



The Future of Brain Based Healthcare

Confidential
Private Placement Memorandum

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NEXALIN TECHNOLOGY, INC.



CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

\$28,500,000

**Twenty Eight Million Five Hundred Thousand Dollars
(For Accredited Investors Only)**

Nexalin Technology, Inc. (“We”, “Us”, “Company”, “Nexalin Technology” or “Nexalin”) is a Nevada company formed October 19, 2010 for the purpose of acquiring the worldwide distribution rights to Nexalin® Therapy including any future delivery platforms or devices for the treatment of Anxiety, Depression and Insomnia (ADI) in the United States and other treatment therapies including Chronic Pain, Parkinson’s Disease and Musculoskeletal treatments in international markets from Spiritus Group, Inc. (“Spiritus”). The Company hereby offers a maximum of Five Million Five Hundred Thousand Shares (“Shares”) at purchase prices ranging from \$3.00 to \$10.00 per Share (the “Offering”). The Company reserves the right to cancel any round prior to completion of that round as well as the right to extend any round by up to ten percent (10%) of the Offering amount. This Offering involves a high degree of risk. This is a best efforts,-no minimum Offering. See “Risk Factors.”

SHARES	OFFERING PRICE (1)	NET PROCEEDS (2)
500,000 (1 st Round)	\$3.00	\$1,500,000.00
1,000,000 (2 ND Round)	\$3.50	\$3,500,000.00
1,000,000 (3rd Round)	\$4.00	\$4,000,000.00
1,000,000 (4th Round)	\$4.50	\$4,500,000.00
1,000,000 (5th Round)	\$5.00	\$5,000,000.00
1,000,000 (6th Round)	\$10.00	\$10,000,000.00
TOTAL SHARES		TOTAL NET PROCEEDS
5,500,000		\$28,500,000

- (1) The Offering price per Share has been arbitrarily determined by the Company and has no relation to earnings, book value or net worth of the Company. Subscription amounts are payable upon transmittal of the Subscription Agreement. See “Risk Factors.”
- (2) A sales commission of up to 5% may be paid to participating Financial Industry Regulatory Authority (FINRA) licensed broker/dealers and other qualified personnel. In the event that management deems it necessary to retain the services of a broker/dealer or other qualified personnel to raise the money being sought by this Offering, then Net Proceeds to the Company would be reduced by approximately 5% for commissions as well as an additional 3.5% for reimbursement of expenses incurred in raising such monies. See “Use of Proceeds.”

The Date of this Offering is March 1, 2015

**Nexalin Technology, Inc.
1382 Valencia Ave., Unit F, Tustin, CA 92780**

THE OFFERING INVOLVES A HIGH DEGREE OF RISK

THE UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. NO SUCH COMMISSION OR AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM, NOR IS IT INTENDED THAT THEY WILL AND ANY REPRESENTATIONS TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL NOR THE SOLICITATION OF AN OFFER TO PURCHASE ANY SECURITIES IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM IT WILL BE UNLAWFUL TO DO SO.

INVESTORS WILL BE REQUIRED TO REPRESENT THAT THEY ARE ABLE TO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT AND THAT THEY (OR THEIR PURCHASER REPRESENTATIVES) ARE FAMILIAR WITH AND UNDERSTAND THE TERMS AND RISKS OF THIS OFFERING. THE CONTENTS OF THIS PRIVATE PLACEMENT MEMORANDUM ARE NOT TO BE CONSTRUED AS LEGAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT HIS OR HER OWN ATTORNEY, ACCOUNTANT OR BUSINESS ADVISOR AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING THEIR INVESTMENT. ALL FINAL DECISIONS IN RESPECT TO SALES OF UNITS WILL BE MADE BY THE COMPANY WHICH RESERVES THE RIGHT TO REVOKE THE OFFER AND TO REFUSE TO SELL TO ANY PROSPECTIVE INVESTOR, IF, AMONG OTHER THINGS, THE PROSPECTIVE INVESTOR DOES NOT MEET THE SUITABILITY STANDARDS, HEREINAFTER SET FORTH. (SEE "SUITABILITY STANDARDS - ACCREDITED INVESTORS ONLY.")

NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM SHOULD BE RELIED ON IN CONNECTION WITH THE OFFERING OF THE UNITS, AND THIS PRIVATE PLACEMENT MEMORANDUM. NO PERSONS, EXCEPT THE COMPANY OR ITS AGENTS AND SUCH REGISTERED BROKER-DEALERS AS THE COMPANY MAY ELECT TO UTILIZE OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS MEMORANDUM AND SUPPLEMENTAL LITERATURE REFERRED TO HEREIN, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

THE INVESTMENT DESCRIBED IN THIS MEMORANDUM INVOLVES SUBSTANTIAL RISKS AND IS OFFERED ONLY TO INDIVIDUALS WHO CAN AFFORD TO ASSUME SUCH RISKS FOR AN INDEFINITE PERIOD OF TIME AND WHO AGREE TO PURCHASE THE UNITS THAT ARE BEING OFFERED HEREUNDER ONLY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARDS A TRANSFER, RESALE, EXCHANGE OR FURTHER DISTRIBUTION OF SUCH. THE RESALE OF SUCH UNITS IS LIMITED BY FEDERAL AND STATE SECURITIES LAWS AND IT IS THEREFORE URGED THAT EACH POTENTIAL INVESTOR SEEK COUNSEL CONCERNING SUCH LIMITATIONS.

THE PRICE OF UNITS AS DESCRIBED IN THIS MEMORANDUM HAS BEEN ARBITRARILY DETERMINED BY THE COMPANY, AND EACH PROSPECTIVE INVESTOR SHOULD MAKE AN INDEPENDENT EVALUATION OF THE FAIRNESS OF SUCH PRICE UNDER ALL THE CIRCUMSTANCES AS DESCRIBED IN THIS PRIVATE PLACEMENT MEMORANDUM.

THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT KNOWINGLY CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT A MATERIAL FACT, AND ANY SUCH MISSTATEMENT OR OMISSION IS DONE WITHOUT THE KNOWLEDGE OF THE PREPARERS OF THIS DOCUMENT OR THE COMPANY. AS SUCH, THE COMPANY BELIEVES THAT THIS MEMORANDUM CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF ALL MATTERS, DOCUMENTS AND CIRCUMSTANCES TO THIS OFFERING.

THIS PRIVATE PLACEMENT MEMORANDUM IS INTENDED TO ASSIST THE COMPANY IN MAKING A PRIVATE PLACEMENT OF ITS UNITS. THE COMPANY HAS NOT MADE APPLICATION TO REGISTER THIS OFFERING OR THE UNITS BEING SOLD HEREUNDER WITH THE CALIFORNIA CORPORATIONS COMMISSIONER, WITH THE COMMISSIONER OF CORPORATIONS OF ANY OTHER STATE OR WITH THE SECURITIES AND EXCHANGE COMMISSION OF THE UNITED STATES OF AMERICA FOR REGISTRATION OF THIS OFFERING AND NO STATE OR FEDERAL REGULATORY AGENCY HAS PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM, NOR IS IT INTENDED THAT THEY WILL. NO SOLICITATION OR SALE SHALL BE MADE TO ANY PERSON UNLESS THE COMPANY HAS REASONABLE GROUNDS TO BELIEVE, AND DOES BELIEVE, IMMEDIATELY PRIOR TO MAKING SUCH OFFER, SOLICITATION OR SALE, THAT SUCH PERSON, EITHER ALONE OR TOGETHER WITH ONE OR MORE OF HIS PURCHASER REPRESENTATIVES (IF ANY), HAS SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT HE IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE UNITS DESCRIBED IN THIS MEMORANDUM AND THAT SUCH PERSON MEETS SPECIFIC INVESTOR SUITABILITY STANDARDS MORE FULLY DESCRIBED HEREIN.

BECAUSE THE UNITS OFFERED HEREBY ARE NOT REGISTERED UNDER THE SECURITIES ACT OF 1933, (AS AMENDED), OR WITH THE SECURITIES COMMISSIONER OF ANY STATE, AN INVESTOR MUST CONTINUE TO BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD. THE UNITS MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF BY AN INVESTOR UNTIL SUCH INTERESTS ARE REGISTERED OR REGISTRATION IS NOT REQUIRED UNDER STATE OR FEDERAL LAW. FURTHERMORE, ANY TRANSFER WILL BE SUBJECT TO THE APPROVAL BY THE COMPANY WHICH IT MAY DENY IN ITS ABSOLUTE AND SOLE DISCRETION.

THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFERING OR SOLICITATION FOR OFFERS TO SUBSCRIBE TO ANY PERSON RECEIVING IT FROM ANY PERSON OTHER THAN THE COMPANY OR ITS AUTHORIZED REPRESENTATIVES. FURTHER, THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNAUTHORIZED. NONE OF THE UNITS DESCRIBED IN THIS MEMORANDUM WILL BE SOLD TO ANY PERSON WHO HAS NOT COMPLETED AND RETURNED A SUBSCRIPTION AGREEMENT SATISFACTORY TO THE COMPANY.

PROSPECTIVE INVESTORS WHO HAVE QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING OR WHO DESIRE ADDITIONAL INFORMATION OR DOCUMENTATION TO VERIFY THE INFORMATION CONTAINED HEREIN SHOULD CONTACT THE COMPANY, ATTN: LISA MACDONALD. ANY PROJECTIONS OR FORECASTS CONTAINED IN THIS MEMORANDUM MUST BE VIEWED ONLY AS ESTIMATES. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OWN PROFESSIONAL ADVISORS TO ASCERTAIN THE MERITS AND RISKS OF THE INVESTMENT DESCRIBED IN THIS MEMORANDUM PRIOR TO SUBSCRIBING TO UNITS OF THE COMPANY.

ACCREDITED INVESTORS ONLY

THIS OFFERING IS BEING MADE ONLY TO ACCREDITED INVESTORS AS THAT TERM IS DEFINED PURSUANT TO RULE 501 OF REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), IN RELIANCE UPON THE EXEMPTION FROM REGISTRATION PURSUANT TO REGULATION D. QUALIFIED INVESTORS WILL BE REQUIRED TO MEET CERTAIN INCOME AND NET WORTH STANDARDS, AND IN SOME CASES, DEMONSTRATE ADEQUATE BUSINESS AND FINANCIAL EXPERIENCE.

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE ACT, OR UNDER THE LAWS OF ANY STATE, BY THE REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

MULTI STATE SECURITIES LAW NOTICE

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE ACT OR THE SECURITIES LAWS OF ANY STATES AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND SUCH STATE LAWS. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR ARIZONA INVESTORS

THESE ARE SPECULATIVE SECURITIES. THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE ARIZONA SECURITIES ACT IN RELIANCE UPON EXEMPTION FROM REGISTRATION PURSUANT TO A.R.S. SECTION 44.1844 AND, THEREFORE CANNOT BE RESOLD UNLESS THEY ARE SO REGISTERED OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR CALIFORNIA INVESTORS

THESE SECURITIES HAVE NOT BEEN QUALIFIED OR OTHERWISE APPROVED OR DISAPPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS UNDER THE CALIFORNIA CORPORATION CODE. THESE SECURITIES ARE OFFERED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION PROVIDED BY SECTION 25102.1 OF THE CALIFORNIA CORPORATION CODE. ACCORDINGLY, DISTRIBUTION OF THIS MEMORANDUM IS STRICTLY LIMITED TO PERSONS WHO THE COMPANY DETERMINES TO HAVE MET CERTAIN FINANCIAL AND OTHER REQUIREMENTS. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY WITH RESPECT TO ANY OTHER PERSON.

FOR CONNECTICUT INVESTORS

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE CONNECTICUT SECURITIES ACT AND MAY NOT BE SOLD OR TRANSFERRED WITHOUT REGISTRATION OR EXEMPTION THEREFROM.

FOR FLORIDA INVESTORS

THE SECURITIES BEING OFFERED HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION. IF SALES OF THESE SECURITIES ARE CONSUMMATED WITH FIVE OR MORE OFFEREEES IN THE STATE OF FLORIDA, ANY SUCH OFFEREE MAY, AT SUCH OFFEREE'S OPTION, VOID ANY PURCHASE HEREUNDER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE SPONSOR, AN AGENT OF THE SPONSOR, OR AN ESCROW AGENT OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO THE PURCHASER, WHICHEVER OCCURS LATER.

FOR GEORGIA INVESTORS

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE GEORGIA SECURITIES ACT OF 1973, AS AMENDED, IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION SET FORTH IN SECTION 9(M) OF SUCH ACT AND THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH SAID ACT.

FOR NEW HAMPSHIRE INVESTORS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF TITLE XXXVIII OF THE NEW HAMPSHIRE STATUTES, NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE, AND NOT MISLEADING. NEITHER ANY SUCH FACT, NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

FOR NEW YORK INVESTORS

THIS MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL PRIOR TO ITS ISSUANCE OR USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THIS MEMORANDUM DOES NOT CONTAIN AN UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT TO STATE A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS MADE NOT MISLEADING. IT CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF THE DOCUMENTS PURPORTED TO BE SUMMARIZED THEREIN.

FOR PENNSYLVANIA INVESTORS

PURSUANT TO SECTION 207(m) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY SECTION 203(d) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, DIRECTLY FROM THE ISSUER OR AFFILIATE OF THE ISSUER, SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY OTHER PERSON WITHIN 2 BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO

BINDING CONTRACT OF PURCHASE, WITHIN 2 BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED. TO ACCOMPLISH THIS WITHDRAWAL, THE PURCHASER NEED ONLY SEND A LETTER OR TELEGRAM TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING HIS INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF THE PURCHASER IS SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD THE PURCHASER MAKE THE REQUEST ORALLY, THE PURCHASER SHOULD ASK FOR WRITTEN CONFIRMATION THAT HIS REQUEST HAS BEEN RECEIVED.

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SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by, and should be read in conjunction with the more detailed information appearing elsewhere in this Memorandum. This Memorandum contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. The Company's actual results or experience could differ significantly from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors" as well as those discussed elsewhere in this Memorandum.

Securities Offered:

A maximum of 5,500,000 Shares ("Shares") will be offered pursuant to this Offering. If fully funded these Shares represent up to an eleven percent (11%) interest in the Company at this time.

Purchase Price:

\$1,500,000 for the first one half million shares sold; \$3,500,000 for the next million shares sold; \$4,000,000 for the next million shares sold; \$4,500,000 for the next million shares sold; \$5,000,000 for the next million shares sold; and \$10,000,000 for the final million shares sold. A total of \$28,500,000 is intended to be raised by this Offering.

Use of Proceeds:

Proceeds from this Offering will be used to meet corporate expenses and capital requirements associated with expansion of US locations and establish international locations in light of the Company's extensive international clearances. Funds will be used to obtain additional US clearances for Parkinson's disease, chronic pain and fibromyalgia as are already cleared overseas. See "Use of Proceeds."

Risk Factors:

The securities offered hereby involve a HIGH DEGREE OF RISK AND SHOULD NOT BE PURCHASED BY INVESTORS WHO CANNOT AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. See "Risk Factors."

Plan of Distribution:

A sales commission of up to 5% may be paid to participating Financial Industry Regulatory Authority (FINRA) licensed broker/dealers and other qualified personnel. In the event management deems it necessary to retain the services of a broker/dealer or other qualified personnel to raise the money being sought by this Offering, then Net Proceeds to the Company would be reduced by approximately 5% for commissions as well as an additional 3.5% for reimbursement of expenses incurred in raising such monies. See "Plan of Distribution and Restrictions on Resale."

Right to Cancel any Round:

The Company reserves the right to cancel any round prior to completion.

Right to Extend any Round:

The Company reserves the right to extend any round by up to ten percent (10%) of the Offering amount.

Investor Suitability:

The Securities are being offered and sold solely to "accredited investors" as defined pursuant to Rule 501 of Regulation D of the Securities Act of 1933, as amended (the "Act"), pursuant to the exemption from registration established by Regulation D. See "Suitability Standards - Accredited Investors Only."

Limited Transferability:

The Shares being sold will not be registered with the Securities and Exchange Commission, the California Department of Corporations or qualified under the securities laws of any state, but will be offered and sold pursuant to an exemption from registration therefrom. Therefore, the Shares may not be resold or otherwise distributed without registration or qualification under California and/or any other applicable securities laws or the

availability of an exemption therefrom. Furthermore, there is currently no market for the Shares and no market is expected to develop. See *“Risk Factors – Limited Transferability.”*

SUITABILITY STANDARDS - ACCREDITED INVESTORS ONLY

BECAUSE OF THE SIGNIFICANT RISK ASSOCIATED WITH THIS OFFERING, PURCHASE OF THE SHARES SHOULD BE CONSIDERED ONLY BY ACCREDITED INVESTORS WHO HAVE SUBSTANTIAL MEANS, WHO CAN AFFORD THE ILLIQUIDITY OF THIS INVESTMENT, WHO ARE PREPARED TO SUSTAIN A COMPLETE LOSS OF INVESTMENT AND WHO MEET THE FOLLOWING SUITABILITY STANDARDS:

Each investor is required to demonstrate that he/she is capable of bearing the economic risk of the investment and personally possesses such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment, by satisfying one of the following:

- (1) The investor has a net worth of at least \$1,000,000;
- (2) The investor had 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;
- (3) 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(a)(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 benefits of its employees if such plan has total assets in excess of Five Million (\$5,000,000) Dollars; 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 Five Million (\$5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- (4) Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);
- (5) Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million (\$5,000,000) Dollars;
- (6) 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;
- (7) Any trust, with total assets in excess of Five Million (\$5,000,000) Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); or
- (8) Any entity in which all of the equity owners are Accredited Investors.

NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of

which have contributed additional capital for the purpose of investing in the Company, shall be “looked through” and each equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6, 7 or 8 above and will be treated as a separate subscriber who must meet all suitability requirements.

The Company has sole discretion with regard to the sale to any prospective investor. In addition to the suitability standards described above, each investor will be required to represent the following by execution of a subscription agreement stating:

(1) That the investor has such knowledge and experience in financial and business matters and that he is capable of evaluating the merits and risks of an investment in the Company.

(2) That the investor has the basic means to provide for his current needs and personal contingencies, has no need for liquidity in this investment and has the ability to bear the economic risks of this investment, including the loss of his investment.

(3) That the investor is acquiring the Shares for his own account for long-term investment and not with a view towards the resale or distribution thereof.

(4) That the investor has no present intention of selling or granting any participation in or otherwise distributing the Shares.

(5) That the investor has read and understands this Private Placement Memorandum and all Exhibits attached hereto. A partnership or other entity making an investment must meet the financial suitability requirements prescribed for natural persons. A qualified pension, profit-sharing or Keogh employee benefit plan, the fiduciary for such plan or the donor of any such plan who directly or indirectly supplies the funds to purchase an interest in the Company, must also meet the minimum financial suitability.

AVAILABLE INFORMATION

The Company is not presently subject to the reporting and information requirements of the Securities Exchange Act of 1934 (the “Exchange Act”), and therefore does not file such reports.

RISK FACTORS

The Shares offered are speculative and involve a high degree of risk. Only individuals who are economically able to lose their entire investment and have no immediate need for liquidity should purchase these securities. Prospective investors, prior to making an investment decision, should carefully consider, along with other matters referred to herein, the following risk factors:

Development Stage Company:

Nexalin Technology, Inc. is a development stage company and its proposed operations are subject to all of the risks inherent in the establishment of a new business enterprise. Its financial viability is dependent upon raising funds pursuant to this Offering and successfully implementing its business plan. Likewise, to properly market the product the Company may incur substantial research, development and organizational costs which to date have generated limited revenue from the use of its technology. Accordingly, the likelihood of success must be considered in the light of the issues, expenses, difficulties, complications, and delays frequently encountered in connection with the starting and expansion of a business and the relatively competitive environment in which it will operate. Unanticipated delays, expenses and other problems such as setbacks in product development, product manufacturing, and market acceptance are frequently encountered in establishing a new business.

Because of the Company’s limited operating history, historical financial data on which to support the planned operating expenses is likewise limited. Accordingly, our expense levels, which are to a large extent variable, will be based in part on our expectations of future revenues. As a result of the variable nature of many of our expenses we

may be unable to adjust spending in a timely manner to compensate for any unexpected delays in the development and marketing of our products or any subsequent revenue shortfall. Any such delays or shortfalls will have an immediate adverse impact on our business, operating results and financial condition.

Need for Additional Financing:

We will apply the proceeds of the Offering primarily for the operation of Nexalin Technology which expects to incur substantial startup costs to market the product, including but not limited to leasing a facility and implementing our business plan. We may require additional funds to finance our operations and should funds from revenues be delayed, the funds raised under this Offering may be insufficient to satisfy further operating needs. In the event borrowing is required, we may be highly leveraged and subject to all the risks of any such borrowing. There can be no assurance that any required financing will be available on acceptable terms. *See "Use of Proceeds."*

Competition:

The Company will be in competition with other more established companies using a variety of treatments for anxiety, depression and insomnia, including companies that use other electronic medical devices and companies that use drugs for the treatment of these conditions. These companies may be better capitalized and have more established name recognition than the Company. Companies such as Medtronic, Cyberonics and Alpha-Stim currently use electronic stimulation for a variety of conditions. Large companies produce products widely used for depression, including Eli Lilly's Cymbalta. Pfizer Inc. and GlaxoSmithKline plc both manufacture drugs for the treatment of anxiety. Additionally, the Company will be in competition with alternative treatment methods such as chiropractic, holistic healers and acupuncture, which are offered to treat a variety of illnesses. There is no assurance that the Company can successfully enter and compete in this marketplace.

Government Regulations:

The Company's current and future products and manufacturing activities are and will be regulated by the US Food and Drug Administration ("FDA") under the Medical Device Amendments of 1976 to the Food, Drug and Cosmetic Act, the Safe Medical Devices Act of 1990 and the Medical Device User Fee and Modernization Act of 2002. There can be no assurance that the FDA will approve any other products of the Company now under development. Any significant delay in receiving or failure to receive regulatory approval of the Company's products could have a material adverse effect on the Company's business, financial condition and results of operations. Medical products such as those developed or being developed by the Company also are subject to testing and approval for compliance with electrical, mechanical and radio frequency (RF) emissions standards.

Risk of Defective Products and Damaged Reputation:

Highly complex products such as the Nexalin device may contain defects. If any of the Company's products contain defects, or have reliability, quality or compatibility problems, the Company's reputation could be damaged significantly and patients might be reluctant to use our products, which could result in the loss of or failure to attract patients. In addition, these defects could interrupt or delay clinic operations. The Company may have to invest significant capital and other resources to correct these problems. Such expenditures to correct defects and the effect on the Company's reputation could have a material adverse effect on the business, financial condition and results of operations of the Company.

Risk of Product Liability:

The Company faces an inherent business risk of exposure to product liability claims in the event that the use of its technology or products is alleged to have resulted in adverse effects. To date, no claim for damages related to Nexalin has been asserted against the Company. There can be no assurance that liability claims will not exceed the coverage limits of any policies purchased by the Company or that such insurance will continue to be available on commercially reasonable terms or at all. If the Company does not or cannot maintain sufficient liability insurance, its ability to operate may be significantly impaired. In addition, liability claims could have a material adverse effect on the business, financial condition and results of operations of the Company.

Uninsured Loss:

The Company has general liability insurance in place, however there is no guarantee that such insurance will continue. Moreover, certain losses of a catastrophic nature such as from floods, tornadoes, thunderstorms and earthquakes are uninsurable or not economically insurable. Such “Acts of God”, work stoppages, regulatory actions or other causes, could interrupt operations and adversely affect the Company’s business.

Dependence on Officers and Directors of Nexalin Technology, Inc.:

The Company will be relying primarily on the experience and expertise of the officers and directors of Nexalin Technology, Inc. who have experience in the manufacturing and marketing of Nexalin Technology. The loss of any of Nexalin’s officers and directors who are experienced in the Nexalin technology could adversely affect the proposed operations of the Company.

Rapid Technological Change:

The medical device industry is characterized by rapid and significant technological change. There can be no assurance that the Company’s competitors will not succeed in developing or marketing products or technologies that are more effective and/or less costly and which render the Company’s products obsolete or non-competitive. In addition, new technologies, procedures and medications could be developed that replace or reduce the value of the Company’s products. The Company’s success will depend in part on its ability to respond quickly to medical and technological changes through the development and introduction of new products and to successfully market these products. There can be no assurance that the Company’s new product development efforts will result in any commercially successful products. A failure to develop and successfully market new products could have a material adverse effect on the business, financial condition and results of operations of the Company.

Best Efforts - No Minimum Offer:

The Shares are being offered on a “best efforts, no minimum” basis. Therefore, we plan to use proceeds as they are received without establishing a minimum level of subscriptions or establishing escrow. There is no assurance that all, or a substantial portion, of the Shares offered hereby will be sold and that the estimated net proceeds generated from such a sale will be sufficient to commence or continue our proposed operations. Investors should therefore be aware that if only a small number of Shares are subscribed, there may not be sufficient funds available for us to accomplish our business objectives. See “Use of Proceeds.”

Arbitration:

Any dispute arising out of or relating to an investment in the Company must be handled in accordance with the rules and regulations of the American Arbitration Association, said arbitration to be binding on the parties. Additionally, each investor hereunder will be waiving the right to seek damages, the right to trial by a jury and other potential remedies that otherwise may be afforded by law. See Exhibit A - “Subscription Agreement.”

Reliance on Outside Contractors or Consultants:

We will rely on the experience of contractors or consultants who may work full or part time for us. In the event that one or more of these contractors or consultants terminates its relationship with the Company, or becomes unavailable, suitable replacements will need to be obtained and there is no assurance that such replacements could be obtained under conditions favorable to us.

Dilution:

An investment in the Shares will result in an immediate substantial dilution of the net tangible book value of the Shares from the Offering price per Share. Dilution is a reduction in the value of a purchaser’s investment, measured by the difference between the purchase price and the net tangible book value of the Shares after the purchase takes place. The net tangible book value of a Share represents the amount of our tangible assets less the amount of its liabilities, divided by the number of outstanding Shares.

No Assurance of Revenues:

There can be no assurance that our proposed operations will result in continued revenues or sufficient revenues to

enable us to operate at profitable levels or to generate positive cash flow. As a result of the Company's limited operating history and the nature of the markets in which it competes, the Company may not be able to accurately predict its revenues. Any failure by the Company to accurately make such predictions would have a material adverse effect on the Company's business, results of operations and financial condition. Further, the Company's current and future expense levels are based largely on its investment plans and estimates of future revenues. The Company expects operating results to fluctuate significantly in the future as a result of a variety of factors, many of which are outside of the Company's control. Factors that may adversely affect the Company's operating results include, among others, demand for the products of the Company, the budgeting cycles of potential customers, lack of enforcement of or changes in governmental regulations or laws, the amount and timing of capital expenditures and other costs relating to the expansion of the Company's operations, the introduction of new or enhanced products and services by the Company or its competitors, the timing and number of new hires, changes in the Company's pricing policy or those of its competitors, the mix of products, increases in the cost of raw materials, technical difficulties with the products, incurrence of costs relating to future acquisitions, general economic conditions, and market acceptance of the company's products. As a strategic response to changes in the competitive environment, the Company may from time to time make certain pricing, service or marketing decisions or business combinations that could have a material adverse effect on the Company's business, results of operations and financial condition. Similarly, any seasonality is likely to cause quarterly fluctuations in the Company's operating results. Therefore, the Company may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall.

Arbitrary Offering Price:

The offering price of the Shares was arbitrarily determined and does not necessarily bear any relationship to the assets, book value, earnings (loss) or our net worth and should not be considered to be an indication of the actual value of the Company.

Control of the Company:

The Common Stock offered hereby will not represent a minority of the Company's outstanding stock after its issuance. However, once combined with prior common stock investors, it will be a part of the majority interest in the Company. Accordingly, cash investors of this round and prior rounds of funding will be able, by virtue of their voting control and stock holdings, have a major influence on those elected to the board of directors who in turn can control the Company's affairs and policies. As a result, these stockholders will possess significant influence over the Company, giving them the ability, among other things, to elect a majority of the Company's Board of Directors who will have the power to approve significant corporate transactions.

Limited Transferability:

The Shares purchased pursuant to this Offering will be restricted from resale. Although the Company may register the Shares once earnings, net asset value and elapsed time in business criteria have been met so as to qualify the Company for listing on a stock exchange and registration with the Securities Exchange Commission, no assurance can be given that such an event will take place. Until that time, there will be no market for the Shares issued in this Offering. The Shares will not be transferable without the express written consent of the Company, approval to be granted upon determination by the Company as to the suitability of the transferee.

Absence of Public Market; Non-Transferability and Non-Liquidity of Investment:

The Company's Shares are not being registered under the Securities Act or the Securities laws of any other appropriate jurisdiction in reliance on exemptions from such registration requirements. The Shares may not be resold or otherwise transferred unless the Shares are later registered under the Securities Act or the Securities laws of any other appropriate jurisdiction, or unless an exemption from such registration requirements is available. Accordingly, an investor may be unable to liquidate his or her Investment in the Company and should be prepared to bear the economic risk of an investment for an indefinite period. In addition, an investor should be able to withstand the total loss of his or her investment.

Broad Discretion of Management in Use of Proceeds:

The Company expects to use the net proceeds for general corporate purposes, including working capital, capital expenditures, promotional and marketing expenditures and to fund anticipated operating losses. It is also moving forward with several major projects to expand the Nexalin Treatment Centers across the USA. Nexalin will also be moving forward with. In addition, the Company may use an unspecified portion of the net proceeds to acquire or invest in complementary businesses, products, intellectual property and technologies if a favorable opportunity to make such an acquisition or investment arises. In the ordinary course of business, the Company expects to evaluate potential acquisitions of businesses, products and technologies, which complement the Company's business model. In addition, from time to time, the Company will evaluate the usage of the Company's cash to determine whether the then existing uses and apportionment should be changed. As a result, there can be no assurance that the Company's use of proceeds will strictly adhere to those uses described in this Memorandum and elsewhere, as the Company's circumstances may materially change. Accordingly, the Company's management will have broad discretion in the application of the net proceeds. The failure of management to apply such funds effectively could have a material adverse effect on the Company's business, results of operations and financial condition.

Limited Protection of Technology and Trademarks:

The Company's success depends significantly upon proprietary technologies. The Company will seek to protect its formulations, software, documentation and other written materials under trade secret, patent and copyright laws, but these laws afford only limited protection. The Company generally enters into confidentiality or license agreements with its employees, suppliers and consultants, and generally controls access to and distribution of its documentation and other proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use the Company's proprietary information without authorization or to develop similar technology independently. Also, there can be no assurance that patents owned by other entities, whether existing, pending or not yet filed, will not have a material adverse effect on the Company's ability to do business. Effective trademark, service mark, copyright and trade secret protection may not be available in every country in which the Company's services are distributed or made available, and policing unauthorized use of the Company's proprietary information is difficult and expensive.

Legal standards relating to the validity, enforceability and scope of protection of certain proprietary rights in similar businesses are uncertain and still evolving, and no assurance can be given as to the future viability or value of any proprietary rights of the Company. There can be no assurance that the steps taken by the Company have prevented or will prevent misappropriation or infringement of its proprietary information. Any such infringement or misappropriation, should it occur, might have a material adverse effect on the Company's business, results of operations and financial condition. In addition, litigation may be necessary in the future to enforce the Company's intellectual property rights, to protect the Company's trade secrets or to determine the validity and scope of the proprietary rights of others. Such litigation might result in substantial costs and diversion of resources and management attention and could have a material adverse effect on the Company's business, results of operations and financial condition.

Risk of Intellectual Property Infringement:

There can be no assurance that the Company's business activities will not or have not infringed upon the proprietary rights of others, or that other parties will not assert infringement claims against the Company, or that the Company's patent and other intellectual property rights will not be challenged and ultimately invalidated. From time to time, the Company may be subject to claims in the ordinary course of its business including claims of alleged infringement of the trademarks, service marks and other intellectual property rights of third parties by the Company and the content generated by its members. Such claims and any resultant litigation, should it occur, might subject the Company to significant liability for damages and might result in invalidation of the Company's proprietary rights and even if not meritorious, could be time consuming and expensive to defend and could result in the diversion of management time and attention, any of which might have a material adverse effect on the Company's business, results of operations and financial condition.

Forward Looking Statements and Associated Risks:

This Private Placement Memorandum contains certain forward-looking statements, including among others: (i) the projected time for commencing operations; (ii) anticipated trends in the Company's financial condition and results of operations; (iii) the Company's business strategy for its plan of operations; and (iv) the Company's ability to distinguish itself from its current and future competitors. These forward-looking statements are based largely on the Company's current expectations and are subject to a number of risks and uncertainties. Actual results could differ materially from these forward looking statements. In addition to other risks described elsewhere in this "Risk Factors" discussion, important factors to consider in evaluating such forward-looking statements include (i) changes to external competitive market factors or in the Company's internal budgeting process which might impact trends in the Company's results of operations; (ii) anticipated working capital or other cash requirements; (iii) changes in the Company's business strategy or an inability to execute its strategy due to unanticipated changes in the industry in which we will operate; and (iv) various competitive factors that may prevent the Company from competing successfully in the marketplace. In light of these risks and uncertainties, many of which are described in greater detail elsewhere in this "Risk Factors" discussion, there can be no assurance that the events predicted in forward-looking statements contained in this Private Placement Memorandum will in fact transpire.

IN ADDITION TO THE FOREGOING RISKS, BUSINESSES ARE OFTEN SUBJECT TO RISKS THAT ARE NOT FORESEEN OR FULLY APPRECIATED BY MANAGEMENT. POTENTIAL INVESTORS SHOULD KEEP IN MIND THAT OTHER MATERIAL RISKS COULD EXIST OR ARISE THAT HAVE NOT BEEN CONTEMPLATED.

REGULATORY ISSUES

Introduction:

All of Nexalin's pilot and pivotal clinical trials were conducted in accordance with the Helsinki Agreement. The countries that signed the Helsinki Agreement include, but are not limited to, the United States, Russia, Canada and the European Union. Nexalin is currently preparing for additional clinical trials and studies in various locations within the United States.

Early TESA/ Nexalin FDA Clearance:

The FDA cleared a version of the Nexalin device ("originally TESA") on July 21, 2003 (#510(k) K024377) for the treatment of anxiety, depression and insomnia, concluding TESA is "substantially equivalent" to other cleared predicate devices.

Clinical Studies, Safety, Efficacy, ISO, CMDCAS, Insurance and More:

All of the US designed studies were properly-blinded, randomized, placebo controlled and included baseline, treatment and follow-up phases using FDA guidelines: 1) Guidance for Clinical Data to be Submitted for Premarket Approval Application for Cranial Electrotherapy Stimulators; and 2) General Considerations in the Design of Clinical Studies for Pain-Alleviating Devices.

Safety and Effectiveness of Nexalin:

The Nexalin device incorporates several features to insure patient safety

- Output current passes through a charge-blocking capacitor insuring zero-net DC output in case of failure
- Nexalin monitors output current and voltage to control the output waveform and precisely limit delivered current
- An internal microprocessor calculates electrode impedance and activates an alarm for poor skin contact
- Treatment delivery is monitored if electrode impedance goes outside of acceptable range. A risk management file in accordance with ISO 14971 confirms Nexalin's safety features.
- The Risk Management Report, the Risk Analysis and the FMECA demonstrate the inherent safety features of Nexalin's design and were part of the verification, validation and acceptance of the design.

European Union:

The CE Marking by the European Union's Notified Body, SEMKO, has been transferred to Spiritus. This is significant because we expect to have the approval to distribute the Nexalin product throughout the European Union in the near future. Nexalin is in the process of getting the CE marking reinstated. The distribution approval process currently requires reinstatement of the CE mark with filing fees to the EU for 2013 and 2014

Russia:

Russia has issued Nexalin a ten-year clearance for the general practice of medicine and an accompanying certification that should be extended every two years. This clearance is not limited to the treatment of anxiety, depression, insomnia or the relief of pain associated with osteoarthritis.

Australia:

Australia has cleared the Nexalin device as a brain stimulator for most medical purposes.

Mexico, Philippines, Qatar, Japan and Korea:

Nexalin intends to expand into these markets and has initiated the regulatory process review to determine how to move forward in each of these countries.

SUMMARY OF MATERIAL AGREEMENTS

The License Agreement between Spiritus and Nexalin:

Nexalin Technology Inc. entered into a License and Distribution Agreement whereby Spiritus Group, Inc. licensed to the Company the right to distribute the Nexalin® Therapy products that utilize its patented electrostimulation technology (the Nexalin® Therapy). The agreement provides a payment of a Licensing Technology royalty fee to Spiritus Group, Inc. in the amount of five percent (5%) of Gross Revenues. The License Agreement has a term of three years with renewal provisions, but can be terminated for cause which includes non-payment of royalties or the insolvency of our Company.

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USE OF PROCEEDS

Net proceeds from this Offering after deducting sales commissions, legal, printing and Blue Sky expenses are expected to be **\$28,500,000**.

We intend to apply the net proceeds as follows:

	<u>Total Offering</u>
Proceeds from Offering (1)	\$ 28,500,000
Less: Selling Expenses (2)	\$ 1,425,000
Legal, printing, Blue Sky	\$ 75,000
Net Proceeds to the Company	<u>\$ 27,000,000</u>

Application of Net Proceeds:

Marketing	\$ 2,000,000
Salaries	\$ 1,000,000
Produce additional Nexalin Medical Devices (3) \$1,000,000	
Clinical Support (4)	\$ 500,000
Travel Expenses	\$ 150,000
Investment Banking Fee	\$ 250,000
Consulting Fees	\$ 250,000
Working Capital (6)	\$ 21,850,000
Total Use of Proceeds	\$ 28,500,000

NOTES:

- (1) Assumes all shares in this Offering are sold
- (2) Sales commissions of up to 5% and expense reimbursements of up to 3.5% may be paid to licensed FINRA broker dealers and other qualified personnel
- (3) Have additional medical devices produced to handle expansion
- (4) Marketing covers traditional advertising, web presence, incentive programs, discounts, and pro-bono treatments
- (5) Includes clinical studies expenses
- (6) Working capital will be utilized to generate Nexalin's clinic and clearance expansion.

Working Capital:

Working capital will be used to support the following corporate initiatives:

- Financially support existing regulatory clearances and industry requirements for sales and marketing access into foreign markets and maintain FDA regulatory agency requirements and anticipated changes in Class II and III medical devices
- Expand our present marketing campaign which has drawn the attention of NBC, CBS and "The Reserve & National Guard Magazine (a nationwide magazine with a distribution of 53,000).
- Support 2014 and 2015 business plans for product development, quality assurance, regulatory, marketing and sales in order to build valuations for the Company
- Support a complete product development program to redesign and manufacture a new and improved Nexalin medical device by first bringing our device design up to current technology levels, and then add new feature rich designs for future scalable product upgrades for new treatment offerings
- Update the Nexalin Medical device with software updates improving its aesthetics and incorporate a host of upgrades including Wi-Fi capability.

- Develop an IDE [Investigate Device Exemption] for submission to the FDA. Once awarded, the Company will begin testing a 15 milliamp version of the Nexalin Device with the goal of obtaining clearances for Parkinson's disease, chronic pain and fibromyalgia in the US.
- Develop a phase one open label randomized control trial (RCT).
- Hire a team of grant writers to begin a research funding project through the Department of Defense, the Veterans Administration and other related government funding opportunities.
- Create 6 major metropolitan districts and place two 2 seasoned medical distribution professionals in each of the 6 areas to increase exposure to Nexalin within the medical community and contract additional Nexalin Treatment Centers in their areas. Nexalin will support the Physician Acquisition Project (PAP) program with an aggressive campaign targeting major industry trade shows in the territory.
- Hire sale, marketing and clinical personnel to support opening additional clinics in the US and begin expansion in Europe and/or other markets in the next 12 months
- Develop an evening program where doctors invite other doctors to events to learn more about Nexalin and why their clients that suffer from anxiety, depression, and insomnia deserve a safe and effective alternative treatment.
- Develop a science based business platform making Nexalin the leader in the cranial electrotherapy stimulation (brain science) industry.
- Pay management and employee salaries and benefits
- Implement new IT infrastructure to support a Computer Services Delivery Model
- Expand websites and social media programs
- Build a research and development team able to enhance the expansion of Nexalin devices

Update the corporate website and create targeted Nexalin Treatment Website Portals to better support its growing number of Nexalin Treatment Centers including distributors and recovery centers.

While the above represents our best estimates of the use of proceeds, the amounts actually expended for each purpose may vary significantly from the specific allocation of the net proceeds set forth above and depend on numerous factors, including changes in the economic climate for our proposed business operations and the degree of success or lack of success of our marketing plan. Any reallocation of the net proceeds of the Offering will be made at the discretion of management, but will be in furtherance of our strategy to achieve growth and profitable operations. Our working capital requirements are a function of our future sales growth and expansion, neither of which can be predicted with any reasonable degree of certainty. As a result, we may be unable to precisely forecast the period of time for which proceeds of this Offering will meet such requirements. We therefore reserve the right to reallocate the net proceeds of this Offering among the various categories set forth above as we, in our sole discretion, deem necessary or advisable.

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MANAGEMENT

Randall M. Letcavage

Chairman, President and Chief Executive Officer

Randall Letcavage is currently Chairman, President and Chief Executive Officer of Nexalin Technology. Mr. Letcavage provides requisite financial expertise regarding healthcare industry primarily related to financing. He brings over 25 years' experience in financial and management services with an extensive background in corporate reorganizations. Mr. Letcavage has been involved in approximately \$1B (one billion) of financing in the healthcare industry.

Mr. Letcavage has founded and managed several asset management firms including Valley Forge Capital Holdings, and Marshall Plan, LLC; managing over \$6B (six billion) in assets and actively investing in an array of science, technology and medical companies.

Additionally, Mr. Letcavage is a Managing Director and Principal of iCapital companies that include iCapital Advisory. He is also a Managing Partner and Principal in iCapital Equities, LLC, which provides funding for publicly traded companies. As founder and principal shareholder of iCap Development, LLC (A National "Community Development Entity" – certified by the US Treasury Department), Mr. Letcavage has advised numerous public, private, and municipal clients on various transactions and financings in a wide range of industries; including technology, healthcare, financial services, entertainment, energy and Green Initiatives (see www.iCapAdvisory.com).

Mr. Letcavage holds Business and Finance Degrees from Michigan State and Northwood University.

Mark White

Vice President Operations

Mr. White's executive and management experiences spanning the last 20 years have been based in sales and marketing including the development of business models for his startup companies and distressed business acquisitions. Mr. White specializes in the performance of service based companies, from a perspective of financial stability, and the quality and efficiency of services provided. Mr. White's recent health services research and his current stewardship of Unique Mindcare in Houston, Texas, strengthen his credentials in the development and implementation of medical technology business models.

Mr. White has vested the previous 3 years studying the Nexalin Technology and the Nexalin Advanced Therapy in the patient and practitioner community. In 2010, Mr. White's distribution company, iiCOM Strategic, became the first national distribution provider for Nexalin Technology Inc. His recent development of clinical models utilizing the Nexalin Technology has uniquely positioned him as a provider of consulting aspects related to the use of Nexalin in clinical applications across the United States.

In January of 2012, Mr. White joined the Nexalin Technology corporate team to oversee operations and the development of a successful clinical model for all providers employing the Nexalin Technology.

Dr. Yakov Katsnelson

Chief Scientist/ Medical Director

Dr. Katsnelson received his Masters in Neuro-Physiology and his M.D. at the Pediatrics Medical School in St. Petersburg, Russia. He served his internship at the Pskov Regional Hospital in Pskov, Russia and conducted his post-graduate studies at the National Institute of Post-Graduate Education in St. Petersburg, in Anesthesiology Specialization. Dr. Katsnelson did his residency in Anesthesiology at the National Institute of Pulmonology in St. Petersburg, Russia. His thesis was “Transcranial Electro analgesia in Anesthesiology and Pain Treatment for his PHD in Anesthesiology. Dr. Katsnelson has been published more than 78 times with 18 of those in German or English.

Joseph Zaranto

Director of Shareholder Relations

Mr. Zaranto has been involved with the Nexalin Technology for almost 13 years. He has over 20 years’ experience in business consulting and sales /marketing. He has worked with Fortune 10 companies and ran some of their most successful sales teams. Mr. Zaranto has also built small businesses and prepared them for sale.

Mr. Zaranto worked extensively with Kalaco as an independent consultant and Assistant to The Director of Shareholder Relations. In that capacity he made the introductions that enabled Kalaco to successfully open their first two locations. Mr. Zaranto continues to work with the Nexalin team making introductions as its present Director of Shareholder Relations. Mr. Zaranto’s experience with the Company gives him extensive product knowledge that is helping the Company continue its growth.

Medical Board Advisors

Suzie Schuder, MD

Dr. Schuder is Board Certified by the American Board of Psychiatry and Neurology. She is a founding member and vice president of the World Society of Antiaging Medicine (WOSAAM), a founding member of the International Hormone Society, and a member of the International Society of Psychoneuroendocrinology (ISPNE), and the American Society of Addiction Medicine and a Diplomate of the American Board of Anti-Aging Medicine.

Dr. Schuder has made it her mission to educate doctors about her common-sense methods in providing a holistic, pro-health approach to patient care, particularly in psychiatry . She also devotes time to lecturing physicians at a variety of international venues on topics related to the mind and emotions and the major life altering impact of hormones, nutrients and toxins. Dr. Schuder also takes the time to teach medical students who rotate through her unique psychiatric practice.

Dr. Schuder provides total patient care through a balanced treatment approach by merging the best of traditional medicine with science-based alternative solutions to provide excellence in patient care. She recently added a Nexalin, a unique transcranial electrostimulation device that provides significant, enduring improvements in patients with depression, anxiety and insomnia.

Past and Current Advisory Positions:

PRIVATE PRACTICE – ADVANCED INTEGRATIVE MIND-BODY MEDICAL CENTER

NEWPORT BEACH, CALIFORNIA

Director & Founder, Multidisciplinary Practice, 1998 - Present

HOAG MEMORIAL HOSPITAL PRESBYTERIAN
NEWPORT BEACH, CALIFORNIA
Consulting Psychiatrist, 2000 – Present

SEACLIFF RECOVERY, INC.
HUNTINGTON BEACH, CALIFORNIA
Consulting Psychiatrist, 2006 – Present

PRO FOUND TREATMENT
NEWPORT BEACH, CALIFORNIA Consulting
Psychiatrist, 2011 – Present

NEW LIFE SPIRIT RECOVERY
HUNTINGTON BEACH, CALIFORNIA
Consulting Psychiatrist, 2010 – Present

FIRST HOUSE DETOX
COSTA MESA, CALIFORNIA Consulting
Physician, 2004 – 2011

MORNINGSIDE RECOVERY, INC.
NEWPORT BEACH, CALIFORNIA
Consulting Psychiatrist, 2006 – 2007

Publications:

Schuder, SE. *Stress-Induced Hypocortisolemia Diagnosed as Psychiatric Disorders Responsive to Hydrocortisone Replacement*. Ann. N.Y. Acad. Sci. 1057: 1–13 (2005).

Hertoghe T, Schuder S. *Growth hormone for "antiaging"*. JAMA. 2006 Feb 22;295(8):888; author reply 889-90.

Schuder S, Wittenberg J, Haseltine B, Wittenberg B. *Spectrophotometric Determination of Myoglobin in Cardiac and Skeletal Muscle: Separation from Hemoglobin by Subunit-Exchange Chromatography*. Analytic Biochemistry, 1979.

The Journal of Clinical Endocrinology & Metabolism January 2006 - at the request of Editor-in-Chief, Paul Ladenson reviewed submitted manuscript of a study on PTSD and cortisol.

Benjamin V. Hu

Dr. Hu is currently in private practice, with a specialty in General Ophthalmology, which consists of both medical and surgical aspects including use of lasers, in Parma, Ohio: He is also a member of the Board of Directors and an Advisor to Enlighten Technologies Inc. of Laguna Hills California, a company developing a surgical machine for cataract surgery with newly patented technology.

Dr. Hu previously was a member of the NRAGT Board of Advisors, a parent advocacy group trying to increase classes, programs and clubs to challenge the gifted, talented kids of North Royalton, Ohio; a Member of the Board of Advisors of QMS Inc., a company manufacturing and marketing scale control systems and technology to business and industry in Cleveland, Ohio; and Co-Director of Ion-X International, LLC in Huron, Ohio, a company

manufacturing, marketing and distributing copper/silver ionization systems and technology to business and industry.

Dr. Hu was awarded his Chemical Engineering degree in June, 1979 in conjunction with the MIT School of Chemical Engineering Practice, Cambridge, Massachusetts, with an emphasis on practical problem solving and independent research projects. Dr. Hu was awarded his Doctorate of Medicine in May, 1983 from Case Western Reserve in Cleveland, Ohio, with an emphasis in applied medical research. Dr. Hu did his Post-Doctorate Resident training in ophthalmology at the Kresge Eye Institute, Wayne State University, Detroit, Michigan. He is the co-developer of a PCL implantation technique in the absence of capsular or zonular support. His technical paper won the First Prize in the Kresge Residence Day competition for best research project and presentation.

Publications:

- Hu, B.V., Ennis, J., Harker, D., "MFC Gaining Awareness, Credibility". "The American Oil and Gas Reporter", September 1997; PP:125-131.
- Hu, B.V. Shin, D.H., Gibbs, K.A. et al, "Implantation of Posterior Chamber Lens in the Absence of Capsular and Zonular Support". "Arch. Ophthalmology, 1988; 106:416-420.
- Cowden, J.W., Hu, B.V. "A New Surgical Technique for Posterior Chamber Lens Fixation During Penetrating Keratoplasty in the Absence of Capsular and Zonular Support". "Corneal' 1988; 7:231-235.
- Hu, B.V. and Miller, D. "Pigmented Corneal Implants: A Surgical Treatment for Iridectomy Related Optical Complication". "Annals of Ophthalmology". March, 1983
- Alexander, G., Hu, B.V. and Kwai, A. "Coal Block Pyrolysis: Effect of Changing Surface Characteristics" "ORNL/MIT", 294. October, 1980.
- Hu, B.V., Williams, D. O., et al "SF6 and Air Cryogenic Separation". Publication "ORNL/MIT". Work done at ORNL.

His awards include:

- Kresge Residence Day Award; 1st Prize (1986).
- National Mathematics Contest; 5th (1975) and 8th (1974) in Ohio.
- Greater Cleveland Physics Contest; Finalist (1974).
- Indiana University of Pennsylvania Physics Contest; Finalist (1974).
- National Merit Semifinalist; (1975).

Michael R. Gismondi, LMHC, Licensed Psychologist

Mr. Gismondi has been a licensed psychologist and psychotherapist since 1982 and a leader in the field of EEG neurofeedback and neurotherapy since 1995. He helped to pioneer the integrative use of advanced EEG neurofeedback, EEG Brainmapping and brain stimulation technology in the treatment of head injuries, learning disabilities, PTSD, mood disorders and the addicted brain. Since 1994, Mr. Gismondi has organized and promoted internationally recognized conferences and workshops in the areas of neuroscience and advanced treatment models for PTSD, advanced assessment and treatment techniques for cognitive deficits and mental performance enhancement. He is an expert in integrated use of brain stimulation technology and cutting edge EEG assessment tools, health psychology and complementary medicine.

As a clinical consultant, Mr. Gismondi's specialty is matching up cutting edge brain change systems with challenging clinical applications that give private practices, treatment centers and large facilities a true competitive edge. He has personally organized a number of successful practices using Nexalin as its centerpiece. Mr. Gismondi is completing a scholarly analysis of the neuroscience that drives Nexalin working with some of the top scientists in the international transcranial electrical stimulation research arena.

BOARD OF ADVISORS

Lane Harrison

Mr. Harrison is Founder and President of Affluent and Corporate Insurance Services, Inc. and Capital Preservation Insurance Services, Inc. The firms provide insurance and advanced consulting services to professional advisors, corporations, small business owners and high net worth families. Mr. Harrison has over 30 years of business consulting and sale/marketing experience. He has lectured extensively to the professional advisor community.

Mr. Harrison also serves as Senior Business Development Officer/Advanced Markets for Aphetta, LLC. Aphetta is an advanced planning and Business management firm which has been recognized as innovators in the advanced planning area. They provide wealth planning resources to professional advisors and innovative planning solutions to the ultra-high net worth marketplace. Aphetta has a strong presence and reputation in the professional sports and entertainment industry.

Mr. Harrison is also founder and managing partner of Patriot Advisory Group, LLC, which provides business and strategic planning consulting to professional advisors and emerging growth companies. He has also assisted in the funding for several companies and personally raised over 300M for various companies and financial products.

Mr. Harrison also advised large multi-national corporations such as Bicoastal Corporation, (Formerly Singer Corp.) where he served as Director, and Bicoastal Financial Corporation, serving as President/Director.

Mr. Harrison is a graduate of Salem State College with a Bachelor of Arts in Social Welfare. He is also listed in Who's Who in American Colleges and Who's Who in Executive and Professionals.

Ralph Michael Hartman

Mr. Hartman is an experienced domestic and international healthcare executive with extensive knowledge of the entire care continuum, having held senior management and consulting positions within acute care, behavioral healthcare, and senior oriented long term care organizations.

Mr. Hartman received his Masters in Healthcare Administration from Trinity University, San Antonio, Texas in 1982. The Trinity Healthcare Program is accredited by the commission on Accreditation of Health Care Management Education recognized by the World Health Organization to meet overseas assignment certification. In 1978 Mr. Hartman received a Masters in International Management from Thunderbird School of Global Management (Thunderbird), Glendale, Arizona. He specialized in the development and marketing of United States corporations in Latin America and the Far East. He received his Bachelor of Science from Trinity University, San Antonio, Texas in 1972.

Mr. Hartman is currently President of Diligence International Healthcare Consulting, Fullerton, California consulting on international healthcare projects in Saipan, Guam, and Subic Bay, Philippines and home health agency projects in Utah, Nevada and Southern California. He works closely with a number of nursing home facilities regarding market development. Mr. Hartman is also currently President of Fusion Pharmaceuticals, LLC, a FDA registered manufacturing and repackaging facility based in Camarillo California. Fusion follows all GMP regulations which specify requirements for documentation, controls, and other quality systems included in the production of Pharmaceutical products. From 1990 to 2010 Mr. Hartman was Regional Vice President of Pacific Health Corporation, Tustin, California. In that role he had operational responsibility for all day-to-day operations of a number of hospitals acting variously as Chief Executive officer, Chief Operating Officer, Vice President of Development, Administrator and Hospital Risk Manager.

Mr. Hartman is a Fellow of the American College of Healthcare Executives, a member of the Association of

Behavioral Healthcare Management (CBHE) and Diplomat of the American Board of Risk Management Professionals. He is licensed by the state of California, as a Nursing Home Administrator and Nursing Home Administrator Preceptor and by the Commonwealth of Puerto Rico as an Administrator of Health Services.

ANNUAL REPORT

The Company intends to furnish all holders of the securities sold in this Offering with an annual report, containing a summary of its business operations and financial statements, including a balance sheet and net income statement for the preceding fiscal year, as reviewed by its independent accountants. The Company plans to make available regular newsletters detailing the Company's progress.

ADDITIONAL INFORMATION

No sales materials other than this Memorandum and the Exhibits hereto have been authorized by the Company for use or distribution in connection with this Offering. However, the Company will make available to each prospective investor and such investors representatives and advisors, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of this Offering, and to obtain any additional information, which the Company may possess or can obtain without unreasonable effort or expense, necessary to verify the accuracy of the information furnished to such prospective investor. To obtain any such information, any offeree or his authorized representative should contact the Company at (949) 260-8070.

(Copy of Subscription Agreement on following page)

NEXALIN TECHNOLOGY, INC.

SUBSCRIPTION AGREEMENT

Accredited Investors Only

1. Subscription.

The undersigned Subscriber hereby agrees to purchase _____ shares of common stock of Nexalin Technology, Inc., a Nevada corporation (the “Company”), for \$ _____. The shares of Nexalin Technology Inc, are being purchased for \$_____ per share payable upon the execution of this Subscription Agreement.

Accordingly, the undersigned delivers herewith the amount required to purchase the shares subscribed for by delivery of a cashier's check or check made payable to the order of Nexalin Technology, Inc. to the Company address, 18101 Von Karman, 3rd Floor, Irvine, CA 92612. Subscriber may also wire funds to Nexalin Technology, Inc. [wire information provided upon request].

Name of Purchaser: (Please Print) _____

Introductory Party: (Individual or Entity) _____

- Prior Shareholder
- New Investor from Prior Relationship

2. Representations and Warranties of Subscriber.

The Subscriber hereby represents and warrants as follows: Subscriber and, if Subscriber is an entity, each of its officers, directors, partners, trustees, beneficial owners, principals and/or agents, hereby represent, warrant and covenant as follows: Each investor is admonished to carefully read each and every representation and warranty. Each investor will be considered to have made such representation and warranty, and the Company will be entitled to rely upon such representation and warranty in accepting the investor's subscription. If an investor does not believe he, she, or it meets a representation or warranty, the investor should not execute and deliver this Agreement to the Company without first requesting the Company, in writing, to waive such representation and warranty.

- (a) Opportunity to Ask Questions and to Review Agreement, Books and Records. During the course of this transaction, and before purchasing the Subscribed Securities, Subscriber has been provided with financial and other written information about the Company, Subscriber has had the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, the Subscribed Securities, this investment and the business of the Company and its finances; and Subscriber has had the opportunity to review all documents, books and records of the Company to the extent Subscriber availed himself, herself, or itself of this opportunity.
- (b) No General Solicitation or Advertising. To the best of Subscriber's knowledge and

belief, with the exception of any announcement by the Company in California permitted under Section 25102(n) of the California Corporations Code (the "Announcement"); the offer and sale of the Subscribed Securities was not accomplished by the publication of any advertisement, article, notice or other communication published in any newspaper, magazine, or similar media or broadcast over television or radio, nor was the offer and sale of the Subscribed Securities accomplished through any seminar or meeting to which Subscriber was invited by any such publication or advertisement, and Subscriber, if not a resident of the state of California, was unaware of the existence of, and has not seen or been advised of the contents of, the Announcement, other than the reference to the Announcement in this subparagraph.

- (c) **Securities Purchased For Subscriber's Own Account.** The Subscribed Securities are being purchased by Subscriber as principal and not by any other person, with subscriber's own funds and not with the funds of any other person, and for the account of Subscriber as principal and not as a nominee or agent and not for the account of any other person. Subscriber is purchasing the subscribed securities for investment for an indefinite period and not with a view to the sale or distribution of any part or all thereof by public or private sale or other disposition. No person other than Subscriber will have any interest, beneficial or otherwise, in the Subscribed Securities, and Subscriber is not obligated to transfer the Subscribed Securities to any other person nor does Subscriber have any agreement or understanding to do so. Subscriber understands that the Company is relying in material part upon Subscriber's representations as set forth herein for purposes of claiming certain securities exemptions and that the basis for such exemptions may not be reserved if, notwithstanding Subscriber's representations, subscriber has in mind merely acquiring the Subscribed Securities for resale on the occurrence or nonoccurrence of some predetermined event; Subscriber has no such intention.
- (d) **Material Changes in Representations.** Subscriber will notify the Company immediately of any material change(s) in any statement made herein occurring prior to the closing for the purchase by Subscriber of the Subscribed Securities.

3. Indemnification.

Subscriber hereby agrees to indemnify and defend (with counsel acceptable to the Company) the Company and its directors, officers and other shareholders and hold them harmless from and against any and all liability, loss, damage, cost or expense, including costs and reasonable attorney's fees, incurred on account of or arising out of:

- (a) Any breach of or inaccuracy in Subscriber's representations, warranties or agreements;
- (b) Any disposition of any of the Subscribed Securities contrary to any of Subscriber's representations, warranties or agreements herein; and
- (c) Any suit or proceeding based on (i) a claim that any said representations, warranties or agreements were inaccurate or misleading or otherwise cause for obtaining

damages or redress from the Company or any director or officer of the Company under any securities law, or (ii) any disposition of any of the Subscribed Securities.

4. Miscellaneous.

- (a) Preparation of Agreement; Costs and Expenses. This Agreement was prepared by the Company or its legal counsel solely on behalf of the Company. It is acknowledged by Subscriber that such party was not represented by the Company or any of its officers, directors, employees or agents (including the Company's legal counsel) in connection with the transaction contemplated by this Agreement, and that Subscriber had separate and independent advice of counsel. In light of the foregoing, it is acknowledged by Subscriber that the Company shall not be construed to be solely responsible for the drafting hereof, and that any ambiguity in this Agreement, or the interpretation thereof or hereof, shall not be construed against the Company as the alleged draftsman of this Agreement. Except as expressly set forth in this Agreement, each party shall pay all legal and other costs and expenses incurred or to be incurred by such party in negotiating and preparing this Agreement, in performing any transactions contemplated by this Agreement, and otherwise complying with such party's representations, warranties, covenants, agreements and conditions contained herein.
- (b) Interpretation.
 - (i) Survival. All representations and warranties made by any party in connection with any transaction contemplated by this Agreement shall, irrespective of any investigation made by or on behalf of any party hereto, survive the execution and delivery of this Agreement, the performance or consummation of any transaction described in this Agreement, and the termination of this Agreement.
 - (ii) Entire Agreement/No Collateral Representations. Each party expressly acknowledges and agrees that this Agreement including all exhibits attached hereto: (1) is the final, complete and exclusive statement of the agreement of the parties with respect to the subject matter hereof, (2) supercedes any prior or contemporaneous agreements, proposals, commitments, guarantees, assurances, communications, discussions, promises, representations, understanding, conditions, conduct, acts, course of dealing, warranties, interpretations or terms of any kind, oral or written and that any such prior agreements have no force or effect except as expressly set forth herein and (3) may not be varied, supplemented or contradicted by evidence of prior agreements, or by evidence of subsequent oral agreements. No prior drafts of this Agreement and no words or phrases from any such prior drafts of this Agreement shall be admissible into evidence in an action or suit involving this Agreement.
 - (iii) Amendment: Waiver, Forbearance. Except as expressly otherwise provided herein, neither this Agreement nor any of its terms, provisions, obligations or rights contained herein may be amended, modified, supplemented, augmented, rescinded, discharged or terminated (other than by performance), except by a written instrument or instruments signed by all of the parties to this Agreement. No waiver of any breach of any term, provision or agreement herein contained, or of the performance of any acts or obligations under this Agreement, or of any extension of time for performance

of any such acts or obligations, or of any rights granted under this Agreement, shall be effective and binding unless such waiver shall be in a written instrument or instruments signed by each party claimed to have given or consented to such waiver and each party affected by such waiver. Except to the extent that the party or parties claimed to have given or consented to a waiver may have otherwise agreed in writing, no such waiver shall be deemed a waiver relinquishment, as the case may be, of any other terms, provisions, agreements, acts, obligations rights granted under this Agreement, or any preceding or subsequent breach thereof. No forbearance by a party to seek a remedy for any noncompliance or breach by another party hereto shall be deemed to be a waiver by such forbearing party of its rights and remedies with respect to such noncompliance or breach unless such waiver shall be in a written instrument or instruments signed by the forbearing party.

(iv) Remedies Cumulative. The remedies of each party under this Agreement are cumulative and shall not exclude any other remedies to which such party may be lawfully entitled.

(v) Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be determined to be invalid, illegal or unenforceable under present or future laws effective during the term of this Agreement, then and, in that event: (1) the performance of the offending term or provision (but only to the extent its application is invalid, illegal or enforceable) shall be excused as if it had never been incorporated into this Agreement, and, in lieu of such excused provisions as may be possible and be legal, valid and enforceable, and (2) the remaining part of this Agreement (including the application of the offending term or provision to persons or circumstances other than those as to which it is held invalid, illegal or unenforceable) shall not be affected thereby and shall continue in full force and effect to the fullest extent provided by law.

(vi) No Third Party Beneficiary. Notwithstanding anything else herein to the contrary, the parties specifically disavow any desire or intention to create any third party beneficiary obligations, and specifically declare that no person, other than as set forth in this Agreement, shall have any rights or remedies of any nature or kind whatsoever under or by reason of this Agreement.

(vii) No Reliance Upon Prior Representation. Each party acknowledges that no other party has made any oral representation or promise which would induce them prior to executing this Agreement to change its position to its detriment, partially perform or part with value in reliance upon such representation or promise; each party acknowledges that it has taken such action as its own risk; and each party represents that it has not so changed its position, performed or parted with value prior to the time of their execution of this Agreement.

(c) Enforcement.

(i) Applicable law. This Agreement and the rights and remedies of each party arising out of and/or relating to the Agreement (including, without limitation,

equitable remedies) shall be solely governed by, interpreted under, and construed and enforced in accordance with the laws (without regard to the conflicts of law principles thereof) of the state of California, as if this Agreement were made, and as its obligations are to be performed, wholly within the state of California.

(ii) **Binding Arbitration.** In the event that a dispute arises out of or concerning this Agreement or an investment relating to matters contained in the Agreement or the Subscribed Securities, such dispute shall be handled in accordance with the rules and regulations of the American Arbitration Association. Any aforesaid arbitration shall be held in Orange County, California, the results of which shall be binding on all parties. Each party generally and unconditionally accepts the exclusive to venue jurisdiction of such arbitration and, consents to the service of process in any such action by certified or registered mailing in accordance with the notice provisions of this Agreement, and waives any defense or right to object to venue in said courts based upon the doctrine of “Forum Non Conveniens”.

(iii) **Waiver of Right to Jury Trial: Punitive Damages.** Each party hereby waives such party’s respective right to a jury trial of any claim or cause of action based upon or arising out of this Agreement. Further, Subscriber waives any claim to punitive damages. Each party acknowledges that this waiver is a material inducement to each other party hereto to enter into the transaction contemplated hereby, that each other party has already relied upon this waiver in entering into this Agreement, and that each other party will continue to rely on this waiver in their future dealings. Each party warrants and represents that such party has reviewed this waiver with such party’s legal counsel, and that such party has knowingly and voluntarily waived its jury trial rights and any potential claim to punitive damages following consultation with legal counsel.

5. **Transferability.**

The Subscriber agrees not to transfer or assign this Agreement, or any of the Subscriber’s interest herein and further agrees that the assignment and transferability of the Subscribed Securities (unless subsequently registered) will be made only in accordance with this Agreement. The Company will issue stop transfer instructions to any transfer agent with respect to the Securities and will place the following legend or a legend similar thereto on the certificates representing such Securities:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED PURSUANT TO A TRANSACTION EFFECTED IN RELIANCE UPON REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”) AND HAVE NOT BEEN THE SUBJECT OF A REGISTRATION STATEMENT UNDER THE ACT, THESE SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR APPLICABLE EXEMPTION THEREFROM UNDER THE ACT OR ANY APPLICABLE STATE SECURITIES ACT.

6. **Revocation.**

Subscriber agrees that he cannot cancel, terminate or revoke the Agreement or any agreement of the Subscriber made hereunder.

7. Notices.

All notices or other communications given or made hereunder will be in writing and will be delivered or mailed by registered or certified mail, return receipt requested, postage prepaid, to the Subscriber or to the Company at their respective addresses set forth in this Agreement.

8. Entire Agreement.

This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

9. Investor Suitability.

Subscriber warrants that an investment in the Securities is a suitable investment for Subscriber based on the following:

(Please initial one or more of the following provisions which describe Subscriber's status as a Qualified Investor as may be applicable)

(a) Accredited Investor (Regulation D). Subscriber is an "Accredited Investor" as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act, as follows: (Initial One)

(i)____ Individuals. Subscriber, if an individual, is an "accredited investor" as that term is defined in Rule 501 (a)(5) and (6) of Regulation D promulgated under the Securities Act, i.e. (A) Subscriber's individual net worth or combined net worth with his or her spouse exceeds \$1,000,000 (for purposes of this Subparagraph "net worth" means the excess of total assets at fair market value [including home furnishings and automobiles] over total liabilities), (B) Subscriber's individual income, exclusive of any income attributable to his or her spouse, was in excess of \$200,000 for the two most recent calendar years preceding the calendar year of this Agreement, and he or she reasonably expects an income in excess of \$200,000 in the current year, and/or (c) Subscriber's combined income with his or her spouse was in excess of \$300,000 for the two most recent calendar years preceding the calendar year of the Agreement and Subscriber and his or her spouse reasonably expect a combined income in excess of \$300,000 in the current calendar year.

(ii)____ Entity with Value Exceeding \$5 Million. Subscriber is a corporation, partnership (general or limited), limited liability company/partnership, or (Massachusetts) business trust, which was not formed for the specific purpose of acquiring the Subscribed Securities and Subscriber has total assets in excess of \$5,000,000.

(iii)____ Entity Comprised of Accredited Investors. Subscriber is a corporation, partnership (general or limited), limited liability company/partnership, or (Massachusetts) business trust, and all of Subscriber's equity owners are accredited investors as defined above.

- (iv)____ Revocable Trust. Subscriber is a revocable trust (also commonly known as a family or living trust) established to facilitate the distribution of the estate or a settlors (grantors) individually; and all of the settlors (grantors) are accredited investors as defined above.
- (v)____ Trust Whose Assets Exceed \$5Million. Subscriber is a trust with total assets in excess of \$5,000,000 and the person making the investment decision on behalf of the trust has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of an investment in the Subscribed Securities.
- (vi)____ Financial Institution as Trustees. Subscriber is a financial institution which is (a) a bank, savings and loan association, or other regulated financial institution, (b) acting in its fiduciary capacity as trustee; and (c) subscribing for the purchase of the Subscribed Securities on behalf of the subscribing trust.
- (vii)____ Employee Benefit Plan (including Keogh Plan) With Self-Directed Investments and Segregated Accounts. Subscriber has an employee benefit plan within the meaning of ERISA; the plan itself is self directed and provides for segregated accounts; the investment decision is being made by a plan participant who is an accredited investor as defined above, and the investments are being made solely on behalf of each accredited investor.
- (viii)____ Employee Benefit Plan (including Keogh Plan) with Financial Institution as Trustee. Subscriber is an employee benefit plan within the meaning of ERISA, and the decision to invest in the Subscribed Securities was made by a plan fiduciary (as defined in Section 3 (21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment advisor.
- (ix)____ Employee Benefit Plan (including Keogh Plan) With Assets Exceeding \$5 Million. Subscriber is an employee benefit plan within the meaning of ERISA and has total assets in excess of \$5,000,000.
- (x)____ Tax Exempt 501(c) (3) Organization. Subscriber is an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended, not formed for the specific purpose of acquiring the Subscribed Securities, with total assets in excess of \$5,000,000.
- (xi)____ Bank. Subscriber is a bank as defined in Section 3 (a) (2) of the Act.
- (xii)____ Savings and Loan Association. Subscriber is a savings and loan association or other institution as defined by Section 3(a) (5) (a) of the Act

- (xiii)___Insurance Company. Subscriber is an insurance company as defined in Section 2(14) of the Act.
- (xiv)___Investment Company. Subscriber is an investment company registered under the Investment Company Act of 1940.
- (xv)___Business Development Company. Subscriber is a business development company as defined in Section 2(a) (48) of the Investment Company Act of 1940.
- (xvi)___Small Business Investment Company. Subscriber is a Small Business Investment Company licensed by the U.S. Small Business Investment Act of 1958.
- (xvii)___Private Business Development Company. Subscriber is a Private Business Development Company as defined in Section 202(a) (22) of the Investment Advisors Act of 1940.
- (xviii)___Registered Broker or Dealer. Subscriber is a broker or dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934.

(b) Pre-existing Relationship and/or Sophistication (Blue Sky). Subscriber represents that Subscriber satisfies at least one of the two following tests (Please initial one or more of the following provisions describing Subscriber’s status as may be applicable):

- (i)___ Sophistication. By reason of Subscriber’s business or financial experience, Subscriber can be reasonably assumed to have the capacity to protect Subscriber’s own interest in connection with the transaction contemplated by this Agreement; or
- (ii)___ Pre-Existing Relationship. Subscriber has a pre-existing personal or business relationship with the Company or the following officers, directors or controlling persons of the Company (please describe relationship or insert name of person):_____

Note: The term pre-existing personal or business relationship includes a relationship consisting of personal or business contacts of a nature and duration such as would enable a reasonably prudent purchaser to be aware of the character, business acumen, and general business and financial circumstances of the person with whom the relationship exists.

10. Set forth in the space provided below the state(s) in which you have maintained your principal residence during the past three (3) years and the dates during which you resided in each state.

Date: from _____ to _____ at present state location:

Date: from _____ to _____ at prior state location:

Date: from _____ to _____ at prior state location:

11. My gross income from all sources, without regard to this investment, is in excess of: (Circle One)

2013 (actual)	\$200,000	\$300,000	\$500,000
2014 (actual)	\$200,000	\$300,000	\$500,000
2015 (estimated)	\$200,000	\$300,000	\$500,000

12. My net worth (total assets minus total liabilities) without regard to this investment, excluding home is in excess of: (Initial One)

_____ \$1,000,000 _____ \$1,500,000 _____ \$2,000,000 _____ \$5,000,000

13. My prior investment experience is as follows: (Initial One)

- (i) Yes ___ No ___ Investments in stocks and bonds
- (ii) Yes ___ No ___ Investments in new ventures and start-up companies
- (iii) Please indicate the frequency of your investment in marketable securities:
() often; () occasionally; () seldom; () never
- (iv) Please indicate the frequency of your investment in unmarketable securities:
() often; () occasionally; () seldom; () never

14. Liquidity of present Investments:

- (i) _____% of my net worth is in investments which are not liquid such as an investment in the Company.
- (ii) _____% of my net worth constitutes liquid assets (cash or assets readily convertible to cash).

REPRESENTATIONS:

The undersigned represents that:

1. The information contained herein is complete and accurate and may be relied upon by the Company in determining my/our qualification as purchaser of the Subscribed Securities; and
2. The undersigned will notify the Company immediately of any adverse material change in any such information occurring prior to the acceptance of such investor's subscription by the Company.

The above information supplied by me is true and correct in all respects and I recognize that the Company is materially relying on the truth and accuracy of such information.

IN WITNESS WHEREOF, I have executed this Subscription agreement This date ____ - ____, of 2015.

Signature 1) _____

IN WITNESS WHEREOF, I have executed this Subscription agreement This date ____ - ____, of 2015.

Signatures 2) _____

Mail and Wire instruction on following page

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Mail and wire transfer instructions

Thank you for your interest in Nexalin Technology, Inc.

In order to purchase shares of Nexalin Technology, Inc. please comply with the following:

1. Complete and initial all appropriate portions of the attached Subscription Agreement
2. Sign the Subscription Agreement
3. If you are buying the stock for your personal account;
 - a. Call and obtain FedEx information for sending the funds.
 - b. Make a check or bank cashier's check payable to Nexalin Technology, Inc. for the total cash amount of your subscription
 - c. If you choose to wire the total cash amount of your subscription please call the office and obtain the wire instructions page.
4. If sending the funds then send all of the above items to Nexalin Technology, Inc.
5. If you are sending the funds with a wire transfer you should also send the support documentation to the address below.
6. If you are purchasing stock for you retirement account you will need to fill out all the forms above as well as the forms for your selected IRA company. You will also have to send check to cover the costs of the IRA. Call the office for additional information and speak to our retirement account expert.

Mailing information.

Nexalin Technology, Inc.
Attn: Subscription Dept.
1382 Valencia Ave. Unit F
Tustin, CA 92780

If you have any questions please call me.

714 965-7180

If using FedEx call for our FedEx number

Thank You,

Joe Zaranto

Nexalin Technology, Inc.

1 714 965 7180