period</b>	<u><b>\$ 186,509</b></u>	<u><b>\$ 313,406</b></u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the period for:		
Income taxes	\$ -	\$ -
Interest	\$ 100	\$ -
<b>Noncash investing and financing transactions:</b>		
Fair value of warrant derivative liabilities issued in common stock offering	\$ 449,624	\$ -

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

**EVENTURE INTERACTIVE, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. ORGANIZATION AND BUSINESS OPERATIONS**

The Company was incorporated in the State of Nevada on November 29, 2010. The Company was in the GPS tracking system business until late in 2012, when the Company redirected all of its efforts into the social media business. On November 20, 2012, the Company filed Amended and Restated Articles of Incorporation with the Nevada Secretary of State to change its name to Live Event Media, Inc. On February 20, 2013, the Company filed Amended and Restated Articles of Incorporation with the Nevada Secretary of State to change its name from Live Event Media, Inc. to Eventure Interactive, Inc. (the "Company").

**Going Concern**

The financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception resulting in an accumulated deficit of \$26,509,625 as of June 30, 2014 and further losses are anticipated in the development of its business raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with existing cash on hand and loans from directors and/or private placement of common stock. These financials do not include any adjustments relating to the recoverability and reclassification of recorded asset amounts, or amounts and classifications of liabilities that might result from this uncertainty.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying unaudited interim consolidated financial statements of Eventure Interactive, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's latest Annual Report on Form 10-K filed with the SEC. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent year ended December 31, 2013, as reported in Form 10-K, have been omitted.

**Principles of Consolidation**

The financial statements include the accounts of the Company and its subsidiary. Intercompany transactions and balances have been eliminated.

**Use of Estimates and Assumptions**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

### Basic and Diluted Loss Per Common Share

Basic loss per common share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares during the period. Diluted loss per common share gives effect to all dilutive potential common shares outstanding during the period. Dilutive loss per common share excludes all potential common shares if their effect is anti-dilutive.

Since the Company is in a loss position, it has excluded stock options and warrants from its calculation of diluted net loss per common share. At June 30, 2014, the Company has 2,402,500 stock options and 3,550,000 warrants that would have been included in its calculation of diluted net loss per common share if they were not anti-dilutive.

### Software Development Costs

Costs incurred in the research and development of new software products are expensed as incurred until technological feasibility has been established. After technological feasibility is established, any additional costs are capitalized in accordance with authoritative guidance until the product is available for general release.

### Fixed Assets

Fixed assets are stated at cost and depreciated using the straight-line method over the estimated useful life of the asset. The Company's fixed assets are comprised of computer equipment and the estimated life of computer equipment is three years.

### Intangible Asset - Domain Name

The Company considers the domain name an indefinite-lived intangible asset and will test for impairment on an annual basis. At June 30, 2014, the Company determined that the domain name was not impaired.

### Derivatives

The Company reviews the terms of the common stock and warrants it issues to determine whether there are embedded derivative instruments, including embedded conversion options, which are required to be bifurcated and accounted for separately as derivative financial instruments.

Bifurcated embedded derivatives are initially recorded at fair value and are then revalued at each reporting date with changes in the fair value reported as non-operating income or expense. The Company uses a Black-Scholes model for valuation of the derivative.

### Stock-Based Compensation

The Company measures stock-based compensation cost at the grant date based on the fair value of the award and recognize it as expense, over the vesting or service period, as applicable, of the stock award using the straight-line method.

### Fair Value Measurements

As defined in FASB ASC Topic No. 820 – 10, fair value is the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC Topic No. 820 – 10 requires disclosure that establishes a framework for measuring fair value and expands disclosure about fair value measurements. The statement requires fair value measurements be classified and disclosed in one of the following categories:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The Company considers active markets as those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability. This category includes those derivative instruments that the Company values using observable market data. Substantially all of these inputs are observable in the marketplace throughout the term of the derivative instruments, can be derived from observable data, or supported by observable levels at which transactions are executed in the marketplace.

Level 3: Measured based on prices or valuation models that require inputs that are both significant to the fair value measurement and less observable from objective sources (i.e. supported by little or no market activity). The Company's valuation models are primarily industry standard models. Level 3 instruments include derivative warrant instruments. The Company does not have sufficient corroborating evidence to support classifying these assets and liabilities as Level 1 or Level 2.

As required by FASB ASC Topic No. 820 – 10, financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels. The estimated fair value of the derivative warrant instruments was calculated using the black scholes model.

#### Development Stage Change

In June 2014, the FASB issued ASU 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements. ASU 2014-10 eliminates the distinction of a development stage entity and certain related disclosure requirements, including the elimination of inception-to-date information on the statements of operations, cash flows and stockholders' equity. The amendments in ASU 2014-10 will be effective prospectively for annual reporting periods beginning after December 15, 2014, and interim periods within those annual periods, however early adoption is permitted. The Company evaluated and adopted ASU 2014-10 for the reporting period ended June 30, 2014.

### 3. RELATED PARTIES

During July 2013, the Company entered into a one-year lease for office space with an entity that is 12% owned by the Chief Executive Officer ("CEO") of the Company. The Company incurred expenses of \$21,977 to this entity during the six months ended June 30, 2014.

During the six months ended June 30, 2014, the Company's CEO and CFO loaned the Company \$105,000 and \$15,107, respectively, at a 1% interest rate. During the six months ended June 30, 2014, these amounts were both paid in full by the Company. The Company incurred \$100 of interest expense in connection with these loans.

### 4. DERIVATIVE LIABILITES

The Company has determined that certain warrants the Company has issued contain provisions that protect holders from future issuances of the Company's common stock at prices below such warrants' respective exercise prices and these provisions could result in modification of the warrants exercise price based on a variable that is not an input to the fair value of a "fixed-for-fixed" option.

The Company issued 1,800,000 warrants in connection with the issuance of 600,000 shares of common stock sold for cash during June 2014. All of the warrants vested immediately. These warrants contain anti-dilution provisions that provide for a reduction in the exercise price of such warrants in the event that future common stock (or securities convertible into or exercisable for common stock) is issued (or becomes contractually issuable) at a price per share (a "Lower Price") that is less than the exercise price of such warrant at the relevant time. The amount of any such adjustment is determined in accordance with the provisions of the relevant warrant agreement and depends upon the number of shares of common stock issued (or deemed issued) at the Lower Price and the extent to which the Lower Price is less than the exercise price of the warrant at the relevant time. In addition, the number of shares issuable upon exercise of these warrants will be increased inversely proportional to any decrease in the exercise price, thus preserving the aggregate exercise price of the warrants both before and after any such adjustment.

The fair values of these warrants issued were recognized as derivative warrant instruments at issuance and are measured at fair value at each reporting period. The Company determined the fair values of these warrants using the Black-Scholes option pricing model.

Activity for derivative warrant liabilities during the six months ended June 30, 2014, was as follows:

	Balance at December 31, 2013	Initial valuation of derivative liabilities upon issuance of new warrants during the period	Increase in fair value of derivative liability	Exercise of warrants	Balance at June 30, 2014
Derivative warrant instruments	\$ -	\$ 449,624	\$ 3,388,014	-	\$ 3,837,638

The fair value of these warrants was valued on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: (1) risk free interest rate 2.61%, (2) term of 8 years, (3) expected stock volatility of 174%, (4) expected dividend rate of 0%, and (5) common stock price of \$2.35.

The fair value of these warrants was valued on June 30, 2014 using the Black-Scholes option pricing model with the following weighted average assumptions: (1) risk free interest rate 2.61%, (2) term of 7.91 years, (3) expected stock volatility of 174%, (4) expected dividend rate of 0%, and (5) common stock price of \$2.15.

## 5. STOCKHOLDERS' EQUITY

### Sales of Common Stock for cash

During 2013, the Company issued 825,000 shares of common stock at a price of \$1.00 per share for total cash proceeds of \$825,000. The shares issued during 2013 pursuant to the subscription agreements contain anti-dilution protection for one year following the final closing thereunder. If the Company issues common stock at less than \$1.00 per share during such one year period or if the Company issues securities during such one year period which are convertible into or exercisable for shares of our common stock with a conversion or exercise price of less than \$1.00 per share, then the offering price of \$1.00 gets adjusted to the lower price entitling the subscribers to additional shares. The anti-dilution clause pursuant to these subscription agreements will expire in October 2014.

During January through March 2014, the Company issued 675,000 shares of common stock at a price of \$1.00 per share for total cash proceeds of \$675,000.

In June 2014, the Company issued 600,000 shares of common stock at a price of \$1.00 per share and 1,800,000 warrants, each exercisable for one share of common stock with an 8-year term and a \$1.00 exercise price, for total cash proceeds of \$600,000. The Company recorded the issuance of these shares and warrants as follows:

	Shares	Gross proceeds	Offering costs	Net proceeds	Relative fair value allocated to Warrants	Amount allocated to common stock and paid-in capital
June 2014	600,000	\$ 600,000	\$ -	\$ 600,000	\$ 449,624	\$ 150,376

### Common Stock issued for Services

During March 2013, the Company entered into a consulting agreement with Hart Partners LLC to perform certain services on behalf of the Company. In accordance with the consulting agreement with Hart Partners LLC, the Company issued 25,000 shares of common stock during the year ended December 31, 2013. The common stock was valued at the grant date closing price of \$2.38 per share, and totaled \$59,500 which the Company recorded as stock compensation.

On January 28, 2014, the Company issued 850,000 shares of common stock in aggregate to its CEO, CFO and President for services. The common stock was valued at the grant date closing price of \$3.19 per share, and totaled \$2,711,500 which the Company recorded as stock compensation during the three months ended March 31, 2014. On March 10, 2014, the Company issued 2,800,000 shares of common stock in aggregate to its CEO, CFO and President for services. The common stock was valued at the grant date closing price of \$3.16 per share, and totaled \$8,848,000 which the Company recorded as stock compensation during the three months ended March 31, 2014.

During the six months ended June 30, 2014, the Company issued 599,598 shares of common stock to consultants for services at various dates. The Company recorded stock-based compensation expense of \$1,714,714 based on the grant date fair value in connection with the issuance of these shares.

#### Stock Option Awards

During January and February 2013, the Company granted options to purchase 1,250,000 shares of common stock to certain employees and consultants. The options all have an exercise price of \$0.50 per share and vest over periods of 0 to 4 years. The stock price on the grant date was \$1.79-\$2.14 per share. The options were valued on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: (1) risk free interest rate of 2.00%, (2) term of 10 years, and (3) expected stock volatilities of 182% -196% (4) dividend rate of 0%. As a result, the fair value of these options on the grant date was \$2,339,820 and the intrinsic value was \$1,738,500.

During January 2014, the Company granted options to purchase 177,500 shares of common stock to employees. The options all have an exercise price of \$1.00 per share and vest over periods of 3 years. The stock price on the grant date was \$3.40 per share. The options were valued on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: (1) risk free interest rate 2.00%, (2) term of 10 years, and (3) expected stock volatilities of 184% (4) dividend rate of 0%. As a result, the fair value of these options on the grant date was \$597,838 and the intrinsic value was \$426,000.

During February 2014, the Company granted options to purchase 25,000 shares of common stock to a consultant. The options have an exercise price of \$1.00 per share and vest over 1 year. The stock price on the grant date was \$3.15 per share. The options were valued on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: (1) risk free interest rate 2.00%, (2) term of 10 years, and (3) expected stock volatility of 186%. As a result, the fair value of these options on the grant date was \$77,565 and the intrinsic value was \$53,750.

During March 2014, the Company granted options to purchase 850,000 shares of common stock to its Chief Executive Officer, President and Chief Financial Officer. The options have an exercise price of \$1.00 per share and vest over 3 years. The stock price on the grant date was \$2.99 per share. The options were valued on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: (1) risk free interest rate 2.00%, (2) term of 10 years, and (3) expected stock volatility of 184%. As a result, the fair value of these options on the grant date was \$2,515,575 and the intrinsic value was \$1,691,500.

During May 2014, the Company granted options to four employees to purchase 85,000 shares of common stock. The options have an exercise price of \$1.00 per share and vest over 4 years. The stock price on the grant date was \$2.80 - \$2.90 per share. The options were valued on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: (1) risk free interest rate 2.54% and 2.66%, (2) term of 10 years, and (3) expected stock volatility of 180%. As a result, the fair value of these options on the grant date was \$241,233 and the intrinsic value was \$156,000.

During June 2014, the Company granted options to two employees and a consultant to purchase 160,000 shares of common stock. The options have an exercise price of \$1.00 per share and vest over 4 years. The stock price on the grant date was \$2.15 - \$2.50 per share. The options were valued on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: (1) risk free interest rate 2.54%, (2) term of 10 years, and (3) expected stock volatility of 174%. As a result, the fair value of these options on the grant date was \$361,124 and the intrinsic value was \$205,000.

A summary of stock option activity is presented below:

	Number of Shares	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at December 31, 2013	1,433,650	\$ 0.54		\$ -
Granted	1,297,500	1.00		
Cancelled/Expired	(328,650)	0.50		
Outstanding at June 30, 2014	2,402,500	\$ 0.79	9.17	\$ 1,958,000
Exercisable at June 30, 2014	808,435	\$ 0.62	8.72	\$ 1,197,354

During the six months ended June 30, 2014 and June 30, 2013, the Company recognized stock-based compensation expense of \$1,505,783 and \$1,592,893, respectively, related to stock options. As of June 30, 2014, there was \$2,904,881 of total unrecognized compensation cost related to non-vested stock.

#### Warrant Awards

On March 10, 2014, the Company issued warrants to third parties for services to purchase 750,000 shares of its common stock granted with an exercise price of \$1.00 per share. The stock price on the grant date was \$3.16 per share. As a result, the intrinsic value for these warrants on the grant date was \$1,620,000. The fair value of these warrants was approximately \$2,361,731 and was valued on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: (1) risk free interest rate 2.67%, (2) term of 10 years, (3) expected stock volatility of 170%, and (4) expected dividend rate of 0%. All of the warrants vest immediately.

On April 30, 2014, the Company issued warrants to a third party to purchase 250,000 shares of its common stock granted with an exercise price of \$1.00 per share. The stock price on the grant date was \$2.65 per share. As a result, the intrinsic value for these warrants on the grant date was \$412,500. The fair value of these warrants was approximately \$659,847 and was valued on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: (1) risk free interest rate 2.00%, (2) term of 10 years, (3) expected stock volatility of 170%, and (4) expected dividend rate of 0%. All of the warrants vest immediately.

On June 18, 2014, in connection with the issuance of common stock, the Company issued warrants to a third party to purchase 1,800,000 shares of its common stock granted with an exercise price of \$1.00 per share. See note 4.

A summary of warrant activity is presented below:

	Number of Shares	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at December 31, 2013	750,000	0.01		
Granted	2,800,000	1.00		
Exercised	-	-		
Expired/Forfeited	-	-		
Outstanding and exercisable at June 30, 2014	3,550,000	\$ 0.79	8.6	\$ 5,535,000

## 6. COMMITMENTS

### *Consulting Agreement*

On March 5, 2014, the Company entered into a service provider agreement with a consultant with a term of one year. Pursuant to the agreement, the Company is obligated to make \$5,000 payments on or around June 15, 2014 and on or around October 15, 2014. The Company is also required to issue the consultant 40,000 shares of the Company's common stock on or about June 15, 2014 and October 15, 2014.

### Employment Agreement

The Company signed an employment agreement with its Chief Financial Officer. Pursuant to the agreement, in the event the Chief Financial Officer is terminated without cause, the CFO will be entitled to receive all compensation, including any bonus payments, accrued through the date of termination together with all compensation, including bonus payments, earned through the severance period which is defined as a period of 18 months from termination if more than 18 months remain on the term of the employment agreement at the time of termination or as a period of 12 months from termination, if less than 18 months remain on the term of the employment agreement at the time of termination.

### 7. FAIR VALUE MEASUREMENTS

The following table sets forth, by level within the fair value hierarchy, the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2014:

Description	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Carrying Value as of June 30, 2014
Derivative liabilities - warrant instruments	\$ -	\$ -	\$ 3,837,638	\$ 3,837,638

The following table sets forth a reconciliation of changes in the fair value of financial liabilities classified as level 3 in the fair value hierarchy

	Significant Unobservable Inputs (Level 3) Six months ended June 30,	
	2014	2013
Beginning balance	\$ -	\$ -
Additions	449,624	-
Change in fair value	3,388,014	-
Ending balance	\$ 3,837,638	\$ -
Change in unrealized losses included in earnings	\$ 3,388,014	\$ -

### 8. SUBSEQUENT EVENTS

#### Issuance of stock options

During July and August 2014, the Company granted options to purchase 425,000 shares of common stock to various individuals. The fair value of these stock options is approximately \$862,124 and was valued on the date of the grants using the Black-Scholes option pricing model with the following weighted average assumptions: (1) risk free interest rate 2.61%, (2) term of 10 years, (3) expected stock volatility of 174%, and (4) expected dividend rate of 0%. The options have an exercise price of \$1.00 per share and vest over 0-4 years. The intrinsic value of these stock options was \$459,000 on the dates of issuance.

#### *Equity purchase agreement*

On July 23, 2014, the Company entered into an Equity Purchase Agreement and a Registration Rights Agreement with Kodiak Capital Group, LLC (“Kodiak”) in order to establish a source of funding for the Company. Under the Equity Purchase Agreement, Kodiak has agreed to provide the Company with up to \$3,000,000 of funding upon effectiveness of a registration statement on Form S-1. Following effectiveness of the registration statement, the Company can deliver puts to Kodiak under the Equity Purchase Agreement under which Kodiak will be obligated to purchase shares of the Company’s common stock based on the investment amount specified in each put notice, which investment amount may be any amount up to \$3,000,000 less the investment amount received by the Company from all prior puts, if any. Puts may be delivered by the Company to Kodiak until the earlier of December 31, 2015 or the date on which Kodiak has purchased an aggregate of \$3,000,000 of put shares. The number of shares of the Company’s common stock that Kodiak will purchase pursuant to each put notice will be determined by dividing the investment amount specified in the put by the purchase price. The purchase price per share of common stock will be set at eighty (80%) of the market Price of the Company’s common stock with market price being defined as the lowest daily value weighted average trading price for our common stock for any trading day during the five consecutive trading days immediately following the date of the put notice to Kodiak. Upon delivery of a put notice, the Company may designate a floor price for the market price calculation. If the applicable market price is below the floor price, the market price will be deemed to be the floor price. Under such circumstances, Kodiak may, at its option, purchase any amount of shares covered by the put but is not required to purchase any specified amount of shares.

#### *Loan from Director*

During August 2014, a director of the Company loaned the Company \$150,000. The loan bears interest at 1% and is payable upon demand.

#### *Consulting Agreement*

During August 2014, the Company entered into a 2-year consulting services agreement with an individual. Pursuant to the agreement, the individual will be paid \$50,000 per year. In connection with the consulting agreement, the individual assigned the Company all of the assets owned by the individual related to the individual’s business operations being conducted through the name Gift Ya Now including, but not limited to, software code base, original design / creative elements, domain name and all strategic business relationships.

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

### Statement Regarding Forward-Looking Information

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included in this Quarterly Report on Form 10-Q, including without limitation, statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations regarding our financial position, estimated working capital, business strategy, the plans and objectives of our management for future operations and those statements preceded by, followed by or that otherwise include the words "believe", "expects", "anticipates", "intends", "estimates", "projects", "target", "goal", "plans", "objective", "should", or similar expressions or variations on such expressions are forward-looking statements. We can give no assurances that the assumptions upon which the forward-looking statements are based will prove to be correct. Because forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements. There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements, including, but not limited to, the availability and pricing of additional capital to finance operations.

Except as otherwise required by the federal securities laws, we disclaim any obligations or undertaking to publicly release any updates or revisions to any forward-looking statement contained in this Quarterly Report on Form 10-Q to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The following discussion should be read in conjunction with our unaudited consolidated financial statements and the accompanying notes included elsewhere in this Quarterly Report on Form 10-Q.

### Overview

Since November 21, 2012, we have engaged in the social communications business. We are a social application development company that is capturing everyday events and turning them into meaningful memories to be scrapbooked, organized, and referenced forever (automatically). Every day, millions of people are forced to use approximately 6 applications to plan, invite, navigate, capture, organize and share their social and business events. Without organization and a simple retrieval system, sharing and recalling the memories are often difficult, and many times non-existent. In addition, currently used techniques of memory sharing are person-to-person as opposed to people-to-event, so many captured memories never end up being socially shared correctly. The currently available apps are disjointed which results in a scattered experience for the user. It is not uncommon for a person to have several thousand photos on his camera roll and also replicated on his hard drive; have to toggle between multiple calendars and invite applications; and have to spend endless hours organizing and attaching photos and videos; just so he can share the memories captured from an event. Thus, there is not a simple one-stop solution that detects relevancy of a group conversation, syncs with device applications and allows for access/review of activities.

Our technically unique, yet simple-to-use, patented mobile-to-web technology platform provides users with a single application that addresses these inefficiencies in the social marketplace by enabling captured memories to be centrally stored and effortlessly shared among event attendees in a secure, real-time, mobile ad-hoc network. "Eventure Everywhere" is keystone to our business offerings and strategy to maximize the experience of each event with rich features to successfully schedule, capture, scrapbook (store); and share one's life and events in a meaningful way. Eventure Everywhere includes: "Anonymous Messaging," "Event Genius," "Wish I was There," "I'll Be There," "Intelligent Parsing" and device learning. Combined, they are core viral adoption drivers of our solution into various target markets.

During 2014, we will continue to develop and commercialize our social media business. This will require us to raise additional funds to support our future growth plans.

The Company is a speculative investment, and investors may lose some or all of their investment in the Company.

## **Results of Operations**

### **Revenues**

We generated no revenues during the period from November 29, 2010 (date of inception) through June 30, 2014.

### **Loss from Operations**

We incurred net losses of \$6,108,130 and \$22,156,250, and \$549,232 and \$2,106,988, respectively, for the three and six months ended June 30, 2014 and June 30, 2013. The increase in comparable losses was due to higher stock compensation expense and due to the unrealized loss on derivative liabilities recorded during the six months ended June 30, 2014.

### **Liquidity and Capital Resources**

We will need additional capital to implement our strategies. There is no assurance that we will be able to raise the amount of capital that we seek for acquisitions or for future growth plans. Even if financing is available, it may not be on terms that are acceptable to us. In addition, we do not have any determined sources for any future funding. If we are unable to raise the necessary capital at the times we require such funding, we may have to materially change our business plan, including delaying implementation of aspects of our business plan or curtailing or abandoning our business plan. We represent a speculative investment and investors may lose all of their investment.

Since inception, we have been financed primarily by way of sales of our common stock.

At June 30, 2014, cash was \$186,509 and other current assets were \$15,196. At the same time, we had current liabilities of \$475,515, which consisted of accounts payable and accrued expenses. We attribute our net loss from operations to having no revenues to sustain our operating costs as we are a development stage company. At December 31, 2013, cash was \$67,762 and we had no other current assets other than \$5,000 in deposits. At the same time, we had current liabilities of \$257,588, which consisted of accounts payable and accrued expenses.

#### Net Cash Used in Operating Activities

Net cash used in operating activities was \$750,553 for the six months ended June 30, 2014, as compared to net cash used of \$415,587 for the six months ended June 30, 2013. The increase in net cash used in operations was primarily due to a larger net loss incurred by the Company.

#### Net Cash Used by Investing Activities

During the six months ended June 30, 2014 and 2013, we used \$405,700 and \$78,650, respectively, of cash in investing activities. The cash used in investing activities in the six months ended June 30, 2014 was for software development costs and the purchase of computers. The cash used in investing activities in the six months ended June 30, 2013 was for software development costs of \$76,750 and \$1,900 for the purchase of a computer.

#### Net Cash Provided by Financing Activities

During the six months ended June 30, 2014 and 2013, we received \$1,275,000 and \$450,000, respectively, in proceeds from the sale of common stock and/or warrants of the Company.

#### General

We will only commit to capital expenditures for any future projects requiring us to raise additional capital as and when adequate capital or new lines of finance are made available to us. There is no assurance that we will be able to obtain any financing or enter into any form of credit arrangement. Although we may be offered such financing, the terms may not be acceptable to us. If we are not able to secure financing or it is offered on unacceptable terms, then our business plan may have to be modified or curtailed or certain aspects terminated. There is no assurance that even with financing we will be able to achieve our goals.

### Going Concern

Our financial statements have been prepared on a going concern basis which assumes that we will be able to realize our assets and discharge our liabilities in the normal course of business for the foreseeable future. We have incurred losses since inception resulting in an accumulated deficit of \$26,509,625 as of June 30, 2014 and further losses are anticipated in the development of our business raising substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our generating profitable operations in the future and/or obtaining the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with existing cash on hand and loans from directors and/or private placement of common stock. These financials do not include any adjustments relating to the recoverability and reclassification of recorded asset amounts, or amounts and classifications of liabilities that might result from this uncertainty.

### **Critical Accounting Policies and Estimates**

#### Significant Accounting Policies

##### Use of Estimates and Assumptions

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

##### Stock-based Compensation

We measure stock-based compensation cost at the grant date based on the fair value of the award and recognize it as expense, over the vesting or service period, as applicable, of the stock award using the straight-line method.

##### Off-Balance Sheet Arrangements

None.

##### Contractual Obligations

Not applicable.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that material information required to be disclosed in our periodic reports filed under the Securities Exchange Act of 1934, as amended, or 1934 Act, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and to ensure that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer as appropriate, to allow timely decisions regarding required disclosure. At the end of the quarter ended June 30, 2014 we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and the principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) and Rule 15d-15(e) under the 1934 Act. Based on this evaluation, and for the same reasons set forth in our Annual Report on Form 10-K for the year ended December 31, 2013, management concluded that as of June 30, 2014 our disclosure controls and procedures were not effective.

### **Limitations on Effectiveness of Controls and Procedures**

Our management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), does not expect that our disclosure controls and procedures will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

### **Changes in Internal Controls**

During the fiscal quarter ended June 30, 2014, there have been no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

## **PART II – OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

From time to time, we may be a defendant and plaintiff in various legal proceedings arising in the normal course of our business. We are currently not a party to any material legal proceedings or government actions, including any bankruptcy, receivership, or similar proceedings. In addition, we are not aware of any known litigation or liabilities involving the operators of our properties that could affect our operations. Furthermore, as of the date of this Quarterly Report, our management is not aware of any proceedings to which any of our directors, officers, or affiliates, or any associate of any such director, officer, affiliate, or security holder is a party adverse to our company or has a material interest adverse to us.

### **ITEM 1A. RISK FACTORS**

Not applicable.

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

In March 2014 we sold an aggregate of 50,000 shares of our restricted common stock to two investors at a price of \$1.00 per share. The shares were issued in April 2014.

On April 30, 2014 we issued ten-year warrants to a new Advisory Board member to purchase up to 250,000 shares of our common stock at a price of \$1.00 per share.

In May 2014, we issued 100,000 shares of our restricted common stock to a consultant pursuant to an April 23, 2014 Consulting Agreement.

On May 12, 2014 we issued an aggregate of 55,000 non-qualified stock options under our 2012 Equity Incentive Plan with a ten year term to three persons. The options have an exercise price of \$1.00 per share and vest ratably over a four year period.

On May 19, 2014 we issued 30,000 non-qualified stock options under our 2012 Equity Incentive Plan with a ten year term to a one person. The options have an exercise price of \$1.00 per share and vest ratably over a four year period.

In June 2014, we issued 40,000 shares of our restricted common stock pursuant to our March 2014 Service Provider Agreement with Chinese Investors.com, Inc.

In June 2014, we issued 600,000 units to three persons at a price of \$1.00 per unit or an aggregate of \$600,000. Each unit consisted of one share of restricted common stock and three common stock purchase warrants. Each warrant is exercisable for a period of eight years for the purchase of one share of common stock at a price of \$1.00 per share.

Effective June 2015, we issued an aggregate of 30,000 restricted shares of our common stock to two persons pursuant to Consulting Agreements dated May 27, 2014.

In June 2014, we issued 85,714 shares of our restricted common stock to Kodiak Capital Group, LLC (“Kodiak”) as a commitment fee under a Term Sheet pursuant to which Kodiak is providing us with an equity credit line.

On June 2, 2014 we issued an aggregate of 60,000 non-qualified stock options under our 2012 Equity Incentive Plan with a ten year term to two persons. The options have an exercise price of \$1.00 per share and vest ratably over a four year period.

On June 30, 2014 we issued 100,000 non-qualified stock options under our 2013 Equity Incentive Plan with a ten year term to a one person. The options have an exercise price of \$1.00 per share and vest ratably over a four year period.

Effective July 21, 2014, we issued 50,000 non-statutory stock options under our 2012 Equity incentive Plan with a ten-year term to one person. The options have an exercise price of \$1.00 per share and vest ratably over a period of four years.

On August 1, 2014 we issued 200,000 non-statutory stock options under our 2012 Equity Incentive Plan with a ten year term to one person. The options have an exercise price of \$1.00 per share and vest ratably over a four year period.

Effective August 12, 2014, we issued 175,000 non-statutory stock options under our 2012 Equity incentive Plan with a ten-year term to one person. The options have an exercise price of \$1.00 per share and vested upon issuance.

All of the foregoing issuances of securities were made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended for transactions by an issuer not involving a public offering, pursuant to Rule 506 of Regulation D, and/or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701.

**ITEM 3.           DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4.           MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5.           OTHER INFORMATION**

Effective April 23, 2014 we entered into a one-year financial consulting agreement (the “Consulting Agreement”) with Monarch Bay Securities, LLC (the “Consultant”) pursuant to which the Consultant provides us with advice with regard to various finance matters including, but not limited to, (i) capitalization matters; (ii) changes in our corporate structure; and (iii) alternative uses of our assets. The Consulting Agreement is renewable for successive one-year periods unless terminated by either party at least 30 days prior to the end of the term. We issued 100,000 shares of our restricted common stock to the Consultant with respect to the initial one year term. The shares carry piggyback registration rights.

On June 18, 2014 we sold an aggregate of 600,000 units to three persons (the “Purchasers”) at a price of \$1.00 per unit or an aggregate of \$600,000. Each unit consists of one share of our common stock, par value \$0.001 per share, and three common stock purchase warrants. Accordingly, in connection with the sale of 600,000 units, we issued an aggregate of 1,800,000 warrants. Each warrant is exercisable for the purchase of one share of our common stock for a period of eight years from issuance at an exercise price of \$1.00 per share. Subject to customary exceptions, the warrants contain weighted average anti-dilution protection which provides for a downward adjustment in the warrant exercise price if, during the term of the warrants, we issue common stock or securities exchangeable or convertible into shares of our common stock at a price below the then exercise price of the warrants. Piggyback registration rights apply to the shares comprising part of the units and the shares issuable upon exercise of the warrants comprising part of the units. The Purchasers were also given participation and pre-emptive rights for a period of eight years from the date of the sale of the units. The participation rights give the Purchasers the right to participate on a pro rata basis, to the same extent as other stockholders, in any sale of common stock consisting of more than 20% of our then issued and outstanding common stock. Subject to customary exceptions, the pre-emptive rights give the Purchasers the rights to purchase a pro rata portion of securities we determine to sell in the future on the same terms and conditions that we offer such securities to third parties.

Effective July 1, 2014 Alan Johnson resigned as our President and Gannon Giguere, our current Chief Executive Officer, Chairman and Secretary, was appointed to the vacated President position. Mr. Giguere has not received additional consideration from us for serving as our President but may in the future. Mr. Johnson continues to serve as a director of ours and as our Chief Corporate Development Officer. Mr. Johnson's resignation as our President did not arise from any disagreement with us on any matter relating to our operations, policies or practices.

On July 23, 2014, we entered into an equity purchase agreement (the "Equity Purchase Agreement") with Kodiak. Although we are not mandated to sell shares under the Equity Purchase Agreement, the Equity Purchase Agreement gives us the option to sell to Kodiak, up to \$3,000,000 worth of our common stock over the period ending December 31, 2015. The \$3,000,000 was stated as the total amount of available funding in the Equity Purchase Agreement because this was the maximum amount that Kodiak agreed to offer us in funding. There is no assurance that the market price of our common stock will remain at or close to its current price in the future. The number of common shares that remain issuable may not be sufficient, dependent upon the share price, to allow us to access the full amount contemplated under the Equity Purchase Agreement. Therefore, we may not have access to the full commitment under the Equity Purchase Agreement unless the market price of our common stock remains at or near its current price or increases from its current level.

The purchase price of the common stock will be set at eighty percent (80%) of the lowest daily volume weighted average price ("VWAP") of the common stock during the pricing period. The pricing period will be the five consecutive trading days immediately after the put notice date. We have the right to include a floor price for the VWAP calculation in the put notice. If the lowest daily VWAP for any trading day during the pricing period is below the floor price, the purchase price will be set at 80% of the floor price. In such event, Kodiak may, at its option, determine to purchase none of the Put Shares or less than all of the Put Shares covered by the put notice. In addition, there is an ownership limit for Kodiak of 9.99%.

In June 2014, Kodiak received a one-time issuance of 85,714 restricted shares of our common stock as a commitment fee for the investment. In addition, we paid a \$10,000 document preparation fee to Kodiak.

Effective August 1, 2014 we appointed Jeffrey Zehler as our Vice President of Mobility. Mr. Zehler has more than 16 years of mobile application and leadership experience with several blue chip technology companies. His responsibilities will include the leadership and management of our mobile development team that will be responsible for strategic product development and innovation respecting our Android and iOS platforms. We are paying Mr. Zehler a base annual salary of \$150,000 and granted to him, on August 1, 2014, 200,000 non-statutory, stock options under our 2012 Equity Incentive Plan. The options are exercisable upon vesting to purchase shares of our common stock at a price of \$1.00 per share. The options will begin vesting and become exercisable starting on September 1, 2014 in monthly increments of 4,166 options for a period of 47 consecutive months with the remaining 4,198 options vesting on August 1, 2018. The options may be exercised on a cashless basis. We expect to enter into a formal written employment agreement with Mr. Zehler in the future which will include the terms referenced above.

On June 12, 2014 we received a \$15,107 loan from a company owned by our Chief Financial Officer. The loan earned interest at the rate of 1% per year and was repaid on June 19, 2014.

On May 27, 2014 we received a \$105,000 loan from our Chief Executive Officer. The loan earned interest at the rate of 1% per year. \$100,000 and was repaid on June 23, 2014 and the balance was repaid on June 30, 2014.

On July 1, 2014 the US Patent and Trademark Office granted a patent (Patent No. 8769610) to Gannon Giguere, Alan Johnson and Timothy Lyons (collectively, the "Assignors") in furtherance of a patent application filed by the Assignors on October 31, 2013 for an invention (the "Invention") titled "Distance Modified Security and Content Sharing" By assignment dated October 31, 2013, the Assignors assigned their respective rights under the patent to us. The patent is focused on protecting systems and methods for sharing resources in ad-hoc, peer-to-peer networks. Among other things, such systems and methods allow users attending a concert, ball game or other event to share content with each other based on their geographic or social proximity, while maintaining various levels of control over the content that is being shared. From a broader perspective, the technology facilitates planning, inviting, attending, capturing and/or scrapboarding of photos and other information. A child application is on file with respect to the Invention. We intend to broaden the scope of coverage further, focusing on additional features, including specifics of security and inheritance.

On July 29, 2014 we received a \$150,000 loan from our Chief Corporate Development Officer, The loan earns interest at the rate of 1% per year and is payable after September 1, 2014.

On August 12, 2014 we entered into a two year consulting agreement with Vinay Jatwani (the "Consulting Agreement") whereby Mr. Jatwani will have responsibility for identifying, evaluating, developing, and implementing acquisition, partnership and alliance opportunities that support our strategic growth initiatives. The Consulting Agreement is subject to extension upon mutual agreement of the parties and may be terminated by us upon 30 days prior written notice. Pursuant to the Consulting Agreement we are paying Mr. Jatwani cash compensation at the rate of \$50,000 per annum payable in equal bi-monthly (twice a month) installments. We also issued 175,000 non-statutory stock options to Mr. Jatwani with a ten-year term which have an exercise price of \$1.00 per share. The options vested upon issuance. In connection with the Consulting Agreement, Mr. Jatwani assigned to us all of the assets he owned related to his electronic gift card platform business operations being conducted through the name Gift Ya Now including, but not limited to, software base code, original design/creative elements, domain name and all strategic business relationships. We expect to incorporate these assets into a separate business line which is intended to utilize the Gift Ya Now name.

Effective July 29, 2014 we dissolved Local Event Media, Inc. Prior to dissolution, Local Event Media, Inc. transferred all of its assets and liabilities to us.

## **ITEM 6. EXHIBITS**

In reviewing the agreements included as exhibits to this Form 10-Q, please remember that they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about the Company or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about the Company may be found elsewhere in this Form 10-Q and the Company's other public filings, which are available without charge through the SEC's website at <http://www.sec.gov>.

The following exhibits are included as part of this report:

<b><i>Exhibit No.</i></b>	<b><i>Description</i></b>
4.1	Form of Warrant underlying units sold in June 2014
10.1	U.S. Patent (No. 8,769,610 B1) titled "Distance Modified Security and Content Sharing" issued to Registrant on July 1, 2014
10.2	Form of Subscription Agreement for June 2014 unit sales
31.1	Certification of Principal Executive Officer pursuant to Section 302 the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

## SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

August 19, 2014

EVENTURE INTERACTIVE, INC.

By: /s/ Gannon Giguere  
Gannon Giguere, Chief Executive Officer

August 19, 2014

EVENTURE INTERACTIVE, INC.

By: /s/ Michael D. Rountree  
Michael D. Rountree, Chief Financial Officer

Warrant Certificate No. \_\_\_\_

NEITHER THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS.

Effective Date: June \_\_, 2014

Void After: June \_\_, 2022

**EVENTURE INTERACTIVE, INC.****WARRANTS TO PURCHASE COMMON STOCK**

Eventure Interactive, Inc., a Nevada corporation (the "Company"), for value received on June \_\_, 2014 (the "Effective Date"), hereby issues to \_\_\_\_\_ (the "Holder" or "Warrant Holder") \_\_\_\_\_ Warrants (collectively, the "Warrant") to purchase an aggregate of \_\_\_\_\_ shares (each such share as from time to time adjusted as hereinafter provided being a "Warrant Share" and all such shares being the "Warrant Shares") of the Company's Common Stock (as defined below), at the Exercise Price (as defined below), as adjusted from time to time as provided herein, on or before June \_\_, 2022 (the "Expiration Date"), all subject to the following terms and conditions.

As used in this Warrant, (i) "Business Day" means any day other than Saturday, Sunday or any other day on which commercial banks in the City of New York, New York, are authorized or required by law or executive order to close; (ii) "Common Stock" means the common stock of the Company, par value \$0.001 per share, including any securities issued or issuable with respect thereto or into which or for which such shares may be exchanged for, or converted into, pursuant to any stock dividend, stock split, stock combination, recapitalization, reclassification, reorganization or other similar event; (iii) "Exercise Price" means \$1.00 per share of Common Stock, subject to adjustment as provided herein; (iv) "Trading Day" means any day on which the Common Stock is traded (or available for trading) on its principal trading market; and (v) "Affiliate" means any person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, a person, as such terms are used and construed in Rule 144 promulgated under the Securities Act of 1933, as amended (the "Securities Act").

**1. DURATION AND EXERCISE OF WARRANTS**

(a) Exercise Period. The Holder may exercise this Warrant in whole or in part on any Business Day on or before 5:00 P.M., Eastern Time, on the Expiration Date, at which time this Warrant shall become void and of no value.

---

(b) Exercise Procedures.

(i) While this Warrant remains outstanding and exercisable in accordance with Section 1(a), the Holder may exercise this Warrant in whole or in part at any time and from time to time by:

(A) delivery to the Company of a duly executed copy of the Notice of Exercise attached as Exhibit A;

(B) surrender of this Warrant to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder; and

(C) payment of the then-applicable Exercise Price per share multiplied by the number of Warrant Shares being purchased upon exercise of the Warrant (such amount, the "Aggregate Exercise Price") made in the form of cash, or by certified check, bank draft or money order payable, or wire transfer of immediately available funds, in lawful money of the United States of America.

(ii) Upon the exercise of this Warrant in compliance with the provisions of this Section 1(b), the Company shall promptly issue and cause to be delivered to the Holder a certificate for the Warrant Shares purchased by the Holder. Each exercise of this Warrant shall be effective immediately prior to the close of business on the date (the "Date of Exercise") that the conditions set forth in Section 1(b) have been satisfied, as the case may be. On the first Business Day following the date on which the Company has received each of the properly completed Notice of Exercise and the Aggregate Exercise Price in cleared funds (the "Exercise Delivery Documents"), the Company shall transmit an acknowledgment of receipt of the Exercise Delivery Documents to the Company's transfer agent (the "Transfer Agent"). On or before the fifth Business Day following the date on which the Company has received all of the Exercise Delivery Documents (the "Share Delivery Date"), the Company shall use its best efforts to cause its transfer agent to issue and dispatch by certified or registered mail or overnight courier (at the Holder's cost) to the address as specified in the Notice of Exercise, a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder is entitled pursuant to such exercise.

(c) Partial Exercise. This Warrant shall be exercisable, either in its entirety or, from time to time, for part only of the number of Warrant Shares referenced by this Warrant. If this Warrant is submitted in connection with any exercise pursuant to Section 1 and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the actual number of Warrant Shares being acquired upon such an exercise, then the Company shall as soon as practicable and in no event later than five (5) Business Days after any exercise and at its own expense, issue a new Warrant of like tenor representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised.

(d) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 16.

2. ISSUANCE OF WARRANT SHARES

(a) The Company covenants that all Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be (i) duly authorized, fully paid and non-assessable, and (ii) free from all liens, charges and security interests, with the exception of claims arising through the acts or omissions of any Holder and except as arising from applicable Federal and state securities laws.

(b) The Company shall register this Warrant upon records to be maintained by the Company for that purpose in the name of the record holder of such Warrant from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner thereof for the purpose of any exercise thereof, any distribution to the Holder thereof and for all other purposes.

(c) The Company will not, by amendment of its certificate of incorporation, by-laws or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all action necessary or appropriate in order to protect the rights of the Holder to exercise this Warrant, or against impairment of such rights.

### 3. ADJUSTMENTS OF EXERCISE PRICE, NUMBER AND TYPE OF WARRANT SHARES

(a) The Exercise Price and the number of shares purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 3.

(i) Subdivision or Combination of Stock. In case the Company shall at any time subdivide (whether by way of stock dividend, stock split or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced and the number of Warrant Shares shall be proportionately increased, and conversely, in case the outstanding shares of Common Stock of the Company shall be combined (whether by way of stock combination, reverse stock split or otherwise) into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of Warrant Shares shall be proportionately decreased. The Exercise Price and the Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 3(a)(i).

(ii) Reorganization, Reclassification, Consolidation, Merger or Sale.

(A) If any recapitalization, reclassification or reorganization of the capital stock of the Company, or any consolidation or merger of the Company with another corporation, or the sale of all or substantially all of its assets or other transaction shall be effected in such a way that there is no "Change of Control" of the Company (as hereafter defined) and holders of Common Stock shall be entitled to receive stock, securities, or other assets or property in exchange for their Common Stock (an "Organic Change"), then, as a condition of such Organic Change, lawful and adequate provisions shall be made by the Company whereby the Holder hereof shall thereafter have the right to purchase and receive (in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented by this Warrant) such shares of stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such stock immediately theretofore purchasable and receivable assuming the full exercise of the rights represented by this Warrant. In the event of any Organic Change, appropriate provision shall be made by the Company with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof (including, without limitation, registration rights) shall thereafter be applicable, in relation to any shares of stock or securities thereafter deliverable upon the exercise hereof. The Company will not effect any such Organic Change unless, prior to the consummation thereof, the successor corporation (if other than the Company) resulting from such Organic Change purchasing such assets shall assume by written instrument reasonably satisfactory in form and substance to the Holder executed and mailed or delivered to the registered Holder hereof at the last address of such Holder appearing on the books of the Company, the obligation to deliver to such Holder such shares of stock, securities or assets as, in accordance with the foregoing provisions, such Holder may be entitled to purchase.

(B) If any recapitalization, reclassification or reorganization of the capital stock of the Company, or any consolidation or merger of the Company with another corporation, or the sale of all or substantially all of its assets or other transaction shall be effected in such a way that there is a "Change of Control" of the Company (as hereafter defined) and holders of Common Stock shall be entitled to receive stock, securities, or other assets or property in exchange for their Common Stock (a "Control Change"), then, the Holder shall be required to accept the net value of the Warrant (the fair market value of the Warrant Shares less the Exercise Price) in exchange for the cancellation of the Warrant. The fair market value of the Warrant shares shall be determined by the mutual agreement of Holder and the Company or, in the absence of such agreement, by a mutually approved independent appraiser who has not previously provided services to either the Company or Holder; provided, however, that if the Company's Common Stock is then traded on a stock exchange or the NASDAQ system, such fair market value shall be the average closing sales price over the ten trading days preceding the date of the public announcement of the Change of Control transaction. Such consideration shall be paid to the Holder at the same time as the consideration from the Control Change is paid to the holders of the Company's Common Stock. As a condition of such Control Change, the Company shall be required to comply with subsection (C) below. "Change of Control" shall mean (i) the acquisition by any person or group (as that term is defined in the Act and the rules promulgated thereunder) in a single transaction or a series of transactions of 90% or more in voting power of the Common Stock of the Company; (ii) a sale of substantially all of the assets of the Company to an entity that is not a subsidiary or the Company; (iii) a merger, consolidation or reorganization involving the Company, following which the current stockholders of the Company as of the date hereof (the "Current Stockholders") will not have voting power with respect to at least 90% of the voting securities entitled to vote generally in the election of directors of the surviving entity; or (iv) the consummation of a sale by the Current Stockholders to a third party (the "Acquiring Party") of some or all of the shares of Common Stock held by the Current Stockholders, which sale results in the Current Stockholders having voting power with respect to less than 90% of the voting securities entitled to vote in the election of directors of the Company.

(C) If there is an Organic Change or a Control Change, then the Company shall cause to be mailed to the Holder at its last address as it shall appear on the books and records of the Company, at least 30 calendar days before the effective date of the Organic Change or the Control Change, a notice stating the date on which such Organic Change or Control Change is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares for securities, cash, or other property delivered upon such Organic Change or Control Change; provided, that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder is entitled to exercise this Warrant during the 30-day period commencing on the date of such notice to the effective date of the event triggering such notice. In any event, the successor corporation (if other than the Company) resulting from an Organic Change (but not from a Control Change) shall be deemed to assume such obligation to deliver to such Holder such shares of stock, securities or assets even in the absence of a written instrument assuming such obligation to the extent such assumption occurs by operation of law.

(iii) Share Issuances. If the Company, at any time prior to the expiration of this Warrant, shall issue any shares of the Common Stock or securities convertible into the Common Stock (except (A) for this Warrant, (B) to employees pursuant to a Qualified Stock Option Plan, and (C) for options, warrants, convertible securities or other obligations to issue shares of the Common Stock – hereinafter, "Derivatives" – outstanding on the date hereof), including in connection with any merger or other reorganization of the Company with another entity in which the Company is the surviving corporation, for a consideration per share that is not at least equal to the Exercise Price per Warrant Share at the time, then the number of shares of the Common Stock to be issued to the Holder upon exercise of this Warrant and the Exercise Price thereof shall be adjusted by (x) multiplying such number of Warrant Shares by a fraction, the numerator of which shall be the number of shares of the Common Stock (including, for this purpose, any shares of the Common Stock subject to Derivatives which are outstanding immediately after such issuance), and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance, (including shares of Common Stock subject to Derivatives outstanding at that time), and (ii) dividing the Exercise Price by same fraction. Such adjusted number of Warrant Shares and the Exercise Price thereof shall be readjusted in the same manner upon the happening of any succeeding event or events described in this Section 3(a)(iii).

(b) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 3, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each Holder of this Warrant a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The certificate shall also set forth the number of shares and the amount, if any, of other property which at the time would be received upon the exercise of the Warrant.

(c) Certain Events. If any event occurs as to which the other provisions of this Section 3 are not strictly applicable but the lack of any adjustment would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, or if strictly applicable would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, then the Company's Board of Directors will, in good faith, make an appropriate adjustment to protect the rights of the Holder; provided, that no such adjustment pursuant to this Section 3(c) will increase the Exercise Price or decrease the number of Warrant Shares except as otherwise determined pursuant to this Section 3.

#### 4. TRANSFERS AND EXCHANGES OF WARRANT AND WARRANT SHARES

(a) Registration of Transfers and Exchanges. Subject to Section 4(c), upon the Holder's surrender of this Warrant, with a duly executed copy of the Form of Assignment attached as Exhibit B, to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder, the Company shall register the transfer of all or any portion of this Warrant. Upon such registration of transfer, the Company shall issue a new Warrant, in substantially the form of this Warrant, evidencing the acquisition rights transferred to the transferee and a new Warrant, in similar form, evidencing the remaining acquisition rights not transferred, to the Holder requesting the transfer.

(b) Warrant Exchangeable for Different Denominations. The Holder may exchange this Warrant for a new Warrant or Warrants, in substantially the form of this Warrant, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder, each of such new Warrants to be dated the date of such exchange and to represent the right to purchase such number of Warrant Shares as shall be designated by the Holder. The Holder shall surrender this Warrant with duly executed instructions regarding such re-certification of this Warrant to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder.

(c) Restrictions on Transfers. This Warrant may not be transferred at any time without (i) registration under the Securities Act or (ii) an exemption from such registration and a written opinion of legal counsel addressed to the Company that the proposed transfer of the Warrant may be effected without registration under the Securities Act, which opinion will be in form and from counsel reasonably satisfactory to the Company.

#### 5. MUTILATED OR MISSING WARRANT CERTIFICATE

If this Warrant is mutilated, lost, stolen or destroyed, upon request by the Holder, the Company will, at its expense, issue, in exchange for and upon cancellation of the mutilated Warrant, or in substitution for the lost, stolen or destroyed Warrant, a new Warrant, in substantially the form of this Warrant, representing the right to acquire the equivalent number of Warrant Shares; provided, that, as a prerequisite to the issuance of a substitute Warrant, the Company may require satisfactory evidence of loss, theft or destruction as well as an indemnity from the Holder of a lost, stolen or destroyed Warrant.

6. PAYMENT OF TAXES

The Company will pay all transfer and stock issuance taxes attributable to the preparation, issuance and delivery of this Warrant and the Warrant Shares (and replacement Warrants) including, without limitation, all documentary and stamp taxes; provided, however, that the Company shall not be required to pay any tax in respect of the transfer of this Warrant, or the issuance or delivery of certificates for Warrant Shares or other securities in respect of the Warrant Shares to any person or entity other than to the Holder.

7. FRACTIONAL WARRANT SHARES

No fractional Warrant Shares shall be issued upon exercise of this Warrant. The Company, in lieu of issuing any fractional Warrant Share, shall round down the aggregate number of Warrant Shares issuable to a Holder to the nearest whole share.

8. NO STOCK RIGHTS AND LEGEND

No holder of this Warrant, as such, shall be entitled to vote or be deemed the holder of any other securities of the Company that may at any time be issuable on the exercise hereof, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, the rights of a stockholder of the Company or the right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or give or withhold consent to any corporate action or to receive notice of meetings or other actions affecting stockholders (except as provided herein), or to receive dividends or subscription rights or otherwise (except as provide herein).

Each certificate for Warrant Shares initially issued upon the exercise of this Warrant, and each certificate for Warrant Shares issued to any subsequent transferee of any such certificate, shall be stamped or otherwise imprinted with a legend in substantially the following form:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS.”

9. NOTICES

All notices, consents, waivers, and other communications under this Warrant must be in writing and will be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, if to the registered Holder hereof; or (d) seven days after the placement of the notice into the mails (first class postage prepaid), to the Holder at the address, facsimile number, or e-mail address furnished by the registered Holder to the Company, or if to the Company, to it at 3420 Bristol Street, 6<sup>th</sup> Floor, Costa Mesa, CA 92626, Attention: President (or to such other address, facsimile number, or e-mail address as the Holder or the Company as a party may designate by notice the other party) with a copy to Gottbetter & Partners, LLP, 488 Madison Avenue, 12<sup>th</sup> Floor, New York, NY 10022, Attention: Adam S. Gottbetter, Esq.

10. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Warrant invalid or unenforceable, the other provisions of this Warrant will remain in full force and effect. Any provision of this Warrant held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

11. BINDING EFFECT

This Warrant shall be binding upon and inure to the sole and exclusive benefit of the Company, its successors and assigns, and the registered Holder or Holders from time to time of this Warrant and the Warrant Shares.

12. SURVIVAL OF RIGHTS AND DUTIES

This Warrant shall terminate and be of no further force and effect on the earlier of 5:00 P.M., Eastern Time, on the Expiration Date or the date on which this Warrant has been exercised in full.

13. GOVERNING LAW

This Warrant will be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles that would require the application of any other law.

14. DISPUTE RESOLUTION

In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall submit the disputed determinations or arithmetic calculations via facsimile within two Business Days of receipt of the Notice of Exercise giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price or the Warrant Shares within three Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two Business Days, submit via facsimile (a) the disputed determination of the Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

15. NOTICES OF RECORD DATE

Upon (a) any establishment by the Company of a record date of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or right or option to acquire securities of the Company, or any other right, or (b) any capital reorganization, reclassification, recapitalization, merger or consolidation of the Company with or into any other corporation, any transfer of all or substantially all the assets of the Company, or any voluntary or involuntary dissolution, liquidation or winding up of the Company, or the sale, in a single transaction, of a majority of the Company's voting stock (whether newly issued, or from treasury, or previously issued and then outstanding, or any combination thereof), the Company shall mail to the Holder at least ten (10) Business Days, or such longer period as may be required by law, prior to the record date specified therein, a notice specifying (i) the date established as the record date for the purpose of such dividend, distribution, option or right and a description of such dividend, option or right, (ii) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding up, or sale is expected to become effective and (iii) the date, if any, fixed as to when the holders of record of Common Stock shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding up.

16. RESERVATION OF SHARES

The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock for issuance upon the exercise of this Warrant, free from pre-emptive rights, such number of shares of Common Stock and/or other securities for which this Warrant shall from time to time be exercisable. The Company will take all actions as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation. Without limiting the generality of the foregoing, the Company covenants that it will take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and to obtain all such authorizations, exemptions or consents, including but not limited to consents from the Company's stockholders or Board of Directors or any public regulatory body, as may be necessary to enable the Company to perform its obligations under this Warrant.

17. NO THIRD PARTY RIGHTS

This Warrant is not intended, and will not be construed, to create any rights in any parties other than the Company and the Holder, and no person or entity may assert any rights as third-party beneficiary hereunder.

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

**EVENTURE INTERACTIVE, INC.**

By: \_\_\_\_\_  
Name: Gannon Giguere  
Title: Chief Executive Officer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Secretary

**EXHIBIT A**

**NOTICE OF EXERCISE**

(To be executed by the Holder of Warrant if such Holder desires to exercise Warrant)

To Eventure Interactive, Inc.:

The undersigned hereby irrevocably elects to exercise this Warrant and to purchase thereunder, \_\_\_\_\_ shares of Eventure Interactive, Inc. common stock issuable upon exercise of the Warrant and delivery of \$\_\_\_\_\_ (in cash as provided for in the foregoing Warrant) and any applicable taxes payable by the undersigned pursuant to such Warrant.

The undersigned requests that certificates for such shares be issued in the name of:

\_\_\_\_\_  
(Please print name, address and social security or federal employer  
identification number (if applicable))

\_\_\_\_\_  
\_\_\_\_\_

If the shares issuable upon this exercise of the Warrant are not all of the Warrant Shares which the Holder is entitled to acquire upon the exercise of the Warrant, the undersigned requests that a new Warrant evidencing the rights not so exercised be issued in the name of and delivered to:

\_\_\_\_\_  
(Please print name, address and social security or federal employer  
identification number (if applicable))

\_\_\_\_\_  
\_\_\_\_\_

Name of Holder (print): \_\_\_\_\_

(Signature): \_\_\_\_\_

(By:) \_\_\_\_\_

(Title:) \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT B**

**FORM OF ASSIGNMENT**

FOR VALUE RECEIVED, \_\_\_\_\_ hereby sells, assigns and transfers to each assignee set forth below all of the rights of the undersigned under the Warrant (as defined in and evidenced by the attached Warrant) to acquire the number of Warrant Shares set opposite the name of such assignee below and in and to the foregoing Warrant with respect to said acquisition rights and the shares issuable upon exercise of the Warrant:

Name of Assignee	Address	Number of Shares
------------------	---------	------------------

---

If the total of the Warrant Shares are not all of the Warrant Shares evidenced by the foregoing Warrant, the undersigned requests that a new Warrant evidencing the right to acquire the Warrant Shares not so assigned be issued in the name of and delivered to the undersigned.

Name of Holder (print): \_\_\_\_\_

(Signature): \_\_\_\_\_

(By:) \_\_\_\_\_

(Title:) \_\_\_\_\_

Dated: \_\_\_\_\_

---



(12) **United States Patent**  
**Giguere et al.**

(10) **Patent No.:** **US 8,769,610 B1**  
(45) **Date of Patent:** **Jul. 1, 2014**

(54) **DISTANCE-MODIFIED SECURITY AND CONTENT SHARING**

(71) Applicants: **Gannon K. Giguere**, Newport Beach, CA (US); **Alan L. Johnson**, Newport Beach, CA (US); **Timothy J. Lyons**, Tustin, CA (US)

(72) Inventors: **Gannon K. Giguere**, Newport Beach, CA (US); **Alan L. Johnson**, Newport Beach, CA (US); **Timothy J. Lyons**, Tustin, CA (US)

(73) Assignee: **Eventure Interactive, Inc.**, Costa Mesa, CA (US)

(\* ) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(h) by 0 days.

(21) Appl. No.: **14/068,957**

(22) Filed: **Oct. 31, 2013**

(51) **Int. Cl.**  
**H04L 9/00** (2006.01)  
**H04L 9/32** (2006.01)

(52) **U.S. Cl.**  
USPC ..... **726/1; 726/2; 726/3; 726/4**

(58) **Field of Classification Search**  
CPC ..... H04L 63/20; H04L 63/10; H04L 63/101; G06F 21/10; G06F 2221/2141  
USPC ..... 726/1-4, 26-30; 713/165-167, 193; 709/223-225, 229  
See application file for complete search history.

(56) **References Cited**

**U.S. PATENT DOCUMENTS**

7,359,930 B2 \* 4/2008 Jackson et al. .... 709/200  
7,613,426 B2 11/2009 Kuehnle  
7,907,934 B2 3/2011 Naghian  
7,974,574 B2 7/2011 Shen

8,135,835 B2 3/2012 Wilbink  
8,149,697 B2 4/2012 Parkkinen  
8,156,537 B2 \* 4/2012 Balfanz et al. .... 713/169  
8,181,257 B2 \* 5/2012 Chahsani et al. .... 726/26  
8,411,562 B2 \* 4/2013 Chia et al. .... 370/230  
8,478,300 B2 7/2013 Kuehnle  
8,520,979 B2 8/2013 Conwell  
2007/0250482 A1 10/2007 Yao  
2012/0084364 A1 4/2012 Sivawakesar

(Continued)

**FOREIGN PATENT DOCUMENTS**

WO 2004107681 A1 12/2004  
WO 2005018142 A1 2/2005  
WO 2012006446 A1 1/2012

**OTHER PUBLICATIONS**

Bhargava, Bharat K., et al. A Trust-based Approach for Secure Data Dissemination in a Mobile Peer-to-Peer Network, of AVs; International Journal of Next-Generation Computing, vol. 3, No. 1, Mar. 2012.

(Continued)

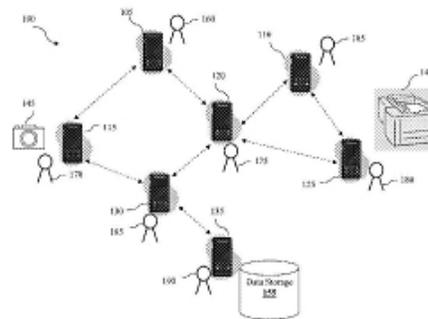
Primary Examiner — Hosuk Song

(74) Attorney, Agent, or Firm — Fish & Tsang LLP

(57) **ABSTRACT**

In one aspect of the invention, a system for sharing resources in an ad-hoc peer-to-peer network is presented. The ad-hoc peer-to-peer network includes a host device that is associated with a resource. A security application of the host device allows the user of the host device to share the resource with other devices in the network. The security application also allows the user to establish access policies for certain known devices within the network. An access policy established for a known device specifies what rights the known device has with respect to accessing the resource. The access policy has the characteristics of inheritance. Thus, when a device requests to access the resource, the security application of the host device determines an access policy for the device based on access policies of one or more of the known devices.

15 Claims, 3 Drawing Sheets







(56)

**References Cited**

## U.S. PATENT DOCUMENTS

2013/0054643 A1 2/2013 Yao  
2013/0160076 A1 6/2013 Moerin  
2013/0219285 A1 8/2013 Iwasaki

## OTHER PUBLICATIONS

Held, Sumi, et al; Konark—A Service Discovery and Delivery Protocol for Ad-Hoc Networks; Computer and Information Science and Engineering Department, University of Florida, Gainesville, Florida, 2010.

Desai, Nitin, et al; Infrastructure for Peer-to-Peer Applications in Ad-Hoc Networks; konark\_p2p.pdf; Computer and Information Science and Engineering Department, University of Florida; May 17, 2006; retrieved from wayback machine on Mar. 20, 2014; [http://web.archive.org/web/20060401000000/http://www.icta.ufl.edu/projects/publications/konark\\_p2p.pdf](http://web.archive.org/web/20060401000000/http://www.icta.ufl.edu/projects/publications/konark_p2p.pdf).

Castro, Marcel C., et al; Peer-to-Peer Overlay in Mobile Ad-hoc Networks; Handbook\_P2P\_09.pdf; Work supported by the European Commission in the framework of the FP7 Network of Excellence in Wireless COMMunications NEWCOM++ (contract No. 216715); Jan. 12, 2011; retrieved from wayback machine on Mar. 21, 2014; [http://web.archive.org/web/9/http://social2.googlecode.com/files/Handbook\\_P2P\\_09.pdf](http://web.archive.org/web/9/http://social2.googlecode.com/files/Handbook_P2P_09.pdf).

Sbai, Mohamed, et al., Revisiting P2P content sharing in wireless ad hoc networks; iwssos.pdf; EPI Planete, Inria, France, Nov. 7, 2011; retrieved from wayback machine on Mar. 21, 2011; <http://web.archive.org/web/9/http://planete.inria.fr/bihoc/Dependencies/iwssos.pdf>.

Gligos, Virgil D.; Security of Emergent Properties in Ad-Hoc Networks; cambridge04.pdf; University of Maryland, Electrical and Computer Engineering Department, College Park, Maryland; May 3, 2006; retrieved from wayback machine on Mar. 21, 2014; <http://web.archive.org/web/20060401000000/http://www.ecu.umd.edu/~gligos/cambridge04.pdf>.

\* cited by examiner

---



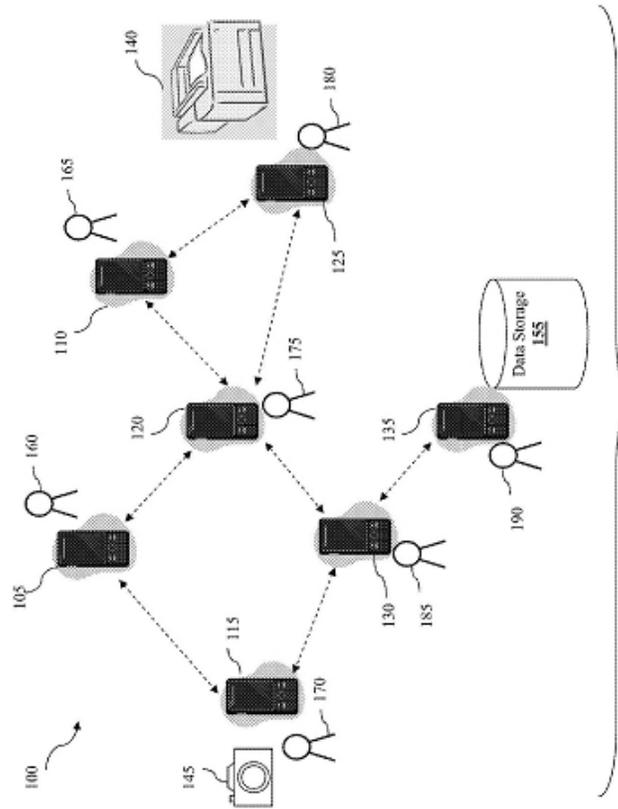


Figure 1





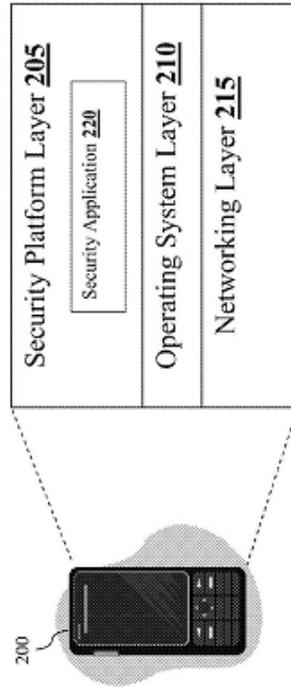


Figure 2





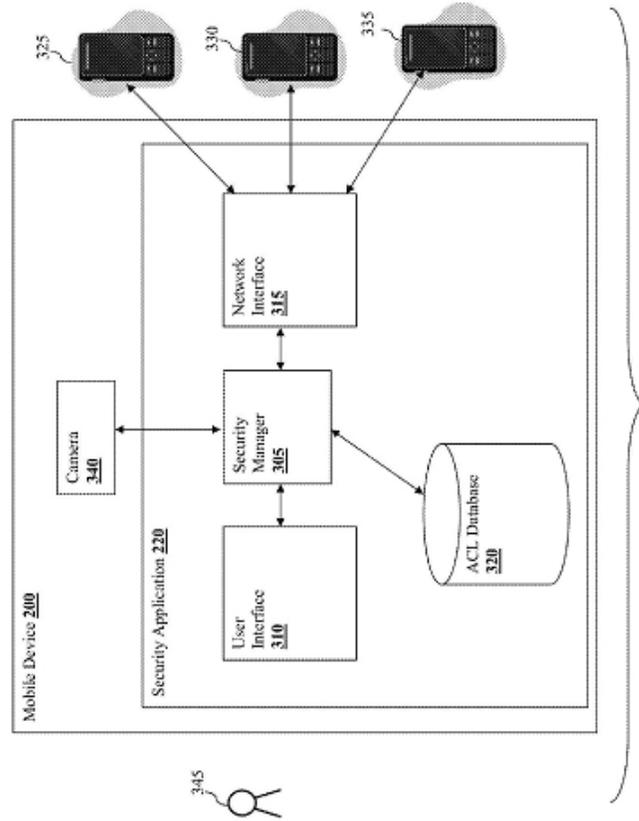


Figure 3





**DISTANCE-MODIFIED SECURITY AND  
CONTENT SHARING**

FIELD OF THE INVENTION

The field of the invention is network access security, particularly, access security in an ad-hoc peer-to-peer network.

BACKGROUND

The following description includes information that may be useful in understanding the present invention. It is not an admission that any of the information provided herein is prior art or relevant to the presently claimed invention, or that any publication specifically or implicitly referenced is prior art.

Advances in portable devices that are capable of directly communicating with each other via short range wireless technology (e.g., direct WiFi, Bluetooth®, infrared, etc.) allow devices to form ad-hoc peer-to-peer networks anytime and anywhere (see "Infrastructure for Peer-to-Peer Applications in Ad-hoc Networks" by Desai et al. and U.S. Pat. No. 8,520, 979 issued to Coenwell entitled "Methods and Systems for Content Processing", filed Nov. 14, 2008). These networks are formed when two or more portable devices are communicatively coupled to each other via short range wireless connections without depending on any pre-existing network infrastructure such as a server, an access point, etc. Once connected to the network, a device can potentially access content (e.g., documents, photos, videos, etc.) or resources of and/or connected to other devices (e.g., printer, camera, data storage, etc.) on the network. Conversely, the device can also share its content or resources to the other devices connected to the network.

However, these seemingly convenient peer-to-peer network architectures also raise new security issues that were not present in conventional network architectures. For example, since a peer-to-peer network allows devices to join the network and access resources in the network by merely connecting to any one of the devices that is part of the network, it is a challenge to devise a meaningful security policy for all of the resources within the network.

Efforts have been made in the area of providing better security to ad-hoc peer-to-peer networks. For example, the publication "A Trust-based Approach for Secure Data Dissemination in a Mobile Peer-to-Peer Network of aerial vehicles (AVs)" by Bhargava et al. discloses providing different access to different AVs within the network based on a trustworthiness score assigned to each AV. The trustworthiness score for each AV is determined by a set of factors such as history of interactions with that AV, location, distance, authentication level, etc.

U.S. Pat. No. 7,907,934 issued to Naghian entitled "Method and System for Providing Security in Proximity and Ad-hoc Networks", filed Sep. 9, 2004, also discloses a method for providing security in a mobile ad-hoc network based on the location of the device requesting for access.

U.S. Pat. No. 8,149,697 issued to Parkkinen et al. entitled "System, Method, and Computer Program Product for Discovering Services in a Network Device", filed Jun. 26, 2008, discloses providing security in an ad-hoc peer-to-peer network based on degree of separation between the owner of the resource and the device that wishes to access the resource;

Other efforts that have been made in this area includes: U.S. Pat. No. 7,613,426 issued to Kuehnel et al. entitled "Proximity Service Discovery in Wireless Networks", filed Dec. 20, 2005;

U.S. Pat. No. 7,974,574 to Shen et al. entitled "Base Station Initiated Proximity Service Discovery and Connection Establishment", filed Jul. 25, 1007;

U.S. Pat. No. 8,135,835 issued to Wilbrink et al. entitled "Hardware and Processing Request Brokerage", filed May 12, 2005;

U.S. Patent Publication 2007/0250482 to Yao et al. entitled "Method and Apparatus for Document Matching", filed Apr. 25, 2006;

U.S. Patent Publication 2012/0084364 to Sivasakeesar entitled "Scalable Secure Wireless Interaction Enabling Methods, System and Framework", filed Oct. 5, 2010;

U.S. Patent Publication 2013/0160076 to Morita entitled "Access Authority Generation Device", filed Feb. 26, 2013; and

U.S. Patent Publication 2013/0219285 to Iwasaki entitled "Mirrored Interface Navigation of Multiple User Interfaces", filed Feb. 21, 2012.

All publications identified herein are incorporated by reference to the same extent as if each individual publication or patent application were specifically and individually indicated to be incorporated by reference. Where a definition or use of a term in an incorporated reference is inconsistent or contrary to the definition of that term provided herein, the definition of that term provided herein applies and the definition of that term in the reference does not apply.

In some embodiments, the numbers expressing quantities of ingredients, properties such as concentration, reaction conditions, and so forth, used to describe and claim certain embodiments of the invention are to be understood as being modified in some instances by the term "about." Accordingly, in some embodiments, the numerical parameters set forth in the written description and attached claims are approximations that can vary depending upon the desired properties sought to be obtained by a particular embodiment. In some embodiments, the numerical parameters should be construed in light of the number of reported significant digits and by applying ordinary rounding techniques. Notwithstanding that the numerical ranges and parameters setting forth the broad scope of some embodiments of the invention are approximations, the numerical values set forth in the specific examples are reported as precisely as practicable. The numerical values presented in some embodiments of the invention may contain certain errors necessarily resulting from the standard deviation found in their respective testing measurements.

Unless the context dictates the contrary, all ranges set forth herein should be interpreted as being inclusive of their endpoints and open-ended ranges should be interpreted to include only commercially practical values. Similarly, all lists of values should be considered as inclusive of intermediate values unless the context indicates the contrary.

As used in the description herein and throughout the claims that follow, the meaning of "a," "an," and "the" includes plural reference unless the context clearly dictates otherwise. Also, as used in the description herein, the meaning of "in" includes "in" and "on" unless the context clearly dictates otherwise.

The recitation of ranges of values herein is merely intended to serve as a shorthand method of referring individually to each separate value falling within the range. Unless otherwise indicated herein, each individual value with a range is incorporated into the specification as if it were individually recited herein. All methods described herein can be performed in any suitable order unless otherwise indicated herein or otherwise clearly contradicted by context. The use of any and all examples, or exemplary language (e.g. "such as") provided with respect to certain embodiments herein is intended

---



merely to better illuminate the invention and does not pose a limitation on the scope of the invention otherwise claimed. No language in the specification should be construed as indicating any non-claimed element essential to the practice of the invention.

Groupings of alternative elements or embodiments of the invention disclosed herein are not to be construed as limitations. Each group member can be referred to and claimed individually or in any combination with other members of the group or other elements found herein. One or more members of a group can be included in, or deleted from, a group for reasons of convenience and/or patentability. When any such inclusion or deletion occurs, the specification is herein deemed to contain the group as modified thus fulfilling the written description of all Markush groups used in the appended claims.

The publications listed above address only some but not all security issues in an ad-hoc peer-to-peer network. Thus, there is still a need for providing a more secured architecture for an ad-hoc peer-to-peer network.

#### SUMMARY OF THE INVENTION

Various objects, features, aspects and advantages of the inventive subject matter will become more apparent from the following detailed description of preferred embodiments, along with the accompanying drawing figures in which like numerals represent like components.

The inventive subject matter provides systems and methods for securely managing and sharing resources within an ad-hoc peer-to-peer network. As used herein, the term "ad-hoc peer-to-peer network" means a decentralized wireless network that allows devices within range to discover and communicate with each other without involving a central access server (e.g., a central access point) or a pre-existing networking infrastructure. As such, an ad-hoc peer-to-peer network can be created spontaneously. Devices can join and leave the network as they wish seamlessly without affecting the connectivity between other devices within the network.

In one aspect of the invention, a method of managing resources in such an ad-hoc peer-to-peer network is presented. The method includes a step of establishing an ad-hoc peer-to-peer network for several devices. The devices within the ad-hoc peer-to-peer network include mobile devices (e.g., smart phones, tablets, laptops, etc.) and/or stationary devices (e.g., smart routers). The devices include a first device that is associated with a first resource. The first device is directly connected to a second device in the ad-hoc peer-to-peer network. The first resource can include hardware (e.g., camera, printer, hard drive, camcorder, a vehicle, an equipment, etc.), software (e.g., an application, a game, etc.), media content (e.g., audio data, video data, image data, etc.) and/or documents (e.g., text documents, spreadsheets, etc.).

The method also includes a step of granting the second device access to the first resource according to an access policy. The access policy specifies a set of rights for accessing the first resource. The set of rights can include at least one of the following: copy, write, read, contribute, and delete.

The method includes a step of receiving a request for access to the first resource from a third device. The third device is indirectly connected to the first device in the ad-hoc peer-to-peer network via the second device. In some embodiments, the access policy granted to the second device has the characteristics of inheritance, such that other devices connected to the first device via the second device can inherit the access policy from the second device. As such, the method also includes a step of determining an access policy for the

third device for accessing the first resource based on the access policy granted to the second device. In some embodiments, the access policy determined for the third device can be identical to the access policy granted to the second device. In other embodiments, the access policy determined for the third device specifies a subset of the set of rights specified by the access policy granted to the second device.

The subset of the set of rights can limit the rights quantitatively and/or qualitatively. For example, if the access policy for the second device allows the second device to access a document, the access policy for the third device may allow the third device to access only a portion of a document or a degraded (e.g., lower resolution, redacted, excluding metadata, etc.) version of the document, or both. In another example, if the access policy for the second device allows the second device to access a set of features of the resource (e.g., copy, print, scan features of a printer), the access policy determined for the third device might include only a subset of the set of features.

In addition to the second device, the third device in some embodiments is indirectly connected to the first device via a fourth device. In some of these embodiments in which an access policy has also been granted to the fourth device, the access policy for the third device is determined based on both access policies of the second and the fourth devices.

When the access policies of the second and the fourth devices share a common set of rights, the access policy determined for the third device can specify either that common set of rights, or a subset of that common set of rights. In an extreme example in which the access policies of the second and the fourth devices do not share any common rights, the access policy determined for the third device specifies no rights to access the first resource.

#### BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 illustrates an example ad-hoc peer-to-peer network. FIG. 2 illustrates different software layers within a mobile device.

FIG. 3 illustrates an example security application of some embodiments.

#### DETAILED DESCRIPTION

It should be noted that any language directed to a computer should be read to include any suitable combination of computing devices, including servers, interfaces, systems, databases, agents, peers, engines, modules, controllers, or other types of computing devices operating individually or collectively. One should appreciate the computing devices comprise a processor configured to execute software instructions stored on a tangible, non-transitory computer readable storage medium (e.g., hard drive, solid state drive, RAM, flash, ROM, etc.). The software instructions preferably configure the computing device to provide the roles, responsibilities, or other functionality as discussed below with respect to the disclosed apparatus. In especially preferred embodiments, the various servers, systems, databases, or interfaces exchange data using standardized protocols or algorithms, possibly based on HTTP, HTTPS, AES, public-private key exchanges, web service APIs, known financial transaction protocols, or other electronic information exchanging methods. Data exchanges preferably are conducted over a packet-switched network, the Internet, LAN, WAN, VPN, or other type of packet switched network.

The following discussion provides many example embodiments of the inventive subject matter. Although each embodi-





ment represents a single combination of inventive elements, the inventive subject matter is considered to include all possible combinations of the disclosed elements. Thus if one embodiment comprises elements A, B, and C, and a second embodiment comprises elements B and D, then the inventive subject matter is also considered to include other remaining combinations of A, B, C, or D, even if not explicitly disclosed.

As used herein, and unless the context dictates otherwise, the term "coupled to" is intended to include both direct coupling (in which two elements that are coupled to each other contact each other) and indirect coupling (in which at least one additional element is located between the two elements). Therefore, the terms "coupled to" and "coupled with" are used synonymously.

The inventive subject matter provides systems and methods for securely managing and sharing resources within an ad-hoc peer-to-peer network. As used herein, the term "ad-hoc peer-to-peer network" means a decentralized wireless network that allows devices within range to discover and communicate with each other without involving a central access server (e.g., a central access point) or a pre-existing networking infrastructure. As such, an ad-hoc peer-to-peer network can be created spontaneously. Devices can join and leave the network as they wish seamlessly without affecting the connectivity between other devices within the network.

Range for ad-hoc peer-to-peer networks is typically 500 feet or less, but where such networks use cellular technology or wired communication links, the range could be any practical distance.

At least one of the devices within the ad-hoc peer-to-peer network can be associated with a resource, by including a resource within the device or is communicatively coupled with a resource. The resource can include a hardware (or sub-device) such as a printer, a camera, a speaker, etc. The resource can also include data (e.g., media content such as audio data and video data, text documents, etc.). Once a device has joined the ad-hoc peer-to-peer network, the device can be configured to share the associated resource(s) with others in the network.

FIG. 1 illustrates an example ad-hoc peer-to-peer network 100. The ad-hoc peer-to-peer network 100 includes several mobile devices 105-135. These mobile devices 105-135 can include any device that is capable of establishing a direct wireless communication with another portable device. Examples of these mobile devices include mobile phones, smart phones, tablets, laptops, portable game consoles, etc. Although the devices that are part of the ad-hoc peer-to-peer network 100 as illustrated include only mobile devices, it is contemplated that other stationary devices such as smart routers can be included as part of the ad-hoc peer-to-peer network 100 as well. In fact, any of the mobile devices 105-135 shown in the ad-hoc peer-to-peer network 100 can be replaced by a stationary device. Unlike a conventional router, a smart router is a device that can perform functionalities other than mere forwarding and routing data, it could have processing power and memory. For example, when one uses a smart phone as a hub (e.g., a WiFi hot spot) to send and receive cellular or WiFi signals, the smart phone in that sense is acting as a smart router. One could also have dedicated smart routers.

An ad-hoc peer-to-peer network can be formed according to any viable network topology (e.g., star topology, mesh topology, tree topology, etc.). In some embodiments, each mobile device within the network is directly connected all of the other mobile devices in the network such that the network follows a fully connected mesh network topology. As used herein, a direct connection between two devices exists when a communication link is established between the two devices

(without using any routing or other intervening device). In other embodiments, at least one of the mobile devices in the network is directly connected to some, but not all, of the other devices in the network (i.e., a partially connected mesh network). Thus, in a partially connected mesh network, a mobile device can join and become part of an ad-hoc peer-to-peer network when it establishes a direct connection with one or more mobile devices that are part of the ad-hoc peer-to-peer network. A mobile device within the network can have a direct connection with as many as all other mobile devices within the network or as few as one other mobile device within the network.

The ad-hoc peer-to-peer network 100 in FIG. 1 is an example of a partially connected mesh network. As shown, mobile device 105 is directly connected to mobile devices 115 and 120, while mobile device 120 is directly connected to mobile devices 105, 110, 125, and 130. Mobile device 110 is directly connected to both mobile devices 120 and 125, and mobile device 125 is directly connected to both mobile devices 110 and 120. Mobile device 115 is directly connected to both mobile devices 105 and 130 while mobile device 130 is directly connected to mobile devices 115, 120, and 135. Mobile device 135 is only connected directly to mobile device 130.

Among the mobile devices within the ad-hoc peer-to-peer network 100, mobile device 135 has the least number of direct connections within the network 100 (i.e., one direct connection with mobile device 130) and mobile device 120 has the largest number of direct connections within the network 100 (i.e., four direct connections with mobile devices 105, 110, 125, and 130).

Some of the mobile devices within the network can also be associated with sharable resources. For example, mobile device 115 can include a built-in camera (or alternatively communicatively coupled with a camera), mobile device 125 can be communicatively coupled with a printer, and mobile device 135 includes a data storage 155. Data storage 155 can also include sharable data such as audio data, video data, text documents, etc.

Users 170, 180, and 190 of these mobile devices 115, 125, and 135 can decide to share their resources (e.g., camera, printer, data storage, etc.) with other devices within the ad-hoc peer-to-peer network 100. However, unlike the conventional networking infrastructure, the characteristics of an ad-hoc peer-to-peer network create challenges in securely sharing these resources with others within the network. Some of the challenges stem from the fact that it is very difficult or even impossible to find out which mobile device can potentially access the resource. As mentioned above, different mobile devices can join and leave the network spontaneously. In addition, mobile devices can potentially access the resources of a host device (i.e., a mobile device that hosts at least one resource) even if the mobile devices are not directly connected to the host device (the mobile devices can be connected to the host device via a number of hops—mobile devices via which data from the mobile device has to pass before reaching the host device within the network).

In one aspect of the invention, a system for sharing resources in an ad-hoc peer-to-peer network is presented. In some embodiments, the system provides a security application for each of the mobile devices connected to the ad-hoc peer-to-peer network. The security application of a host device allows the user to indicate which resource to share with other devices in the ad-hoc peer-to-peer network and to establish access policies for the known devices within the network with respect to the shared resource. The access policies established for the known devices can specify what features (e.g.,

---



photos/videos capturing feature, printing feature, data storage feature, data editing feature, etc.) and/or what data of the resource to which that the known devices has access.

Known devices can include devices that are directly connected to the host device in the ad-hoc peer-to-peer network and other devices that the user of the host device is aware to be part of the ad-hoc peer-to-peer network. For example, user 170 of host device 115 (that is hosting a camera resource 145) can decide to share the camera 145 as a shared resource with other devices within the network 100. Note that in this example any of the various mobile devices 105, 110, 115, 120, 125, 130 and 135 could act as the host device, and the host device can change over time, as for example if the current host device 115 leaves the ad-hoc peer-to-peer network 100.

The host device in the example of FIG. 1, (mobile device 115), can detect that at least devices 105 and 130 are directly connected to it, and allows the user 170 to establish access policies for these two devices 105 and 130. Additionally, in this example the user 170 can establish different access policies for these two devices 105 and 130. The access policy that the user 170 establish for each of the devices 105 130 specifies a set of rights for accessing the camera 145 by the device. The set of rights that can be included in the access policy for the camera 145 can include capturing a photo with the camera, viewing photos captured by the camera, and even contributing photos. In this example, the user 170 can specify that device 105 can only view photos captured by camera 145, but that device 130 can both view photos and capture photos with camera 145. For other types of resource, the access policy can also include other rights such as copy, write, read, contribute, and delete. In some embodiments, the user can establish an access policy that specifies no access whatsoever to the resource. In some embodiments, the access policies that are established for the known devices have the characteristics of inheritance, which will be explained in more detailed below.

Once the user of a host device indicates to the security application that a resource associated with the host device is to be shared with other device within the ad-hoc peer-to-peer network, the security application running on the host device is configured to broadcast a notification of this newly shared resource with the rest of the mobile devices within the network. In this example, the security application of mobile device 115 is configured to broadcast a notice of the newly shared camera 145 to devices 105, 110, 120, 125, 130, and 135. The security application running on the other devices can then present the resource a shared resource to the users (e.g., users 160, 165, 180, 185, and 190) of the other devices and allow those users to access the shared resource.

When a user of a requesting device makes a request to access the shared resource via the security application running on the requesting device, the security application prepares a request, and sends the request to the host device 115. Upon receiving the request at the host device 115, the security application running on the host device 115 will determine an access policy for the requesting device and will grant access to the requesting device based on the determined access policy. First, the security application of the host device 115 determines whether the requesting device is one of the known devices for which an access policy has been established by the user. If the requesting device is one of the known devices, the security application uses the access policy that has already been established for the requesting device.

On the other hand, if the requesting device is not one of the known devices, the security application looks at the path and all the intermediary devices that the request has passed through from the requesting device before reaching the host device. For example, referring back to FIG. 1, if requesting

device 125 sends a request to access the camera 145 of host device 115, one of the possible paths for the request to travel to the host device 115 is to go through intermediary devices 120 and 105. For clarity, the term "upstream" will be used to describe the direction within the path from the requesting device to the host device and the term "downstream" will be used to describe the direction within the path from the host device to the requesting device. In the above example, the upstream direction of the path will include devices 120 and 105. Conversely, the downstream direction of the path will include devices 105 and 120. Additionally, the term "downstream devices" of a device within a path means all devices in the path that come after the device in the downstream direction, the term "upstream devices" of a device within a path means all devices in the path that come after the device in the upstream direction.

As mentioned above, the access policies established for known devices have the characteristics of inheritance. That is, the access policy of a device can be inherited from access policies of other upstream devices along the path of the request. In the above example, the access policy for mobile device 125 can be inherited from either device 105 or device 120 or both. Since device 105 is a known device for which an access policy has been established, the security application of host device 115 in this example will allow device 125 to inherit its access policy from device 105. Thus, the security application of host device 115 will grant device 125 access to view photos.

Alternatively, instead of inheriting the entire access policy from an upstream device, the security application can be configured to allow inheritance of only a portion of the access policy of the upstream device. Thus, when the upstream device is granted access to a set of rights according to its access policy, the requesting device downstream of the upstream device will get only a subset of those rights, thereby receiving a more limited access policy than the upstream device. The inherited access policy can be more limiting in a variety of ways, including but not limited to limiting in the types of access rights granted to the requesting device, the quantity of data allowed to be viewed by the requesting device (e.g., a subset of documents or only a portion of each document), the quality of the data allowed to be viewed by the requesting device, access to only a subset of features provided by the resource, etc.

For example, the security application of host device 115 can be configured by the user to grant devices 120 and 125 viewing access to only a portion of the photos taken by camera 145, or viewing access to a degraded set of photos (e.g., lower resolution, etc.) taken by camera 145. In yet other embodiments, the security application of the host device 115 can additionally be configured by the user to provide access to any devices that are downstream of the known device 105 in a cascading fashion, such that devices that are more separated to the known device 105 (e.g., device 125) has more limited access than devices that are closer to the known device 105 (e.g., device 120). Thus, one of the technical effects of this security system is that it allows user of the host device to set access levels for other devices in the ad-hoc peer-to-peer network 100 without being aware of which devices within the network have potential access to the associated resources.

In some embodiments, the access policy of a requesting device can be inherited by two or more upstream devices. If the user 170 of the host device 115 has previously established access policies for both devices 105 and 120, the requesting device 125 can inherit its access policy from the policies of both devices 105 and 120. When the two established access policies (for devices 105 and 120) specify different sets of





rights, the security application can use different techniques to inherit different rights from these two policies. In some embodiments, the security application is configured to inherit only the common rights from the two policies, which most likely will result in a policy that is more limited than either of the two policies. In the most extreme case in which the access policies of devices 105 and 120 do not share any common rights, the device 125 will inherit no rights for its access policy. In other embodiments, the security application is configured to inherit all rights from both policies, which most likely will result in a policy that is broader than either of the two policies.

In some embodiments, instead of only looking at the path through which the request has passed to get from the requesting device and the host device, the security application can also look at other possible paths between the requesting device and host device, and thereby determine the access level for the requesting device based on all possible paths. An alternative path for the request might involve a known device with a broader (or more limited) access level than the known device in the original path. For example, instead of traveling through devices 120 and 105, the request from requesting device 125 to host device 115 can travel through devices 120 and 130 to reach host device 115.

The security application can be configured to use whatever path(s) would satisfy an appropriate rules set. For example, in some embodiments the security application could be configured in a manner that would result in the broadest access. In other embodiments the security application could be configured in a manner that would result in a narrower, or even the narrowest access.

FIG. 2 illustrates the security application with respect to the different software layers within a mobile device. As shown, an exemplary mobile device 200 includes a networking layer 215 that is responsible for managing transmitting and receiving data via a networking hardware (e.g., an Ethernet card, a WiFi card, etc.), an operating system layer 210 that is responsible for managing resources of the device, and a security platform layer 205 sitting on top of the operating system layer 210. The security platform layer 205 of some embodiments is responsible for managing the security of the mobile device 200 and all resources associated with the mobile device 200. In some embodiments, a security application 220 can be implemented within the security platform layer 205.

Further in FIG. 2, the security application of the mobile device 200 is configured to manage access to the resources that are associated with the mobile device. Specifically, the security application is configured to grant access to the associated resource based on the origin of the request (i.e., the requesting mobile device) and how the requesting mobile device is connected to the host device. The specific functionalities and features of the security application will be explained in more detailed below by reference to FIG. 3.

FIG. 3 illustrates an example security application 220 that is implemented within the mobile device 200. The security application 220 includes a security manager 305, a user administration interface 310 configured to interface with a user 345 of the mobile device 200, and a network interface 315 configured to interface with mobile devices directly connected to the mobile device 200 (e.g., mobile devices 325, 330, and 335 in this example). The security application 220 can also be communicatively coupled with an access control list database 320 that is configured to store security data for the security application 220.

The security application can be configured to manage any sharable resource that is associated with the mobile device

200. In this example, the mobile device 200 has a built-in camera 340. The user 345 can add the camera 340 as one of the resources managed by the security application 220 via the user administration interface 310. Once a resource is specified to be managed by the security application 220, that resource can be shared with other mobile devices within the ad-hoc peer-to-peer network and any request to access the resource by other devices will be first directed to the security application 220.

The security application 220 allows the user 345 to configure different access levels for different known mobile devices to access the resource. Known mobile devices can be mobile devices that are directly connected to the mobile device 200 within the ad-hoc peer-to-peer network (e.g., mobile devices 325, 330, and 335 in this example). Known mobile devices can also be any devices that the user of mobile device 200 is aware that are part of the ad-hoc peer-to-peer network. Thus, in some embodiments, the security manager 305 is configured to provide a user interface for the user 345 of the mobile device 200 via the user administration interface 310 for configuring the different access levels. Through this user interface, the user 345 can assign different access levels for different resources associated with the mobile device 200 to different mobile devices.

For example, the user 345 can give mobile devices 325 and 330 access to view all photos captured by camera 340. The user 345 can also give mobile device 335 access to take pictures using camera 340 and view all pictures taken by camera 340. The access information associated with each resource can be stored in the access control list database 320.

In some embodiments, a security application identical to the security application 220 is installed in each of the other mobile devices within the ad-hoc peer-to-peer network. When a resource associated with a mobile device is being shared within the ad-hoc peer-to-peer network (i.e., when the user of the mobile device indicates that the resource is sharable within the network via the security application), the security manager 305 is configured to send a notification to all other mobile devices within the network about this newly sharable resource. In some embodiments, the notification includes the type of resources, capabilities of the resources (e.g., take photos, view photos, read, write, etc.), and identity of the host mobile device (e.g., a MAC address, IP address, name, etc.) within the network.

Thus, users of the other mobile devices can view what resources are available within the ad-hoc peer-to-peer network, and request access to any one of the resource via the security applications running on their mobile devices. For example, when a user of another device within the ad-hoc peer-to-peer network requests to access the camera 340, the security manager of that other device prepares a request that includes at least the following information: identity of the requesting mobile device (e.g., a MAC address, IP address, name, etc.), the resource for which the user 345 is requesting access, and identity of the host device (e.g., mobile device 200 in this example) that hosts the requested resource. The security manager of that device then sends the request to another mobile device within the network via the network interface based on the identity of the host device. If the requesting mobile device is directly connected to the host device, the security manager is configured to send the request directly to the host device. Otherwise, the security manager is configured to send the request to another mobile device within the network according to a routing table.

When the requesting device is not directly connected to the host device, the request will pass through one or more other mobile devices within the network before reaching the host

---



device. When a request passes through an intermediary mobile device, the security application of the intermediary mobile device will perform several functions. First, the security manager will determine that the request is not for one of the resources associated with the intermediary mobile device. The security manager then inserts the identity of the intermediary mobile device into the request as part of the path of the request. Finally, based on the identity of the host device, the security manager acts as a router to route the request either to the host device if the host device is directly connected to the intermediary device, or to another intermediary device within the network according to the routing table.

Upon receiving the request to access resource at the host device 200, the security manager 305 reviews the information within the request and determines if the request (access) can be granted based on the identity of the requesting device and/or the identity of the intermediary devices that the request has passed through before reaching the host device.

As mentioned above, the user 345 can provide access information of known devices to the security application 220 via the user interface 310. Thus, the security manager 305 can search through the access control list database 320 to determine if the requesting device matches any one of the known devices listed in the access control list database 320. If the requesting device matches one of the known devices listed in the database 320, the security manager 305 will apply the access policy indicated in the database 320 for that requesting device.

On the other hand, if the requesting device is not any one of the known devices listed in the access control list database 320, the security manager 305 is configured to obtain an access policy for the requesting device based on the identity of the intermediary devices through which the request has passed before reaching the host device.

In some embodiments, the access policy for a mobile device can be inherited from the access policy of an upstream mobile device. Thus, in some of these embodiments, the security manager 305 is configured to retrieve the access policy of a known device listed in the access control list database 320 that matches the identity of one of the intermediary devices. For example, that known device can be the device that forwards the request to the host device (the device that is directly connected to the host device).

As mentioned above, the ad-hoc peer-to-peer network can include mobile devices as well as stationary devices (e.g., smart routers). Thus, the intermediary devices that the request has to pass through before reaching the host device can include mobile devices and/or stationary devices. It is contemplated that the same concept of access policy inheritance can be applied to stationary devices as well.

Once the access policy of the known device is retrieved, the security manager 305 can determine an access policy for the requesting device. In some embodiments, based on the inheritance characteristics of the access level, the security manager 305 can be configured to grant the same access policy for all other downstream devices from the known device. In other embodiments, the security manager 305 can be configured to determine a more limited access policy to all of the downstream devices from the known device. For example, if the known device has both read and write access to the host device's resource, the security manager 305 can determine that all downstream devices from that known device only has read access.

In addition, instead of granting the same access policy to all of the downstream devices from the known device, the security manager 305 can also determine different access levels to the downstream devices in a cascading fashion. That is, a

downstream device that is further away (a higher degree of separation) from the host device will have a more limited access policy than a downstream device that is closer with (a lower degree of separation from) the host device. That way, less access rights will be given to mobile devices that are more remote (in terms of degree of separation) from the host device.

It should be apparent to those skilled in the art that many more modifications besides those already described are possible without departing from the inventive concepts herein. The inventive subject matter, therefore, is not to be restricted except in the spirit of the appended claims. Moreover, in interpreting both the specification and the claims, all terms should be interpreted in the broadest possible manner consistent with the context. In particular, the terms "comprises" and "comprising" should be interpreted as referring to elements, components, or steps in a non-exclusive manner, indicating that the referenced elements, components, or steps may be present, or utilized, or combined with other elements, components, or steps that are not expressly referenced. Where the specification claims refers to at least one of something selected from the group consisting of A, B, C . . . and N, the text should be interpreted as requiring only one element from the group, not A plus N, or B plus N, etc.

What is claimed is:

1. A method of managing resources in an ad hoc peer-to-peer network, comprising:
  - establishing an ad-hoc peer-to-peer network for a plurality of devices comprising a first device that is associated with a first resource, wherein the first device is directly connected to a second device in the peer-to-peer network;
  - granting the second device access to the first resource according to an access policy that specifies a set of rights for accessing the first resource;
  - receiving a request for access to the first resource from a third device indirectly connected to the first device in the peer-to-peer network via the second device;
  - determining an access policy for the third device for accessing the first resource based on the access policy granted to the second device, the access policy determined for the third device specifying a subset of the set of rights specified by the access policy granted to the second device; and
  - providing the third device access to the first resource according to the determined access policy.
2. The method of claim 1, wherein the third device is also connected to the first device via a fourth device.
3. The method of claim 2, further comprising determining the access policy for the third device based on the access policies granted to both the second and fourth devices.
4. The method of claim 3, wherein the access policies granted to the second and fourth devices share a common set of rights, wherein the access policy determined for the third device specifies a subset of the common set of rights for accessing the first resource.
5. The method of claim 3, wherein the access policies granted to the second and fourth devices do not share a common set of rights, wherein the access policy determined for the third device specifies no right for accessing the first resource.
6. The method of claim 1, wherein the set of rights comprises at least one of: copy, write, read, contribute, and delete.
7. The method of claim 1, wherein the first resource comprises a service providing a set of features.

---



13

8. The method of claim 7, wherein the determined access level allows the third device to access only a subset of features provided by the service.

9. The method of claim 1, wherein the second device is a smart router.

10. A method of managing resources in an ad hoc peer-to-peer network, comprising:

establishing an ad-hoc peer-to-peer network for a plurality of devices comprising a first device that is associated with a first resource comprising a document, wherein the first device is directly connected to a second device in the peer-to-peer network;

granting the second device access to the first resource according to an access policy;

receiving a request for access to the first resource from a third device indirectly connected to the first device in the peer-to-peer network via the second device;

determining an access policy for the third device for access to the first resource based on the access policy granted to the second device, wherein the access policy determined for the third device allows the third device to access only a portion of the document; and

providing the third device access to the first resource according to the determined access policy.

11. The method of claim 10, wherein the access policy determined for the third device allows the second device to access only a redacted version of the document.

14

12. A method of managing resources in an ad hoc peer-to-peer network, comprising:

establishing an ad-hoc peer-to-peer network for a plurality of devices comprising a first device that is associated with a first resource comprising media content, wherein the first device is directly connected to a second device in the peer-to-peer network;

granting the second device access to the first resource according to an access policy;

receiving a request for access to the first resource from a third device indirectly connected to the first device in the peer-to-peer network via the second device;

determining an access policy for the third device for accessing the first resource based on the access policy granted to the second device, wherein the access policy determined for the third device allows the second device to access a portion of the media content; and

providing the third device access to the first resource according to the determined access policy.

13. The method of claim 12, wherein the determined access level disallows the third device to access metadata of the media content.

14. The method of claim 12, wherein the determined access level allows the third device to access a degraded version of the media content.

15. The method of claim 14, wherein the degraded version has a lower resolution than the original media content.

\* \* \* \* \*

---

## EVENTURE INTERACTIVE, INC.

## SUBSCRIPTION AGREEMENT

Ladies and Gentlemen:

**1. Subscription.** The undersigned, \_\_\_\_\_ (the "Subscriber"), intending to be legally bound, hereby irrevocably subscribes for \_\_\_\_\_ units, each unit consisting of one share of common stock, par value \$0.001 per share (the "Common Stock"), and three common stock purchase warrants (the "Warrants") of Eventure Interactive, Inc., a Nevada corporation (the "Company"), at a purchase price of \$1.00 per unit (the "Offering Price"), and as set forth on the signature page hereof (the "Units"), subject to the terms and conditions of this Subscription Agreement and on the basis of the representations, warranties, covenants and agreements contained herein. Each Warrant is exercisable for one share of Common Stock at a price of \$1.00 per share for a period of eight years from the date of issuance.

**2. Offering.** This subscription is being submitted to you in accordance with and subject to the terms and conditions described in this Subscription Agreement, as amended or supplemented from time to time, including all attachments, schedules and exhibits hereto.

**3. Payment.** The Subscriber is delivering a completed and executed Signature Page to this Subscription Agreement. The Subscriber will pay for the Units either by check payable to Eventure Interactive, Inc. or pursuant to the following wire transfer instructions:

Beneficiary Bank:	The Northern Trust Company
Beneficiary Bank ABA:	066009650
Beneficiary Account Number:	1171005938
Beneficiary Account Name:	Eventure Interactive, Inc.

**4. Representations, Warranties and Covenants.** The Subscriber hereby acknowledges, represents, warrants, and covenants as follows:

(a) None of the Units or underlying securities offered pursuant to this Subscription Agreement are registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. The Subscriber understands that the offering and sale of the Units is intended to be exempt from registration under the Securities Act, by virtue of Section 4(a)(2) thereof and/or Rule 506 of Regulation D under the Securities Act;

(b) Prior to the execution of this Subscription Agreement, the Subscriber and the Subscriber's attorney, accountant, Subscriber representative and/or tax adviser, if any (collectively, the "Advisers"), have received this Agreement and all other documents requested by the Subscriber, have carefully reviewed them and understand the information contained therein;

---

(c) Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission or other regulatory authority has approved the Units or passed upon or endorsed the merits of the Offering;

(d) All documents, records, and books pertaining to the investment in the Units have been made available for inspection by such Subscriber and its Advisers, if any;

(e) The Subscriber and its Advisers, if any, have had a reasonable opportunity to ask questions of and receive answers from a person or persons acting on behalf of the Company concerning the offering of the Units and the business, financial condition and results of operations of the Company, and all such questions have been answered to the full satisfaction of the Subscriber and its Advisers, if any;

(f) In evaluating the suitability of an investment in the Company, the Subscriber has not relied upon any representation or information (oral or written) other than as stated herein or as set forth in the Company’s filings with the SEC;

(g) The Subscriber is unaware of, is in no way relying on, and did not become aware of the Offering of the Units through or as a result of, any form of general solicitation or general advertising including, without limitation, any article, notice, advertisement or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the Internet (including, without limitation, internet “blogs,” bulletin boards, discussion groups and social networking sites) in connection with the Offering and sale of the Units and is not subscribing for the Units and did not become aware of the Offering through or as a result of any seminar or meeting to which the Subscriber was invited by, or any solicitation of a subscription by, a person not previously known to the Subscriber in connection with investments in securities generally;

(h) The Subscriber has taken no action that would give rise to any claim by any person for brokerage commissions, finders’ fees or the like relating to this Subscription Agreement or the transactions contemplated hereby (other than commissions to be paid by the Company to other participating broker-dealers, if any);

(i) The Subscriber, together with its Advisers, if any, has such knowledge and experience in financial, tax, and business matters, and, in particular, investments in securities, so as to enable it to utilize the information made available to it in connection with the Offering to evaluate the merits and risks of an investment in the Units and the Company and to make an informed investment decision with respect thereto;

(j) The Subscriber is not relying on the Company, or any of its employees or agents with respect to the legal, tax, economic and related considerations of an investment in the Units (including the underlying securities), and the Subscriber has relied on the advice of, or has consulted with, only its own Advisers;

(k) The Subscriber is acquiring the Units (including the underlying securities) solely for such Subscriber's own account for investment purposes only and not with a view to or intent of resale or distribution thereof, in whole or in part. The Subscriber has no agreement or arrangement, formal or informal, with any person to sell or transfer all or any part of the Units and the Subscriber has no plans to enter into any such agreement or arrangement;

(l) The Subscriber must bear the substantial economic risks of the investment in the Units indefinitely because none of the securities included in the Units may be sold, hypothecated or otherwise disposed of unless subsequently registered under the Securities Act and applicable state securities laws or an exemption from such registration is available (including, without limitation, under Regulation S). Legends to the following effect shall be placed on the securities included in the Units to the effect that they have not been registered under the Securities Act or applicable state securities laws:

**THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN ACCORDANCE WITH (I) REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, (II) ANY OTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (III) UNDER AN EFFECTIVE REGISTRATION STATEMENT, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT. EXCEPT FOR TRANSACTIONS THAT COMPLY WITH S.E.C. RULE 144 UNDER THE SECURITIES ACT, RELIANCE ON AN EXEMPTION FROM REGISTRATION WILL REQUIRE THE HOLDER TO PROVIDE THE COMPANY WITH AN OPINION OF COUNSEL, WHICH COUNSEL AND OPINION MUST BE SATISFACTORY TO THE COMPANY.**

Appropriate notations will be made in the Company's stock books to the effect that the Units and underlying securities have not been registered under the Securities Act or applicable state securities laws. Stop transfer instructions will be placed with the transfer agent of the shares underlying the Units and the Warrants. There can be no assurance that there will be any market for resale of the Common Stock, nor can there be any assurance that such securities will be freely transferable at any time in the foreseeable future;

(m) The Subscriber has adequate means of providing for such Subscriber's current financial needs and foreseeable contingencies and has no need for liquidity of its investment in the Units for an indefinite period of time;

(n) The Subscriber is aware that an investment in the Units is high risk, involving a number of very significant risks and, in particular, acknowledges that the Company has a limited operating history, has had operating losses since inception, and is engaged in a highly competitive business;

(o) The Subscriber (i) if a natural person, represents that the Subscriber has reached the age of 21 and has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof; (ii) if a corporation, partnership, or limited liability company or partnership, or association, joint stock company, trust, unincorporated organization or other entity, represents that such entity was not formed for the specific purpose of acquiring the Units, such entity is duly organized, validly existing and in good standing under the laws of the state of its organization, the consummation of the transactions contemplated hereby is authorized by, and will not result in a violation of state law or its charter or other organizational documents, such entity has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof and to purchase and hold the securities constituting the Units, the execution and delivery of this Subscription Agreement has been duly authorized by all necessary action, this Subscription Agreement has been duly executed and delivered on behalf of such entity and is a legal, valid and binding obligation of such entity; or (iii) if executing this Subscription Agreement in a representative or fiduciary capacity, represents that it has full power and authority to execute and deliver this Subscription Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Subscriber is executing this Subscription Agreement, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Subscription Agreement and make an investment in the Company, and represents that this Subscription Agreement constitutes a legal, valid and binding obligation of such entity. The execution and delivery of this Subscription Agreement will not violate or be in conflict with any order, judgment, injunction, agreement or controlling document to which the Subscriber is a party or by which it is bound;

(p) The Subscriber and the Advisers, if any, have had the opportunity to obtain any additional information, to the extent the Company has such information in its possession or could acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information contained herein and in all documents received or reviewed in connection with the purchase of the Units and have had the opportunity to have representatives of the Company provide them with such additional information regarding the terms and conditions of this particular investment and the financial condition, results of operations, business of the Company deemed relevant by the Subscriber or the Advisers, if any, and all such requested information, to the extent the Company had such information in its possession or could acquire it without unreasonable effort or expense, has been provided to the full satisfaction of the Subscriber and the Advisers, if any;

(q) Any information which the Subscriber has heretofore furnished or is furnishing herewith to the Company is complete and accurate and may be relied upon by the Company in determining the availability of an exemption from registration under federal and state securities laws in connection with the offering of the Units as described herein. The Subscriber further represents and warrants that it will notify and supply corrective information to the Company immediately upon the occurrence of any change therein occurring prior to the Company's issuance of the securities contained in the Units;

(r) The Subscriber has significant prior investment experience, including investment in non-listed and non-registered securities. The Subscriber is knowledgeable about investment considerations in development-stage companies with limited operating histories. The Subscriber has a sufficient net worth to sustain a loss of its entire investment in the Company in the event such a loss should occur. The Subscriber's overall commitment to investments which are not readily marketable is not excessive in view of the Subscriber's net worth and financial circumstances and the purchase of the Units will not cause such commitment to become excessive. The investment is a suitable one for the Subscriber;

(s) The Subscriber is satisfied that the Subscriber has received adequate information with respect to all matters which it or the Advisers, if any, consider material to its decision to make this investment;

(t) The Subscriber acknowledges that any estimates or forward-looking statements or projections included herein or in any other materials that might have been provided to the Subscriber by the Company were prepared by the Company in good faith but that the attainment of any such projections, estimates or forward-looking statements cannot be guaranteed by the Company and should not be relied upon;

(u) No oral or written representations have been made, or oral or written information furnished, to the Subscriber or the Advisers, if any, in connection with the Offering which are in any way inconsistent with the information contained herein;

(v) Within five (5) days after receipt of a request from the Company, the Subscriber will provide such information and deliver such documents as may reasonably be necessary to comply with any and all laws and ordinances to which the Company is subject;

(w) THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SECURITIES HAVE NOT BEEN RECOMMENDED, APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS SUBSCRIPTION AGREEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL;

(x) In making an investment decision, investors must rely on their own examination of the Company and the terms of the Offering, including the merits and risks involved. The Subscriber should be aware that it will be required to bear the financial risks of this investment for an indefinite period of time; and

(y) The Subscriber is an accredited investor as set forth in the Accredited Investor Certification attached hereto.

(z) The Subscriber represents that neither it nor, to its knowledge, any person or entity controlling, controlled by or under common control with it, nor any person having a beneficial interest in it, nor any person on whose behalf the Subscriber is acting: (i) is a person listed in the Annex to Executive Order No. 13224 (2001) issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism); (ii) is named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control; (iii) is a non-U.S. shell bank or is providing banking services indirectly to a non-U.S. shell bank; (iv) is a senior non-U.S. political figure<sup>1</sup> or an immediate family member<sup>2</sup> or close associate<sup>3</sup> of such figure; or (v) is otherwise prohibited from investing in the Company pursuant to applicable U.S. anti-money laundering, anti-terrorist and asset control laws, regulations, rules or orders (categories (i) through (v), each a “*Prohibited Subscriber*”). The Subscriber agrees to provide the Company, promptly upon request, all information that the Company reasonably deems necessary or appropriate to comply with applicable U.S. anti-money laundering, anti-terrorist and asset control laws, regulations, rules and orders. The Subscriber consents to the disclosure to U.S. regulators and law enforcement authorities by the Company and its affiliates and agents of such information about the Subscriber as the Company reasonably deems necessary or appropriate to comply with applicable U.S. anti-money laundering, anti-terrorist and asset control laws, regulations, rules and orders. If the Subscriber is a financial institution that is subject to the USA Patriot Act, the Subscriber represents that it has met all of its obligations under the USA Patriot Act. The Subscriber acknowledges that if, following its investment in the Company, the Company reasonably believes that the Subscriber is a Prohibited Subscriber or is otherwise engaged in suspicious activity or refuses to promptly provide information that the Company requests, the Company has the right or may be obligated to prohibit additional investments, segregate the assets constituting the investment in accordance with applicable regulations or immediately require the Subscriber to transfer the Units (including the underlying securities). The Subscriber further acknowledges that the Subscriber will have no claim against the Company or any of its affiliates or agents for any form of damages as a result of any of the foregoing actions.

(aa) If the Subscriber is affiliated with a non-U.S. banking institution (a “Foreign Bank”), or if the Subscriber receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Subscriber represents and warrants to the Company that: (1) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

**5. Representations, Warranties and Covenants of the Company.** The Company hereby represents, warrants and covenants to the Subscriber the following:

---

<sup>1</sup> A “senior non-U.S. political figure” is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a “senior foreign political figure” includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

<sup>2</sup> “Immediate family” of a senior foreign political figure typically includes the figure’s parents, siblings, spouse, children and in-laws.

<sup>3</sup> A “close associate” of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

(a) Organization and Qualification. The Company is a corporation duly organized and validly existing under the laws of the State of Nevada. The Company has all requisite power and authority to carry on its business as currently conducted. The Company is duly qualified to transact business in each jurisdiction in which the failure to be so qualified would reasonably be expected to have a material adverse effect.

(b) Authorization. As of the Closing, all action on the part of the Company, its board of directors, officers and existing stockholders necessary for the authorization, execution and delivery of this Agreement, and the performance of all obligations of the Company hereunder shall have been taken, and this Agreement, assuming due execution by the parties hereto, will constitute valid and legally binding obligations of the Company, enforceable in accordance with its terms, subject to: (i) judicial principles limiting the availability of specific performance, injunctive relief, and other equitable remedies and (ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights.

(c) Valid Issuance of the Common Stock. The shares of Common Stock, when issued, sold and delivered in accordance with the terms of this Agreement for the consideration expressed herein, shall be duly and validly issued and will be free of restrictions on transfer directly or indirectly created by the Company other than restrictions on transfer under this Agreement and under applicable federal and state securities laws.

(d) Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the offer, sale or issuance of Units, except for the following: (i) the filing by the Company of such notices as may be required under the Securities Act and (ii) the compliance with any applicable state securities laws, which compliance will have occurred within the appropriate time periods therefor.

(e) Litigation. There are no actions, suits, proceedings or investigations pending or, to the best of the Company's knowledge, threatened before any court, administrative agency or other governmental body against the Company which (i) question the validity of this Agreement or the right of the Company to enter into this Agreement, or to consummate the transaction contemplated hereby or (ii) the Company believes may result in a material liability to the Company or impact its business in any material adverse respect. The Company is not a party or subject to, and none of its assets is bound by, the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality.

(f) Compliance with Other Instruments. The Company is not in violation or default of any provision of its Articles of Incorporation, as in effect immediately prior to the Closing. The Company is not in violation or default of any provision of any material instrument, mortgage, deed of trust, loan, contract, commitment, judgment, decree, order or obligation to which it is a party or by which it or any of its properties or assets are bound. The Company is not in violation or default of any provision of any federal, state or local statute, rule or governmental regulation. The execution, delivery and performance of and compliance with this Agreement and the issuance of the Units (including the underlying securities), will not result in any such violation, be in conflict with or constitute, with or without the passage of time or giving of notice, a default under any such provision, require any consent or waiver under any such provision (other than any consents or waivers that have been obtained), or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company pursuant to any such provision. The shares of Common Stock issuable upon any exercise of the Warrants have been fully reserved for such issuance by all necessary corporate actions.

(g) Certain Registration Matters. Assuming the accuracy of the Subscriber's representations and warranties set forth in this Agreement, no registration under the Securities Act is required for the offer and issuance of the Units (including the underlying securities) by the Company to the Subscriber hereunder.

(h) Financial Statements. The Company has provided to Subscriber copies of the following financial statements of the Company: (i) unaudited balance sheet (the "Balance Sheet") as of March 31, 2014 (the "Balance Sheet Date"); (ii) unaudited statement of operations for the three month period ended on the Balance Sheet Date; and (iii) unaudited balance sheet and statement of operations as of and for the years ended December 31, 2012 and 2013. Such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied and the Balance Sheet presents fairly the financial condition of the Company as of the Balance Sheet Date. The Balance Sheet does not exclude any material asset or omit to state any material liability, absolute or contingent, or other material fact, that is required under generally accepted accounting principles to be included therein.

(i) Liabilities of the Company. Except for the liabilities shown on the Balance Sheet, and similar liabilities incurred since the Balance Sheet Date in the ordinary course of the Company's business, there are no material liabilities or obligations incurred by the Company of any kind, character or description, whether accrued, absolute, contingent or otherwise. All of the liabilities reflected in the Balance Sheet have been incurred by the Company in the ordinary course of its business.

(j) No General Solicitation. Neither the Company nor any person acting on behalf of the Company has offered or sold any of the Units by any form of general solicitation or general advertising (within the meaning of Regulation D).

(k) Piggyback Registration Rights. (i) The Subscriber will have piggyback registration rights with respect to the registration under the Securities Act of the shares of Common Stock purchased by Subscriber or issuable upon the exercise of the Warrants (singly and collectively, the "Registrable Securities"). If, after the date hereof, the Company shall determine to register for sale for cash any of its Common Stock, for its own account or for the account of others (other than the Subscriber), other than (x) a registration relating solely to employee benefit plans or securities issued or issuable to employees, consultants (to the extent the securities owned or to be owned by such consultants could be registered on Form S-8) or any of their family members (including a registration on Form S-8) or (y) a registration relating solely to a Securities Act Rule 145 transaction or a registration on Form S-4 in connection with a merger, acquisition, divestiture, reorganization or similar event, then the Company shall promptly give to the Subscriber written notice thereof (and in no event shall such notice be given less than twenty (20) calendar days prior to the filing of such registration statement), and shall, subject to Section 5(k)(ii), include as a piggyback registration all of the Registrable Securities specified in a written request delivered by the Subscriber thereof within ten (10) calendar days after delivery to the Subscriber of such written notice from the Company. However, the Company may, without the consent of the Subscriber, withdraw such registration statement prior to its becoming effective if the Company has elected to abandon the proposal to register the securities proposed to be registered thereby.

(ii) If a piggyback registration is for a registered public offering that is to be made by an underwriting, the Company shall so advise the Subscriber of the Registrable Securities eligible for inclusion in such Registration Statement pursuant to Section 5(k)(i). In that event, the right of the Subscriber to piggyback registration shall be conditioned upon such Subscriber's participation in such underwriting and the inclusion of such Subscriber's Registrable Securities in the underwriting to the extent provided herein. All Subscribers proposing to sell any of their Registrable Securities through such underwriting shall (together with the Company and any other stockholders of the Company selling their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter selected for such underwriting by the Company or such other selling stockholders, as applicable. Notwithstanding any other provision of this Section 5(k)(ii), if the underwriter or the Company determines that marketing factors require a limitation on the number of shares of Common Stock or the amount of other securities to be underwritten, the underwriter may exclude some or all Registrable Securities from such registration and underwriting. The Company shall so advise the Subscriber and all other Subscribers similarly situated (except those Subscribers who failed to timely elect to include their Registrable Securities through such underwriting or have indicated to the Company their decision not to do so), and indicate to each such Subscriber the number of shares of Registrable Securities that may be included in the registration and underwriting, if any. All cutbacks of the amount of Registrable Securities to be included on behalf of the Subscriber and all other Subscribers similarly situated will be made in proportion to their respective subscription amounts.

No Registrable Securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration. If the Subscriber disapproves of the terms of any such underwriting, such Subscriber may elect to withdraw the Subscriber's Registrable Securities therefrom by delivering a written notice to the Company and the underwriter. The Registrable Securities so withdrawn from such underwriting shall also be withdrawn from such registration; provided, however, that, if by the withdrawal of such Registrable Securities, a greater number of Registrable Securities held by other Subscribers may be included in such registration (up to the maximum of any limitation imposed by the underwriters), then the Company shall offer to all Subscribers who have included Registrable Securities in the registration the right to include additional Registrable Securities pursuant to the terms and limitations set forth herein in the same proportion used above in determining the underwriter limitation.

(l) Participation Rights. For a period of eight years from the date hereof, Subscriber shall be entitled to participate on a pro rata basis with the Company's other stockholders in any sale of Common Stock consisting of more than 20% of the then issued and outstanding Common Stock (a "Sale Transaction"). The Company shall give written notice to Subscriber describing in reasonable detail the number of shares to be sold, the price and other terms and conditions of a proposed Sale Transaction, and the identity of the prospective buyer(s) (such notice, the "Sale Notice"). Subscriber shall be entitled, within 15 days following delivery of the Sale Notice, to give written notice (a "Tag Along Notice") to the Company that Subscriber desires to participate in such proposed Sale Transaction upon the price, terms and conditions set forth in the Sale Notice, which Tag Along Notice shall specify the shares Subscriber desires to include in such proposed Sale Transaction; provided, however, that Subscriber's maximum participation shall be based on the number of shares held by Subscriber, including all shares owned by the Subscriber as the result of the exercise of the Warrants, relative to the number of shares held by all of the stockholders who propose to participate in the Sale Transaction. The Company shall use reasonable efforts to obtain the prospective buyer's agreement to include all shares required to be included in such Sale Transaction hereunder on the terms described herein, and shall not consent to or consummate any such Sale Transaction unless such shares are so included.

(m) Preemptive Rights.

(i) If the Company authorizes the issuance or sale of any additional securities ("Additional Securities") (other than issuances (A) of Units pursuant to Subscription Agreements entered into concurrently with this Agreement, (B) as consideration for the acquisition of another company or business, (C) of Common Stock upon exercise of the Warrant, (D) of stock options to employees under a Qualified Stock Option Plan or of Common Stock upon exercise of such options, (E) of securities issuable upon the exercise or conversion of presently outstanding Company securities, or (F) in connection with any split or combination of Common Stock), the Company shall first offer to sell to Subscriber a portion of such Additional Securities equal to the product of (x) the number of Additional Securities to be issued and (y) Subscriber's pro rata share of all Common Stock held by all stockholders as of such date (Subscriber's "Proportional Share"). Subscriber shall be entitled to purchase all or any portion of Subscriber's Proportional Share of such Additional Securities at the most favorable price and on the most favorable terms as such Additional Units are to be offered to any other person, provided that if all persons entitled to purchase or receive such Additional Securities are required to also purchase other securities of the Company, and if Subscriber exercises the right to purchase Additional Securities, Subscriber shall also be required to purchase the same strip of securities on the same terms and conditions that such other persons are required to purchase. The purchase price for all Additional Securities offered to Subscriber shall be payable in cash or, to the extent otherwise consistent with the terms offered to any other person, installments over time.

(ii) In order to exercise its purchase rights hereunder, Subscriber must within 10 days after receipt of written notice from the Company describing in reasonable detail the Additional Securities being offered, the purchase price therefor, the payment terms and Subscriber's Proportional Share, deliver a written notice to the Company describing Subscriber's election hereunder.

(iii) Upon the expiration of the offering periods described above, the Company shall be entitled to sell any Additional Securities that Subscriber has not elected to purchase during the 90 days following such expiration on terms and conditions no more favorable to the purchasers thereof than those offered to Subscriber. Any Additional Securities offered or sold by the Company after such 90-day period or offered by the Company on terms or conditions more favorable than those offered to Subscriber must be reoffered to Subscriber pursuant to the terms of this Section 5(m) prior to any issuance or sale thereof.

(iv) Notwithstanding anything to the contrary set forth herein, in lieu of offering any securities to Subscriber at the time such securities are offered to another person, the Company may comply with the provisions of this Section 5(m) by making an offer to sell to Subscriber its Proportional Share of such Additional Securities promptly after a sale to such other person is effected. In such event, for all purposes of this Section 5(m), Subscriber's Proportional Share shall be determined taking into consideration the actual number of securities sold to all other persons so as to achieve the same economic effect as if such offer had been made prior to such sale.

(v) The rights of Subscriber under this Section 5(m) shall terminate eight years from the date hereof.

**6. Modification.** This Subscription Agreement shall not be modified or waived except by an instrument in writing signed by the party against whom any such modification or waiver is sought.

**7. Notices.** Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be mailed by certified mail, return receipt requested, or delivered against receipt to the party to whom it is to be given (a) if to the Company, 3420 Bristol Street, 6<sup>th</sup> Floor, Costa Mesa, CA 92626 or (b) if to the Subscriber, at the address set forth on the signature page hereof (or, in either case, to such other address as the party shall have furnished in writing in accordance with the provisions of this Section 12). Any notice or other communication given by certified mail shall be deemed given at the time of certification thereof, except for a notice changing a party's address which shall be deemed given at the time of receipt thereof.

**8. Assignability.** This Subscription Agreement and the rights, interests and obligations hereunder are not transferable or assignable by the Subscriber and the transfer or assignment of the Units, including the underlying securities, shall be made only in accordance with all applicable laws.

**9. Applicable Law.** This Subscription Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to the principles thereof relating to conflicts of law. The venue for any disputes between Subscriber and the Company shall be exclusively in the federal and state courts located in Los Angeles, California.

**10. Confidentiality.** The Subscriber acknowledges and agrees that any information or data the Subscriber has acquired from or about the Company or may acquire in the future that is prominently marked as being “CONFIDENTIAL” and that is not otherwise properly in the public domain, was received in confidence. The Subscriber agrees not to divulge, communicate or disclose, except as may be required by law or for the performance of this Subscription Agreement, or use to the detriment of the Company or for the benefit of any other person, or misuse in any way, any such confidential information of the Company, including any scientific, technical, trade or business secrets of the Company and any scientific, technical, trade or business materials that are so marked and that are treated by the Company as confidential or proprietary, including, but not limited to, internal personnel and financial information of the Company or its affiliates, the manner and methods of conducting the business of the Company or its affiliates and confidential information obtained by or given to the Company about or belonging to third parties. The Subscriber understands that the Company may rely on his agreement of confidentiality to comply with the exemptive provisions of Regulation FD under the Securities Act as set forth in Rule 100(a)(b)(2)(ii) of Regulation FD. In addition, the Subscriber acknowledges that such Subscriber is aware that the United States securities laws generally prohibit any person who is in possession of material nonpublic information about a public company such as the Company from purchasing or selling securities of such company.

**11. Miscellaneous.**

(a) This Subscription Agreement constitutes the entire agreement between the Subscriber and the Company with respect to the Offering and supersedes all prior oral or written agreements and understandings, if any, relating to the subject matter hereof. The terms and provisions of this Subscription Agreement may be waived, or consent for the departure therefrom granted, only by a written document executed by the party entitled to the benefits of such terms or provisions.

(b) The representations and warranties of the Company and the Subscriber made in this Subscription Agreement shall survive the execution and delivery hereof and delivery of the Units (including the underlying securities).

(c) Each of the parties hereto shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Subscription Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

(d) This Subscription Agreement may be executed in one or more original or facsimile counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

(e) Each provision of this Subscription Agreement shall be considered separable and, if for any reason any provision or provisions hereof are determined to be invalid or contrary to applicable law, such invalidity or illegality shall not impair the operation of or affect the remaining portions of this Subscription Agreement.

(f) Paragraph titles are for descriptive purposes only and shall not control or alter the meaning of this Subscription Agreement as set forth in the text.

(g) The Subscriber hereby agrees to furnish the Company such other information as the Company may request prior to the Closing with respect to its subscription hereunder.

**12. Public Disclosure.** Neither the Subscriber nor any officer, manager, director, member, partner, stockholder, employee, affiliate, affiliated person or entity of the Subscriber shall make or issue any press releases or otherwise make any public statements or make any disclosures to any third person or entity with respect to the transactions contemplated herein and will not make or issue any press releases or otherwise make any public statements of any nature whatsoever with respect to the Company without the Company's express prior approval. The Company has the right to withhold such approval in its sole discretion.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

**To subscribe for Units of Eventure Interactive, Inc.:**

1. **Date and Sign** the following:
  - a. **Signature Page of the Subscription Agreement (page 12);**
  - b. **the Accredited Investor Certification (page 13-14);**
  - c. **Investor Profile (page 15); and**
  - d. **Anti-Money Laundering (AML) Form (page 17)**
2. **Fax or email** all forms and then send all signed original documents to:

Gottbetter & Partners, LLP  
488 Madison Avenue, 12<sup>th</sup> Floor  
New York, NY 10022  
Facsimile Number: 212.400.6901  
Telephone Number: 212.400.6900  
Attention: Linda Kalayjian  
Email: LBK@gottbetter.com

**EVENTURE INTERACTIVE, INC.**  
SIGNATURE PAGE TO THE  
SUBSCRIPTION AGREEMENT

Subscriber hereby elects to subscribe under the Subscription Agreement for a total of \_\_\_\_\_ Units (NOTE: to be completed by subscriber) and executes the Subscription Agreement.

Date (NOTE: To be completed by subscriber): \_\_\_\_\_, 2014

---

**If the Subscriber is an INDIVIDUAL, and if purchased as JOINT TENANTS, as TENANTS IN COMMON, or as COMMUNITY PROPERTY:**

\_\_\_\_\_  
Print Name(s)

\_\_\_\_\_  
Social Security Number(s)

\_\_\_\_\_  
Signature(s) of Subscriber(s)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

**If the Subscriber is a PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY OR TRUST:**

\_\_\_\_\_  
Name of Partnership, Corporation, Limited Liability Company or Trust

\_\_\_\_\_  
Federal Taxpayer Identification Number

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
State of Organization

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

**EVENTURE INTERACTIVE, INC.**  
a Nevada corporation

By: \_\_\_\_\_  
**Gannon Giguere, Chief Executive Officer**

**EVENTURE INTERACTIVE, INC.  
ACCREDITED INVESTOR CERTIFICATION**

**For Individual Investors Only  
(all Individual Investors must INITIAL where appropriate):**

- Initial \_\_\_\_\_ I have a net worth (including homes, furnishings and automobiles, but excluding for these purposes the value of my primary residence and any debt secured by such residence) in excess of \$1 million either individually or through aggregating my individual holdings and those in which I have a joint, community property or other similar shared ownership interest with my spouse.
- Initial \_\_\_\_\_ I have had an annual gross income for the past two years of at least \$200,000 (or \$300,000 jointly with my spouse) and expect my income (or joint income, as appropriate) to reach the same level in the current year.

**For Non-Individual Investors  
(all Non-Individual Investors must INITIAL where appropriate):**

- Initial \_\_\_\_\_ The investor certifies that it is a partnership, corporation, limited liability company or business trust that is 100% owned by persons who meet at least one of the criteria for Individual Investors set forth above.
- Initial \_\_\_\_\_ The investor certifies that it is a partnership, corporation, limited liability company or business trust that has total assets of at least \$5 million and was not formed for the purpose of investing in the Company.
- Initial \_\_\_\_\_ The investor certifies that it is an employee benefit plan whose investment decision is made by a plan fiduciary (as defined in ERISA §3(21)) that is a bank, savings and loan association, insurance company or registered investment adviser.
- Initial \_\_\_\_\_ The investor certifies that it is an employee benefit plan whose total assets exceed \$5,000,000 as of the date of this Agreement.
- Initial \_\_\_\_\_ The undersigned certifies that it is a self-directed employee benefit plan whose investment decisions are made solely by persons who meet either of the criteria for Individual Investors.
- Initial \_\_\_\_\_ The investor certifies that it is a U.S. bank, U.S. savings and loan association or other similar U.S. institution acting in its individual or fiduciary capacity.
- Initial \_\_\_\_\_ The undersigned certifies that it is a broker-dealer registered pursuant to §15 of the Securities Exchange Act of 1934.
- Initial \_\_\_\_\_ The investor certifies that it is an organization described in §501(c)(3) of the Internal Revenue Code with total assets exceeding \$5,000,000 and not formed for the specific purpose of investing in the Company.
- Initial \_\_\_\_\_ The investor certifies that it is a trust with total assets of at least \$5,000,000, not formed for the specific purpose of investing in the Company, and whose purchase is directed by a person with such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment.
- Initial \_\_\_\_\_ The investor certifies that it is a plan established and maintained by a state or its political subdivisions, or any agency or instrumentality thereof, for the benefit of its employees, and which has total assets in excess of \$5,000,000.
- Initial \_\_\_\_\_ The investor certifies that it is an insurance company as defined in §2(13) of the Securities Act of 1933, as amended, or a registered investment company.

**For Non-U.S. Person Investors**  
**(all Investors who are not a U.S. Person must INITIAL this section):**

Initial \_\_\_\_\_

The investor is not a "U.S. Person" as defined in Regulation S; and specifically the investor is not:

- A. a natural person resident in the United States of America, including its territories and possessions ("United States");
- B. a partnership or corporation organized or incorporated under the laws of the United States;
- C. an estate of which any executor or administrator is a U.S. Person;
- D. a trust of which any trustee is a U.S. Person;
- E. an agency or branch of a foreign entity located in the United States;
- F. a non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
- G. a discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; or
- H. a partnership or corporation: (i) organized or incorporated under the laws of any foreign jurisdiction; and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

And, in addition:

- I. the investor was not offered the securities in the United States;
- J. at the time the buy-order for the securities was originated, the investor was outside the United States; and
- K. the investor is purchasing the securities for its own account and not on behalf of any U.S. Person (as defined in Regulation S) and a sale of the securities has not been pre-arranged with a purchaser in the United States.

**EVENTURE INTERACTIVE, INC.**  
Investor Profile  
(Must be completed by Investor)

**Section A - Personal Investor Information**

Investor Name(s): \_\_\_\_\_  
Individual executing Profile or Trustee: \_\_\_\_\_  
Social Security Numbers / Federal I.D. Number: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Marital Status: \_\_\_\_\_  
Joint Party Date of Birth: \_\_\_\_\_ Investment Experience (Years): \_\_\_\_\_  
Annual Income: \_\_\_\_\_ Liquid Net Worth: \_\_\_\_\_  
Net Worth ( excluding value of primary residence ): \_\_\_\_\_  
Tax Bracket:                                      15% or below                                      25% - 27.5%                                      Over 27.5%

Home Street Address: \_\_\_\_\_  
Home City, State & Zip Code: \_\_\_\_\_  
Home Phone: \_\_\_\_\_ Home Fax: \_\_\_\_\_ Home Email: \_\_\_\_\_  
Employer: \_\_\_\_\_  
Employer Street Address: \_\_\_\_\_  
Employer City, State & Zip Code: \_\_\_\_\_  
Bus. Phone: \_\_\_\_\_ Bus. Fax: \_\_\_\_\_ Bus. Email: \_\_\_\_\_  
Type of Business: \_\_\_\_\_

If you are a *United States citizen* , please list the number and jurisdiction of issuance of any other government-issued document evidencing residence and bearing a photograph or similar safeguard (such as a driver's license or passport), and provide a photocopy of each of the documents you have listed.

If you are NOT a United States citizen, for each jurisdiction of which you are a citizen or in which you work or reside, please list (i) your passport number and country of issuance or (ii) alien identification card number AND (iii) number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard, and provide a photocopy of each of these documents you have listed. These photocopies must be certified by a lawyer as to authenticity.

**Section B – Certificate Delivery Instructions**

Please deliver certificate to the Employer Address listed in Section A.  
 Please deliver certificate to the Home Address listed in Section A.  
 Please deliver certificate to the following address: \_\_\_\_\_

**Section C – Form of Payment – Check or Wire Transfer**

Check payable to Eventure Interactive, Inc.  
 Wire

Please check if you are a FINRA member or affiliate of a FINRA member firm: \_\_\_\_\_

\_\_\_\_\_  
Investor Signature

\_\_\_\_\_  
Date

## ANTI MONEY LAUNDERING REQUIREMENTS

### **The USA PATRIOT Act**

The USA PATRIOT Act is designed to detect, deter, and punish terrorists in the United States and abroad. The Act imposes new anti-money laundering requirements on brokerage firms and financial institutions. Since April 24, 2002 all brokerage firms have been required to have new, comprehensive anti-money laundering programs.

To help you understand these efforts, we want to provide you with some information about money laundering and our steps to implement the USA PATRIOT Act.

### **What is money laundering?**

Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, and terrorism.

### **How big is the problem and why is it important?**

The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. According to the U.S. State Department, one recent estimate puts the amount of worldwide money laundering activity at \$1 trillion a year.

### **What are we required to do to eliminate money laundering?**

Under rules required by the USA PATRIOT Act, our anti-money laundering program must designate a special compliance officer, set up employee training, conduct independent audits, and establish policies and procedures to detect and report suspicious transaction and ensure compliance with such laws. As part of our required program, we may ask you to provide various identification documents or other information. We will ask you for your name, address, date of birth and other information that will allow us to identify you. We will ask to see a non-expired valid issued government identification, such as your driver's license or other identifying documents. Until you provide the information or documents we need, we may not be able to effect any transactions for you.



**CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gannon Giguere, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Eventure Interactive, Inc.;
2. Based on my knowledge, the quarterly report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

Date: August 19, 2014

/s/ Gannon Giguere

Gannon Giguere, Chief Executive Officer

---

**CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael D. Rountree, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Eventure Interactive, Inc.;
2. Based on my knowledge, the quarterly report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

Date: August 19, 2014

/s/ Michael D. Rountree

Michael D. Rountree, Chief Financial Officer

---

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

In connection with the Quarterly Report of Eventure Interactive, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gannon Giguere, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: August 19, 2014

*/s/ Gannon Giguere*

\_\_\_\_\_  
Gannon Giguere, Chief Executive Officer

---

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

In connection with the Quarterly Report of Eventure Interactive, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael D. Rountree, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: August 19, 2014

*/s/ Michael D. Rountree*

\_\_\_\_\_  
Michael D. Rountree, Chief Financial Office

---