

Memorandum No. _____

Date Delivered _____

Confidential Private Placement Memorandum



Up to \$15,000,000 of Common Stock
Rule 506 Offering
\$.36585 per share

QUESTIONS, INQUIRIES AND REQUESTS FOR INFORMATION MAY BE
DIRECTED TO:

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This Confidential Private Placement Memorandum and the information contained herein are confidential and are being furnished to a limited number of investors. The Memorandum has been prepared by the management of the Company solely to assist the recipient in deciding whether to proceed with further analysis of this opportunity and may not be shared with or distributed to any person other than in connection with an evaluation of the Company by potential investors and their advisors. Reproduction, transfer, or distribution of this document is forbidden.

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CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

1. EXECUTIVE SUMMARY

1.1. The Opportunity

Cal-X Stars Business Accelerator, Inc. (“Cal-X Stars” or the “Company”) is offering selected investors up to 41,000,000 shares of its common stock, (the “Securities”), at a price of \$.36585 per share. The Offering is being made only to “accredited investors” as such terms is defined in Rule 501(d) of Regulation D (“Regulation D”) promulgated under the Securities Act of 1933, as amended (the “Securities Act”). The minimum investment amount is \$25,000. The consummation of this offering is not conditioned upon the Company’s receipt of any particular amount of subscriptions or investment and the Company has the right to accept subscriptions from time to time.

Cal-X Stars is a business and innovation accelerator founded by Leonhardt Ventures. Cal-X Stars invests in life sciences companies with a focus on cardiovascular innovations and in social good enterprises. Funds from this offering will be used to invest in a portfolio of companies already identified by Cal-X Stars leadership. See Section 2.3 for more details on the target companies. The Cal-X Stars life science portfolio will include numerous first-ever, breakthrough innovations for treating heart failure and cardiovascular disease as well as a non-invasive, stem-cell-recruiting, breast-enhancement bra. The life sciences portfolio will be focused on technologies that repair, rebuild, and enhance the body through the application of stem cells. Cal-X Stars is also poised to become an early leader in social impact crowdfunding and the social good impact portfolio will feature the first conscious capitalism stock exchange, The California Stock Exchange.

Cal-X Stars’ strategy is to advance each innovation to the point that it inspires a bidding war for the acquisition of the technology and/or the company. Cal-X Stars will provide targeted companies and innovations investment funds as well as incubation or acceleration support in all areas of business development. Part of this support will include Cal-X Stars sponsorship of portfolio company participation in 50 cardiology, 23 social impact financing and 2 major breast tissue reconstruction meetings a year. If needed, Cal-X Stars will assist incubated innovations in incorporating into their own legal entity and then prepare the new companies for self-reliance with their own independent road shows for raising their own capital. Portfolio companies will also have the opportunity to take advantage of Leonhardt Ventures partnership with Core Manufacturing of Santa Clarita, California to advance forward Leonhardt Ventures’ full portfolio of active implantable devices. This team of former Al Mann company executives has successfully built up and sold more than \$8 billion of cardiovascular related innovations to Medtronic, St. Jude, Boston Scientific and others.

Leonhardt Ventures' Cal-X Stars Business Accelerator's business plan is to launch breakthrough innovations in the following industry sectors:

Percentage of Investment	Focus Areas
75%	<p>CARDIOVASCULAR INNOVATIONS – First round of investment will be in twelve breakthrough innovations in cardiovascular medicine including the first stem-cell-recruiting heart pacemaker protected by three pioneering patents.</p> <p>BREAST ENHANCEMENT – The first stem-cell-recruiting women's bra.</p>
25%	<p>SOCIAL GOOD ENTERPRISES - First round of investment will be in seventeen innovative companies including The California Stock Exchange, the first conscious capitalism stock exchange.</p>

1.2. Term Sheet

Price	\$.36585 per share
Minimum Purchase per Investor	\$25,000
Suitability Standards for Investors	Accredited
States where investors may be from	Any
Offering Exemption/Type	Rule 506
Type of Entity and State of Formation	California corporation
Type of Securities	Common stock
Voting rights	One vote for each share
Dilution	Allowed
Company buy-back rights	Right of first refusal
Minimum holding period	As set by federal Rule 144
Maximum to be Raised in This Offering	Up to \$15,000,000
Minimum to be Raised in this Offering	No minimum
Amount to be Raised in Future qualification by permit offering	Up to \$5,000,000

Estimated Offering Expenses	\$1,345,000
Capitalization Before This Offering	51,000,000 common shares
Capitalization After This Offering	92,000,000 common shares
Other Shares To Be Issued After This Offering	8,000,000 common shares

1.3. Forward Looking Statements

This provision is being included in connection with the safe harbor provision of the Private Securities Litigation Reform Act. The Investor Documents contain forward looking statements. Such statements are based upon management’s current expectations, beliefs, and assumptions about future events, and are other than statements of historical fact and involve a number of risks and uncertainties. The use in the Investor Documents of words such as “believes,” “anticipates,” “expects,” “intends” and similar expressions are intended to identify forward looking statements, but are not the exclusive means of identifying such statements. In addition to those factors discussed in the Investor Documents, important factors that could cause actual results to differ materially from those in forward looking statements are, among others, the market’s acceptance of the Company’s services and products, competition and the availability of financing.

2. THE OFFERING

2.1. History and Current Status of the Company

Cal-X Stars Business Accelerator, Inc. is a new organization headquartered in Santa Monica, California that grew out of the lifelong work of Howard Leonhardt. Howard Leonhardt has been founding and running startup businesses since 1981. He is an inventor with 20 issued U.S. patents and numerous more pending with hundreds of unique patent claims mostly in the cardiovascular and stem cell transplantation sciences. His TALENT (Taheri-Leonhardt) stent graft invention has a world market leading position for treating thoracic and aortic aneurysms without surgery. Mr. Leonhardt invented and developed a full line of unique cardiovascular catheters including those for stem cell delivery. He is inventor of the first heart pacemaker able to recruit stem cells to heart tissue, a biological pacemaker and the first percutaneous heart valve. He patented and developed an intravascular lung catheter and the first stem-cell-recruiting women's bra. Over 200,000 patients worldwide have been treated with Leonhardt inventions. Leonhardt inventions create approximately \$1 billion in annual revenues at this time.

Since 1999 Mr. Leonhardt's focus has been developing stem-cell and heart-failure related therapies. He has developed an innovation laboratory and angel-investor network known as Leonhardt Ventures, a d/b/a/ for Leonhardt Vineyards, LLC, a limited liability company formed in California in 2005. Leonhardt Vineyards is an award winning producer of Sonoma County, California wines which are sold primarily through 120 Trader Joe's outlets throughout California. Leonhardt Ventures has founded and backed numerous start-up companies, primarily in cardiovascular and stem-cell-related technologies and social-good impact areas. Through Leonhardt Ventures' network of angel investors, associated funds, grants and loans, Mr. Leonhardt has raised over \$145 million to fund over 24 startups and product launches.

Cal-X Stars Business Accelerator is Leonhardt Ventures' newest and most innovative undertaking. Incorporated in February 2013 in California, Cal-X Stars seeks to revolutionize the financing, nurturing and long term mentoring of star quality startups by maintaining and growing a unique portfolio. Cal-X Stars' portfolio is designed to balance the slow but fruitful development of medical technologies with social good impact products and services that are more quickly able to provide a return on investment. Cal-X Stars seeks to maintain equity interests in and an ongoing management, board and/or mentorship consulting relationship with start-up companies as follows:

- 75% Medical and technology businesses with an emphasis on cardiovascular and stem cell technologies developed through a 5 year accelerator program
- 25% Social good impact disruptive technologies through both short-term and long-term accelerator programs

The Team

Howard Leonhardt, Founder, Chairman & CEO, brings over 30 years of entrepreneurial experience in having founded over 20 companies. He is an inventor with over 20 patents for fighting cardiovascular and heart diseases. Substantial manufacturing and export experience.

Steve Beauregard - Managing Director Cal-Xelerator and Accelerator Development

Alex Richardson - Senior Advisor Active Implantable Devices - Founder Core Manufacturing

Judd Hollas, Senior Advisor Equity Financing, has over 20 years experience financing startup companies.

Steve Rabago, Senior Advisor Microloans, has over 25 years experience building companies and assisting firms to obtain loans.

Sofia Yepes, Office Manager & Secretary and Treasurer, has over 10 years experience managing business offices and serves as CEO of The Task Runners a Cal-X Stars accelerator company.

Maddy Clemens, Assistant Office Manger and Scheduler, has over 7 years experience in office management.

Sarah Depizzo – Back Office Support Services, over 7 years experience supporting growing organizations, and serves as Co- Owner of The Task Runners, a Cal-X Stars accelerator company.

Scott Bromley - Executive Vice President Angel Investor Financing

Alan Remen, Senior Advisor Operations, is a serial entrepreneur and experienced manager from the engineering services and med-tech/stem cell related industries. President of MyoStim Pacers.

Bruce Methven, Senior Legal Advisor, has over 30 years' experience with securities law in the State of California. An authority on the California Qualification by Permit process (equity crowdfunding).

Jeff Donofrio - Executive Vice President of Cardiovascular Corporate Development

Tom Newman - Executive Vice President of Sales Cardiovascular

Matt Fendrich - East Coast USA Sales Manager Cardiovascular

Andrew Romans - In House Registered Broker Dealer

Jeremy Koff - Vice President Strategic Alliances and Accelerator Development

Brian Hardy - Director of Marketing

Steve Kann - Backup Registered Series 24 and 7 License Holder, Compliance Advisor

Bonnie Kanner - Director Social Impact Sales

Len Lanzi - Senior Advisor Venture Capital Fund Raising - President of Los Angeles Venture Association.

Stephen M. Meade - Senior Advisor Cause Based Marketing

Alon Goren - Senior Advisor Crowdfunding Platforms

Dan Dato - Senior Advisor Startup Mentoring Services & Education

Dara Albright - Senior Advisor Crowdfunding Portal Services

Dan Marino - Senior Advisor Team Building & Leadership – Hall of Fame Quarterback, CBS Sports Anchor NFL Today – HBO Inside the NFL Host

Thad Leingang - Senior Advisor Venture Documentation & Business Development

John Paglia - Senior Advisor Private Capital Markets

Suzie Baleson - Senior Advisor Women's Capital Markets & Health

Mark J. Cunningham, M.D. - Board Director & Senior Advisor Cardiovascular Product(s) Development

Dave Harvilicz - Board Director - Senior Advisor Crowdfunding & Conscious Capitalism

Alex S. Richardson - Senior Advisor Bioactive Implants and Wireless Devices Development & Manufacturing - Cardiovascular

Scott Jordan - Senior Advisor Life Science Financing and President HealthiosXchange - healthcare focused capital raising and investor portal

Jeff Klein - Senior Advisor Conscious Capitalism - CEO of Working for Good, Co-Leader Conscious Capitalism Society and CEO Summit

Joel Hirsch - President of CORE Manufacturing, has over 30 years of experience in medical & electronics arenas.

Board of Directors

Howard Leonhardt - Chairman of the Board

Sofia Yepes - Secretary and Treasurer and Office Manager

Steve Beauregard - Managing Director Cal-Xelerator

Jeremy Koff - Vice President of Strategic Alliances

Dave Harvilicz - Industry leader in Crowdfunding – CEO WhenYouWish. Appointee of John Mackey the Founder, Chariman and Co-CEO of Whole Foods on our Board

Dr. Mark Cunningham - Assistant Professor of Clinical Heart Surgery, USC Keck School of Medicine

Tricia Nordby Hamrin – President UPFRONT Business Accelerator. Brand Marketing Specialist.

2.2. Description of the Opportunity and Need for Funds

Cal-X Stars is offering to selected investors up to approximately 41,000,000 shares of its common stock at a price of \$.36585 per share for a maximum offering of \$15,000,000. The Offering is being made only to “accredited investors” as such term is defined in Rule 501(d) of Regulation D promulgated under the Securities Act of 1933, as amended. The Company also intends to raise up to an addition \$5,000,000 through a California qualification by permit offering.

Cal-X Stars is a start-up development program and innovation laboratory for disruptive technologies. The Cal-X Stars business model builds upon the accelerator model pioneered by companies such as Y Combinator and Techstars as well as Thomas Edison's Menlo Park Inventions Laboratory. Since 2005 Y Combinator and Tech Stars have funded over 500 companies and their combined portfolios are approaching \$10 billion in total valuation. Thomas Edison's laboratories achieved a record setting 1,093 issued U.S. patents and commercialized

dozens of world-changing products. Leonhardt Ventures founder Howard Leonhardt has had 20 U.S. patents issued to date, mostly in the cardiovascular and stem-cell related sectors. Leonhardt Ventures founded and funded entities have acquired the rights to over 100 additional patent claims.

Cal-X Stars will offer two accelerator programs – a five-year program, run directly by Cal-X Stars, for larger scale companies and innovations, and a 12 to 15.5 week (108 days) program, run by Cal-X Stars majority-owned subsidiary Cal-Xelerator, for smaller-scale tech and social-good impact start-ups in a variety of industries. The five-year program is divided into two primary sectors cardiovascular with stem-cell focus and social-good impact. Cal-X Stars is set up to focus on the innovation stage of medical technology and then hand the innovations off to a disciplined team that focuses on completing the clinical trials. After the clinical trials are completed, Cal-X Stars will assist in marketing launches for companies not yet independent. The social impact portfolio is anchored by The California Stock Exchange, the first conscious-capitalism stock exchange and Kindheart Lionheart Media Co. a publisher, creator and retailer of inspirational books, movies and music.

Cal-X Stars' shareholders will receive approximately 7-20% seed-stage equity position in any companies or innovations incubated within Cal-X Stars. This ownership interest is subject to dilution by later rounds of funding by other investors. Cal-X Stars shareholders will receive a pro rata share of all of the revenue Cal-X Star receives from the sale of an incubated company or the licensing of an incubated innovation.

Cal-Xelerator, a majority-owned holding of Cal-X Stars Business Accelerator, will offer a 12 week to 15.5 week Launch Bootcamp for four companies, two or three times a year. Cal-Xelerator will directly invest or will arrange for an angel investor or venture capital firm to invest between \$6,000 and \$18,000 per project. If Cal-Xelerator or Cal-X Stars makes this investment directly they will receive the appropriate ownership of that individual company based on their current valuation. In addition Cal-Xelerator normally receives 3% sweat equity for mentoring services. The most promising Cal-Xelerator graduates that fit our focus areas will be invited to join the Cal-X Stars five-year program. Cal-Xelerator has a broader acceptance criteria than Cal-X Stars, accepting any tech or social-good impact applicants that show promise for high growth.

Most all of the investments that the Cal-X Stars will make in its startup portfolio companies and innovations will be done via a convertible debt note. The debt may be converted to equity upon closing of the first outside professional-investor round of financing or when the startup company has substantial revenues and can be valued by a discount of future earnings and comparable indexes. In cases where an innovation or company may not receive an outside professional investor or have any revenues to establish a valuation based on earnings, then we will use the average of the Wilson Sonsini, Gust and Silicon Valley Bank data of comparable financings that year and will take the average of the three data inputs.

2.3. Companies and Innovations Targeted for Cal-X Stars Investment and Acceleration

Existing Life Science Companies with Stem Cell and Cardiovascular Focus

1. Bioheart
2. Procyrion

Leonhardt Ventures Life Science Innovations

	LV ownership percentage
1. BioPace	70%
2. Stem Cell Pump	100%
3. AortaCell unit of STEMERGY	100%
4. CoroStim	100%
5. EndoCell	100%
6. HeartScore	33%
7. BioLeonhardt	100%
8. Stem Cell Bra	70%
10. MyoStim Pacers	70%
11. Cardiobridge USA (note Cardiobridge GmbH is different)	50%

Existing Social Good Enterprises

1. Crowdfunder.com – CrowdImpact and CrowdFundX
2. Chic-Ceo
3. EquityNet
4. Stiletto Dash
5. The Task Runners
6. Roozt
7. Conscious Box
8. Koodooz
9. Degreed.com
10. TubeStart

Leonhard Ventures Social Good Innovations

	LV ownership percentage
1. The California Stock Exchange (Cal-X)	100%.
2. Cal-X Crowdfund Connect	51% LV 49% Cal-X
3. Cal-Xelerator	49% LV 51% Cal-X
4. Cal Xport	100%.
5. Food Trikes and Scooters	100%.
6. Kindheart Lionheart Media Co.	100%
7. Artists Café NYC and LA	100%.
6. Wine County Baseball	100%.
9. V-Leonhardt Bus Service	100%

2.3.1. Existing Life Science Companies with Stem Cell and Cardiovascular Focus

Bioheart, Inc. - In Phase II/III trials stage in U.S. for muscle stem cells for treating advanced heart failure. Believed to be the only cell type able to create new contractile muscle in heart scar tissue. Phase II/III Part I interim results demonstrated 95.7 meters improvement in exercise capacity in Bioheart MyoCell patients over placebo (-4 meters) in a double blind randomized study. This compares to -4 meters for CHF drugs, 16 meters for CRT pacers, 53 meters for cardiac stem cells, 52 meters for adipose derived cells, 10 meters allogeneic bone marrow derived cells. (See Bioheart SEC Filings for risk factors). With funding in place, Bioheart is in position to gain FDA commercialization approval within 18-24 months. Cost of product: \$1000. Sell Price: \$23,000. Market: 50 million heart failure patients worldwide. Projected Sales After Full Launch: \$5 billion annually.

Procyrion Implantable Heart Pumps - The Procyrion device consists of a small, continuous flow pump mounted within a self-expanding anchoring system. The device is advanced through a catheter in the femoral artery to the descending thoracic aorta. The self-expanding anchors deploy to fix the pump to the aortic wall. Following deployment, the catheter is fully removed, leaving only the anchored pump and a small diameter, flexible electrical power wire which may be tunneled to a desired transdermal exit site or to a Transcutaneous Energy Transfer (TET) system for subcutaneous implantation without an indwelling power lead. Compared to traditional LVADs, Procyrion replaces a major surgery and a lengthy hospital stay with a minimally invasive outpatient procedure. Cost of product: \$1000. Sell Price: \$25,000 Market: 25 million advanced heart failure patients worldwide. Projected Annual Sales After Full Launch: \$500 million.

2.3.2. Leonhardt Ventures Life Science Innovations

Leonhard Ventures is also known as Leonhardt Vineyards, LLC. Leonhardt Vineyards, LLC is a limited liability company founded in California in 2005 by Howard Leonhardt. In addition to a successful winery selling estate-produced wines to 57 boutique wine shops and high end restaurants in California and Trader Joes stores throughout the state, Leonhardt Vineyards, LLC owns numerous companies and innovations in the life sciences and social good enterprises. A number of Leonhardt Venture innovations will benefit from this offering. Leonhard Ventures innovations that may be funded by proceeds from this offering include the following:

Stem Cell Bra – World's first female bra designed to recruit her own stem cells from fat tissue and other sources to breast tissue for augmenting fullness and size without surgery. Utilizes a conductive gelatin bra liner connected to an electrical stimulator the size of a cell phone that produces a homing signal for stem cells in breast tissue via stimulation of SDF-1 protein release. Stem Cell Bra has a collaborative partnership with BioCell Therapies, a fat graft and stem cell injection breast reconstruction company. Cost of product: \$400. Sell price: \$2000. Market: Over 1 billion women worldwide. Projected Annual Sales After Full Launch: \$10 billion

Cardiobridge – heart pump catheter developed in Germany by Cardiobridge will file for CE Mark commercial approval 3Q 2013 based on clinical trials conducted over the past 2 years. Clinical studies thus far have demonstrated a 33% improvement in cardiac output, substantially improved renal function and creatinine levels in acute decompensating heart failure

patients. Leonhardt Ventures has a conditional agreement for exclusive U.S. distribution rights which by option could be a 50/50 joint venture with Cardiobridge GmbH named Cardiobridge USA.

MyoStim Pacers – First heart pacemaker designed to recruit healing stem cells to heart tissue and to promote proliferation of resident cardiomyocytes and new blood vessel growth. A peripheral model is designed to accelerate healing of wounds such as diabetic foot ulcers and to improve blood flow in limbs. Company holds three issued pioneering patents including the landmark claim of the specific signal for converting pluripotent stem cells to beating heart muscle cells. Cost of product: \$1000 Sell price: \$23,000 for heart product. Cost of product: \$1000. Sell price: \$4500 for wound healing product. Market size: 75 million patients worldwide. Projected Sales After Full Launch: \$2 billion annually

HeartScore – Do you know your Heart Score? The company has developed a single composite score combined with a real time monitoring wrist watch, SecondBeat, to guide people to be in compliance with diet, exercise and treatment regimes for lowering risks. The composite score is made up of genetic tests, blood tests including pioneering ischemia and inflammation panels, as well as an artery scan. Cost of program: \$40 a month. Sell price program: \$100 to \$400 a month. Market: 50 million heart failure patients worldwide and 1 billion people worldwide that can afford to monitor their heart disease risk with commitment to their own health. Projected Annual Sales after full launch: \$400 million

AortaCell, a unit of **STEMERGY** – A non-invasive abdominal belt with a wireless electrical energy pulse used to treat aortic aneurysms via recruiting and differentiating stem cells into smooth muscle. The wireless **STEMERGY** technology will be used for many other applications. Cost of product: \$2000. Sell Price: \$23,000 Market: 1 million aneurysms diagnoses worldwide annually. Projected Annual Sales After Full Launch: \$800 million

EndoCell – Endothelial progenitor cells derived from fat tissue injected into coronary arteries via an adventitia delivery catheter for healing purposes. Cost of Product: \$2000 Sell Price: \$6,000 Market: 100 million+ arterial disease patients worldwide. Projected Annual Sales after Full Launch: \$600 million

Stem Cell Pump - The world's first implantable pump with below skin needle port access for delivering controlled dosages of stem cells over time to selected organs including the heart. Being developed with the Core Manufacturing team made up of members that have brought a number of pump products to market leadership in the past.

CoroStim – Vibrational energy utilized to inhibit plaque formation in high risk coronary arteries. Cost of product: \$1400 Sell Price: \$12,000 Market: 10 million+ high risk patients worldwide. Projected Annual Sales after Full Launch: \$100 million

BioPace – **BioPace** – The world's first biological pacemaker made of living cells. Cost of Product: \$400. Sell Price: \$6000 Market: 100 million patients worldwide Projected Annual Sales After Full Launch: \$2 billion.

BioLeonhardt - The world's first 6 component heart failure treatment therapy combining: micro RNAs, SDF-1, muscle stem cells, iPS or cardiac stem cells, nutrient hydrogel and electrical stimulation.

Implantable Heart Sensor - Fast, detailed, real time, continuous, cardiac pressure measurements, and supports the trend towards home health monitoring, with the potential to revolutionize the way CHF patients are treated. The pressure monitoring system consists of two major parts: an implantable, batteryless, telemetric sensor and a companion hand-held reader. The miniature implantable micro-device contains a MEMS (MicroElectroMechanical System) pressure transducer along with custom electronics and a telemetry antenna.

2.3.3. Social Good Enterprises

Degreed – A revolutionary approach to education: The digital diploma that launches the era of life-long learning. It provides college credit for anything learned anywhere, anytime, in any form. The company is in beta stage of development preparing for full launch by mid 2013. Degreed is intended to revolutionize education with the first digital diploma that records and provides college credit for anything you learn in any form at any time. Cost of product: \$20 per student Sell price: \$1000 per student Market: 100 million+ people worldwide seeking a way to get credit for continuing education Projected Annual Sales After Full Launch: \$100 million.

Roost - An online mall for give-back brands with the motto “Bring sexy back to giving back.” Roost is fully operational with its online marketplace for cause brands.

The Taskrunners –This business competes head to head with the blockbuster success Task Rabbit with a system that treats service providers better, retains higher talent and ensures greater reliability for the customers. It has grown from 1 to over 30 service providers and hundreds of customers in just 16 months. The company in its 2nd year of full operations. Sales have grown 100% year to year.

Chic-CEO– This business has 9,000 members and is growing and helping women entrepreneurs succeed in part by building a female-focused crowdfunding portal. The company is fully operational. The Chic-CEO crowdfunding portal should be ready to go live when SEC rule making is finalized sometime in 2014. It is deigned to be the ultimate one-stop place for helping women entrepreneurs succeed. Cal-X is helping Chic-CEO to develop a full crowdfunding platform including a full program for crowdfunding planning and training assistance.

EquityNet - Business plan analysis software and crowdfunding tools

Stiletto Dash - Women’s travel company

Conscious Box - Subscription product sampling box service

Koodooz - Crowdfunding site for under 20’s for social good

TubeStart – Crowdfunding site and support services provider for YouTube Channels

2.3.4. Leonhardt Ventures Social Good Enterprise Innovations

V-Leonhardt Bus Service - super high end bus service with gourmet food, high speed internet, other services for affluent areas

The California Stock Exchange. The first conscious capitalism stock exchange that facilitates local investing. A revolutionary new conscious capitalism stock exchange with a focus on small firms and local investing with a strong crowdfunding and micro-loan component. The first “nurturing stock exchange”. The California Stock Exchange has on the market now about 40 different business support products and services. Cal-X Crowdfund Connect working with Methven Law and selected registered broker dealers such as Merriman Capital has begun to assist companies to undertake \$15 million 506D national offerings and \$5 million California Qualification by Permit Direct Public Offerings in California only. Cal-X Crowdfund Connect will begin national equity crowdfunding campaigns working with Crowdfunder.com, Healthiosxchange, Angelist.co, Microventures.com and other partners once the SEC rule making period is complete – this was due by congressional mandate by Dec. 31, 2012 and is significantly delayed. The actual Cal-X California Stock Exchange in complete form will take up to three years to complete SEC registration requirements.

The goal with the California Stock Exchange is to be the first conscious-capitalism stock exchange and one of the three leading stock exchanges in the history of USA alongside NYSE and NASDAQ with a focus on \$8 million IPOs and companies under \$500 million valuation cap. Exchange does not allow day trading or short trading and has an emphasis on social impact investing and local investing. This is a unique model where nurturing and mentoring companies is built into the model. All listed companies are accompanied with exhaustive research analysis and unprecedented transparency. We believe companies that are good to their employees and their communities in addition to their shareholders are more likely to have sustainable high returns over the next decades. We will pre-screen all companies for these conscious capitalism characteristics before listing. Cal-X intends to operate the most comprehensive crowdfunding platform in the world in partnership with multiple specialty-industry-sector platform partners to serve as a feeder network to our exchange. Cal-X intends to develop co-listing agreements and working partnerships with the ASSOB Exchange in Australia, New Market Warsaw Stock Exchange, London AIM and The Toronto Venture Exchange.

We intend to ask major firms such as Patagonia, Yahoo, Facebook, Google and Apple to join our stock exchange to that they may have a pipeline of innovation coming from our less developed members. We intend to ask all major social-good foundations such as the Rockefeller Foundation and Ford Foundation to participate in The California Stock Exchange in a big way.

Cal-X Crowdfund Connect - leader in California Crowdfunding via California Qualification by Permit - working with Crowdfunder and EquityNet and other equity crowdfunding leaders.

Cal-Xelerator - startup launch business accelerator bootcamp “create to great in 108” days.

Cal-Xport - The Alibaba web site for California "go to site to find products from California"

Kindheart Lionheart Media Co. – This company sells inspirational books, movies and music and operates an inspirational book and movie club. Kindheart Lionheart Media Co. units, joint ventures and programs include: Love American Style, Love The California Way, Lions Den,

CrowdFund: The American Dream, The Kindheart Lionheart Radio and TV Shows, Radio Veronica USA, Starfunder, Ana Free, KoffeeHouse Music, Local DJ Radio and RightClearing - crowdfunding music publishing rights, Artists Café NYC. The Company is up and running with a book club and a curated selection of over 200 inspirational books, movies and CDs. The Kindheart Lionheart Radio Show airs every Thursday at 6 p.m. on OCTalkRadio.net, Spreaker.com and other outlets. The Company has received more than 30 million views on YouTube. Cost of Product: \$12 a month. Sell Price: \$20 a month

Radio Veronica USA, Radio Santa Monica USA, Local DJ Radio, and Artists Café NYC. Radio Veronica's online radio properties are being developed. Radio Veronica USA prides itself on breaking new music of any type from around the world well before mainstream radio popularity. Radio Santa Monica USA specializes in indie rock coming out of Los Angeles. Local DJ Radio is planning to do for radio what Patch.com did for local newspapers. The goal is to be a voice for conscious capitalism. Radio Veronica USA, Radio Santa Monica USA and Local DJ Radio are all in beta development stage and will not be fully operational until 3Q 2013. These online radio properties are being developed. Radio Veronica USA prides itself on breaking new music of any type from around the world well before mainstream radio popularity.

Artists Café NYC –This company takes over coffee shops that have slow night-time business in Manhattan and Brooklyn and converts them into artists' showcases. The company is preparing for a late spring or early summer 2014 launch in NYC.

V-Leonhardt Bus Service LA – Will attempt to bring the Virgin America airlines experience to buses in Los Angeles. WiFi - high end. Will cater to the business traveler that wants to work en route. Use of proceeds builds first prototype bus and helps PR launch with Richard Branson. Cost of bus \$150,000. Projected revenues from bus service annually: \$300,000.

Wine Country Baseball – Known as “The Cape Cod League of The West” it is a summer baseball league for college players who still seek to land Major League Baseball contracts. The league recruits players from around the nation to play on one of 12 teams all located in the Wine Country of Sonoma and Napa Counties.

Food Trikes & Scooters –a revolutionary business concept that helps people to start their own first food businesses utilizing cell phone-based cash registers and control systems. The idea rides on the food-truck craze but with much better affordability and higher volume potential. A food cart is a stepping block to a food truck which leads to restaurant. The company provides entrepreneurial training and supervision every step of the way. Food Trikes & Scooters is up and running and fully operational. First sale of \$6400 was made on Dec. 28th, 2012. Funding for a proper marketing campaign will help fuel sales. Riding the food truck wave with an offering of food carts that require between \$5,000 and \$15,000 to be fully up and running in business compares well to \$45,000 to \$65,000 for food trucks. This company is much more than just a food-cart company, it is a force for good. We help people that no one else has given a chance to become entrepreneurs owning their first business. We provide extensive back-office support services. Our network of food carts worldwide is monitored real time via cell phone text and card-slide cash registers. There are two businesses. One is build-out and sales of food carts. Cost of product: \$3000. Sell price: \$10,000 Market: 10 million worldwide. Projected annual sales after full launch: \$100 million. The second business is supply of food services and back-office support services for each cart and financing. Cost per cart: \$12,000 a year Sales per cart:

\$60,000. Market: 10,000 carts. Projected annual sales after full launch: \$600 million. Mobile technology firm InVenture, which developed an accounting app and a special credit-providing system for mobile phones, will also be involved.

CalXport - The Alibaba web site for California “go to site to find products from California.”

2.4. Innovation Highlights

Cal-X Stars believes that it has an exceptional foundational lineup of companies and disruptive technologies. Some highlights includes:

- EndoCell, AortaCell and MyoValve all repair damage with living cells the way blood vessels and heart valves are built in the first place.
- AortaCell uses the world’s first technique utilizing living cells to repair aortic aneurysms caused by a breakdown of the living cells in the aortic wall.
- EndoCell repairs damaged arteries with living cells the way they are built in the first place.
- CoroStim is poised to be the world’s first device designed to inhibit plaque formation in coronary arteries.
- Bioheart MyoCell™ is poised to be the first therapy available to interventional cardiologists to proactively assist in the repair of damaged regions of the heart caused by heart muscle disease or CHF.
- MyoStim Pacer is poised to be the first ever heart pacemaker able to recruit stem cells and fix damaged heart tissue.
- The California Stock Exchange has the ability to revolutionize the financing of small companies.
- Stem Cell Bra is poised to be the world’s first women’s bra able to recruit her own stem cells to her own breast tissue to augment fullness and size without surgery.
- BioPace is poised to be the first biological pacemaker made the same way our natural pacemakers are constructed.
- Degreed.com is poised to revolutionize education to a greater degree than any organization before.
- Food Trikes & Scooters is poised to empower millions worldwide to have their first shot at opening their own business creating a whole new asset ownership class.
- By using autologous skeletal myoblasts, Bioheart is able to overcome the significant limitations associated with other cell-based therapies. The Company’s competitors involved in cardiovascular cell engineering are believed to be in early pre-clinical and clinical stages of technology development. Bioheart believes that its position as a leader in the cell-based therapy field will enable the Company to effectively market biological products to physicians.
- Bioheart MyoCell has been in pre-clinical studies since 1988 and clinical studies since 2000. After more than 4000 animal implantations and 350 patients in clinical trials the results are clear. Bioheart MyoCell treated patients have improved exercise capacity at double the rate of the nearest competitive cell types, specifically 95.7 meters improvement for Bioheart MyoCell compared to 53 meters for cardiac stem cells and adipose derived cells and 10 meters for allogeneic bone marrow cells. Bioheart MyoCell beats the \$6 billion CRT pacer industry results 95.7 to 20. Bioheart MyoCell beats the \$8 billion CHF drugs industry 95.7 to minus 4 meters.
- MyoStim Pacers has three pioneering patents with supporting data. The Kanno patent and resulting peer reviewed pre-clinical studies demonstrate the highest expression of new blood-

vessel-creating VEGF. The Leonhardt-Chachques patent series describes the recruitment of stem cells and the differentiation of those stem cells as well as resident cardiomyocytes to beating heart muscle.

- BioPace – More than \$1 million has been invested in pre-clinical studies validating this technology. Wendell King, our senior advisor, demonstrated in three dogs in a row the ability to take a dog heart in complete heart block back to a normal heart beat with a biological pacemaker.
- Our partnership with EquityNet gives us a direct link to pioneering patents in the field.
- Our partnership with Crowdfunder puts us in direct link with the one of the most recognized social impact and local investing equity crowdfunding platforms.

2.4.1. Cal-X Stars Competitive Advantages

Stem Cells for Heart. Our Bioheart Myocell 95.7 has demonstrated meters improvement in exercise capacity compared with the following: Capricor, 53 meters; Cardio-3 C-Cure, 52 meters; Osiris, 10 meters; Cytori, 53 meters; Mesoblast, 53 meters; Medtronic CRT Pacer, 16 meters. We provide the only cell type able to grow new contractile muscle in scar tissue.

Heart Pumps. Abiomed Impella has \$160 million in sales – our product is better for heart failure parts and better improvement of renal function.

Breast Augmentation. Our competitor here is Cytori. Our StemCellBra does not require fat biopsy or injections. Our BioCell Therapies cells have more endothelial progenitor cells for better formation of blood vessels. We add hydrogel for increasing cell survival and an ePTFE cup to improve retention and shape. Our kits are less expensive and easier to use and have less cell loss and cell damage.

Stock Exchange. NYSE and NASDAQ are too costly and complex for small offerings. They do not attract new investors. They do not offer social-good or local-investing focus. A few panic sellers bring all other shareholders down. They have day traders and short traders. We do not. We have better research analysis and better nurturing support for our listed member companies.

Biological pacing. Our competitors are a few unknown stem cell upstarts and the entire \$9 billion electronic pacing industry. Our biological pacemaker is more like our natural pacemaker and is more reliable than battery powered artificial pacemakers.

Aortic Aneurysms. Our competitors use surgically placed grafts or catheter placed stent grafts. We utilize living natural cells. The aorta is made of cells and is best repaired with cells.

Coronary artery health. No one else is utilizing vibrational energy to stop plaque formation in coronary arteries. No one else is utilizing endothelial progenitor cells to grown new inner liners in blood vessels.

Inspirational books, movies and music. We have a great selection. We have a one of kind book club. We have an exclusive on *The Dolphin Smiles: The Legend of Kindheart Lionheart*, which can be a break-away hit.

Artists Café’s NYC. No one else is advancing our showcasing of a variety of artists’ concepts at cafés at night in NYC. Some bars in NYC have a limited artist showcase evening, usually with only a few music artists. These include Nuyorican, Starving Artist Café, Home Sweet Home and NYche’s.

The TaskRunners. Is competing against the highly successful Task Rabbit. The TaskRunners recruits and retains more serious service provider with a unique model. The TaskRunners provides more services of interest to businesses than Task Rabbit. The Task Runners offers great reliability.

2.4.2. Estimated potential market for Cal-X Stars innovations

Life Sciences

Bioheart	\$40 billion.
MyoStim Pacers	\$10 billion
Stem Cell Bra	\$100 billion
BioPace	\$9 billion
AortaCell	\$3 billion
EndoCell	\$5 billion
Heart Pump Cath	\$3 billion
MyoValve & Valvublator	\$2 billion
CoroStim	\$3 billion

Social Good Enterprises

The California Stock Exchange	\$8 billion
Kindheart Lionheart Media Co.	\$3 billion
Food Trikes & Scooters	\$1 billion
Degreed.com	\$6 billion
Chic-Ceo	\$1 billion
Rootz.com	\$2 billion
The Task Runners	\$1 billion
TubeStart	\$1 billion

2.4.3. Strong Intellectual Property Position

Cal-X Stars’ target companies have developed entirely new innovative products. As a group there are over 35 issued patents and numerous other patents pending and patents in the process of being filed.

Bioheart holds many pioneering patents related to cell therapy and the delivery of cells to treat damaged hearts.

MyoStim Pacers has three pioneering patents covering heart muscle regeneration with electrical stimulation including the claim of converting stem cells to heart muscle.

Cal-X and The California Stock Exchange have teamed up with EquityNet, which has pioneering crowdfunding and financial analysis patents.

BioPace has pioneering patents in the field of biological pacing.

2.4.4. Leading Scientific and Clinical Collaborators

The top heart-failure physicians, cardiologists and scientists are aligned with our heart related technologies portfolio.

The leading breast surgeon in the USA helps lead our Stem Cell Bra and BioCell Therapies projects.

Some of the top financial advisors help lead Cal-X.

The Scientific Advisory Board

Chairman - Dr. William Abraham, Chief of Heart Failure, Ohio State University	
Barry Greenberg – M.D. Chief of Heart Failure UC San Diego	Heart Failure
Barry T. Katzen, M.D. - Director Miami Vascular Institute	Interventionist and endovascular
Camillo Ricordi, M.D - Director U of Miami Stem Cell Research	Preclinical research and cell culturing
Doris A. Taylor, Ph.D. - Director Cardio Stem Cell Research Texas Heart Institute	Preclinical research and cell culturing
Dr. Christopher M. O'Connor - Chief Heart Failure Duke University	Congestive heart failure and ischemic heart disease
Dr. Sergio Pinski - Chief Electrophysiology Cleveland Clinic Florida	Cardiology and electrophysiology
Edward Diethrich, M.D. - Director Arizona Heart Institute	Cardiac surgery and endovascular specialist
Eric Crumpler, Ph.D. - Florida International University Researcher	Preclinical research
Felipe Prósper, Ph.D. - University of Pamplona Spain Director Stem Cell Research	Preclinical Research
George J. Magovern, M.D. - Chief Cardiac Surgery Pittsburgh Allegheny	Cardiac surgery
Harold Ott, M.D., Ph.D. - Harvard University Stem Cell Researcher	Preclinical research
Richard Heuser, M.D. - Director Phoenix Heart Institute	Interventional cardiology
Robert S. Schwartz, M.D. - University of Minnesota Cardiovascular Research	Preclinical research
Robert Van Tassel, M.D. - Cardiologist Minneapolis Heart Institute	Interventional cardiology
Samuel S. Ahn, M.D., MBA - Former Director UCLA Endovascular Program	Endovascular specialist
Stephen G. Ellis, M.D. - Director Cath Lab Cleveland Clinica	Interventional cardiology
Stephen Ramee, M.D. - Director Cardiology Oschner Clinic	Interventional Cardiology
Stuart Williams, Ph.D. - U of Louisville Cardiovascular Research	Preclinical Research
Syde A. Taheri, M.D. - Inventor with over 40 patents	Preclinical Research
Warren Sherman, M.D., FACC - Director Stem Cell Research and	Interventional cardiology

Regenerative Medicine, Center for Interventional Vascular Therapy, Columbia University Medical Center	
Wendell King - Inventor Biological Pacemaker	Preclinical research
James Margolis, M.D. - Director Miami Heart Institute	Interventional cardiology
Jorge Genovese, M.D. - Leading researcher electrical stimulation for stem cell repair	Preclinical research
Juan C. Chachques, M.D., Ph.D. - Leading researcher electrical stimulation for stem cell repair	Preclinical research
Keith March, M.D., Ph.D - Chairman Cell Therapy Foundation	Preclinical research
Marc Penn, M.D., Ph.D. - Researcher Cleveland Clinic	Preclinical Research
Miranda Grounds, Ph.D. - Leading Australian stem cell scientist.	Preclinical research
Nicholas S. Peters, M.D., Ph.D. - EP St. Peters Hospital London	Electrophysiology
Nicolas Chronos, M.D., MRCP, FACC, FESC, FAHA - St. Josephs Atlanta Cardiology	Interventional cardiology
Race L. Kao, Ph.D. - Leading stem cell scientist for heart failure treatment	Preclinical research and cell-culturing
Ernst Schwarz, M.D. - Heart Failure Cedars Sinai and Private	Heart Failure
Mark Cunningham, M.D. - Heart Surgery USC Keck, Chief of Staff	Heart Failure
Joel Aronowitz, M.D. - Cedars Sinai UCLA	Breast Stem Cell Therapies
Ray Chiu, M.D., Ph.D. - Chief Cardiac Surgery McGill University	Preclinical research

3. DESCRIPTION OF THE SECURITIES

The authorized common stock of the Company consists of 100,000,000 shares.

3.1. Common Stock

The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the shareholders. Holders of common stock are entitled to receive ratably such dividends as may be declared by the Board of Directors out of funds legally available therefore. The issued and outstanding shares of common stock are, and the common stock to be issued and outstanding upon completion of the Offering will be, fully paid and non-assessable. The Board of Directors has issued 51,000,000 shares of common stock to Leonhardt Ventures.

3.2. Subscription Agreement for This Offering

Each purchaser of the Securities in the Offering (referred to below as “Shareholders”) will be required to sign a Subscription Agreement with the Company before such purchaser will be permitted to purchase any Securities. The Subscription Agreement (attached hereto as Appendix F) is vital to the Company and is viewed by the Company as a valuable part of the consideration to be given by investors for their purchase of the Securities in the Offering. A summary of the material terms of the Subscription Agreement is contained below, but such description is only a summary and is not complete, and is qualified in its entirety by the full text of the Subscription Agreement. Each investor should carefully read the entire Subscription Agreement prior to signing it and investing in the Securities.

3.3. Stock Transfer Restrictions

The stock transfer provisions set forth below will terminate upon the consummation of an initial public offering of the Company’s common stock, if ever. Although the Company may attempt to conduct one or more public offerings of common stock in the future, the decision to proceed with any public offering shall be made solely by the Company’s Board of Directors at its sole discretion. The Company has no obligation to conduct any public offering of its common stock, and there can be no assurance that a public offering will ever be attempted or consummated. Shareholders cannot sell or otherwise transfer common stock unless otherwise permitted under the Subscription Agreement.

At any time, transfers may be made to the Company if the Company agrees to accept such transfer. At any time, transfers may be made to Leonhardt Ventures if it agrees to accept such transfer. At any time, transfers may be made to third parties if Leonhardt Ventures, in its sole discretion, consents to such transfer in writing. Transfers are permitted to certain corporate affiliates of a Shareholder under certain conditions if made in accordance with the requirements in the Subscription Agreement. Transfers may be made to other Shareholders if the transfer occurs 18 months after the shares are acquired and otherwise complies with the requirements of the Subscription Agreement.

After three years from the date of the Subscription Agreement, Shareholders may transfer shares to third parties. Notwithstanding the foregoing, the Company shall have the exclusive first right to purchase all or any portion of such shares pursuant to and in accordance with the provisions of

the Subscription Agreement. In the event the Company elects not to purchase all or any portion of such shares, Leonhardt Ventures shall have the right to purchase all shares not purchased by the Company pursuant to and in accordance with the provisions of the Subscription Agreement. In the event the Company and/or Leonhardt Ventures, alone or collectively, do not agree to purchase all of the shares offered by a Shareholder, such Shareholder shall have the right to sell the shares to a third party pursuant to and in accordance with the provisions of the Subscription Agreement.

In the event of an initial public offering of the Company's common stock, each Shareholder will be subject to a customary "lock-up" agreement as requested by the managing underwriter of the offering, up to a maximum of 180 days provided that Leonhardt Ventures also agrees to the terms of such "lock-up" agreement (a "lock-up" agreement is a temporary restriction on stock sales and related transactions for a period of time after an offering commences).

All shares issued under this private placement are governed by the Securities Act of 1933 rule 144. In the event a Shareholder attempts to transfer his or her shares in violation of any of the transfer restrictions contained in the Subscription Agreement as determined in good faith by the Company's Board of Directors, such transfer will be null and void. In addition, the Company and Leonhardt Ventures shall have the right, in their sole discretion, to purchase the shares subject to the improper transfer in accordance with the terms of the Subscription Agreement.

3.4. Required Sale by Shareholders (Drag-Along Rights)

The Shareholders can be required by Leonhardt Ventures at its election to sell all or a portion of their shares of common stock to a third party if (i) Leonhardt Ventures (together with his affiliates) proposes to sell at least one-third of the total issued and outstanding shares of common stock of the Company to such third party, and (ii) a fairness opinion of an investment bank or valuation firm is obtained indicating the fairness of the proposed transaction to the Shareholders. Shareholders may be required to enter into an agreement to make such sale of their shares in accordance with the requirements of the Subscription Agreement. The drag-along rights provisions will terminate upon the consummation of an initial public offering of the Company's common stock, if ever.

3.5. Optional Sale by Shareholders (Tag-Along Rights)

In the event that Leonhardt Ventures proposes to sell at least twenty percent or more of the Company's outstanding shares of common stock to a third party, the Shareholders, in accordance with and pursuant to the terms of the Subscription Agreement, will have the option to sell a percentage of their shares to such third party, which percentage shall equal the then percentage of Leonhardt Venture's shareholdings that he is proposing to sell in such transaction at the price and upon such terms that Leonhardt Ventures is proposing to sell his shares. The tag-along rights provisions will terminate upon the consummation of an initial public offering of the Company's common stock, if ever.

3.6. Termination of the Subscription Agreement

Each Subscription Agreement (except for certain requirements that stock transfers comply with law) will terminate upon the earlier of (i) the aggregate holdings of Leonhardt Ventures (and its

affiliates) and the Shareholders then party to a Subscription Agreement entered into in connection with this Offering are less than 30% of the total issued and outstanding shares of common stock, (ii) approval of termination by Leonhardt Ventures and the holders of not less than fifty percent of the aggregate number shares of common stock then held by the Shareholders, (iii) consummation of a reorganization, merger, or consolidation of, or any sale, transfer, conveyance or disposition of all or substantially all of the assets of the Company or other form of corporate transaction, in each case, with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger or consolidation, sale of assets or other transaction do not, immediately thereafter, own more than 50% of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged, consolidated or asset-acquiring company's then outstanding voting securities, (iv) the tenth annual anniversary of the date of the Subscription Agreement, or (v) the complete liquidation and dissolution of the Company.

3.7. Use of Proceeds

The balanced portfolio is designed to allow all projects to move forward even if no additional funding is gained other than the proceeds of this offering and a \$5 million dollar California Qualification by Permit offering that will follow this offering. These two offering should be enough to allow the Cal-X Stars Business Accelerator to become cash flow self-sufficient.

Proceeds from this offering will be used to support existing companies and to develop new companies and innovations through 5 year and 12 week accelerator programs. Cal-X Stars has identified the following companies as targets for the first round of investment.

Target companies have all reviewed term sheet templates and have expressed interest in receiving Cal-X Stars investment under these terms. Investment in these target companies/innovations is not guaranteed until Cal-X Stars and said company have executed a funding agreement. Therefore, although it is expected that the target companies will be invested in as follows, there may be some changes to the target companies. If an agreement cannot be reached with a target company, Cal-X Stars will search out a comparable companies/innovations to invest in. Cal-X stars is committed to maintaining an approximate 75/25% split between investment in the life sciences and social good enterprises.

Funding to companies/innovations is most likely to occur within one year of this offering but may be spread out over successive year. Companies/innovations will be funded based upon attaining milestones as agreed upon by Cal-X Stars and the company/innovation. Examples of these milestones are presented below.

Cal-X Stars will hold between 7-20% seed stage equity in the target companies and innovations. This ownership percentage is subject to dilution as companies may take in future investment in the future.

The net proceeds from the sale of the Securities offered hereby are estimated to be approximately \$15 million. However, we reserve the right to decrease the size of the Offering, the number of Securities offered hereby, to approve or disapprove each investor, and to accept or reject any subscription in whole or in part, in our sole discretion. Cal-X Star's intends to use a significant portion of the proceeds of the Offering to fund the Cal-X Star's target companies clinical trials,

to expand the Company's research program, to expand its cell culturing and delivery system capabilities, to fund physician support and extensive and comprehensive marketing efforts, and for general corporate purposes. Pending any such use, as described above, Cal-X Stars plans to invest the net proceeds in short-term investment grade, interest-bearing instruments.

Use of Proceeds Total

Life Sciences	\$10 million
Social Good Enterprises	\$4.6 million
Cal-X Star Administration	\$400,000 ¹
Total	\$15 million

Life Science with Stem Cell Cardiovascular Focus

Cardiobridge and Cardiobridge USA	\$1.4 million
Bioheart, Inc	\$1.0 million ²
Procyron	\$250,000
Implantable Heart Sensor	\$250,000
HeartScore	\$500,000
Leonhardt Ventures Products	
MyoStim Pacers	\$1.0 million ²
BioPace	\$1.0 million ²
BioLeonhardt	\$1.0 million
Stem Cell Bra	\$1.0 million
AortaCell	\$250,000
EndoCell	\$250,000
CoroStim	\$250,000
Stem Cell Pump	\$250,000
Life Sciences Pre-Allocated	\$8.4 million
Life Sciences Reserve	\$1.6 million
Total	\$10 million

Social Good Enterprises

Crowdfunder.com - CrowdImpact and CrowdFundX	\$400,000
Degreeed.com	\$100,000
EquityNet	\$100,000
Chic-CEO	\$100,000
Stiletto Dash	\$100,000
The Task Runners	\$100,000
Rootz.com	\$100,000
Conscious Box	\$100,000
Koodooz	\$100,000
TubeStart	\$100,000
Leonhardt Ventures Products	
The California Stock Exchange	\$1.0 million
Cal-X Crowdfund Connect ³	\$400,000
CalXport ³	\$100,000
Kindheart Lionheart Media Co.	\$300,000
Radio Veronica USA ⁴	\$200,000
Artists Cafe NYC ⁴	\$100,000
Food Trikes & Scooters	\$200,000
V-Leonhardt Bus Service	\$200,000
Wine Country Baseball	\$100,000
Social Impact Companies Pre-allocated	\$3.9 million
Social Impact Companies Reserve	\$700,000
Total	\$4.6 million

1. \$200,000 to Cal-X Stars administration and \$200,000 to Cal-Xelerator, a majority owned holding of Cal-X Stars.

2. Per pre-existing contract, Myostim and Biopace must pay Bioheart 10% of invested cash. As a result, \$100,000 of Myostim and \$100,000 of Biopace investment will be passed onto Bioheart making total investment in Bioheart \$1.2 million.

3. Divisions of The California Stock Exchange.

4. Divisions of Kindheart Lionheart Media Co.

3.8. Estimated Offering Expenses

Offering costs (i.e., Placement Agent fees, legal, accounting, marketing, etc.) are estimated at \$1,345,000.

3.9. Capitalization Before and After the Offering

The Company is authorized to issue 100,000,000 shares.

Capitalization Before This Offering	51,000,000 common shares
Expected Future Capitalization After This Offering	100,000,000 common shares

Shares are expected to be issued as follows:

Owner	Common Shares
Leonhardt Ventures	51,000,000
Estimate- Rule 506 Offering	41,000,000
Estimate – Permit Offering	1,428,571
Advisors, Mentors	3,821,429
Management Options	2,750,000
Total	100,000,000

3.10. Return on Investment

Our policy is to retain earnings to provide funds for the operation and expansion of our business, and accordingly, we have never declared or paid any cash dividends on our common stock or other securities and do not currently anticipate paying any cash dividends in the foreseeable future. The declaration and payment of dividends by us are subject to the discretion of our Board of Directors and the restrictions specified in our Articles of Incorporation and by applicable law. Any future determination to pay cash dividends will depend on our results of operations, financial condition, capital requirements, contractual restrictions and other factors deemed relevant by our Board of Directors. Profits from affiliate revenue and royalties will be used at the discretion of the Board for operating costs, future investment, dividends, or any business purpose.

A critical exception to the company policy to retain earnings is that 100% of revenue from sale of companies/innovations that Cal-X Stars has invested in will be passed onto shareholders based upon their pro rata ownership in the company.

If a company that Cal-X Stars has invested in files an Initial Public Offering, Cal-X Stars will submit to that company a request to assign its shares to shareholders individually. Cal-X Stars will make every effort possible to encourage assignment but cannot guarantee any such request

will be granted. If such requested are denied, Cal-X Stars will maintain the shares until the Board deems it will be best for the company and for the shareholders to sell the shares. At that time, the shareholders will receive 100% of proceeds from sale.

4. INVESTMENT IN, VALUATION AND OWNERSHIP OF OTHER COMPANIES

Most all of the investments that the Cal-X Stars will make in target companies will be done via a convertible debt note. The debt may be converted to equity upon closing of the first outside professional investor round of financing or when the company has substantial revenues and can be valued by a discount of future earnings and comparable indexes.

4.1. Funding Milestones

Funding to companies/innovations will most likely may occur within the first year but may be spread out over longer time. Companies/innovations will be funded based upon attaining milestones as agreed upon by Cal-X Stars and the company/innovation.

The following is intended to give investors an idea of the milestones that will be likely implemented. The final milestones are subject to change as Cal-X Stars and the companies negotiate funding agreements.

4.2. Life Sciences Milestone

Cardiobridge – The first heart pump catheter developed in Germany by Cardiobridge will file for CE Mark commercial approval 3Q 2013 based on clinical trials conducted over the past 2 years. Clinical studies thus far have demonstrated a 33% improvement in cardiac output, substantially improved renal function and creatinine levels in acute decompensating heart failure patients. Leonhardt Ventures has an conditional agreement for exclusive U.S. distribution rights.

- Gain CE Mark and begin sales in all OUS markets that accept CE Mark approval.
- File 510K pre-market notification in USA for short term use cardiogenic shock and high risk PCI.
- Begin clinical trial in the USA for acute decompensating heart failure.

MyoStim Pacers – First heart pacemaker designed to recruit healing stem cells to heart tissue and to promote proliferation of resident cardiomyocytes and new blood vessel growth. A peripheral model is designed to accelerate healing of wounds such as diabetic foot ulcers and to improve blood flow in limbs. Company holds three issued pioneering patents including the landmark claim of the specific signal for converting pluripotent stem cells to beating heart muscle cells.

- File 510K pre-market notification for MyoStim Peripheral and Wound Healing product in the USA.
- Complete pre-clinical studies for MyoStim Heart Repair Pacemaker.

Bioheart, Inc. In Phase II/III trials stage in U.S. for muscle stem cells for treating advanced heart failure. Believed to be the only cell type able to create new contractile muscle in heart scar tissue. Phase II/III Part I interim results demonstrated 95.7 meters improvement in exercise capacity in Bioheart MyoCell patients over placebo (-4 meters) in a double blind randomized study. This compares to -4 meters for CHF drugs, 16 meters for CRT pacers, 53 meters for cardiac stem cells, 52 meters for adipose derived cells, 10 meters allogeneic bone marrow derived cells. (See Bioheart SEC Filings for risk factors).

- Complete enrollment of final 130 patients in Phase III MIRROR study for MyoCell to prepare to file for FDA BLA panel meeting and commercial approval.
- Complete ANGEL trial enrollment for adipose derived cell program.

BioPace – The world's first biological pacemaker made of living cells.

- Complete pre-clinical studies.
- Complete first-in-man implantation.

BioLeonhardt - The world's first 6 component heart failure treatment therapy combining; micro RNAs, SDF-1, muscle stem cells, iPS or cardiac stem cells, nutrient hydrogel and electrical stimulation.

- Finalize alliance agreements with technology and manufacturing partners.
- File for CIRM grants in California.
- File for grants in Europe through Utrecht University in The Netherlands.
- Complete pre-clinical studies.
- Complete first-in-man case.

Stem Cell Bra – World's first female bra designed to recruit her own stem cells from fat tissue and other sources to breast tissue for augmenting fullness and size without surgery. Utilizes a conductive gelatin bra liner connected to an electrical stimulator the size of a cell phone that produces a homing signal for stem cells in breast tissue via stimulation of SDF-1 protein release.

- Complete pre-clinical studies.
- Prepare for first-in-woman clinical case. Hold pre-IND meeting with FDA.
- Test pre-clinically in combination with BioCell Therapies fat graft and stem cell injection procedure.
- Secure additional patents.

HeartScore – Do you know your Heart Score? The company has developed a single composite score combined with a real time monitoring wrist watch, SecondBeat, to guide people to be in compliance with diet, exercise and treatment regimes for lowering risks. The composite score is made up of genetic tests, blood tests including pioneering ischemia and inflammation panels, as well as an artery scan.

- Launch full line DNA pharmacogenetic tests.
- Achieve \$6,000,000 in annual sales
- Finalize development of HeartScore program working with the SecondBeat infrared endothelial health watch.

AortaCell unit of STEMERGY – A non-invasive abdominal belt with a wireless electrical energy pulse used to treat aortic aneurysms via recruiting and differentiating stem cells into smooth muscle.

- Finish development of prototypes working with Core Manufacturing.
- Complete pre-clinical studies.
- File to begin proof of concept and safety clinical studies
- Secure additional patents.

EndoCell – Endothelial progenitor cells derived from fat tissue injected into coronary arteries via an adventitia delivery catheter for healing purposes.

- Complete pre-clinical studies and prepare for clinical studies.
- Secure additional patents.

CoroStim – Vibrational energy utilized to inhibit plaque formation in high risk coronary arteries.

- Complete pre-clinical studies and prepare for clinical studies.

- **Secure additional patents.**

Stem Cell Pump - The world's first implantable pump with below skin needle port access for delivering controlled dosages of stem cells over time to selected organs including the heart. Being developed with the Core Manufacturing team made up of members that have brought a number of pump products to market leadership in the past.

- **Finish prototype development working with Core Manufacturing.**
- **Complete pre-clinical studies and prepare for clinical studies.**
- **Secure additional patents.**

Procyron Heart Pump - The Procyron device consists of a small, continuous flow pump mounted within a self-expanding anchoring system. The device is advanced through a catheter in the femoral artery to the descending thoracic aorta. The self-expanding anchors deploy to fix the pump to the aortic wall. Following deployment, the catheter is fully removed, leaving only the anchored pump and a small diameter, flexible electrical power wire which may be tunneled to a desired transdermal exit site or to a Transcutaneous Energy Transfer (TET) system for subcutaneous implantation without an indwelling power lead. Compared to traditional LVADs, Procyron replaces a major surgery and a lengthy hospital stay with a minimally invasive outpatient procedure.

- **Complete Pre-Clinical Studies necessary to enter Clinical Trials.**

4.3. Social Impact Enterprises Milestones

The California Stock Exchange - the first conscious capitalism stock exchange that facilitates local investing.

- **Complete application with SEC to become a full fledged stock exchange.**
- **Hire additional management team members.**
- **Develop multiple sources of income while we wait for SEC registration.**
- **Get letters of intent from leading companies that they will list on Cal-X when registered.**
- **Get letters of intent from major funds, foundation and individuals that they will invest in Cal-X listed companies when registration is received.**

Cal-X Crowdfund Connect - leader in California Crowdfunding via California Qualification by Permit - Crowdfunder.com - equity crowdfunding leader - CrowdImpact and CrowdFundX -

- **Launch California Equity Crowdfunding + National 506D General Solicitation combo program for minimum \$15 million financings working with selected registered broker dealer.**
- **Launch alliances with HealthiosXchange, Medstartr and Healthfundr for healthcare related financings.**
- **Launch alliance with HealthSparx for healthcare videos.**
- **Further develop partnerships with Crowdfunder.com and WhenYouWish for small under \$1 million crowdfunding campaigns.**
- **Working with Crowdfunder.com and Cutting Edge Capital develop local investing forums.**
- **Working with Cutting Edge Capital assist firms to complete Direct Public Offerings.**
- **Working with EarlyIQ, Funding Road Map, Crowdfunding Planning and EquityNet help firms prepare for equity crowdfunding.**

- Further develop the Cal-X Microloans program working with ZimpleMoney, Lendio, KIVA, ExIm Bank and Lendit.

Cal-Xelerator - startup launch business accelerator "create to great in 108"

- Launch first full time class of 4 tech startups in "create to great in 108" bootcamp working out of our ROC Santa Monica facility led by local mentors.

Food Trikes & Scooters - mini food trucks combined with complete entrepreneurial support network

- Develop \$10 million in annual sales and \$1 million in net profits.

V-Leonhardt Bus Service - super high end bus service with gourmet food, high speed internet, other services for affluent areas

- Solidify proposed partnership with Virgin.
- Develop service to get people to airports in LA, New York and San Francisco to make Virgin America flights.
- Build prototype bus.
- Develop LA Westside to Downtown service.
- Develop LA to valley service.
- Develop LA to OC service.
- Develop LA to San Diego service.

Kindheart Lionheart Media Co. - inspirational books, movies and music

- Working with Go Go Lucky launch CrowdFund: The American Dream TV show on CNBC.
- Launch Love American Style and Love The California Way online TV programs.
- Publish Dolphin Smiles: The Legend of Kindheart Lionheart interactive book and music.
- Get Dolphin Smiles a movie deal.
- Air first episodes of Lions Den.
- Promote The Kindheart Lionheart Radio Show through syndication. Launch on KTALK LA.
- Grow sales of inspirational books, movies and music online. Grow book club membership.
- Develop inspirational book summaries for sale.
- Grow revenues through association with Ana Free.

Radio Veronica USA, Starfunder.com, KoffeeHouse Music, Local DJ Radio and RightClearing - crowdfunding music publishing rights

- Launch online radio station.
- Launch crowdfunding of publishing rights to songs via phone app and online radio station.
- Promote Right Clearing music licensing made easy.
- Develop working partnership with Koffeehouse Music.

Degreed.com - digital degree granting college credit for online courses

- Launch digital degree program.

EquityNet - business plan analysis software and crowdfunding tools

- Enforce equity crowdfunding portal patents.
- Grow equity crowdfunding business.
- Grow business of business and investor support services.

Chic-CEO - women entrepreneurs network 20,000+ strong and growing

- Grow to 50,000 members.
- Develop sales to > \$2 million.

Stiletto Dash - women's travel company

- By December 31, 2013
 - Subscribers - 7500
 - Monthly Unique Visitors - 25,000
 - Revenue - \$50,000
- By December 31, 2014
 - Subscribers - 70,000
 - Monthly Unique Visitors - 85,000
 - Revenue - \$1.3 Million

Wine Country Baseball - showcase for college players to be signed by MLB scouts

- Sell 4 of our 12 franchises.
- Develop collegiate "Cape Cod League of West" model.

The Task Runners - task services company for professionals

- Develop sales > \$1 million.
- Develop scaling model.

Rootz.com - give back brand marketplace - www.rootz.com

- Grow "Every Purchase Makes a Difference" marketplace sales.

Conscious Box - subscription product sampling box service

- Grow to 20,000 subscribers.
- Grow to > \$1 million in sales.

Cal-Xport - The Alibaba web site for California "go to site to find products from California"

- Finish development of web site.
- Have big presence with booth at the fall Cal Exports meeting in Long Beach.
- Find partner for private export financing program.

Koodooz - Crowdfunding site for under 20's for social good

- Finish launch of crowdfunding portal for kids and schools.

Artists Cafe NYC and Koffeehouse Music - promoters for night time artists showcases at cafes and other interesting locations in Manhattan and Brooklyn

- Launch Artists Cafe NYC nights in New York city and Brooklyn.
- Further develop collaboration with Koffeehouse Music in Los Angeles.

TubeStart

- Complete successful launch with growing revenues.

4.4. Seed Round Valuations

The seed round valuations provided below are based upon VC-focused Wilson Sonsini and angel round-focused Gust - Bill Payne Survey. The angel data is more relevant for seed stage. The median valuation nationwide last year was \$2.75 million for all companies and \$3.2 million for life science companies. The average valuation was \$2.96 million for all companies and \$5.15 million for life science companies. All valuations, with the exception of MyoStim Pacers and The California Stock Exchange, are lower than these standards, making the offerings highly competitive in the financing market with angels and VCs. MyoStim Pacers has three pioneering breakthrough patents issued and has a peer reviewed supporting data publication in *Circulation*, the Journal of the American Heart Association. The California Stock Exchange is poised to be one of only three major stock exchanges in the history of the USA. A number of our earliest stage startups are at \$1 million or below valuation. We have used the following sources for valuations:

- THE ENTREPRENEURS REPORT - Wilson Sonsini Goodrich & Rosati
- Private Company Financing Trends - Wilson Sonsini Goodrich
- Private Company Financing Trends - Wilson Sonsini Goodrich
- 2012 Valuation Survey of Angel Groups - Gust Blog
- 2011 Valuation Survey of North American Angel Groups - Gust
- 10 Rules of Thumb for Startup Investment Valuation - Gust
- Bill Payne - Gust Blog
- Startups Spread Out, Grow Faster And Raise Higher - Forbes
- 2012 Valuation Survey of Angel Groups - Term Sheet - Quora
- termsheet.quora.com/2012-Valuation-Survey-of-Angel-Groups

Estimated Seed Round Valuation of Major Companies and Innovations

The California Stock Exchange	\$10 million
Kindheart Lionheart Media Co.	\$5 million
Wine Country Baseball	\$5 million
MyoStim Pacers	\$5 million
BioLeonhardt	\$5 million
Stem Cell Bra	\$5 million
BioPace	\$4 million
Bioheart, Inc.	\$3 million
Cardiobridge USA	\$3 million
AortaCell	\$3 million
HeartScore	\$2 million
CoroStim	\$2 million
EndoCell	\$2 million
Food Trikes & Scooters	\$2 million
Cal- Xport	\$500,000

5. FINANCIALS

5.1. Forward Looking Statements

This provision is being included in connection with the safe harbor provision of the Private Securities Litigation Reform Act. The Investor Documents contain forward looking statements. Such statements are based upon management's current expectations, beliefs, and assumptions about future events, and are other than statements of historical fact and involve a number of risks and uncertainties. The use in the Investor Documents of words such as "believes," "anticipates," "expects," "intends" and similar expressions are intended to identify forward looking statements, but are not the exclusive means of identifying such statements. In addition to those factors discussed in the Investor Documents, important factors that could cause actual results to differ materially from those in forward looking statements are, among others, the market's acceptance of the Company's services and products, competition and the availability of financing.

5.2. Projections

Cal-X Stars Business Accelerator, Inc. five year financial forecast is attached as Exhibit A.

Many if not most of Cal-X Stars Business Accelerator companies depend on outside partners and suppliers for the production of their products and services.

The healthcare portfolio companies on average require a minimum of \$7 million each to get their products onto the USA market. The Bioheart MyoCell product is approximately 24 months and \$15 million away from being on the U.S. market.

By nature other Cal-X Stars companies require about \$1 million each for proper marketing campaigns to introduce their products.

This offering does not provide for all those needs.

5.3. Ownership

The following table sets forth, assuming consummation of the Offering, certain information with respect to the beneficial ownership of the Company's issued and outstanding capital stock:

Owner	Common Shares
Leonhardt Ventures	51,000,000
Estimate - Rule 506 Offering	41,000,000
Estimate - Permit Offering	1,428,571
Advisors, Mentors	3,821,429
Management Options	2,750,000
Total	100,000,000

6. MANAGEMENT

Howard Leonhardt, Chief Executive Officer, has substantial experience in taking disruptive technologies from concept to market leadership. Mr. Leonhardt was the founder of World Medical Manufacturing Corporation, a company that developed the Talent (Tahieri-Leonhardt) abdominal and thoracic aortic aneurysm (“AAA”) stent graft, which was acquired by Arterial Vascular Engineering, Inc. (“AVE”). AVE was subsequently acquired by Medtronic, Inc. Judd Hollas, Steve Rabago, Bruce Methven, Delilah Panio all bring substantial financial industry experience.

Howard Leonhardt, Founder, Chairman & CEO, brings over 30 years of entrepreneurial experience in having founded over 20 companies. He is an inventor with over 20 patents for fighting cardiovascular and heart diseases. Substantial manufacturing and export experience. Leonhardt serves as state spokesperson for Crowdfunding and co-state leader for StartupCalifornia.org a region of the White House formed Startup America Partnership.

Howard Leonhardt is an inventor and serial entrepreneur. He has 20 U.S. patents for products for treating cardiovascular and heart disease. These include; cardiovascular balloon catheters, stent grafts for aneurysm repair, percutaneous heart valves, heart pacemakers with stem cell recruiting capabilities, electrical stimulation devices for promoting blood flow, electrical stimulation device for converting stem cells to heart muscle, stem cell compositions for heart repair, stem cell delivery systems, biological pacemakers and artificial lung catheter. His TALENT stent graft developed in the early 1990’s holds a leading world market share for repairing aortic aneurysms without surgery. His inventions have treated over 140,000 patients in 60 countries. In early 1999 Leonhardt founded Bioheart, Inc. www.bioheartinc.com a leader in applying adult muscle stem cells to treat heart failure. Bioheart has raised over \$105 million in paid in capital and additionally \$40 million in loans and grants. Bioheart MyoCell is in Phase II/III clinical trials at 33 leading centers in the USA (The MARVEL Study). MARVEL Phase II/IIIa part I results were published in the American Heart Journal October of 2011 and demonstrated Bioheart MyoCell patients improved 95.7 meters in exercise capacity over placebo patients receiving optimal CHF drugs, whom declined minus 4 meters. Leonhardt holds a Diploma in International Trade from Anoka Technical College. He attended the University of Minnesota and Anoka Ramsey Community College. He holds an honorary Doctorate in Biomedical Engineering from the University of Northern California and is an honorary alumnus of the University of Florida and Florida International University where he has served on various boards. He was South Florida Entrepreneur of the Year 2003 and State of Florida Entrepreneur of the Year 2004.

Leonhardt has founded 20 companies to date, most them majority funded by his venture firm Leonhardt Ventures and their associated angel networks. These include; The California Stock Xchange, Kindheart Lionheart Adventures, MyoStim Pacers, Leonhardt Vineyards, Leonhardt’s Launchpads, Kindheart Lionheart Media Co., Leonhardt helps lead Startup California a region of the Startup America Partnership as a spokesperson on the JOBS ACT and Crowdfunding. He founded the public policy institute The Entrepreneurship Party in 2006.

Alex Richardson - Senior Advisor Active Implantable Devices - Founder Core Manufacturing - Senior Advisor Active Implantable Devices. Founder of CORE Manufacturing, has 30 years of experience in high-reliability manufacturing. Richardson has spent the last 14 years supporting several Alfred Mann companies and maintaining successful partnerships with other medical

device entities such as Advanced Bionics, Biotronik, Boston Scientific, GE Medical, Medtronic, St. Jude Medical and other world- class organizations.

Tricia Nordby Hamrin - Board Director and Senior Advisor Brand Marketing
Embrace Your DNA. Define Your Path. Live Love. Leaders fulfilling their ultimate potential – and the ultimate potential of the brands they lead – is the first step in rebuilding American confidence and American opportunity. Tricia has created, reappraised, and expanded the horizon of corporate brands since 1992. She does not have an industry focus or signature style, as every brand’s needs are different. She has partnered with the leaders and mavericks of med-tech, restaurant/hospitality, architecture, consumer technology, health and wellness, and more. Though her clients range from multi-nationals to indie startups, she has always been passionate about entrepreneurship, and now runs an Entrepreneurship Accelerator within her largest company, UPFRONT. Career highlights include:

Ernst & Young Entrepreneur of the Year Finalist
Young Alumna of the Year, University of Wisconsin-Madison
Forty Under 40: 40 People to Watch in Minnesota
Minnesota Fast 50: 50 Fastest Growing Private Companies in Minnesota
STEP Inside Design: Best Idea of the Year
Featured in Communication Arts
Featured in PRINT
Featured in AIGA

Mark Cunningham, M.D. - Mark J. Cunningham, M.D. – Board Director & Senior Advisor Cardiovascular Product(s) Development
Hospitals

USC University Hospital – Chief of Staff, Heart Transplant Surgeon, Keck Heart Center
Huntington Hospital
LAC+USC Medical Center
Childrens Hospital Los Angeles
Methodist Hospital, Arcadia
White Memorial Medical Center

Education

Embry Riddle Aeronautical University, Daytona, FL 1984
The College of William and Mary, Williamsburg, VA 1986
George Washington University, Washington DC 1986
Old Dominion University, Norfolk, VA 1986
University of Miami School of Medicine, Miami, FL, 1992

Residencies

Boston Medical Center, Boston University, Boston, MA
General Surgery 1992-96
Boston Medical Center, Boston University, Boston, MA
General Surgery, Chief Resident 1996-97
Keck School of Medicine at the University of Southern California
Los Angeles, CA
Cardiovascular Surgery 1997-2000

Licensure

Massachusetts 1992-1997
California 1997

Board Certifications

Diplomate, American Board of Surgery
Diplomate, American Board of Thoracic Surgery
Professional Experience
NASA Langley Research Center, Space Directorate
Aerospace Engineer 1982 – 1988

Judd Hollas, Senior Advisor Financing, has over 20 years' experience financing startup companies. Judd Hollas began serving as President of The California Stock Exchange (Cal-X) September of 2012. Mr. Hollas is a founder and chief inventor of the EquityNet business plan analysis and crowdfunding platform software and continues to lead the Company's efforts to create and introduce innovative new products and services. He is responsible for the overall management of the Company, including its strategic direction and fiscal and professional integrity. EquityNet is a key working partner of Cal-X. Prior to founding EquityNet in 2005, Mr. Hollas served as Division Manager for Beta-Rubicon, Inc., a consulting firm specializing in technology assessment and business due diligence services. He conducted extensive research on methods of conventional due diligence, causes of private enterprise failure and methods for risk prediction, marketplace characteristics in the private equity industry, and it was during this time that he developed the business model for EquityNet.

Mr. Hollas has 20 years of experience as an independent technology analyst and investment manager in the private and public domains. He has personally invested in over 30 emerging technology companies in a wide range of industry sectors, including various software sectors, semiconductors, biometrics, networking, wireless communications, and conventional and alternative energy. Mr. Hollas developed and applied proprietary quantitative models, statistical methods, and research approaches that were critical to his investment management performance. He worked previously on process modeling and supply chain automation of complex systems as a process chemical engineer for Phillips Petroleum. Mr. Hollas earned his B.S in Chemical Engineering (with Honors) from the University of Tulsa, Oklahoma, and he is currently pursuing accreditation as a Chartered Financial Analyst with the CFA Institute.

Daniella Chudler, Director of Public Relations, was previously a co-founder of KIS Public Relations, a full service PR agency dedicated to achieving maximum impact and measurable growth for businesses.

KIS PR fostered a concierge-style approach that guarantees high-quality PR services. By maintaining a manageable client roster, KIS PR designs a tailored campaign and delivers zealous representation with keen attention to detail and expert brand knowledge. KIS PR clients receive specialized attention to ensure a collaborative and creative approach to creating an impactful publicity campaign.

Sofia Yepes, Office Manager, has over 10 years' experience managing business offices and serves as CEO of The Task Runners a Cal-X Stars accelerator company.

Sofia is a New York native who got her bachelors at Long Island University, CW Post campus for Electronic Media. All she ever dreamed of was becoming the actress she always knew she could be but also was intrigued by the world of business and entrepreneurship. In 2009, she decided to pack up her bags and head in pursuit of her dreams. After arriving in Los Angeles, she put her New York attitude and hustle in the L.A. mix which led her to the start of The

Taskrunners. The Taskrunners was built on the principal of helping small business owners such as herself to produce more revenue by eliminating the daunting tasks that small business need to run properly but is not necessarily cost efficient for the owner handle.

Sarah Delpizzo – Assistant Office Manager – Co-Owner The Task Runners - Sarah Delpizzo is an East Coast native whom attended Hofstra University where she completed a Bachelors degree in TV/ Film Production and minors in Drama and Dance. After graduating, Sarah worked for various production companies and TV networks in NYC gaining experience and fine tuning her skills behind the camera. After a couple of years in NYC, Sarah realized she needed to travel west to achieve her dreams of success in the acting, film making and the business world. She relocated to Los Angeles three years ago where she started gaining more acting experience and further training. Through her endeavors, she met Sofia Yepes who shared her passion for the arts and business. Sofia had a company called, The Task Runners, which was built on the principal of helping small business owners such as herself to produce more revenue by eliminating the daunting tasks that small businesses need to run properly but is not necessarily cost efficient for the owner to handle. Sofia asked Sarah to become her business partner and owner and together they have grown their company and their clients companies to achieve the success in which they aim.

Stephen Kann, Backup Registered Series 24 and 7 License Holder, Compliance Advisor - Managing Director – He has more than 20 years of experience in corporate finance, buy and sell-side equity research, operations, marketing, consulting and has been a founder, advisor, agent, banker, and investor in dozens of companies over the years. This breadth and depth of experience gives him a uniquely integrated perspective on the issues and challenges — as well as the opportunities — affecting Bridgewater’s investment banking and advisory clients, and the well-coordinated work that needs to be done to address them.

Steve is a recognized expert in microcap stocks. His experience includes more than \$300 million in corporate finance transactions in the microcap/small cap space, including private placements, PIPEs reverse mergers, IPOs and M&A. He is a published author and analyst, and was the co-founder and Editor of BullMarket.com’s Bull Market MicroCap Review, a subscription investment newsletter that provided commentary and analysis on under-followed microcap stocks. Its 90% average return on recommendations made it one of the best-performing such newsletters in the country during the time of its publication in 2003-2004. Steve has provided clients with top tier advisory work and some of his joint-venture partners have included America Online, Metrocall (now USA Mobility), Ralph Edwards Productions (creator of classic TV shows Truth or Consequences and This Is Your Life), and many others.

Steve began his career as a top-producing retail stockbroker before rising through the ranks on the transactional side of the business, which culminated in Managing Director positions at multiple boutique investment banking firms since 2001, as well as nomination to the Board of Directors of the National Investment Banking Association in 2004. Steve holds a B.A. from George Mason University in Virginia, which he attended on a baseball scholarship.

Bonnie Kanner makes strategic alliances that can lead to joint ventures to take a company to the next level. This may include international sales to grow a company, especially if they solve a problem having global appeal.

Brian Hardy is a life-long entrepreneur who started his first design and marketing company at the age of 18 in Fort Lauderdale, Florida. He has founded many businesses over the years including a trade-show exhibit house that created custom exhibits for clients such as the United States Army, M & I Bank, Interactive Toys and many others. From 2005-2008 he owned & operated a full service sign company, creating custom signs for companies like Ben & Jerry's, Pita Pit, and Green Mountain Coffee. In 2008, he founded 4ColorFlyers.com, a fully-automated process allowing clients to track the progress of their print projects. 4 Color Flyers also provides a wide variety of web designs for clients such as Leonhardt Ventures, Cal Stock Exchange, Hayley Bear, and Leonhardt Vineyards. Mr. Hardy has more than 13 years' experience in graphic design, web design, and marketing industry.

Madeleine Clemens, Assistant Office Manager of Cal-X. Madeleine studied at Wagner College in New York City and earned a BA in theatre and speech. She spent summers performing at professional regional theatres in Michigan and Pennsylvania, before moving back to California. She has directed summer theatre camps at her alma mater and been an office assistant for a casting director.

Suzie Baleson - Senior Advisor Women's Capital Markets & Health

Advisor – Downtown Project Vegas

Co-Founder Wellthily, Co. October 2012 – Present (10 months) Las Vegas, NV

Consultant, Alvarez & Marsal Tax and, LLC March 2005 – June 2012 (7 years 4 months)

Associate, Deloitte & Touche Tax Technologies, March 2004 – March 2005 (1 year 1 month)

Jon Merriman, Senior Advisor Investment Banking Services, the California Stock Exchange. Jon is Co-Founder, Co-Chairman of the board and CEO of Merriman Holdings.

As Co-Founder and CEO of Merriman Holdings, Inc (OTCQX: MERR), Jon Merriman is responsible for the overall strategic direction of the firm and focuses on working closely with the firm's clients. He actively advises the firm's fast-growing public companies on complex capital market and financing issues, and works with small cap, growth oriented investors. With more than 25 years of experience in the investment banking and brokerage business, he brings deep experience in corporate turnarounds and growing businesses. His extensive institutional and personal network and his trading experience give him a unique perspective when working with investment banking clients as well as institutional investors.

Prior to forming Merriman Capital, Jon was Managing Director and the head of the Wells Securities (WFS) equity group, formerly First Security Van Kasper (FSVK), and served on FSVK's Board of Directors. As a result of a financing completed by WFS, he was appointed to the Board of Directors of Ratexchange Corporation, a publicly traded telecommunications company. Jon was subsequently appointed Chairman and CEO of Ratexchange, which he restructured into Merriman Curhan Ford, now known as Merriman Capital. Merriman Capital grew from six people and \$1 million in revenues to over 200 employees and \$90 million in revenues. Over the course of his finance career, he has served on more than 10 private and public company boards.

Jon has been a frequent guest on Bloomberg TV as well as CNBC's show "Fast Money," and a regular contributor to financial publications such as The Wall Street Journal, Barron's and The Daily Deal. He is an active collector of emerging artists and served on the boards of the San

Francisco Art Institute and the Santa Monica Art Museum. Jon holds a B.A. from Dartmouth College and is based in the firm's San Francisco office.

Delilah Panio, MBA, was the head of U.S. business development for the Toronto Stock Exchange for many years. She left to start the company Stiletto Dash. With more than 10 years in the North American capital markets, she works with early-stage companies regarding their business and financing strategies. She is particularly passionate about helping other women entrepreneurs build their dream companies. She is a member of Women in LAVA and a chapter leader of the SoCal chapter of 85 Broads, a global women's networking group.

Steve Rabago, Senior Advisor Microloans, has over 25 years' experience building companies and assisting firms to obtain loans.

Steve has started, lead, financed and managed companies and organizations for the past 26 years. He is an exceptional C-level leader, planner, strategic thinker, and manager. He focuses on effective execution, creating liquidity and optimizing shareholder value for owners, investors and privately owned businesses. His career is focused on leading, managing and financing successful and rapidly growing and changing companies.

Steve has completed over 25 engagements in a wide variety of industries including software, software as a service, location technologies, fleet management, oil field services, information services, health care, environmental process manufacturing, food processing, hospitality, oil & gas production, commercial banking, child care services, engineering services, education, technology manufacturing, retail and food services.

His assignments have been as diverse as the industries served: c-level executive assignments, finance, marketing, acquisitions, due diligence, valuation, executive recruiting, equity financing, debt financing, turn around management, purchase through chapter 11 reorganization, strategic planning, debt restructuring, sale of a business, corporate development, and various financial consulting assignments.

He has served on the boards of director of client, portfolio, family, and not-for-profit companies. In 1996 he was publicly elected to the Laguna Beach Unified School District Board of Governors and completed his term in December 2000. And in 2001 successfully he was a key member of the leadership team that successfully passed a community bond campaign that raised \$58 million dollars with 83% approval.

Specialties: Start-ups, high growth company leadership and management, emerging trends, finance, acquisitions, due-diligence, international licensing, software licensing, branding and identity, union negotiations, non-profit leadership, debt-financing, investment analysis

Jude Belanger is the Founder and Producer for BLIP.TV/ Siliconbeach, an original web series highlighting the tech and entertainment industries and the unique innovators in those industries.

Dan Dato – Senior Advisor Startup Mentoring Services & Education

Senior-level executive with 20+ years of international general management, finance, and sales and marketing experience with entrepreneurial technology companies. An excellent communicator with the ability to build, lead and motivate high performance teams. Innovative, flexible and quickly adaptable in fast paced and changing conditions.

Dan is an experienced entrepreneur and veteran senior executive of several venture-backed digital businesses. His passion has always been working with startups. It's something that began as a CPA for Arthur Andersen where he served as an advisor to the earliest internet companies, including Auto-by-Tel and Yahoo's first ad sales agency, and participated in several M&A and IPO deals. His expertise in digital business has taken him around the globe, living in China & Europe, and includes leading The Motley Fool's European operations (internet content, community & advertising) and founding a digital marketing strategy firm. Since returning to the US in 2004, Dan has developed products and built sales & marketing teams with TouchCommerce (SaaS e commerce chat/IM) and Evryx Technologies (mobile search & marketing), while also serving as an advisor & mentor to several early-stage companies in the areas of product development, strategy & fund raising in a variety of industries such as publishing, education, internet infrastructure and mobile. Dan has helped his companies raise more than \$50 million in venture & corporate financing. Currently Co-Founder Cross Campus Santa Monica a startup community center.

Specialties: Key skills include building & mentoring startups, creating & managing efficient growth, establishing marketing/brand leadership, and building profitable customer relationships across multiple communication and commerce channels, including all digital channels.

Alan Remen, Senior Advisor Operations, is a serial entrepreneur and C-level manager from the aerospace, agriculture, telecom, datacom, engineering services, industrial instrumentation and med-tech/stem cell related industries.

Alan has been CEO of MyoStim, Inc. MyoStim Inc. is a medical device company with products beneficial to the cardiac rhythm management (CRM), limb salvage "peripheral artery disease (PAD), and cell culture markets. MyoStim products are designed with the participation of leading scientists in cardiology. MyoStim is focused on 'Delivering Heart Muscle Regeneration' and Blood Flow stimulation products producing arteriogenesis results, by utilizing its innovative and patented electro-stimulation technologies.

He has also been Managing Director of Airspeed Equity LLC. Airspeed Equity is a private investment, entrepreneurial capital, management firm and leading edge, multi-project business development enterprise that creates and supports new technology companies. Airspeed was formed by business executives with decades of operating experience who have ushered multiple companies from formation to exit. We believe small companies can grow into larger, more profitable enterprises with the proper support. Through a combination of capital, operational and strategic resources mixed in with persistence and resourcefulness, Airspeed provides entrepreneurs and investors with the best opportunity to achieve their goals. Among the unique assets we bring to companies are a breadth of contacts, industry support and direct operational experience, and a strong commitment to closing a transaction on the agreed-upon terms – uncommon in similar sized funds. Most importantly, we operate with three underlying fundamental principles: honesty, integrity, and open, direct communication.

Alan has been Entrepreneur-in-Residence from June 2010 to the present. CONNECT's prestigious Entrepreneurs-in-Residence (EIR) program offers one-on-one coaching by successful CEOs who have hands-on experience as a founder, raising capital, building a company through a significant growth phase and piloting an exit. EIRs are volunteers who provide coaching and expert input to CONNECT's Flagship Springboard - which is a business creation and development program. Innovators at all stages from lab to global bridges receive hands-on mentoring by successful CEOs, CFOs and CMOs from the Entrepreneurs-in-Residence.

He was been Chapter President of Private Capital Network from September 2010 – January 2012. Private Capital Network (PCN) is Southern California’s fastest growing angel investor association. With offices in Santa Ana, San Diego, Washington DC, and Stockholm, PCN is comprised of past and current business leaders who are SEC Accredited Investors. We invest in early stage companies with a proven product, existing customers, and need capital to fund expansion.

Alan was Chief Operating Officer of SABIA, Inc. from June 2006 – December 2009 (3 years 7 months). SABIA Inc. provides industrial instrument for the mining, cement production and power industries.

Mina Vallabh is an accountant, bookkeeper, tax consultant and business-entity specialist who focuses on small and medium-size businesses that are not properly structured and are paying unnecessary taxes.

Steve Beauregard is a serial entrepreneur who provides strategic leadership and technical direction to startups and companies experiencing break-out growth. Steve installs scalable business processes and budget-appropriate technologies.

In 1994, Steve left DEC’s LA consulting practice to form REGARD. In two years Steve grew the company to 25 employees and established consulting partnerships with Microsoft, IBM Lotus Notes & RIM.

After the Y2K craze, REGARD expanded into a high-end boutique Internet strategy firm to compete with Razorfish, March-First and the like. REGARD quickly added clients TRW, VPA (bought by Fidelity), DIRECTV and John Deere, with its mobility division landing Sony Pictures, Universal Studios, Wells Fargo Bank, Countrywide, Hughes, LIONSGATE, Creative Artists Agency and myriad state and federal government agencies.

In 2003, REGARD opened its subsidiary REGARD Solutions Pvt. Ltd in Nagpur, India and established a nationwide reputation with RIM, Microsoft, AT&T, Sprint/NEXTEL, and Verizon for highly reliable, top-tier mobile and eCommerce software experts who build scalable, enterprise grade solutions.

Steve formed software incubator REGARD Ventures in 2007 to help early-stage entrepreneurs build their companies for success.

Steve has been COO of a publicly traded eCommerce company, conducted due diligence many times, and made countless angel investments in startups. He has acted as an outside business process and technology strategist to countless “C-Level” executives of Fortune 500 and SMB businesses. Steve was featured in Entrepreneur Magazine (9/07), is often quoted in trade magazines, and speaks at Southern California universities and tradeshow on entrepreneurship.

Steve’s specialties include flash sales, eCommerce, logistics, product sourcing, mobile solutions, social media, digital marketing, startup strategies, software incubators, solution architecture, financial modeling, executive-carrier-relationship development, major account development and penetration, business development and channel development, large-scale international project

management, and commercial software product development. He has Fortune 500 CIO-level experience and public company COO experience.

Bruce E. Methven, outside Senior Legal Advisor, has over 30 years' experience with securities law in the State of California. He is an authority on, among other securities-law areas, the California Qualification by Permit process (equity crowdfunding).

Bruce is the principal of Methven & Associates, was graduated from Boalt Hall School of Law (U.C. Berkeley) in 1980, where he was an associate editor of the law review. He has practiced law in the San Francisco Bay Area ever since. He obtained his A.B. in Philosophy from University of California, Berkeley in 1974 (Phi Beta Kappa) after spending his first two undergraduate years at the Massachusetts Institute of Technology.

He has been an arbitrator with the American Arbitration Association since 1989. Mr. Methven writes an ongoing blog regarding securities law that can be viewed at <http://thecaliforniasecuritiesattorneys.com/>

Articles include the proposed advertised Rule 506 offerings and crowd-funding offerings under the JOBS Act, the new California fund manager/investment-advisor regulations, and investor liquidity in funds.

**Jeff Donofrio - Executive Vice President of Cardiovascular Corporate Development
Executive Vice President – HeartScore, MyoStim Pacers and Cardiobridge USA**

Jeff Donofrio has 25 years of Medical Sales and Sales management experience and has served as a senior consultant for several CardioVascular companies. These include WL Gore & Associates, Edwards Lifesciences and Cardiac Assist, Inc. Jeff was the co-founder of Big Sky Medical Inc. which was built and successfully sold for a nice profit to a larger company. He has experience in building both direct sales forces as well as distribution networks.

Tom Newman - Executive Vice President of Sales Cardiovascular- Executive Vice President Heart Score, MyoStim Pacers and Cardiobridge USA. Tom has over twenty years of sales and sales management expertise working with well known companies such as Johnson & Johnson, Pfizer, and Biomet. Tom has built two medical distribution companies and also has served as a business development leader for two small startup companies.

Thad Leingang – Senior Advisor Venture Documentation & Business Development

Thad Leingang is a 25 year Silicon Valley sales executive. He spearheads our sales and business development efforts in Silicon Valley, banging down the door of every seed accelerator, early-stage venture capital fund, angel investor group, co-working space and startup lawyer. Thad is also the co-founder of The Startup Conference in Mountain View, California, a forum dedicated to helping entrepreneurs launch their startups. Thad is a graduate of Purdue University with a B.S. in Electrical Engineering and Computer Science.

**Matt Fendrich - East Coast USA Sales Manager Cardiovascular
Formerly VP of Sales at Bioheart, Inc., PDSHeart, PSS World Medical**

Dave Harvilicz – Board Director – Senior Advisor Crowdfunding & Conscious Capitalism Experience

When You Wish, General Assembly, Open Throttle Ventures, Leonhardt Ventures, The Motley Fool, Loyola Law School, Animal Wellness Centers, LECG, Corilant Financial Management LLC

Education

NYU School of Law

Dave Harvilicz was an insider on Wall Street and Silicon Valley before co-founding When You Wish, a crowdsourcing ecosystem dedicated to furthering the democratic financial and information revolution. His experience as a corporate lawyer, international consultant and startup entrepreneur has given him unique perspective on law, business and markets.

Dave was born in Baltimore, Maryland, and speaks Russian, German and Portuguese. He graduated with honors from William & Mary and NYU Law School and has been licensed as a Series 65 registered investment advisor. His sister, Dr. Annie Harvilicz, is a world-renowned veterinarian in Los Angeles. Dave lives in Santa Monica.

Since its inception in March 2011, When You Wish, or “WUW” as its called in-house, has developed into a crowdsourcing ecosystem with various business groups. When You Wish’s lead investor is John Mackey the Founder of Whole Foods and the Conscious Capitalism Society. At its heart are the pure-play b2c crowdfunding platforms. WUW’s crowdfunding mission is to radically revolutionize the way human aspiration and creativity is funded. Whether those aspirations are creative, economic, or humanitarian, we champion bringing the power of capital to all people. WUW’s other business units include FirstLook venture fund, CrowdGames gaming group, PageGrove digital agency, and a crowdsource business consulting arm.

Andrew Romans -Registered Broker Dealer – Advisor

Andrew Romans is a Managing Director of Windfall Capital, focused on direct secondary investments, the Co-Chairman of Georgetown Alumni Angels focused on seed investments and a General Partner at The Founders Club focused on equity exchange funds. He serves as an advisor to The California Stock Xchange, The Cal-X Funders Club and the Cal-X business accelerators.

He focuses on 1) liquidity and primary investments into later stage technology companies typically with \$25m+ revenues or \$100m+ enterprise valuations, 2) angel investments into early stage technology companies and 3) equity exchange funds for venture backed entrepreneurs. Georgetown Alumni Angels is an early stage angel investing group comprised of angel investors globally associated with Georgetown University as well as other angel investors unaffiliated with the university. The Group invests in companies primarily located in the US and Europe with or without any affiliation to the university. We are seeking new angels to join our investment group. Windfall Capital makes direct secondary investments buying equity from founders, early employees and investors of later stage technology companies. In addition to these cash liquidity investments Windfall Capital also co-invests with VCs in primary investment rounds capitalizing later stage companies.

Andrew Romans is the author of a book being published July 2013 (McGraw Hill) – The Entrepreneurial Bible to Venture Capital, Inside Secrets from the Leaders in the Startup Game. Romans was previously a Managing Partner at Georgetown Venture Partners and the founder & President of a \$50m VoIP company. Securities offered through RainMaker Securities, LLC,

broker / dealer member FINRA/SIPC.

Dan Marino – Senior Advisor Leadership

Experience

Analyst – CBS Sports – Every Sunday Football Season
Co-Host HBO's Inside the NFL
THE NFL TODAY
Pro-Football Hall of Fame.

A first-round draft pick by the Miami Dolphins in 1983, Marino became an instant NFL sensation, setting the standard for quarterback excellence. He became the only rookie quarterback ever to start in the Pro Bowl (1983) and was named the NFL's Most Valuable Player in his second season (1984). The nine-time Pro Bowler (1983-1987, 1991-1992, 1994-1995) played in 18 playoff games and led the Dolphins to the Super Bowl in 1985 against San Francisco. He won the Dolphins' MVP Award 12 times, and the team has since named the award after him. In the 1984 season alone, he completed an incredible 48 touchdown passes and had the most prolific season by a passer in NFL history, with 5,084 yards.

Upon retirement, Dan held 25 NFL regular-season quarterback records and was tied for five others. He also quarterbacked Miami for 17 years, positioning the Dolphins as perennial championship contenders throughout his career. One of three players ever to do so, he twice won the Dolphins' Community Service Award (1996 and 1998), and was named the NFL Man of the Year in 1998. Dan was inducted into the Pro Football Hall of Fame in August 2005. In 2010, he was ranked #25 on the NFL's Top 100 Greatest Players list.

Dan attended the University of Pittsburgh, where he played football and earned a degree in communications. In 2008, he received an honorary doctorate degree in broadcast journalism from his alma mater. For all of his achievements on the field, he may best be remembered for his philanthropic work. Dan and Claire Marino established the Dan Marino Foundation in 1992, sharing their son's story, and becoming one of the first families to advocate for children with autism. The Foundation has raised more than \$33 million funding the Miami Children's Hospital Dan Marino Center, which serves more than 20,000 children annually, as well as the Marino Autism Research Institute and the Marino Vocational College, set to open in the fall of 2013. Born Sept. 15, 1961, in Pittsburgh, Marino now lives in South Florida with his wife and their six children.

Early Life

Dan Marino was the oldest child of Daniel and Veronica Marino, and had two younger sisters, Cindi and Debbie. The family lived in the Oakland neighborhood of Pittsburgh where his father supported the family by delivering newspapers for the Pittsburgh Post-Gazette and other odd jobs. The Pittsburgh Steelers began to emerge as a powerhouse in the NFL during the 1970s, and Dan soon became one of their biggest fans. His love for pick-up football games in the neighborhood, soon grew into a standout career as Quarterback at Pittsburgh's Central Catholic High School. From there he became Quarterback of the Pittsburgh Panthers at the University of Pittsburgh. He won so many awards and set so many records, that the university retired his jersey number in 1982.

Professional Career

The Miami Dolphins selected Dan Marino as their number one pick (27th overall) in the NFL draft. In his first year with the Dolphins, Dan threw 20 touchdowns, lead the Dolphins to the playoffs, started in the Pro Bowl and won league Rookie of the Year. As the years went by, Dan Marino continued to play well as the Miami Dolphins quarterback, named to the Pro Bowl nine times, becoming the first quarterback to pass for 60,000 career yards, and amassing a record career 420 touchdown passes.

Since retiring from football, Dan Marino has appeared on the covers of Sports Illustrated, Inside Sports and GQ. He and his wife Claire devote a lot of time to their charity, The Dan Marino Foundation, which raises money for children with chronic illnesses and developmental disabilities. They balance all of this work with the joys of raising 6 children – 3 sons and 3 daughters. Beginning in the fall of 2006, Dan Marino will be one of the in-studio hosts of CBS's The NFL Today.

Jeremy Koff - Vice President Strategic Alliances and Accelerator Development

Experience

Alfred Mann Companies

Advanced Bionics

MiniMed

Career Highlights

Wrote original business plan for Advanced Bionics which was used to raise millions. The Company, sold for over \$2 billion, is now a Boston Scientific Organization

Built and ran Advanced Bionics UK

Responsible for Asia Pacific and South America operations, for MiniMed, now a Medtronic Company

John Paglia – Senior Advisor Private Capital Markets

Dr. Paglia, a former Julian Virtue and Denney Professorship recipient, is an associate professor of finance at the Graziadio School of Business and Management at Pepperdine University and directs the Pepperdine Private Capital Markets Project. He has a dozen years of university teaching experience in finance, has performed business valuations for privately-held companies, and has testified on economic damage and valuation matters.

Since 2007, his work on the Pepperdine Private Capital Markets Project — the first simultaneous, comprehensive, and on-going investigation of the major private capital market segments — which includes cost of capital studies, economic forecasts, and a new monthly private capital access (PCA) index, has resulted in over 30,000 report downloads in more than 75 countries and has earned him the 2011 “George Award,” which is given to the one faculty member who best leverages connections with the business community to make a difference in the classroom. He was also awarded the inaugural “Tom Hopkins Award for Excellence in M&A” in 2011 by the Association for Corporate Growth (ACG) and the “Third Annual Middle Market Thought Leader Award” in 2012 by Grant Thornton and The Alliance for Mergers & Acquisitions Advisors (AM&AA) for his groundbreaking research on the private capital markets. He is a frequent speaker on the topics of privately-held company cost of capital, valuation, access to capital, and financing and deal trends at valuation and M&A conferences pertaining to small businesses and middle market companies. In addition to authoring eight Pepperdine Private Capital Markets Project reports, his other research addresses financial contracting characteristics, discounts for lack of marketability (liquidity), the private cost of capital model, and financing choices for privately-held companies. His work has been published in a number of journals including Journal of Entrepreneurial Finance, Journal of Business Valuation and Economic Loss

Analysis, Business Valuation Review, The Value Examiner, Journal of Wealth Management, The RMA Journal, Graziadio Business Review, and others.

Dr. Paglia's research has been covered in The Wall Street Journal, CNBC, USA Today, Businessweek, TIME, Bloomberg, Reuters, Inc., Forbes, Entrepreneur, MSNBC, ABC News, Huffington Post, Crains New York, The Los Angeles Times, and The New York Times, among others. Dr. Paglia holds a Ph.D. In finance, an MBA, a B.S. in finance, and is a Certified Public Accountant (CPA) and Chartered Financial Analyst (CFA) Charterholder.

Bonnie Kanner - Director Social Impact Sales

Founder of Chosen For Change and Long Standing Producer of Inspirational Films

Eli Davidson – Senior Advisor Women Entrepreneurship Mentoring

Heralded as “The Quantum Leap Catalyst” Eli Davidson has x-ray vision for seeing business opportunities and creatively converting them into bottom line profits. Eli delivers a proven system for turbo charging small business owners into explosive growth. With only 30 minutes on stage in front of 110 people, with no sales pitching, Eli had a \$130,000 day.

The consistent results of Davidson's trademarked business growth system landed as the cover story for Kiplinger's Money Magazine. Her programs were hailed as “the best way to invest”. Using the media blueprint she teaches landed Davidson on numerous TV shows. 7 million people saw her Today Show appearance. As a regular contributor Eli has appeared on CNN in 168 nations, Dr. Phil's Decision House and featured on ABC, NBC, CBS and FOX. Her system also generated appearances in The New York Times, SELF Magazine, Better Homes and Gardens. Davidson is a featured columnist with The Huffington Post reaching 21 million readers. Eli Davidson is the author of Funky to Fabulous, an international best seller. And winner of three prestigious book awards, including Motivational Book of the Year. Eli will be speaking at this year's California Women's Conference, along with Les Brown, Brendon Burchard and Dr. John Grey.

Eli's recent television and radio appearances include: CNN; The Today Show; Good Morning Finland; NBC Dallas; The Dr. Phil Decision House; “Joan Knows Best”; “News In The Mornin”; KTBC Fox News, Austin Texas; “Firstcast” KXAN NBC TV; The Dr. Sidman Show Krla Los Angeles, California; The Dr. Andrew Jacobs Sports Psychology Hour; 810 WHB, Kansas City. Eli received her Master of Spiritual Psychology degree from The University of Santa Monica. She graduated with the Honor of Student of the Year.

Dara Albright – Senior Advisor Capital Markets

Dara Albright is a thought provoker and frequent speaker on topics relating to market structure, private secondary transactions, the JOBS Act and crowdfunding. She is the founder of NowStreet, a financial media, events and advisory company on the forefront of financial innovation. NowStreet is known for its acclaimed events that introduce neoteric asset classes to Wall Street and feature some of the most prominent figures in the financial industry as well as the legislature. Prior to founding NowStreet, Dara has held a distinguished 20 year career in investment banking, investor relations and institutional sales. She has organized and managed hundreds of road shows and conferences for Wall Street's elite. She has worked closely with a number of institutional and accredited investors providing investment and trading strategies as well as restricted transaction services.

Dara has helped raise financing for companies across the globe in a variety of industries at various phases and rollouts. Her work has included extensive IPO road show execution and counseling newly public companies in the after-market. Prior firms she worked for include: Unterberg Towbin, Morgan Stanley Dean Witter, Divine Capital and Citigate Dewe Rogerson. Dara is a co-founder of the Crowdfund Intermediary Regulatory Advocates (CFIRA) & the Crowdfunding Professional Association (CfPA). She is a proud board member of SparkMarket, the nation's first bona fide crowdfunding portal allowing unaccredited investors to legally crowdfund via intrastate exemption. She is a graduate of the George Washington University and holds securities industry Series 7, 24, and 63 licenses.

David Drake - Chief Advisor Capital Markets

David Drake is the founder and chairman of LDJ Capital in New York City and has been involved in technology media and telecom (TMT), realty, energy, clean tech and impact investments for over 20 years. Mr. Drake is also the founder of The Soho Loft Capital Creation Series covering the Private Company Marketplace and the co-founder of Crowd Funding Intermediary Regulatory Advocates (CFIRA).

Mr. Drake's proclivity for energy, efficiency and impact investments interweaves directly with the TMT investment strategies, family office clients of LDJ Capital, and the Private Company Marketplace. His network extends across all continents and allows access to financing in the Private Company Marketplace from hedge funds, high net-worth investors, sovereign wealth funds, private equity firms, family offices to institutional pension funds to fund of funds. This geographical capital market access is in, but not limited to, US markets and London with exceptional relationships and focus on regular road-shows to Amsterdam, Abu Dhabi, Dubai, Bahrain, Zurich, Geneva, Frankfurt, Hamburg and Hong Kong. LDJ Capital is headquartered in New York, with partner offices in Zurich, Stockholm, London, Abu Dhabi and Singapore. Mr. Drake is the co-founder and an Executive Committee board member at the Crowd Funding Professional Association (myCFPA.org) – a national and global trade association with the leading global crowd funding platforms as members. He is also a founding board member of the CFIRA, the leadership group heading up US crowd funding for equity developments. The emerging crowd funding phenomena is the largest new financial instrument SMEs and start ups have ever seen. Mr. Drake was involved lobbying Senators and Congressmen for The JOBS Act which Obama signed into law April 5, 2012. The Securities and Exchange Commission is now working with CFIRA.org to identify best practices in the Crowd Funding industry.

For charity, Mr. Drake hosted the Harvard Club and Boston Symphony performances at his home and sat on the advisory board of Best Buddies Charity for autistic kids. Mr. Drake has been behind raising money for charities through his participation in producing the Carnegie Hall concert series.

Mr. Drake speaks six languages and holds Bachelor's Degrees in both Chemistry and Marketing from the American University in Washington, D.C. He has an MBA in Finance and an MA in International Law and Economics from George Washington University where he was awarded the Wallenberg Scholarship for academic merit.

Richard Anderson – Senior Advisor Share Enterprise Platforms

Richard Andersen is an experienced Silicon Valley software entrepreneur who has spent the past 20 years bringing innovative business software, ecommerce, and financial services solutions to market. His areas of expertise include product management, sales & marketing, business

development, team building, global expansion, information technology, and operational efficiency.

Richard began his career at Apple where he developed a lifelong passion for innovation excellence. Early recognition for “intrapreneurship” at Apple encouraged him to pursue technology management roles at companies including Portfolio Software, Ernst & Young Consulting (clients included Netscape, Novellus, Nextel and Infoseek), MarketFirst Software, and eBay.

He founded and leads ShareVault where an energized team of professionals are steadfastly blending elements from the enterprise collaboration, productivity, and security spaces into an entirely new enterprise platform for connecting and sharing. Richard also serves on the board of Elara Bioscience, a firm dedicated to streamlining the toxicology research and regulatory compliance processes for life science companies. He has earned a BA from Whitworth University and an MBA from the University of California, Berkeley.

Leonard Lanzi - Senior Advisor Venture Capital Fund Raising Experience

President of Los Angeles Venture Association.
Executive Director of Los Angeles Venture Capital Association
Greater Los Angeles Area Venture Capital & Private Equity
Rotarians For Fighting AIDS
Republican Party of Los Angeles County, California Log Cabin Republicans, JA of Southern California

Education

Pepperdine University
The George L. Graziadio School of Business and Management

Frank Marino – Chief Advisor The California Stock Exchange and Registered Broker Dealer Relations

Frank has been closely involved in various capacities with innumerable high-growth start-up companies across a broad range of industries, largely focused on technology. He has extensive experience in sourcing capital for both private and public companies, with a focus on relationships with European institutional investors that invest in U.S. companies. He was President and cofounder of i-Bankers Securities, Inc., which managed dozens of IPOs, as well as many dozens of additional private placements, PIPEs, in which hundreds of millions of dollars in capital was raised from investors worldwide.

Since 1996, Frank has acted as Chief Investment Officer for Namaste, Ltd., a private investment company focused on principal investments in companies with a positive social impact. He is head of Investment Banking and CCO of Marv Capital, Inc., which he founded in 2002 as Marino Capital Partners, Inc., a boutique investment bank focused on corporate finance transactions and RTO financings. Marv is now based in NYC and acts as an agent and principal in institutional corporate bond trading. He has been licensed with FINRA since 1987, where he began his career as a Financial Planner for IDS American Express, and holds his Series 7, 24, 79, and 63 securities licenses.

Frank graduated with honors from the University of Southern California’s Entrepreneur Business School Program and holds a bachelor of arts degree in Communications from the same

University. He also obtained a CIB from Thunderbird, The American Graduate School of International Business, and graduated with honors from the European Studies program at Franklin College in Switzerland, with a focus on and Italian language and history. Prior to USC, he attended the Menlo College School of Business where he attained his AA, and grew up in Newport Beach, California, where he resides and has four beautiful children.

Stephen M. Meade – Senior Advisor Cause Based Marketing

STEPHEN MEADE is an American entrepreneur, executive and strategic investor who is passionate about growing companies that make a difference in the world. He has the ability to catapult an idea from pure concept to the creation of a functioning business. In the past 20 years, he has created, incubated and architected nine successful technology-based companies. Most ideas are impactful and timely, like VirtualSellers, started in 1996, others revolutionary, like Cenoplex, or more serious, such as MyBlueEarth.org. Companies range from software, e-commerce, entertainment and fashion.

Currently, Mr. Meade serves as chairman/resident rainmaker at BigBamboo LLC, a holding company which incubates start-up companies and ideas and moves them to market. After building human capital, he then raises the financial capital necessary to help bring the idea to market. In essence, he is a company. He currently guides the future of companies including MyBlueEarth.org, Inc. RONAStar, ComCom, OrionNation, and others.

Prior to venturing into entrepreneurial world, Mr. Meade was a regional vice president with Travelers Group, a fortune 500 financial services company. Mr. Meade is also a seasoned business leader who frequently speaks at executive leadership conferences such as CGI (Clinton Global Initiative), Founder Institute, Opportunity Green, and more. He welcomes the opportunity to speak and areas of expertise include networking, team/management/advisory board building, start-ups and leadership.

He is the author of three books in the field of finance/credit improvement and business networking, a guest lecturer at universities including MIT, Harvard, Northwestern, PKI, UMKC, USC, UCLA, and more, and serves as an advisor to numerous companies/organizations. His “Isolation Is A Good Thing” seminar trains executives how to isolate exactly what/who they need to be successful.

Specialties: Networking, Business Development, Transaction processing, transaction systems, closed loop payment systems, economic models, order completion systems, and psychological intricacies of e-commerce

Scott Jordan - Senior Advisor Life Science Financing and President HealthiosXchange
Healthios – Consultant, S. Jordan Associates, 2010 – Present (3 years) Greater Chicago Area
Manage biopharmaceutical M&A, private placement, business development/licensing, and strategic advisory engagements for Healthios, a life sciences investment bank. Draft documents (management presentations, offering memorandums), prepare financial models, lead client interactions/marketing, conduct due diligence, and structure and negotiate transactions.
Healthios and SJA launching HealthiosXchange (H/X), the premier healthcare Crowdfunding Portal including Equity/Reg D (Crowd Finance, Ex.PR.E.S.S.) Venture Philanthropy (Foundation Place), and OTC.BB/Direct listing/At the Market (InMarket) Crowdfunding Portals Bringing institutional and Accredited investors together with 50,000 emerging growth healthcare companies, inspiring new investment and financing alternatives in a dynamic, real-time and transparent transaction environment.

Crowd Finance Portal – Online platform for early-stage, non venture-backed healthcare companies to raise capital from Accredited investors via Special Purpose Vehicles (SPV’s) allowing investors to diversify investments across a broad range of companies/therapeutic sectors (lower investment thresholds).

Ex.PR.E.S.S Portal. – “Fee Free”, “Carry Free” co-investments alongside top-tier institutional investors and the most important strategic buyers

Foundation Place – Partnering with prominent mission-based organizations to advance the success of the most vital human priorities

Liquid iT – A secondary transaction environment committed to generating liquidity for investors by making markets in a range of asset classes

InMarket – Harnessing the public markets to inspire transformational growth strategies via OTC.BB, Reverse Mergers, “At the Market,” and Syndicated Direct financing platforms.

NeoPharm – Developed strong relationships with Japanese Biopharma companies including Nippon Kayaku, Taiho, Sumitomo Corporation, Daiichi Sankyo, Eisai, Chugai

Biopharmaceuticals, Kissei, Kyowa Hakko-Kirin, and Astellas Pharma. Signed a licensing agreement with Nippon Kayaku, a leading Japanese pharmaceutical company with over \$1.2 billion in revenues for the rights to IL13-PE38QQR (Glioblastoma Multiforme) on December 28, 2004. NeoPharm received a \$3 million upfront payment with potential milestones of \$25 million. Negotiated a research/material transfer agreement with Wyeth-Ayerst resulting in a multi-million offer to license NeoPharm’s Phase I antisense compound, LERafAON, in 2002

Signed marketing/distribution rights to NeoPharm’s proprietary cardiolipin based transfection agents, NeoPhectin and NeoPhectin (AT), with Nippon Genetics, Inc. and Avanti Polar Lipids Assisted NeoPharm CEO with secondary offering of 4.3 million shares at \$18.25 per share, underwritten by UBS Warburg and priced on 1/21/04 (raised \$74 million in net proceeds)

Akorn Ophthalmics – Built and managed a national sales team and new product launches (Viscoelastic, Dry Eye Test)

Specialties: Corporate Finance – Capital formation through retail and institutional investors: Venture Capital, broker/dealers, Angels, family offices, accredited investors, Crowdfunding Investment Vehicles: Private placements/Reg D offerings, Direct Listings, PIPES and Equity Crowdfunding – method of raising capital in small amounts from a large group of people using the Internet. Business Development: Licensing/Partnerships, Joint Ventures

Alon Goren – Senior Advisor Crowdfunding Platforms

Alon Goren is the CEO and Co-founder of InvestedIn – a leading technology startup that specializes in social fundraising and Crowdfunding platforms.

Frustrated by the many standardized fundraising platforms available, which have limited branding options and performance capabilities in addition to high costs and time-consuming procedures, Alon started InvestedIn to offer fundraisers a customizable, quick and affordable platform to use. Prior to founding InvestedIn, Alon worked for such innovative entertainment tech giants as IMDB and MySpace where he managed product development, testing and performance.

Utilizing a completely customizable interface, InvestedIn’s platforms are designed with functionality and performance in mind. InvestedIn’s secure and encrypted platforms provide full-service features including fully branded and customizable sign-up and fundraising pages, self-

serve control panel, robust administration control, social media and affiliate tracking, multi-language and multi-country accessibility, and smart phone apps to monitor campaign progress.

An active member of Los Angeles' start-up community, Alon has spoken at various conferences and meetings in the Los Angeles area and beyond.

Greg Wendt – Chief Advisor Social Impact Investing – Social Capital Markets –
As a veteran wealth advisor, economist and Certified Financial Planner, Greg is considered a thought leader in his field of sustainable and responsible investing and green business. Since 1991 Greg has advised clients who want to align their wealth through investments that reflect their priorities and concerns for a better world. Greg built his expertise while working with major Wall Street firms such as Smith Barney, UBS Paine Webber and Prudential Securities. Greg heads the Santa Monica office for StakeHolders Capital.

Greg is founder of two non-profit organizations, Green Business Networking; a non-profit business community of over 4,500 business owners and professionals committed to greening the economy for Greater Los Angeles, and Green Economy Think Tank which convenes sustainability leaders in cities around the country to evolve actions and solutions for the green economy.

Greg frequently writes articles, speaks at conferences and local events. He is often profiled or quoted in the media including appearances on “Living with Ed” television show with Ed Begley on Home and Garden Television, Air America Radio, KNX News Radio, Business Ethics Magazine, LA Times, Financial Planning Magazine, Yogi Times Magazine, Whole Life Times, Whole Person Calendar.

Greg is a member of the California Financial Opportunities Roundtable, a select group of experts convened by the Federal Reserve Bank of San Francisco and the USDA Economic Development to address the financial needs of communities in California. As a strategic advisor, he's helped a number of start-ups with strategic business planning, market development and partnerships. Greg holds the Certified Financial Planner – CFP designation.

Jeff Klein – Senior Advisor Conscious Capitalism

As CEO of Working for Good, Jeff Klein activates, produces and facilitates mission-based, Stakeholder Engagement Marketing™ campaigns and Conscious Culture development programs. Jeff is a trustee and member of the executive team of Conscious Capitalism, Inc. and producer of Conscious Capitalism events. He authored the award-winning book, Working for Good: Making a Difference While Making a Living and the newly released book, It's Just Good Business: The Emergence of Conscious Capitalism & the Practice of Working for Good. Jeff also serves as Executive Director of BeingHuman.org and producer of Being Human events. He love surfing, Brazilian Jiu-Jitsu, ChiRunning and moving in general. He is an actively engaged father of a teenage daughter, and lives in San Rafael, Calif.

Joel Hirsch - President of CORE Manufacturing, has over 30 years of experience in medical & electronics arenas.

William Abraham, M.D. – Chairman Scientific Advisory Board

Experience and Academic Positions

Professor of Medicine, Division of Cardiovascular Medicine, The Ohio State University, 2002

Adjunct Professor of Physiology and Cell Biology, The Ohio State University, 2002

Chair of Excellence in Cardiovascular Medicine, The Ohio State University, 2009

Director, Division of Cardiovascular Medicine, The Ohio State University, 2002

Deputy Director, Dorothy M. Davis Heart and Lung Research Institute, 2005

Visiting Professor of Cardiovascular Medicine, Sri Ramachandra University, 2009

Co-Director, St. Elizabeth Medical Center Heart Failure Program, Edgewood, Kentucky, 2007

Education and Training

University of Pittsburgh, Pittsburgh, Pennsylvania

B.A. Magna Cum Laude with Departmental Honors in Philosophy received April 21, 1982

Harvard Medical School, Boston, Massachusetts

M.D. received June 5, 1986

University of Colorado Health Sciences Center, Denver, Colorado

Intern in Medicine, 1986-1987

Resident in Medicine, 1987-1989

Chief Medical Resident, 1989-1990

Fellow in Cardiology, 1990-1993

Heart Failure/Cardiac Transplantation Fellow, 1991-1992

Research Fellow in Cardiology, 1992-1993

University of Utah Affiliated Hospitals, Salt Lake City, Utah

Visiting Fellow in Heart Failure/Cardiac Transplantation, April-June 1991

Abraham serves on the editorial boards of several major journals including Congestive Heart Failure and Journal Watch Cardiology. He is also a scientific reviewer for such publications as Circulation, the European Heart Journal and the Journal of the American College of Cardiology. He is a heart failure consultant to ABC NEWS. He has been recognized as one of the “Best Doctors in America” for six consecutive years.

Warren Sherman, MD – Director Stem Cell Research and Regenerative Medicine, Center for Interventional Vascular Therapy, Columbia University Medical Center

Experience and Academic Positions

Columbia University Medical Center / New York-Presbyterian Hospital Positions and Appointments 2005 – Present

Director, Cardiac Cell-Based Endovascular Therapies Columbia University Medical Center / New York-Presbyterian Hospital, New York, New York 2005 – Present

Associate Professor in Clinical Medicine Columbia University College of Physicians and Surgeons New York, New York Clinical Specialties Interventional

Cardiologist Education and Training 2004 – 2005

Education and Training

Interventional Fellow, Cardiology Oregon Health Sciences University Portland, Oregon 2001 – 2004

Fellow Oregon Health Sciences University Portland, Oregon 1977 – 1980

Resident, Internal Medicine University of Rochester Rochester New York 1973 – 1977 Doctor of Medicine State University of New York Upstate Medical Center

Syracuse, New York

Board Certifications

American Board of Internal Medicine
ABIM, Cardiology
ABIM, Interventional Cardiology

7. INVESTOR SUITABILITY REQUIREMENTS

7.1. General Requirements

Investment in the Securities is highly speculative, involves significant risks and is suitable only for persons of adequate financial means who have no need for liquidity with respect to this investment and who can bear the economic risk of a complete loss of their investment. This offering is made in reliance on exemptions from the registration requirements of the Securities Act and applicable state securities laws or regulations of other appropriate jurisdictions.

The suitability standards discussed below represent minimum suitability standards for prospective investors. The satisfaction of such standards by a prospective investor does not necessarily mean that the Securities are a suitable investment for such prospective investor. Prospective investors are encouraged to consult their personal financial advisors to determine whether an investment in the Securities is appropriate.

The Company may reject subscriptions, in whole or in part, in its absolute discretion. All Subscription Agreements will be reviewed by the Company and subscriptions will not be accepted from prospective investors whom the Company has reason to believe may not meet the requirements described in the Subscription Agreement.

Each investor will be required to make certain representations and warranties to the Company and to agree to indemnify, hold harmless and pay all fees and expenses that are incurred by, and all judgments and claims made against the Company, its affiliates and counsel, for any liability that is incurred as a result of any misrepresentation made or breach of any warranty of such prospective investor. The attention of each prospective investor is directed to the Subscription Agreement which is attached for a complete description of those warranties and representations that each prospective investor will be required to make.

The Company will require each investor to represent in writing, among other things, that:

- (1) The investor is acquiring the Securities for his/her/its own account, for investment only and not with a view toward the resale, transfer or distribution thereof;
- (2) The investor has been afforded adequate opportunity to obtain any information the investor has deemed advisable in order to make an informed decision relating to the purchase of the Securities and, by reason of the investor's business or financial experience the investor is capable of evaluating the merits and risks of an investment in the Securities and of protecting his/her/its own interests in connection with the transaction;
- (3) The investor is aware that the Securities have not been registered under the Securities Act or any state securities laws and that transfer thereof is restricted by the Securities Act, applicable state securities laws, and the absence of a market for the Securities;
- (4) The investor can bear the economic risk of losing his/her/its entire investment;

- (5) The investor's overall commitment to investments that are not readily marketable is not disproportionate to the investor's net worth and the investment in the Company will not cause the investor's overall commitment to become excessive;
- (6) The investor has adequate means of providing for the investor's current needs and contingencies and has no need for liquidity of the investment in the Company.

In order to meet the conditions for exemptions from the registration requirements under the securities laws of certain jurisdictions, investors who are residents of such jurisdictions may be required to meet additional suitability requirements.

This offering is probably not a suitable investment for tax qualified plans (such as IRAs, Keogh plans and profit sharing plans), unless such plans are willing to be subject to tax on unrelated business taxable income. Fiduciaries of tax qualified plans, in consultation with their tax and legal advisors, should carefully consider whether an investment in Units is consistent with their fiduciary responsibilities, particularly the responsibilities outlined in Part 4 of the Title I of ERISA. **QUALIFIED PLANS ARE URGED TO CONSULT WITH THEIR LEGAL, FINANCIAL AND TAX ADVISERS BEFORE INVESTING IN UNITS.**

Each investor must be accredited.

7.2. Accredited Investor Suitability Requirements

Every accredited investor must represent that he/she/it meets one of the following requirements:

(i) The investor is a natural person who has an individual income of at least \$200,000.00 over the past two years which is expected to continue in the current year, or a joint income, with his or her spouse, of at least \$300,000.00 over the past two years which is expected to continue in the current year, OR the investor has an individual net worth (or joint net worth with the investor's spouse) exceeding one million dollars (\$1,000,000.00) which may include home equity:
OR

(ii) The investor is any bank as defined in section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; any insurance company as defined in section 2(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as

defined in section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors; O R

(iii) The investor is any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940; O R

(iv) A director, executive officer or general partner of the Company; O R

(v) A corporation, partnership, business trust or charitable organization with assets in excess of \$5 million that was not formed to acquire securities offered by the Company; O R.

(vi) An entity in which all the equity owners are accredited investors; O R

(vii) A trust with assets of at least \$5 million, not formed to acquire securities offered by the Company, and whose purchases are directed by a sophisticated person who, either alone or with his/her independent purchaser representative, has such knowledge and experience in financial and business matters that he/she is capable of evaluating the merits and risks of a prospective investment.

8. SUBSCRIBING

Before subscribing to invest in the Securities, it is crucial for each potential Investor to carefully read the portions of this Memorandum describing the risk factors and the restrictions discussing re-sale and providing warnings.

8.1. How to Subscribe

Subscribers must: (a) complete, date, sign and deliver to the Company the Subscription Agreement, Investor Questionnaire, and Investor Certificate and (b) deliver to the Company the purchase price payable by certified or cashier's checks, wire transfers or other immediately available funds to the following account and (c) deliver to the Company any other executed instruments as the Company may deem necessary or desirable.

If a subscriber's subscription is rejected by the Company, the Company will promptly return the subscriber's funds, without interest on such funds. If a subscriber's subscription is accepted and all closing conditions appearing in this document and in the Subscription Agreement are met or waived by the Company, the Company will send a communication of acceptance to subscriber.

The risk of delivery of all documents and payments is borne by the investor, not the Company. If the mail is used, it is recommended that insured, registered mail be used and that a sufficient number of days be allowed to ensure delivery to the Company before any applicable expiration date.

Cal-X Stars Business Accelerator, Inc.
1531 6th Street, Unit 401
Santa Monica, California 90401
Attention: *Sofia Yepes*
Facsimile: (310) 310 2534

Bank of America
Routing Number: 121000358
Account: 000119769794

8.2. Right to Reject Any Potential Investor

THE COMPANY RESERVES THE RIGHT TO ACCEPT OR REJECT SOME OR ALL OF ANY SUBSCRIPTION WITHOUT EXCEPTION FOR ANY REASON OR NO REASON AT ALL.

8.3. Interpretation; Termination of Offering

All questions as to the validity, form, eligibility, including time of receipt, and acceptance of any subscription will be determined by the Company, in its sole discretion, which determination shall be final and binding. The Company reserves the absolute right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Securities pursuant thereto could be deemed unlawful. The Company also reserves the right to waive any defect with regard to any particular subscription. The Company shall not be under any duty to give notification of any defect or irregularity in a subscription, nor shall it incur any liability for failure to give such notification. Subscriptions will not be deemed to have been made until any such defect or irregularity has been cured or waived within such time as the Company shall determine. Subscriptions with defects or irregularities that have not been cured or waived will be returned to the appropriate investor as soon as possible.

The Company further reserves the right to close or not proceed with this offering at any time; however, in the absence of a material adverse change in its business, financial condition or results of operations, the Company expects to consummate this offering.

8.4. No Revocation

Once an investor has executed a Subscription Agreement and submitted funds for the Securities, and an acknowledgment of acceptance is sent, such subscription may not be revoked without the consent of the Company.

9. RISK FACTORS

The Securities offered hereby are speculative and involve a high degree of risk. You should carefully consider the risks and uncertainties described below before making an investment decision. The purchase of our common stock is suitable for persons or entities that can afford the risk of the loss of their entire investment. Our business, financial condition and operating results could be adversely affected by any of the following factors, and you could lose part or all of your investment. The risks and uncertainties described below are by no means exhaustive. Additional risks and uncertainties not currently known to us, or that we currently think are immaterial, may also impair our business, financial condition, and results of operations.

9.1. Risks related to the Offering

No Liquidity of the Securities

There is no established trading market for the Securities and there is no assurance that an active market for the Securities will ever develop. The Securities offered by this Memorandum are not being registered under the Securities Act or any state securities law, nor is it contemplated that the Securities will be so registered in the near future. The Securities may not be resold or otherwise transferred unless they are subsequently registered or an exemption from applicable registration requirements is available. The certificates evidencing the Securities will bear a legend indicating such transfer restrictions. Consequently, investors in this Offering may not be able to liquidate their investments. No assurances can be given that a holder of Securities will be able to sell such Securities in the future or that if the holder can sell the Securities that the sales price in any such transaction will be greater than or equal to the price paid for the Securities. Although Cal-X Stars may attempt to conduct one or more private or public offerings of its securities in the future, the decision to proceed with any offering shall be made by Cal-X Stars's Board of Directors in its sole discretion. Cal-X Stars has no obligation to conduct a public offering or otherwise take any steps that might assist in the qualification of Cal-X Stars' securities as eligible for listing on any form of stock exchange or quotation service.

Transfer Restrictions

In addition restrictions imposed by applicable state and federal securities laws, there are substantial restrictions on your ability to transfer any of the Securities purchased by you under the Shareholders Agreement that you must execute as part of this Offering including in certain circumstances a three-year restriction on transfer of the Securities. Therefore, your purchase of Securities in this Offering must be considered a long-term illiquid investment acceptable only to investors who can afford to accept and bear the substantial risks of the investment for an indefinite period of time.

No Participation in Management

Shareholders have no right to participate in the management or conduct of the business affairs of the Company.

Arbitrary Determination of Offering Price

Offering price per share has been determined by Management in its discretion after considering various factors, including estimates of the value of the Company's intellectual property, the projected costs, expenses and risks associated with commercializing the Company's future products, the experience of management, the Company's operational and financial projections,

and other matters. However, such determination is arguably in large part arbitrary and/or speculative due to the difficulties of valuing a start-up company such as the Company. Accordingly, the purchase price of the shares should not be considered an indication of the potential resale value of the shares.

Cash Distributions Unlikely

All cash dividends and other distributions to shareholders by the Company are in the sole discretion of the Board of Directors of the Company and are contingent upon the success and profitability of the Company.

Dilution Of Your Investment

Cal-X Stars may be required to issue additional shares of its securities which could result in a dilution of your investment (i.e., the percentage of the outstanding Securities owned by you could be reduced, and the additional Securities could be issued for value less than the price per share paid by you in the Offering). Additional Securities may also be issued in connection with other types of transactions, including securities issued as part of the purchase price for acquisitions of assets or other companies from time to time, or as incentives to management or other providers of resources to Cal-X Stars.

Company Controlled By Leonhardt Ventures

Effective control of Cal-X Stars Business Accelerator will remain with Leonhardt Ventures after the sale of all the Securities offered in the offering. Leonhardt Ventures will have the ability control the election of Cal-X Stars Board of Directors, and will be able to determine the outcome of all matters submitted for approval by the shareholders, unless and until its ability to do so is limited by future transactions or events. See “Description of Capital Stock.”

Tax Considerations

In evaluating your purchase of the Securities as an investment, you should consider the tax risks thereof, including, without limitation, tax liability resulting from the sale or other disposition of the Securities a portion of which may be taxed at ordinary income rates, tax liability resulting from the receipt of dividends and possible adverse changes in the tax laws and their interpretation. All investors should understand that the tax consequences of an investment in the Securities are subject to change. In addition to federal income taxes, as a holder of the Securities you will likely be subject to other taxes, if applicable, such as state and local income tax, and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which you reside. Additionally, there may be significant estate and gift tax consequences arising from an investment or transfer of the Securities. Furthermore, it is your responsibility to file all United States federal, state and local tax returns that may be required to be filed by you.

9.2. Risks Related to the Company’s Business

Cal-X Stars Has Limited Resources and Continuing Losses

Cal-X Stars has limited capitalization, no earnings and limited assets. Cal-X Stars operations are subject to all risks inherent with early stage investment companies. The likelihood of the success of Cal-X Stars must be considered in light of the problems, expenses, difficulties and delays frequently encountered with such companies, and the competitive environment of the industry in which it will compete. Cal-X Stars has incurred losses since inception and will continue to incur losses until it generates sufficient revenues from future products to become profitable, if ever. No

assurance can be given that Cal-X Stars will successfully implement any of its plans in a timely or effective manner or whether Cal-X Stars will ever be able to generate revenues or operate profitably.

Cal-X Stars Has Yet To Generate Any Meaningful Revenues or Profits

Cal-X Stars has incurred losses since inception and, to date, has not generated any material revenues from product sales. If Cal-X Stars portfolio companies are unable to successfully develop, manufacture and commercialize its products, Cal-X Stars may never achieve profitability. Even if Cal-X Stars does achieve profitability, it may not be sustainable.

Cal-X Stars Will Need Additional Funds to Continue Its Operations In The Future

The cash proceeds derived from this Offering may not be adequate to satisfy Cal-X Stars anticipated capital needs even if the maximum number of shares are sold as a part of this Offering. In addition to this offering and the following \$5 million qualification by permit offering, Cal-X Stars may need to obtain substantial additional financing to develop Cal-X Stars' portfolio company's products and to sustain its business operations.

If necessary, Cal-X Stars will seek any additional capital needed to fund its operations through whatever sources may be feasible at that time, including public or private equity or debt financings or loans or other financing sources, which may include borrowings from Howard J. Leonhardt, Cal-X Star's Chief Executive Officer. However, additional financing may not be available on acceptable terms or at all. Any inability to obtain additional financing could adversely affect our business, financial condition, results of operations, and could even prevent Cal-X Stars from continuing its business at all.

Cal-X Stars May Not Be Able To Attract And Retain Key Personnel; Reliance on Howard J. Leonhardt

Cal-X Stars success depends on the key members of its scientific and management staff, including Howard J. Leonhardt, Cal-X Star's Chief Executive Officer. The loss of one or more of these key members could substantially impede Cal-X Star's development objectives. Cal-X Star's future success also depends on Cal-X Star's successful recruiting of additional qualified management, operations and scientific personnel. To pursue its research and development programs, Cal-X Stars life sciences portfolio companies will need to hire additional qualified scientists and managers. There is intense competition for these qualified personnel among numerous pharmaceutical and biotechnology companies, universities and other research institutions. Cal-X Stars may not be able to continue to attract and retain the personnel necessary to develop its business. Any failure to attract and retain key personnel could adversely affect its business, financial condition, results of operations.

Prior Performance of Management Not Indicative of Cal-X Stars Performance

Although Cal-X Star's Chief Executive Officer, Howard J. Leonhardt, and other members of Cal-X Star's management team experienced substantial business success with other companies, such prior performance is not indicative of, nor necessarily relevant to, the future business performance of Cal-X Stars.

Risk of Business Plans and Strategies

Cal-X Star's proposed business plans and strategies described in this Memorandum incorporate management's current best analysis of potential markets, opportunities and difficulties that face

Cal-X Stars. No assurance can be given that the underlying assumptions accurately reflect current trends in the life sciences or social good enterprises or consumers' reaction to proposed products and services or that such will be successful. In addition, Cal-X Star's plans may and likely will change substantially from time to time as management reassesses its opportunities and resources, and any such plans may be changed or abandoned at any time.

9.3. Life Sciences Portfolio Company Risks

Cal-X Star's Life Sciences Portfolio Companies Faces Intense Competition In The Biotechnology and Healthcare Industries

Because of the scope of services and products it offers, Cal-X Stars companies compete with several different types of entities, including early-stage gene therapy companies, fully-integrated pharmaceutical companies, universities, research institutions, governmental agencies and other healthcare providers, as well as medical device companies. A number of companies and institutions are developing technologies, therapies and/or products that could compete with our potential products, including various potential gene therapies, cell therapies and angiogenic therapies. Cal-X Star's portfolio companies' products could also compete with drugs or other pharmaceutical products. Many competitors have larger research and development staffs and substantially more financial and other resources. These competitors also have more experience and capability in researching, developing and testing products in clinical trials, in obtaining FDA and other regulatory approvals and in manufacturing, marketing and distribution. In addition, the competitive positions of other early-stage companies may be enhanced significantly through their collaborative arrangements with large pharmaceutical companies, biotechnology companies or academic institutions. Competitors may succeed in developing or obtaining patent protection for, receiving regulatory approvals for, or commercializing their products at a more rapid pace. Cal-X Star's portfolio companies also compete with others in acquiring products or technology from research institutions, universities or others. Competitors may develop or acquire new technologies and products that are available for sale before our potential products or are more effective or less expensive than its potential products. Any of these developments could render potential products less competitive or obsolete, and could have a material adverse effect on our business, financial condition, and results of operations. Further, our cellular-based therapies involve new and rapidly developing technology. We expect this technology to undergo significant change in the future. If there is rapid technological development, our current and future products or methods may become obsolete before (or after) we can commercialize them.

Risks Related To Cal-X Star's Portfolio Companies Dependence On Third Party Reimbursement

Cal-X Star's portfolio companies' commercial success will depend heavily upon whether consumers will be reimbursed for the use of its products and services. Third-party payers, such as government and private insurance plans, may not authorize or otherwise budget reimbursement for its products and services. Additionally, third-party payers, including Medicare, are increasingly challenging the prices charged for medical products and services. Cal-X Star's portfolio companies may be required to provide substantial cost-benefit analysis data to demonstrate that its products are cost effective. Third-party payers may not pay the prices set for our products or reimburse consumers for the use of our products. Federal and state regulations also affect the reimbursement to healthcare providers of fees and capital equipment costs in connection with medical treatment.

Healthcare Reform May Adversely Impact The Commercialization Of Cal-X Star's Life Sciences Portfolio Companies Products

The efforts of governments and third-party payers to contain or reduce the cost of healthcare will continue to affect our business, financial condition, and results of operations as a biotechnology company. In foreign markets, pricing or profitability of medical products and services may be subject to government control. In the United States, we expect that there will continue to be federal and state proposals for government control of pricing and profitability. In addition, increasing emphasis on managed healthcare has increased pressure on pricing of medical products and will continue to do so. These cost controls may have a material adverse effect on our revenues and profitability, financial condition, results of operations, and may affect our ability to raise additional capital. In addition, cost control initiatives could adversely affect our business in a number of ways, including: (i) decreasing the price we, or any of our partners or licensees, receive for any of our products; (ii) preventing the recovery of development costs, which could be substantial; and (iii) minimizing profit margins. Further, our commercialization strategy depends on our collaborators. As a result, Cal-X Star's portfolio companies' ability to commercialize its products and realize revenues may be hindered if cost control initiatives adversely affect our collaborators.

Cal-X Stars Life Sciences Portfolio Companies Products May Never Be Successful In Bringing Products To Market

There may be significant barriers to bringing Cal-X Stars life sciences portfolio companies products to market including but not limited to:

- **Products May Have Unacceptable Side Effects**
- **Portfolio Companies May Not Be Able To Successfully Manufacture Its Product**
- Portfolio Companies may experience a variety of problems in manufacturing its products, including: (i) an inability to manufacture commercial quantities of its products on a cost-effective basis; (ii) non-compliance with Good Manufacturing Practices mandated by the FDA or by any foreign regulatory authority; (iii) manufacturing or quality control problems; or (iv) an inability to maintain the governmental licenses and approvals required to continue manufacturing its products. Any of these events could adversely affect our financial condition, profitability, and ability to develop and commercialize products on a timely and competitive basis.
- **Cal-X Stars Life Sciences Portfolio Company Products May Not Successfully Complete Clinical Trials Required For Commercialization** There can be no assurance that Cal- Star's life sciences portfolio company products will successfully complete the clinical trials necessary to receive regulatory approvals. The approval process is lengthy and expensive. To obtain regulatory approvals in the United States and certain other countries, Cal-X Stars portfolio company products must demonstrate through pre-clinical studies and clinical trials that its products are safe and effective for use in at least one medical indication. Many companies in the industry have suffered significant setbacks in advanced clinical trials, despite promising results in earlier trials. Clinical trials may not result in a marketable product, even if the trials have positive results. Numerous other factors may adversely affect clinical trials.
- **Cal-X Stars Companies May Not Be Able To Successfully Market And Sell its Products – Cal-X Star's** success will depend on the market acceptance of its products and services. The degree of market acceptance will depend upon a number of factors, including: (i) the receipt and scope of regulatory approvals; (ii) the establishment and demonstration in the medical community of the safety and effectiveness of Cal-X Star's

products and their potential advantages over other treatments; and (iii) reimbursement policies of government and healthcare payers. Failure to achieve or maintain significant market acceptance would adversely affect our business, financial condition, and results of operations. Cal-X Stars cannot be sure that it will be able to successfully communicate the advantages of its products and services to consumers and physicians or that such products and services will be attractive to its target customers.

Risks Related To Patents And Proprietary Information

Cal-X Star's business success will depend in part on its ability and that of its portfolio companies to: (i) obtain patent protection for its products; (ii) defend patents once obtained; (iii) maintain trade secrets and operate without infringing upon the patents and proprietary rights of third parties; and (iv) obtain appropriate licenses to patents, patent applications or other proprietary rights held by others with respect to Cal-X Star's portfolio companies technologies, both in the United States and in foreign countries.

- Cal-X Stars cannot be certain that its portfolio companies will have adequate patent protection for their products. There are competitors in the field who may attempt to prevent, limit or interfere with the portfolio company patent protection. These efforts may lead to competitive products introduced into the market, adversely affecting the companies' ability to competitively market its product. Further, introduction of competitive products may instigate expensive and time consuming litigation that could adversely affect the scope of patent position, as well as business and financial conditions.
- Competitors could seek competitive patents. There can be no assurance that competitors, many of whom have substantial resources and have made substantial investments in competing technologies, will not seek to apply for and obtain patents that prevent, limit or interfere with Cal-X Star's portfolio companies' ability to make, use and sell its products either in the United States or in foreign markets. Competitors could bring legal actions against portfolio companies claiming damages and seeking to stop and potentially stopping clinical testing, manufacturing and marketing.
- Cal-X Stars Portfolio Companies May Need To Initiate Lawsuits To Protect Or Enforce Its Patents And Other Intellectual Property Rights. In order to protect or enforce our patent rights, portfolio companies may need to initiate patent litigation against third parties, such as infringement suits or interference proceedings. Litigation may be necessary to: assert claims of infringement; enforce our patents; protect our trade secrets or know-how or; determine the enforceability, scope and validity of the proprietary rights of others. Lawsuits could be expensive, take significant time and divert management's attention from other business concerns. Litigation would put patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Portfolio companies may not prevail in any of these suits and the damages or other remedies awarded, if any, may not be commercially valuable.

Cal-X Stars Portfolio Companies May Not Have Adequate Protection Against Product Liability

Cal-X Star's life sciences portfolio businesses expose them to potential product liability risks that are inherent in the testing, manufacture and sale of human healthcare products. Cal-X Stars portfolio companies may have limited amounts of liability insurance. Failure to sufficiently protect against product liability claims could prevent or delay the commercialization of Cal-X Star's products. In addition, a product recall could adversely affect portfolio companies' business and financial conditions.

Cal-X Stars Portfolio Companies May Incur Substantial Cost Related To Its Use Of Hazardous Materials

Some Cal-X Stars portfolio companies use hazardous materials in its research and development and business activities. As a result, Cal-X Star's portfolio companies are be subject to federal, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of hazardous materials. The risk of contamination or injury from our activities exists. For example, if an accident occurs, Cal-X Star's portfolio companies could be responsible for any damages and the amount of the damages could exceed its resources. In addition, we may incur significant costs to comply with environmental laws and regulations in the future. Any of these events could adversely affect our business.

Government Regulation

Most of the products being developed by Cal-X Star's life sciences portfolio companies will require regulatory approval by United States and foreign governmental agencies prior to commercialization. Human therapeutic products are subject to rigorous preclinical and clinical testing and other pre-market approval procedures administered by the FDA and similar authorities in foreign countries. The FDA exercises extensive regulatory authority over all facets of such products, from development to commercialization. Government agencies in foreign countries generally have similar authority, although the regulatory requirements in many countries can often be less burdensome than the United States. In some cases, local and state requirements also apply, which may include state pharmacy regulation.

The Company may encounter difficulties or unanticipated costs in its efforts to secure necessary governmental approvals, which could delay or prevent the Company from marketing its products.

- **Regulation of Cell Therapy Products is Uncertain.** Cell therapy is a relatively new technology and has not been extensively tested in humans. The regulatory requirements governing cell therapy products and related clinical procedures are uncertain and are subject to change. Obtaining regulatory approval for some of the Company's products (including the cardiac microimplants) is likely to take several years, if it is ever obtained, and is likely to involve substantial expenditures. If approval is obtained, ongoing compliance with applicable requirements can also require substantial resources.
- **Testing and Clinical Trials are heavily regulated.** Preclinical testing includes laboratory evaluation and requires animal studies to assess the product's potential safety and efficacy. Animal safety studies must be conducted in accordance with the FDA's Good Laboratory Practice regulations. The results of these studies must be submitted to, be reviewed and cleared by the regulating bodies before the proposed clinical testing can begin. Clinical trials must be conducted in accordance with Good Clinical Practices under protocols that detail the objectives of the trial, the parameters to be used to monitor safety and the efficacy criteria to be evaluated. In the United States, each clinical protocol must be submitted to the FDA as part of the new drug application. The FDA's review or approval of a study protocol does not necessarily mean that a successful trial would constitute proof of efficacy or safety for product approval. Further, each clinical trial must be approved by and conducted under an independent institutional review board at the institution at which the trial will be conducted. The institutional review board will consider, among other things, ethical factors, the safety of human subjects and the possible liability of the institution. The institutional review board is also responsible for continuing oversight of the approved protocols in active trials. An institutional review board may require changes in a protocol and there can be no assurance that an institutional review board will permit any given trial to be initiated or completed. Similar

requirements are in place for conducting clinical studies in foreign countries. The FDA and foreign regulatory bodies receive reports on the progress of each phase of clinical testing, and they may require the modification, suspension or termination of clinical trials.

- **Many Products Will Require FDA Approval.** Approval must be obtained from regulatory bodies following completion of clinical trials in order to make a new product commercially available. Management expects that the many of the portfolio Companies' products will be regulated as biological products and will be subject to the drug provisions of the Federal Food, Drug, and Cosmetic Act. Current regulations relating to biologic drugs will require the Company to submit to the FDA a marketing application, which must be approved by the FDA before commercial marketing is permitted. The marketing application must include results of product development activities, preclinical studies and clinical trials, in addition to detailed manufacturing information. Similar requirements exist in foreign countries. FDA approval of the marketing application generally takes at least one year but could take substantially longer. The FDA may also request additional data relating to safety and efficacy. Even if this data is submitted, the FDA may ultimately decide that a marketing application does not satisfy its regulatory criteria for approval. The FDA may modify the scope of the desired claims or require the addition of warnings or other safety-related information. The FDA may also require additional clinical tests following approval based upon product safety data. Such products remain subject to continual review, and, possibly, to subsequent discovery of previously unknown problems. This may result in restrictions on marketing, or withdrawal of the product from the market, as well as possible civil or criminal sanctions. Though the regulatory timeline generally may be somewhat shorter, the aforementioned requirements are substantially similar in foreign markets. The FDA requires that product manufacturers comply with current Good Manufacturing Practices regulations as a condition for performing clinical studies and for product approval. In complying with current Good Manufacturing Practices requirements, manufacturers must expend resources on a continuing basis in production, record keeping and quality control. Manufacturing facilities are subject to periodic inspections by the FDA to ensure compliance. Failure to pass such inspections may result in suspension of manufacturing, seizure of the product, withdrawal of approval or other regulatory sanctions. The FDA may also require the manufacturer to recall a product.
- **Products Are Subject to Additional Regulation.** In addition to regulations enforced by the FDA, the portfolio company products are also subject to regulation under the Occupational Safety and Health Act, the Environmental Protection Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act and other federal, state and local regulations. Cal-X Star's portfolio companies' research and development activities involve the controlled use of hazardous materials, chemicals, biological materials and radioactive compounds. Although management believes that its safety procedures for handling and disposing of such materials comply with the standards prescribed by local, state and federal laws and regulations, the risk of contamination or injury from these materials cannot be eliminated. In such an event, the Company could be held liable for any resulting damages, and any such liability could exceed our resources.

Legal Proceedings

The Company is not presently engaged in any litigation and is unaware of any threatened litigation. However, the biotechnology and medical device industries have been characterized by extensive litigation regarding patents and other intellectual property rights.

9.4. Risks Related to Specific Portfolio Company Innovations

Cardiobridge

- Risk of funding clinical trials to get to USA market.
- Risk of blood clots – even though pre-clinical and clinical data shows no problem yet.
- Risk of reducing temporarily blood flow to brain. Data so far does not indicate this risk.

MyoStim Pacers

- Pacer may not recruit enough stem cells to damaged heart tissue.
- Pacer lead may dislodge or break.
- Pacer may not convert enough stem cells to muscle.
- Pacer could stimulate over proliferation of cells.
- Substantial risk of securing funds to fund USA clinical trials.

Bioheart, Inc.

- Arrhythmias of serious type have occurred in handful of patients since 2001.
- New muscle of significant volume only seems to grow in 33% of cases with one injection session 1st gen.

MyoCell.

- Cells do not electrical connect in standard way via intercalated discs and gap junctions like normal cardiomyocytes.
- Substantial risk of securing enough funding to complete U.S. clinical trials. Could require up to \$20 million more.

BioPace

- May not electrical intergrate with host myocardium.
- Difficult to navigate injection catheter to precise right position.
- Cells may not survive after injection.
- May cause arrhythmias.

BioTrace

- Technology may not work in clinical setting.
- May cause arrhythmias.
- Significant cost to complete clinical trials.

BioLeonhardt

- Multi-component method is unproven.
- Multi-component method may prove to complicated.
- Multi-component method may prove to be too costly.
- May cause arrhythmias.

Stem Cell Bra

- May stimulate cell over growth and cancer.
- Recruited cells may not survive.
- Recruited cells may not differentiate into breast tissue.
- Bra may not recruit enough stem cells to make a difference.

- Injecting fat and cells is much quicker with similar results possible.
- Technology may be too expensive.

HeartScore

- Technology may not be patent protected.
- Genetic tests may fall out of favor.
- Accuracy of real time monitoring is not proven.
- Artery scans are inconclusive.
- Blood tests can be done elsewhere.

AortaCell II

- Wireless technology for stimulating aortic vessel all to release SDF-1 may not work.
- Recruiting stem cells to damaged aortic tissue may not serve to repair it.
- It may not be possible to differentiate the recruited stem cells to smooth muscle tissue.
- Product may be applicable only to earliest smallest aneurysms.
- Reimbursement for procedure may be difficult to obtain.

EndoCell

- Injected cells may not survive in adventia.
- Delivery of cells to adventia with Mercator Medical catheter may prove too difficult.
- Cells may not differentiate into a new endothelium liner.

CoroStim

- Technology to use vibrational signals to prevent plaque formation in arteries is unproven.
- May dislodge vulnerable plaque and do more damage than good.

Stem Cell Pump

- Cells may not survive long in pump tank with media.
- The delivery line may not be able to be placed in needed right position and may dislodge or break.
- Storing cells for repeat injections could be too burdensome.
- FDA clinical trials will be costly.

Procyrion

- May clot.
- May dislodge.
- May not pump enough blood.

The California Stock Exchange

- Stock exchange may never be registered by SEC with new rules.
- Market may not rally to new stock exchange.
- If a few companies in first years go bankrupt could undermine project.
- Margins may be too small for profitability.
- Multiple competitors on the rise.

Food Trikes & Scooters

- Easily copied by others.
- Financing plan may mean multiple foreclosures.
- City regulations against food carts could be too daunting.

Virgin-Leonhardt Bus Service

- May not get Virgin aboard plan.
- People may not warm up to high end bus service.
- Cost may be too high to be competitive.

Kindheart Lionheart Media Co.

- TV series Love American Style may have issues with original series creators.
- Difficult to build significant audience.
- Subscription fees may be too low to allow for profit.
- Dolphin Smiles books may not sell.
- Ana Free music may not sell.
- Inspiration short film series may not sell.

Radio Veronica USA

- Many others may follow and copy with greater marketing resources.
- People may not warm up to concept.
- Will require a massive marketing budget to do it right.

Degreed.com

- Requires massive marketing budget to gain customers.
- People may not warm up to concept and accept it.

EquityNet

- Crowdfunding portal patents may not hold up.
- Low margins in business plan analysis flagship product.
- Liabilities could be high for wrong information.

Chic-CEO

- Lots of members may not translate to lots of revenue and profits.
- Easily copied by others.

Stiletto Dash

- Requires massive marketing budget to gain widespread acceptance.
- Easily copied by others.

Wine Country Baseball

- Wine Country is made up of small city markets, maybe too small.
- Costs could exceed revenues.
- Coordinating player housing and jobs can prove too daunting.
- Field rental costs may become too high.
- Liability insurance could take all profits.

The Task Runners

- Format easily copied.
- Task Rabbit has massive PR help.
- Labor intensive.
- Managing a growing larger staff in scale up could prove too daunting.

Roost.com

- Requires massive marketing budget to gain widespread acceptance.

Conscious Box

- Many sampling boxes are coming out. Maybe too many.

Cal-Xport

- California is already the No. 1 exporting state without this service.
- Not clear if there is a demand for a one top place to find made in California products.
- May not be able to get government grant support as anticipated.

Koodooz

- May be hard to get parents to pay up for this.
- Many other sites help social causes raise funds.
- Will this site be unique enough?
- Requires massive marketing spend to get widespread acceptance.

Artists Café NYC

- Moving locations could be confusing for customers.
- The rent of the space may prove too high for profitability.
- Many options for entertainment in NYC competing.
- Sources of revenue are fragile and unpredictable.

TubeStart

- Facing heavy competition.
- Difficult to differentiate from competitors.
- Undercapitalized.

10. RESTRICTIONS AND WARNINGS

10.1. The Securities Have not Been Registered

THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY STATE REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY UPON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

10.2. This Information is Confidential

THE INFORMATION CONTAINED IN THIS MEMORANDUM IS CONFIDENTIAL AND PROPRIETARY AND IS BEING SUBMITTED TO A LIMITED NUMBER OF **INVESTORS SOLELY FOR SUCH INVESTORS' CONFIDENTIAL USE WITH THE EXPRESS UNDERSTANDING THAT, WITHOUT THE PRIOR EXPRESS WRITTEN PERMISSION OF THE COMPANY, SUCH PERSONS WILL NOT RELEASE THIS DOCUMENT OR DISCUSS THE INFORMATION CONTAINED IN IT OR MAKE REPRODUCTIONS OF OR USE THIS MEMORANDUM FOR ANY PURPOSES OTHER THAN EVALUATING A POTENTIAL INVESTMENT IN THE SECURITIES. THE PERSON ACCEPTING THIS DOCUMENT, BY THAT ACCEPTANCE, AGREES TO RETURN THIS PRIVATE PLACEMENT MEMORANDUM AND ALL RELATED DOCUMENTS TO THE COMPANY IF HE OR SHE DOES NOT PURCHASE SECURITIES IN THE COMPANY.**

10.3. Other Information is Not Authorized

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION WITH RESPECT TO THE COMPANY OR THIS OFFERING EXCEPT SUCH INFORMATION AS IS CONTAINED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED IN THIS MEMORANDUM MAY BE RELIED UPON AS HAVING BEEN AUTHORIZED.

THE INFORMATION IN THIS MEMORANDUM SUPERSEDES AND REPLACES IN ITS ENTIRETY ANY INFORMATION PREVIOUSLY DISTRIBUTED TO, PROVIDED TO, OR VIEWED BY ANY INVESTOR. NO DEALER, SALESPERSON OR OTHER PERSON IS AUTHORIZED TO MAKE OTHER REPRESENTATIONS OR TO GIVE ANY OTHER INFORMATION WITH RESPECT TO THE OFFERING. IF ANY SUCH INFORMATION

OR REPRESENTATION IS GIVEN OR MADE, IT MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ITS MANAGEMENT.

10.4. Federal Income Tax Consequences

The Company has not sought or received any opinion of counsel or ruling from the Internal Revenue Service with respect to the income tax consequences of this offering. Potential investors should consult their tax advisors regarding specific questions as to federal, state or local taxes.

10.5. No Legal, Accounting, Tax or Investment Advice

THIS MEMORANDUM IS INTENDED TO PROVIDE PROSPECTIVE INVESTORS WITH INFORMATION NECESSARY FOR AN INFORMED INVESTMENT DECISION. HOWEVER, NOTHING CONTAINED HERE IS INTENDED AS LEGAL, ACCOUNTING, TAX OR INVESTMENT ADVICE, AND IT SHOULD NOT BE TAKEN AS SUCH. AN INVESTOR MUST RELY ON HIS OR HER OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS PRIVATE PLACEMENT MEMORANDUM (OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE COMPANY, ITS AFFILIATES AND THEIR EMPLOYEES, OR ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING) AS LEGAL, ACCOUNTING, TAX OR INVESTMENT ADVICE. EACH INVESTOR SHOULD CONSULT HIS OR HER OWN PERSONAL LEGAL COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO THE LEGAL, ACCOUNTING, TAX, ECONOMIC AND RELATED MATTERS CONCERNING THE INVESTMENT AND ITS SUITABILITY FOR HIM OR HER OR IT. AN INVESTOR MUST BE WILLING, AND HAVE THE FINANCIAL CAPACITY TO PURCHASE, A HIGH-RISK INVESTMENT WHICH CANNOT EASILY BE LIQUIDATED.

THE LEGALITY OF THE SECURITIES BEING OFFERED HAS NOT BEEN PASSED UPON BY ANY COUNSEL TO THE COMPANY AND NO REPRESENTATION OF ANY SUCH OPINION IS MADE. NO COUNSEL TO THE COMPANY HAS VERIFIED OR INVESTIGATED ANY OF THE STATEMENTS OR REPRESENTATIONS MADE IN THIS PRIVATE PLACEMENT MEMORANDUM OR ANY OF ITS ATTACHMENTS. INVESTORS SEEKING LEGAL ADVICE SHOULD RETAIN THEIR OWN LEGAL COUNSEL AND CONDUCT ANY DUE DILIGENCE THEY DEEM APPROPRIATE TO VERIFY THE ACCURACY OF THE REPRESENTATIONS OR INFORMATION SET FORTH IN THIS MEMORANDUM.

POTENTIAL INVESTORS ACKNOWLEDGE THAT ANY LEGAL COUNSEL FOR THE COMPANY IS LEGAL COUNSEL SOLELY FOR THE COMPANY REGARDING THIS INVESTMENT AND NOT FOR POTENTIAL INVESTORS, AND THAT ANY ACCOUNTANT FOR THE COMPANY IS AN ACCOUNTANT SOLELY FOR THE COMPANY AND NOT FOR POTENTIAL INVESTORS.

10.6. Withdrawal, Cancellation, or Modification

THIS OFFERING IS MADE SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. OFFERS TO PURCHASE THESE SECURITIES MAY BE REJECTED IN WHOLE OR IN PART BY THE COMPANY AND NEED NOT BE ACCEPTED IN THE ORDER RECEIVED. THE COMPANY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE AMOUNT OF THE SECURITIES SUCH INVESTOR DESIRES TO PURCHASE. THE COMPANY SHALL HAVE NO LIABILITY WHATSOEVER TO ANY OFFER AND/OR INVESTOR IN THE EVENT THAT ANY OF THE FOREGOING SHALL OCCUR.

10.7. Foreign Law

IT IS THE RESPONSIBILITY OF ANY INVESTOR PURCHASING SECURITIES TO SATISFY HIMSELF OR HERSELF AS TO FULL OBSERVANCE OF THE LAWS OF ANY RELEVANT TERRITORY OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY SUCH PURCHASE, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE REQUIREMENTS.

10.8. Integration

THIS MEMORANDUM SUPERSEDES ALL OTHER INFORMATION THAT MAY HAVE BEEN PROVIDED TO PROSPECTIVE INVESTORS. IN THE EVENT OF CONFLICT BETWEEN THIS MEMORANDUM AND ANY SUCH OTHER INFORMATION, THIS MEMORANDUM SHALL CONTROL.

THE STATEMENTS IN THIS PRIVATE PLACEMENT MEMORANDUM ARE MADE AS OF THE EFFECTIVE DATE UNLESS OTHERWISE SPECIFIED.

10.9. Limitation on Offering

THIS MEMORANDUM IS NOT AN OFFER TO SELL NOR A SOLICITATION OR AN OFFER TO BUY, NOR SHALL ANY SECURITIES BE OFFERED OR SOLD, TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION, PURCHASE OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH JURISDICTION OR BE UNLAWFUL PRIOR TO REGISTERING THE COMPANY OR ITS MANAGEMENT AS BROKERS FOR THE OFFERING.

10.10. Restrictions on Transferability

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION. INVESTORS SHOULD BE AWARE THAT THEY ARE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

10.11. Additional Cautions and Restrictions

THE SUBSCRIPTION AGREEMENT THAT EACH INVESTOR MUST SIGN (ATTACHED AS EXHIBIT B) ADDRESSES ADDITIONAL CAUTIONS AND RESTRICTIONS THAT ARE INCORPORATED BY THIS REFERENCE.

EXHIBIT A

Overview



	Year 1	Year 2	Year 3	Year 4	Year 5	Total
OPERATIONS						
Total Portfolio Returns	64,200	124,200	214,200	0	227,502,632	227,905,232
Other returns (Cal-Xelerator, affiliate)	53,546	80,449	123,198	154,199	196,050	607,443
Total Returns	117,746	204,649	337,398	154,199	227,698,682	228,512,675
INVESTOR ACCOUNT						
Initial Capital Balance	20,000,000	19,860,961	19,612,136	19,577,511	0	
Investor Capital Returns per year	69,146	139,039	248,825	34,625	227,537,256	
Investor Cumulative Returns	69,146	208,186	457,010	491,635	228,028,892	228,028,892
Investor Cumulative ROI	-	1%	2%	2%	1140%	1140%
by type	<i>Total Invested</i>	<i>Total Return</i>	<i>Average Return</i>			
1. Cardiovascular	\$8,400,000	\$194,550,000	2316%			
Reserves	\$1,600,000					
2. Social Impact	\$3,900,000	\$33,672,032	863%			
Reserves	\$700,000					
3. Cal-X Star Administration	\$200,000					
4. Cal-Xelerator	\$200,000					
	\$15,000,000					

Cash Flows

	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning cash	0	5,618,021	4,982,316	4,347,982	3,722,511
INFLOWS					
Portfolio					
Cal-X Stars Royalties	64,200	124,200	214,200	-	-
Cal-X Stars Exits	-	-	-	-	227,502,632
Other Inflows					
Cal-Xelerator	4,946	14,839	34,625	34,625	34,625
Affiliate revenue	48,600	65,610	88,574	119,574	161,425
Investments	20,000,000	-	-	-	-
Grants	-	-	-	-	-
Sponsorships	-	-	-	-	-
Debt	-	-	-	-	-
Total cash inflows	20,117,746	204,649	337,398	154,199	227,698,682
OUTFLOWS					
Cal X-Stars Investments	12,300,000	-	-	-	-
Cal-Xelerator Investment	200,000	-	-	-	-
Startup costs	1,345,000				
Payroll	362,895	371,420	379,945	388,470	396,995
Rent	16,830	19,033	19,795	20,586	21,410
Operations	275,000	310,863	323,168	335,988	349,347
Total cash outflows	14,499,725	701,316	722,907	745,045	767,752
Net cash for period	5,618,021	(496,667)	(385,509)	(590,846)	226,930,930
Capital return to investors	69,146	139,039	248,825	34,625	227,537,256
Ending cash	5,618,021	4,982,316	4,347,982	3,722,511	3,116,185

Profit & Loss

	Year 1	Year 2	Year 3	Year 4	Year 5
Portfolio Returns					
Royalties	64,200	124,200	214,200	-	-
Exits	-	-	-	-	227,502,632
Other Returns (affiliate)					
Cal-Xelerator	4,946	14,839	34,625	34,625	34,625
Affiliate income	48,600	65,610	88,574	119,574	161,425
Investment	20,000,000				
Cost of Returns	12,500,000				
Gross Income	7,617,746	204,649	337,398	154,199	227,698,682
<i>Selling, General & Admin.</i>					
Startup costs	1,345,000	-	-	-	-
Payroll	362,895	371,420	379,945	388,470	396,995
Rent	18,360	19,094	19,858	20,653	21,479
Operations	300,000	311,850	324,197	337,060	350,464
Total SG&A	2,026,255	702,364	724,000	746,183	768,937
Operating Income	5,591,491	(497,715)	(386,601)	(591,984)	226,929,744
Taxes	1,957,022	0	0	0	33,924,884
Net Income	3,634,469	(497,715)	(386,601)	(591,984)	193,004,860

Annual Returns

	Year 1	Year 2	Year 3	Year 4	Year 5
Cardiovascular portfolio					
# funded	13	0	0	0	0
Exit Income - Cal-X Stars Companies	-	-	-	-	7,770,000,000
Sales Income - Cal-X Stars Companies	1,000,000	3,000,000	6,000,000	-	-
Total Cardiovascular Returns	1,000,000	3,000,000	6,000,000	0	7,770,000,000
	Year 1	Year 2	Year 3	Year 4	Year 5
Social Impact portfolio					
# funded	19	4	4	4	4
Sales - Cal-X Stars Companies	1,140,000	2,280,000	4,560,000	-	-
Sales - Cal Xelerator Year 1 Companies	240,000	480,000	960,000	-	-
Sales - Cal Xelerator Year 2 Companies	-	240,000	480,000	960,000	-
Sales - Cal Xelerator Year 3 Companies	-	-	240,000	480,000	960,000
Sales - Cal Xelerator Year 4 Companies	-	-	-	240,000	480,000
Sales - Cal Xelerator Year 5 Companies	-	-	-	-	240,000
Sales - Cal Xelerator Year 6 Companies	-	-	-	-	-
Sales - Cal Xelerator Year 7 Companies	-	-	-	-	-
Sales - Cal Xelerator Year 8 Companies	-	-	-	-	-
Sales - Cal Xelerator Year 9 Companies	-	-	-	-	-
Sales - Cal Xelerator Year 10 Companies	-	-	-	-	-
Total Sales Income	1,380,000	3,000,000	6,240,000	1,680,000	1,680,000
Exits - Cal-X Stars Companies	0	0	0	0	1,330,105,263
Total Exit Income	0	0	0	0	1,330,105,263
Total Social Impact Returns	1,380,000	3,000,000	6,240,000	1,680,000	1,331,785,263
Total Portfolio Returns	2,380,000	6,000,000	12,240,000	1,680,000	9,101,785,263
Total Affiliate Income Returns	48,600	65,610	88,574	119,574	161,425

Overhead

		Year 1	Year 2	Year 3	Year 4	Year 5
Managing Directors (2)	100,000	231060	236560	242060	247560	253060
Coordinator	55,000	65,918	67,430	68,943	70,455	71,968
Operations	55,000	65,918	67,430	68,943	70,455	71,968
Total Payroll		362895	371,420	379,945	388,470	396,995
Startup Costs		1345000				
Rent		18360	19,094	19,858	20,653	21,479
Accounting		15,000	15,750	16,538	17,364	18,233
Legal		30,000	31,500	33,075	34,729	36,465
Hosting		5,000	5,000	5,000	5,000	5,000
Supplies		10,000	10,000	10,000	10,000	10,000
Marketing		240,000	249,600	259,584	269,967	280,766
Total Operating Expenses		1,663,360	330,944	344,055	357,713	371,942
Total Overhead		2,026,255	702,364	724,000	746,183	768,937

RETURNS ASSUMPTIONS

1 Cardiovascular startups

The Cardiovascular portfolio will be comprised of companies that seek extensive regulatory approvals (Phase II/III) by the FDA before getting to market. Returns from this part of the portfolio are estimated to originate almost exclusively from M&A and IPOs.

Average royalty agreement	3%	Ranges between 3-15% Royalties taken from top-line revenue.
Average equity position at exit	2.5%	
	Cal-X Stars	On average at 20% at time of Cal-X program completion. Expectation is that subsequent financing rounds will dilute Cal-X position down.
	Year 1	
Number of companies funded	13	
High success ratio	54%	
Base success ratio	38%	
Failure ratio	15%	
Average investment amount	646,154	
Avg investment multiple at time of exit (high)	1700	
Avg investment multiple at time of exit (base)	50	
Average years to exit (ranges between 3-10)	5	
Reserves	1,600,000	

Income Assumptions

2 Social Impact startups

The Social Impact portfolio will be comprised of companies with market-ready business models (i.e. are able to generate sales in first year of operations). Returns from this part of the portfolio will primarily originate from royalties and to a small extent from occasional M&A.

Average royalty agreement	3%	Ranges between 3-15% Royalties taken from top-line revenue.		
Average equity position at exit	2.5%	On average at 20% at time of Cal-X program completion. Expectation is that subsequent financing rounds will dilute Cal-X position down.		
	Cal-X Stars			
	Year 1			
Number of companies funded	19			
High success ratio	21%			
Base success ratio	42%			
Failure ratio	42%			
Average investment amount	205,263			
Avg investment multiple at time of exit (high)	1500			
Avg investment multiple at time of exit (base)	60			
Average years to exit (ranges between 3-10)	5			
	Year 1	Year 2	Year 3	
Average sales	60,000	120,000	240,000	
Reserves	700,000			

Income Assumptions

3 Affiliate revenue

From sales of partner business software and services

	Year 1	Year 2	Year 3	Year 4	Year 5
Average annual conversions	12,000	16,200	21,870	29,525	39,858
Average price of sale	\$135	\$135	\$135	\$135	\$135
Average affiliate fee	3%	3%	3%	3%	3%

4 Cal-Xelerator

Number of companies funded per year
Average investment amount

Cal-Xelerator				
Year 1	Year 2	Year 3	Year 4	Year 5
4	4	4	4	4
6,000	6,000	6,000	6,000	6,000

Average sales

Year 1	Year 2	Year 3
60,000	120,000	240,000

Administration Expenses

Cal-Xelerator	200000
Cal-X Star Administration	200000

Shareholders

Current ownership structure:

Cal-X Stars	49%
Leonhardt Ventures	51%

Post-Investment ownership structure:

Leonhardt Ventures	51%
Investors	41%
Options/Advisors/Other	8%
	100%

Other Ownership Information

Cal-Xelerator	69%
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Notes

- i) Full-ratchet Anti-dilution provision
- ii) Weighted Average Anti-dilution provision
- iii) Weighted Average Anti-dilution provision

- iv) Cal-X Stars ownership interest in Cal-X Accelerator

Cost Assumptions

INCOME RELATED

Tax rate	35%
Capital gains tax	15%

PAYROLL RELATED

Payroll growth rate	3%
Employee benefits	5,280
Payroll tax	10%

OVERHEAD RELATED

Rent growth rate	4%
Accounting growth rate	5%
Legal growth rate	5%
Marketing growth rate	4%

Notes

- i) Includes health insurance and other benefits
- ii) State of California employer payroll taxes at 10.25%

- iii) Based on Santa Monica annual growth rates
- iv) Estimate based on increasing operational requirements
- v) Estimate based on increasing operational requirements
- vi) Estimate based on increasing operational requirements. Could be higher depending on future marketing strategy.

Exhibit B

Cal-X Stars Business Accelerator

SUBSCRIPTION AGREEMENT

Rule 506, accredited-investors only offering

1. **Parties.** This subscription agreement (“Agreement”) sets out the agreement between the undersigned investor (“Investor”), and Cal-X Stars Business Accelerator (“Company”) regarding Investor's investment in the Company.
2. **Subscription.** Investor will provide \$_____ in cash to the Company in exchange for _____ shares of the Company's common stock (“Securities”).
3. **Minimum/Maximum Offering and Price.** The Company is raising a maximum of fifteen million dollars (\$15,000,000) (“Maximum Offering”). The price of the offering will be \$.36585 for each of the Company's shares.

If sufficient investors have signed subscription agreements by the End of the Offering to invest a total amount that is greater than the Maximum Offering, then each investor will receive a pro-rata investment in Company based on the Maximum Offering with an equal pro-rata reduction in the amount each investor will invest.

4. **Minimum Purchase.** The minimum purchase for each investor will be twenty-five thousand dollars (\$25,000).
5. **Investor Documents.** Investor has carefully reviewed the following Investor Documents: the Company’s Private Placement Memorandum. Investor has received the Investor Documents, has carefully read each Investor Document and any schedules or exhibits, and represents and warrants that Investor has relied only on the information contained there in making this investment decision and on no other documents or communications.
6. **Forward-Looking Statements.** This provision is being included in connection with the safe harbor provision of the Private Securities Litigation Reform Act. The Investor Documents contain forward-looking statements. Such statements are based upon management’s current expectations, beliefs, and assumptions about future events, and are other than statements of historical fact and involve a number of risks and uncertainties. The use in the Investor Documents of words such as “believes,” “anticipates,” “expects,” “intends” and similar

expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. In addition to those factors discussed in the Investor Documents, important factors that could cause actual results to differ materially from those in forward-looking statements are, among others, the market's acceptance of the Company's services and products, competition and the availability of financing.

7. **Binding Effect and Irrevocability.** It is understood that this Subscription Agreement is not binding on the Company unless and until it is accepted by the Company as evidenced by countersignature below. The Company reserves the right to reject any subscription agreement for any reason or no reason at all – and the Company is not required to give any reason. Investor agrees that this Subscription Agreement shall be irrevocable.
8. **Bylaws.** As a condition of the Company selling the requested units to Investor, Investor agrees to sign and be bound by the Company Bylaws.
9. **Stock Transfer Restrictions.** Shareholders cannot sell or otherwise transfer common stock unless otherwise permitted under this Agreement. At any time, transfers may be made to the Company if the Company agrees to accept such transfer. At any time, transfers may be made to Leonhardt Ventures if it agrees to accept such transfer. At any time, transfers may be made to third parties if Leonhardt Ventures, in its sole discretion, consents to such transfer in writing. Transfers are permitted to certain corporate affiliates of a Shareholder if the Company agrees to accept such transfer. Transfers may be made to other Shareholders if the transfer occurs 18 months after the shares are acquired and otherwise complies with the requirements of this Agreement.

After three years from the date of the Shareholders Agreement, Shareholders may transfer shares to third parties. Notwithstanding the foregoing, the Company shall have the exclusive first right to purchase all or any portion of such shares. Investor will notify the Company in writing by overnight delivery of the existence and terms of any proposed sale (or transfer for consideration) of the Securities to a third party (“Notice”), and hereby grants the Company a right to acquire some or all of those Securities on the same terms within thirty (30) days of the Notice. Investor agrees that all such proposed sales or transfers will be negotiated in good faith as arms'-length transactions.

In the event the Company elects not to purchase all or any portion of such shares, Leonhardt Ventures shall have the right to purchase all shares not purchased by the Company on the same terms within sixty (60) days of the Notice. In the event the Company and/or Leonhardt Ventures, alone or collectively, do not agree to purchase all of the shares offered by a Shareholder, such Shareholder shall have the right to sell the remaining shares to the third party pursuant to the terms of the proposed sale.

In the event of an initial public offering or direct public offering of the Company's common stock, each Shareholder will be subject to a customary "lock-up" agreement as requested by the managing underwriter of the offering, up to a maximum of 180 days provided that Leonhardt Ventures also agrees to the terms of such "lock-up" agreement (a "lock-up" agreement is a temporary restriction on stock sales and related transactions for a period of time after an offering commences).

The stock transfer provisions will terminate upon the consummation of an initial public offering or direct public offering of the Company's common stock, if ever. Although the Company may attempt to conduct one or more public offerings of common stock in the future, the decision to proceed with any public offering shall be made solely by the Company's Board of Directors at its sole discretion. The Company has no obligation to conduct any public offering of its common stock, and there can be no assurance that a public offering will ever be attempted or consummated.

All shares issued under this Agreement are governed by the Securities Act of 1933 rule 144. In the event a Shareholder attempts to transfer his or her shares in violation of any of the transfer restrictions contained in this Agreement as determined in good faith by the Company's Board of Directors, such transfer will be null and void. In addition, the Company and Leonhardt Ventures shall have the right, in their sole discretion, to purchase the shares subject to the improper transfer on the same terms as the purchaser.

9.1. **Required Sale by Shareholders (Drag-Along Rights).** The Shareholders can be required by Leonhardt Ventures at its election to sell all or a portion of their shares of common stock to a third party if (i) Leonhardt Ventures (together with its affiliates) proposes to sell at least one-third of the total issued and outstanding shares of common stock of the Company to such third party, and (ii) a fairness opinion of an investment bank or valuation firm is obtained indicating the fairness of the proposed transaction to the Shareholders. Shareholders may be required to enter into an agreement to make such sale of their shares in accordance with the requirements of this Agreement. The drag-along rights provisions will terminate upon the consummation of a public offering of the Company's common stock, if ever.

9.2. **Optional Sale by Shareholders (Tag-Along Rights).** In the event that Leonhardt Ventures proposes to sell at least twenty percent or more of the Company's outstanding shares of common stock to a third party, the Shareholders, in accordance with and pursuant to the terms of the Shareholders Agreement, will have the option to sell a percentage of their shares to such third party, which percentage shall equal the then percentage of Leonhardt Venture's shareholdings that it is proposing to sell in such

transaction at the price and upon such terms that Leonhardt Ventures is proposing to sell its shares. The tag-along rights provisions will terminate upon the consummation of a public offering of the Company's common stock, if ever.

10. **Representations and Warranties.** As a condition to receiving the Securities, Investor warrants, represents and certifies as follows:

10.1. **Name and Address.** Investor's full name and residential address is as it appears at the bottom of this Agreement.

10.2. **Investor Documents.** Investor has carefully reviewed the following Investor Documents: the Company's Private Placement Memorandum. Investor has received the Investor Documents, has carefully read each Investor Document and its appendices, and has relied only on the information contained there in making this investment decision.

10.3. **Purchase for Own Account.** Investor is purchasing the Securities in his/her/its own name and for his/her/its own account (or for a trust account if he/she/it is a trustee), and no other person has any interest in (or right with respect to) the Securities, nor has Investor agreed to give any person any such interest or right in the future. Investor is acquiring the Securities for investment and not with a view to, or for sale in connection with, any distribution of the Securities.

10.4. **No Registration.** Investor recognizes that the Securities have not been registered under the Federal Securities Act of 1933 (or any other securities law) or qualified under the California Corporate Securities Law of 1968 (or any other securities law), that any disposition of the Securities is subject to restrictions imposed by federal and state law, and that the certificates representing the Securities may bear a restrictive legend.

10.5. **Risk of No Exemption.** Investor also recognize that he/she/it cannot dispose of the Securities absent registration and qualification, or an available exemption from registration and qualification, and that no undertaking has been made with regard to registering or qualifying the Securities in the future. Investor understands that the availability of an exemption in the future will depend in part on circumstances outside Investor's control and that Investor may be required to hold the Securities for a substantial period.

10.6. **No Public Market.** Investor recognizes that no public market exists with respect to the Securities and no representation has been made to Investor that such a public market will exist at a future date.

10.7. **No Endorsement by Securities Regulators.** Investor understands that no federal or state agency with authority to regulate the sales of securities has made any finding or determination relating to the fairness for investment of the Securities offered by the Company and that these agencies have not and will not recommend or endorse the Securities.

10.8. **No Advertisements.** Investor has not seen or received any advertisement or general solicitation with respect to the sale of the Securities.

10.9. **Accredited Investor Status.** At least one of the following is true:

Investor is a natural person (an individual) with an income in excess of \$200,000 in each of the two most recent years or joint income with my spouse in excess of \$300,000 for those years and a reasonable expectation of the same income level in the current year;

Investor is a natural person (an individual) with a net worth individually or jointly with my spouse in excess of \$1 million, excluding any positive equity in his/her personal residence (but subtracting any negative equity), and including all other investments, property and other assets.

A director, executive officer or general partner of the Company;

A corporation, partnership, business trust or charitable organization with assets in excess of \$5 million that was not formed to acquire securities offered by the Company;

An entity in which all the equity owners are accredited investors;

A bank, a savings and loan association, a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, an insurance company, an investment company registered under the Investment Company Act of 1940, a business development company as defined in Section 2(a)(48) of that Act, a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958, a private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;

An employee benefit plan a) either established and maintained by a government entity or governed by the Employee Retirement Income Security act of 1974 (ERISA) and in either case with total assets in excess of \$5 million, or b) governed by ERISA and where investment decisions are either made by a bank, savings and loan association, insurance company, or registered investment adviser or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

A trust with assets of at least \$5 million, not formed to acquire securities offered by the Company, and whose purchases are directed by a sophisticated person who, either alone or with his/her independent purchaser representative, has such knowledge and experience in financial and business matters that he/she is capable of evaluating the merits and risks of a prospective investment.

- 10.10. Liquidity. Investor has no need for liquidity with respect to this investment.
- 10.11. Opportunity for Questions. Investor acknowledges that before this transaction Investor has been given the opportunity to ask questions concerning the Securities and the investment as Investor felt necessary or advisable, and to the extent Investor took advantage of that opportunity, Investor received satisfactory information and answers.
- 10.12. Risk. In reaching the decision to invest, Investor has carefully evaluated his/her/its financial resources and investment position and the risks associated with this investment, and Investor acknowledges that he/she/it is able to bear the economic risks of this investment. BY ELECTING TO PARTICIPATE IN THIS INVESTMENT, INVESTOR REALIZES THAT IT IS POSSIBLE THAT HE/SHE/IT MAY LOSE THE ENTIRE INVESTMENT. Investor further acknowledges that his/her/its financial condition is such that Investor is not under any present necessity or constraint to dispose of the Securities to satisfy any existing or contemplated debt or undertaking.
- 10.13. Advice of Counsel. Investor acknowledges that any legal counsel for the Company is legal counsel solely for the Company regarding this investment and not for Investor, and that Investor may want to have his/her/its own legal counsel review this Agreement before signing. Investor acknowledges that any accounting firm for the Company is the accounting firm solely for the Company and not for Investor, and that Investor may want to have his/her/its own accountant review this Agreement before signing.

- 10.14. **Change in Circumstances.** All information which Investor has provided to the Company concerning himself/herself, his/her/its financial position, and his/her/its knowledge of financial and business matters is correct and complete as of the date set forth below and, if there should be any material change in such information prior to his/her/its having paid his/her/its subscription in full, that he/she/it must immediately provide the Company with such information and Company has the right to terminate this Subscription Agreement without penalty.
- 10.15. **Dilution.** Investor understands that the Company may decide to issue additional equity in the future and that if that happens the percentage of ownership that each owner holds of the Company will be decreased.
11. **Arbitration.** ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SECURITIES THAT INVOLVES THE COMPANY, ITS PRINCIPALS, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, BROKERS, ATTORNEYS OR AGENTS -- INCLUDING FEDERAL AND STATE STATUTORY CLAIMS -- SHALL BE SETTLED EXCLUSIVELY BY ARBITRATION IN SAN FRANCISCO, CALIFORNIA IN ACCORDANCE WITH THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. INVESTOR ACKNOWLEDGES THAT ARBITRATION PRECLUDES THE RIGHT TO A JURY. TO THE EXTENT ALLOWED BY LAW, THE PARTIES AGREE THAT CLASS-ACTION ARBITRATION IS SPECIFICALLY PROHIBITED.
12. **Indemnification.** Investor agrees to indemnify, defend, hold harmless and pay all fees and expenses (including but not limited to attorneys' fees, costs and expert costs) that are incurred by, and all judgments and claims made against, the Company and its affiliates and their owners, officers, directors, managers, partners, employees, agents and counsel, for any liability that is incurred as a result of any misrepresentation or omission made by or breach of any warranty of Investor.
13. **Termination of the Shareholders Agreement.** This Agreement (except for certain requirements that stock transfers comply with law) will terminate upon the earlier of (i) the aggregate holdings of Leonhardt Ventures (and its affiliates) and the Shareholders then party to a Shareholders Agreement entered into in connection with this Offering are less than 30% of the total issued and outstanding shares of common stock, (ii) approval of termination by Leonhardt Ventures and the holders of greater than fifty percent of the aggregate number shares of common stock then held by the Shareholders, (iii) consummation of a reorganization, merger, or consolidation of, or any sale, transfer, conveyance or disposition

of all or substantially all of the assets of the Company or other form of corporate transaction, in each case, with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger or consolidation, sale of assets or other transaction do not, immediately thereafter, own more than 50% of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged, consolidated or asset-acquiring company's then outstanding voting securities, (iv) the tenth annual anniversary of the date of this Agreement, or (v) the complete liquidation and dissolution of the Company.

14. General Provisions.

14.1. **Whole Agreement.** This Agreement contains the entire understanding of the parties and supersedes all prior oral and written agreements, understandings, commitments, representations and practices between the parties.

14.2. **Authority.** The undersigned warrants that he/she has full legal authority to sign for his/her respective party and that such party is lawfully empowered to enter into this Agreement.

14.3. **Successors.** Except as may be otherwise specified in this Agreement, this Agreement will inure to the benefit of and be binding on any successors or assigns of either party.

14.4. **Invalidity.** If any portion of this Agreement is found to be invalid, then the narrowest segment possible of that portion shall be held to be excised from this Agreement, and the remainder of this Agreement will continue in full force and effect.

14.5. **Modification and Waiver.** This Agreement may not be modified except by a writing signed by the parties. No waiver of this Agreement will be effective unless made by a signed writing. No waiver will be a continuing waiver unless so stated in a signed writing.

14.6. **Assignment.** Neither party may assign its rights under this Agreement without the prior written consent of the other party.

14.7. **Governing Law.** This Agreement shall be governed by and interpreted under the laws of the State of California, excluding its conflicts-of-law provisions.

14.8. **Venue.** Any litigation or arbitration arising from or relating to this Agreement shall be brought exclusively in the venue proper for an individual residing in San Francisco, California and the parties agree that any action relating to or arising out of this

Agreement shall be instituted and prosecuted only in those courts. The Parties hereby expressly waive any right to a change in venue and any and all objections to the jurisdiction of those state and federal courts.

14.9. **Construction.** Each Party and/or the respective attorneys of each Party, has carefully reviewed, or has had an opportunity to review, this Agreement. Accordingly, the Parties agree that the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not be utilized in the interpretation of this Agreement.

14.10. **Counterparts.** This Agreement may be executed in counterparts and by faxed signatures, and each counterpart shall be considered a duplicate original of the parties' Agreement.

Date: _____, 20____

Signature of Investor

(Please type or print name of Investor as it appears above)

Social Security or Employer Identification Number of Investor

Street Address

City

State

Zip

If Investor has a spouse and Investor wants the spouse's name to also appear on the ownership certificate, Investor's spouse must complete the following:

Date: _____, 20____

Signature of Investor's Spouse

(Please type or print name of Investor's Spouse as it appears

Social Security or Employer Identification Number of Investor's Spouse

Street Address of Investor's Spouse (if applicable)

City

State

Zip

****IMPORTANT****

Please print below exactly how you want your name(s) listed on your certificate:

COMPANY ACCEPTANCE

By: _____

Title: _____

Date: _____, 20__

Exhibit C

Cal-X Stars Business Accelerator, Inc.

ACCREDITED INVESTOR QUESTIONNAIRE

Rule 506, accredited-investors only offering

1. RETURN OF FORM. All responses will be kept confidential. After you complete and sign this form, please mail, fax or email it to:

Howard Leonhardt, Chairman & Chief Executive Officer
Cal-X Stars Business Accelerator, Inc.
1531 6th Street, Unit 401
Santa Monica, CA 90401
Telephone: (310) – 310- 2534
Email: howard@calstockexchange.com
Web Site: www.calxstars.com

2. PERSON COMPLETING THIS FORM

- a. Name: (First, Middle Initial, Last): _____
- b. Date of Birth: _____
- c. Home Address: _____
- d. State in which you are registered to vote: _____
- e. Home Telephone: _____
- f. Cell Phone: _____
- g. Email Address: _____
- h. Business/Profession: _____
- i. Title: _____
- j. Company Name: _____
- k. Employed Since: _____
- l. Business Address: _____
- m. Business Telephone: _____

3. CONTACT METHOD FOR COMMUNICATIONS. To which place would you prefer that communications be sent?

_____ Home Address

_____ Business Address

_____ Email Address

_____ Other (please specify): _____

4. ENTITY INFORMATION. If you are submitting this form on behalf of an entity (corporation, limited liability company, etc.), employee benefit plan or trust with assets of at least \$5 million, please complete the following:

a. Name of entity, plan or trust: _____

b. Name of state where entity, plan or trust was formed: _____

and check any of the following boxes that apply:

_____ The undersigned is a corporation, partnership, business trust or charitable organization with assets in excess of \$5 million that was not formed to acquire securities offered by the company presenting this questionnaire;

_____ The undersigned is a bank, a savings and loan association, a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, an insurance company, an investment company registered under the Investment Company Act of 1940, a business development company as defined in Section 2(a)(48) of that Act, a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958, a private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;

_____ The undersigned is an employee benefit plan a) either established and maintained by a government entity or governed by the Employee Retirement Income Security act of 1974 (ERISA) and in either case with total assets in excess of \$5 million, or b) governed by ERISA and where investment decisions are either made by a bank, savings and loan association, insurance company, or registered investment adviser or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

_____ The undersigned is a trust with assets of at least \$5 million, not formed to acquire securities offered by the company presenting this questionnaire, and whose purchases are directed by a sophisticated person who, either alone or with his/her independent purchaser representative, has such knowledge and experience in financial and business matters that he/she is capable of evaluating the merits and risks of a prospective investment.

If you have checked any of these items, please skip to the signature lines at the bottom.

5. OVERALL INVESTMENT OBJECTIVES. Please rank your investment objectives from 1 through 4 in order of priority; 1 being the highest:

- Growth
- Current Income
- Tax Deferral
- Liquidity

6. RISK TOLERANCE. Please check one :

- Aggressive
- Moderate
- Conservative

7. SPECULATION. Do your investment objectives allow speculation?

- No Yes

8. ACCREDITED INVESTOR STATUS; please check every item that applies:

My net worth (either individually or with my spouse, if any), excluding the value of my personal residence¹ but including all other investments, property and other assets, is at least \$1,000,000.

My individual annual income was at least \$200,000 in each of the two most recent years, and I expect such income in the current year.

My annual income, jointly with my spouse, was at least \$300,000 in each of the two most recent years, and I expect such income in the current year.

The undersigned is signing for an entity and all of the entity's equity owners meet at least one of the three tests listed above.

The undersigned is signing for an organization not formed for the specific purpose of acquiring the securities offered with total assets in excess of \$5,000,000;

The undersigned is a revocable trust created by the undersigned for his or her own benefit who meets at least one of the first three tests listed above.

9. EDUCATION. Please list your highest level of education and any degrees (including field if applicable) that you have received::

10. LICENSES. Please list any job-related licenses that you hold or have held in the past:

¹ The "value of primary residence" is excluded from the net worth calculation. Any mortgage secured by the primary residence up to its fair market value may also be excluded. However, indebtedness secured by the residence in excess of the value of the home should be considered a liability and deducted from the investor's net worth.

11. JOB EXPERIENCE. Please briefly summarize any job experience that you have had that may show familiarity with business matters and/or investments:

12. PRIMARY SOURCE OF INCOME:

- _____ Investments
- _____ Compensation

13. PRIOR INVESTMENT EXPERIENCE. I have experience as an investor in (please check all that apply):

- _____ Stocks which are listed on a national securities exchange.
- _____ Mutual funds which hold a portfolio primarily consisting of stocks.
- _____ Taxable bonds or other debt instruments.
- _____ Tax exempt bonds.
- _____ Partnerships, limited liability companies, corporations which invest in real estate or real estate investment trusts (REITs).
- _____ Other types of investments not mentioned in any of the previous categories (please describe): _____

14. PORTFOLIO. Please estimate the percentage of your assets that you currently have in each category:

- _____ Stocks (including mutual funds)
 - _____ Bonds
 - _____ Certificates of Deposit/Loans/Savings Accounts
 - _____ Principal Residence
 - _____ Vacation Home(s)
 - _____ Rental Property
 - _____ Ownership of business(es) in which you are actively involved
 - _____ Other
- 100%

Date: _____

Sign Name: _____

Print Name: _____

Name of Entity, Pension Plan or Trust, if applicable: _____

Exhibit D

Cal-X Stars Business Accelerator, Inc.

INVESTOR CERTIFICATE

Rule 506, accredited-investors only offering

This investor certificate (“Certificate”) sets out the agreement between the undersigned investor (“Investor”), and Cal-X Stars Business Accelerator, Inc. (“Company”) regarding Investor's investment in the Company effective _____, 20__.

Investor will provide \$_____ in cash to the Company in exchange for _____ shares of the Corporation’s common stock (“Securities”).

As a condition to receiving the Securities, Investor warrants, represents and certifies as follows:

1. **Name and Address.** Investor’s full name and residential address is as it appears at the bottom of this Certificate.
2. **Investor Documents.** Investor has carefully reviewed the following Investor Documents: the Company’s Private Placement Memorandum dated _____ and the Company’s Bylaws dated June 13, 2013. Investor has received the Investor Documents, has carefully read each Investor Document and any schedules or exhibits, and represents and warrants that Investor has relied only on the information contained there in making this investment decision and on no other documents or communications.
3. **Forward-Looking Statements.** This provision is being included in connection with the safe harbor provision of the Private Securities Litigation Reform Act. The Investor Documents contain forward-looking statements. Such statements are based upon management’s current expectations, beliefs, and assumptions about future events, and are other than statements of historical fact and involve a number of risks and uncertainties. The use in the Investor Documents of words such as “believes,” “anticipates,” “expects,” “intends” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. In addition to those factors discussed in the Investor Documents, important factors that could cause actual results to differ materially from those in forward-looking statements are, among others, the market’s acceptance of the Company’s services and products, competition and the availability of financing.
4. **Purchase for Own Account.** Investor is purchasing the Securities in his/her/its own name and for his/her/its own account (or for a trust account if he/she/it is a trustee), and no other person has any interest in (or right with respect to) the Securities, nor has Investor agreed to give any person any such interest or right in the future. Investor is acquiring the Securities for

investment and not with a view to, or for sale in connection with, any distribution of the Securities.

5. **No Registration.** Investor recognizes that the Securities have not been registered under the Federal Securities Act of 1933 (or any other securities law) or qualified under the California Corporate Securities Law of 1968 (or any other securities law), that any disposition of the Securities is subject to restrictions imposed by federal and state law, and that the certificates representing the Securities may bear a restrictive legend.
6. **Risk of No Exemption.** Investor also recognize that he/she/it cannot dispose of the Securities absent registration and qualification, or an available exemption from registration and qualification, and that no undertaking has been made with regard to registering or qualifying the Securities in the future. Investor understands that the availability of an exemption in the future will depend in part on circumstances outside Investor's control and that Investor may be required to hold the Securities for a substantial period.
7. **No Public Market.** Investor recognizes that no public market exists with respect to the Securities and no representation has been made to Investor that such a public market will exist at a future date.
8. **No Endorsement by Securities Regulators.** Investor understands that no federal or state agency with authority to regulate the sales of securities has made any finding or determination relating to the fairness for investment of the Securities offered by the Company and that these agencies have not and will not recommend or endorse the Securities.
9. **No Advertisements.** Investor has not seen or received any advertisement or general solicitation with respect to the sale of the Securities.
10. **Preexisting Relationship/Sophistication.** Investor is an accredited investor, defined as follows:
 - a. Any organization not formed for the specific purpose of acquiring the securities offered with total assets in excess of \$5,000,000; or
 - b. Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer; or
 - c. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000; or
 - d. Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or

11. Liquidity. Investor has no need for liquidity with respect to this investment.
12. Opportunity for Questions. Investor acknowledges that before this transaction Investor has been given the opportunity to ask questions concerning the Securities and the investment as Investor felt necessary or advisable, and to the extent Investor took advantage of that opportunity, Investor received satisfactory information and answers.

In reaching the decision to invest, Investor has carefully evaluated his/her/its financial resources and investment position and the risks associated with this investment, and Investor acknowledges that he/she/it is able to bear the economic risks of this investment. BY ELECTING TO PARTICIPATE IN THIS INVESTMENT, INVESTOR REALIZES THAT IT IS POSSIBLE THAT HE/SHE/IT MAY LOSE THE ENTIRE INVESTMENT. Investor further acknowledges that his/her/its financial condition is such that Investor is not under any present necessity or constraint to dispose of the Securities to satisfy any existing or contemplated debt or undertaking.

13. Advice of Counsel. Investor acknowledges that any legal counsel for the Company is legal counsel solely for the Company regarding this investment and not for Investor, and that Investor may want to have his/her/its own legal counsel review this Agreement before signing. Investor acknowledges that any accounting firm for the Company is the accounting firm solely for the Company and not for Investor, and that Investor may want to have his/her/its own accountant review this Agreement before signing.

14. Change in Circumstances. All information which Investor has provided to the Company concerning himself/herself, his/her/its financial position, and his/her/its knowledge of financial and business matters is correct and complete as of the date set forth below and, if there should be any material change in such information prior to his/her/its having paid his/her/its subscription in full, that he/she/it must immediately provide the Company with such information and Company has the right to terminate this Subscription Agreement without penalty.

15. Dilution. Investor understands that the Company may decide to issue additional stock in the future and that if that happens the percentage of ownership that each shareholder owns of the Company will be decreased on a pro-rata basis.

16. Arbitration. ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SECURITIES THAT INVOLVES THE COMPANY, ITS PRINCIPALS, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, BROKERS, ATTORNEYS OR AGENTS -- INCLUDING FEDERAL AND STATE STATUTORY CLAIMS -- SHALL BE SETTLED EXCLUSIVELY BY ARBITRATION IN SAN FRANCISCO, CALIFORNIA IN ACCORDANCE WITH THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. THE PARTIES AGREE THAT CLASS-ACTION ARBITRATION IS SPECIFICALLY PROHIBITED. If any portion of this agreement is found to be invalid, then the narrowest segment possible of that portion shall be held to be

excised from this agreement, and the remainder of this agreement will continue in full force and effect.

17. General Provisions

- a. *Whole Agreement.* This Agreement contains the entire understanding of the parties and supersedes all prior oral and written agreements, understandings, commitments, representations and practices between the parties.
- b. *Authority.* The undersigned warrants that he/she has full legal authority to sign for his/her respective party and that such party is lawfully empowered to enter into this Agreement.
- c. *Successors.* Except as may be otherwise specified in this Agreement, this Agreement will inure to the benefit of and be binding on any successors or assigns of either party.
- d. *Invalidity.* If any portion of this Agreement is found to be invalid, then the narrowest segment possible of that portion shall be held to be excised from this Agreement, and the remainder of this Agreement will continue in full force and effect.
- e. *Modification and Waiver.* This Agreement may not be modified except by a writing signed by the parties. No waiver of this Agreement will be effective unless made by a signed writing. No waiver will be a continuing waiver unless so stated in a signed writing.
- f. *Assignment.* Neither party may assign its rights under this Agreement without the prior written consent of the other party.
- g. *Governing Law.* This Agreement shall be governed by and interpreted under the laws of the State of California, excluding its conflicts-of-law provisions.
- h. *Venue.* Any litigation or arbitration arising from or relating to this Agreement shall be brought exclusively in the venue proper for an individual residing in San Francisco, California and the parties agree that any action relating to or arising out of this Agreement shall be instituted and prosecuted only in those courts. The Parties hereby expressly waive any right to a change in venue and any and all objections to the jurisdiction of those state and federal courts.
- i. *Construction.* Each Party and/or the respective attorneys of each Party, has carefully reviewed, or has had an opportunity to review, this Agreement. Accordingly, the Parties agree that the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not be utilized in the interpretation of this Agreement.

- j. *Counterparts.* This Agreement may be executed in counterparts and by faxed signatures, and each counterpart shall be considered a duplicate original of the parties' Agreement.

Date: _____, 20____

Signature of Investor

(Please type or print name of Investor as it appears above)

Social Security or Employer Identification Number of Investor

Street Address

City

State

Zip

If Investor has a spouse and Investor wants the spouse's name to also appear on the stock certificate, Investor's spouse must complete the following:

Date: _____

Signature of Investor's Spouse

(Please type or print name of Investor's Spouse as it appears

Social Security or Employer Identification Number of Investor's Spouse

Street Address of Investor's Spouse (if applicable)

City

State

Zip

****IMPORTANT****

Please print below exactly how you want your name(s) listed on your certificate:

ACCEPTED

By: _____

Title: _____

Date: _____

Exhibit E

Cal-X Stars Business Accelerator, Inc.

SAMPLE TERM SHEETS

Cal-X Stars Business Accelerator, Inc. Standard Term Sheet Terms for Investing in Startups

- Average investment range \$100K to \$1.4 million = \$400K average
- Instrument = Convertible debt note.
- Average valuation of company at time of investment = \$2.3 million.
- Instrument = convertible debt note.
- \$400K into \$2.3 mil. valuation = 17.5% equity for cash investment alone
- Additional 3% to 9% sweat equity for mentoring services and tag along on booth exhibits and investment meetings. All 3 to 9% goes to Cal-X Stars shareholders.
- 3% royalty on gross sales for 1st full 3 years of sales. 1st year is not triggered until \$100K in revenues aggregate is reached.
- 7% warrants, 15 year strike time, strike price equal to seed round price.
- *BONUS OPTION* Liquidation preference. Cal-X Stars shareholders receive 3X return before other shareholders are paid.
- Preferred stock 5:1 voting rights.
- Right to participate pro rata in future rounds.
- Two board seats if desired.
- Lead Cal-X Stars Mentor gets stock option agreement in company equal to CFO level – 20% vesting a year for 5 years.
- Company should where possible use our selected investment banker and registered broker dealers for Round A financing ie; Merriman Capital, Roth Capital, Andrew Romans, Brighton Capital, Crowdfunder.com, MicroVentures, Angelist.co, Healthioexchange.com.
- All Cal-X Stars portfolio companies will be encouraged to utilize Cal-X Stars chosen vendors for services where we have negotiated volume discounted rates ie; Enterprise Rental Car, Virgin American Airlines, Leverage PR, Regard.com, Crowdfunder.com, HealthiosXchange.com, FundingRoadMap, WhenYouWish.com, EquityNet.com, ZimpleMoney, Kaiser Health, Silicon Valley Bank, MethvenLaw, 4ColorFlyers, 4 Color Displays.

Cal-Xelerator Standard Term Sheet for Investing in Startups

- Average investment range \$6K to \$18K.
- Average valuation of company at time of investment = \$500,000
- Instrument = convertible debt note.
- \$18K into \$500K = 3.6% to 6% equity from cash investment only
- Additional 9% in sweat equity for mentoring services and tag along in Social Impact investment meetings. 3% goes to lead mentor. 3% to pool of 8 or 9 mentors. 3% to Cal-Xelerator (50.1% minimum Cal-X Stars) Investors.
- 3% royalty on gross sales for 1st full 3 years of sales. 1st year is not triggered until \$10K in revenues aggregate is reached.
- 7% warrants, 15 year strike time, strike price equal to seed round price.
- *BONUS OPTION* Liquidation preference. Cal-Xelerator shareholders receive 3X return before other shareholders are paid.
- Preferred stock with 5:1 voting rights.
- Right to participate pro rata in future rounds.
- Two board seats if desired.
- Lead Cal-Xelerator Mentor gets stock option agreement in company equal to CFO level – 20% vesting a year for 5 years.