

# SECURITIES AND EXCHANGE COMMISSION

## FORM 1-A/A

Offering statement under Regulation A [amend]

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### FILER

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PRELIMINARY OFFERING CIRCULAR DATED DECEMBER 23, 2016

WORTHPOINT CORPORATION



5 Concourse Parkway NE, Suite 2850

Atlanta, Georgia 30328

Up to 454,545 shares of Common Stock

SEE "SECURITIES BEING OFFERED" AT PAGE 29

	Price to Public	Underwriting discount and commissions*	Proceeds to issuer
Per share	11.00	0.165	10.835
Total Maximum	\$ 5,000,000	\$ 75,000	\$ 4,925,000

\* Does not include expenses of the Offering, including costs of investor processing, blue sky compliance and the costs of technology to facilitate the Offering. The Company estimates that it will pay cash fees of up to \$8,750 (assuming 1,250 investors) to North Capital Private Securities Corp. ("NCPS") and North Capital Investment Technology Corp ("NCIT"). See "Plan of Distribution" for details regarding compensation payable to placement agents in connection with this Offering. In addition to the offer of shares for cash, this Offering includes an exchange offer whereby existing holders of shares sold in a previous offering under Regulation Crowdfunding may tender their shares in exchange for the shares offered in this Offering. The Company will receive no cash for such exchange. See "Plan of Distribution."

The Offering will terminate at the earlier of: (1) the date at which the maximum offering amount has been sold, (2) [date], 2017, the date that is twelve months from the date this Offering Statement is qualified by the Commission or (3) the date at which the offering is earlier terminated by the Company in its sole discretion. The Offering is being conducted on a best-efforts basis without any minimum target. The Company has engaged The Kingdom Trust Company as escrow agent to hold any funds that are tendered by investors, and may hold one or more closings on a rolling basis at which the Company receives the funds from the escrow agent and issues shares to investors. The Company intends to apply for quotation of its Common Stock on an over-the-counter market.

**THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OR GIVE ITS APPROVAL OF ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SOLICITATION MATERIALS.**

**THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED ARE EXEMPT FROM REGISTRATION. GENERALLY NO SALE MAY BE MADE TO YOU IN THIS OFFERING IF THE AGGREGATE PURCHASE PRICE YOU PAY IS MORE THAN 10% OF THE GREATER OF YOUR ANNUAL INCOME OR NET WORTH. DIFFERENT RULES APPLY TO ACCREDITED INVESTORS AND NON-NATURAL PERSONS. BEFORE MAKING ANY REPRESENTATION THAT YOUR INVESTMENT DOES NOT EXCEED APPLICABLE THRESHOLDS, WE ENCOURAGE YOU TO REVIEW RULE 251(d)(2)(i)(C) OF REGULATION A. FOR GENERAL INFORMATION ON INVESTING, WE ENCOURAGE YOU TO REFER TO [www.investor.gov](http://www.investor.gov).**

**This Offering is inherently risky. See “Risk Factors” on page 6.**

**Sales of these securities will commence on approximately [date].**

**The Company is following the “Offering Circular” format of disclosure under Regulation A.**

**AN OFFERING STATEMENT PURSUANT TO REGULATION A RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE COMMISSION. INFORMATION CONTAINED IN THIS PRELIMINARY OFFERING CIRCULAR IS SUBJECT TO COMPLETION OR AMENDMENT. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED BEFORE THE OFFERING STATEMENT FILED WITH THE COMMISSION IS QUALIFIED. THIS PRELIMINARY OFFERING CIRCULAR SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR MAY THERE BE ANY SALES OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL BEFORE REGISTRATION OR QUALIFICATION UNDER THE LAWS OF SUCH STATE. THE COMPANY MAY ELECT TO SATISFY ITS OBLIGATION TO DELIVER A FINAL OFFERING CIRCULAR BY SENDING YOU A NOTICE WITHIN TWO BUSINESS DAYS AFTER THE COMPLETION OF THE COMPANY’S SALE TO YOU THAT CONTAINS THE URL WHERE THE FINAL OFFERING CIRCULAR OR THE OFFERING STATEMENT IN WHICH SUCH FINAL OFFERING CIRCULAR WAS FILED MAY BE OBTAINED.**

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*In this Offering Circular, the term "WorthPoint," "we," "us," "our" or "the Company" refers to WorthPoint Corporation and its consolidated subsidiaries.*

THIS OFFERING CIRCULAR MAY CONTAIN FORWARD-LOOKING STATEMENTS AND INFORMATION RELATING TO, AMONG OTHER THINGS, THE COMPANY, ITS BUSINESS PLAN AND STRATEGY, AND ITS INDUSTRY. THESE FORWARD-LOOKING STATEMENTS ARE BASED ON THE BELIEFS OF, ASSUMPTIONS MADE BY, AND INFORMATION CURRENTLY AVAILABLE TO THE COMPANY'S MANAGEMENT. WHEN USED IN THE OFFERING MATERIALS, THE WORDS "ESTIMATE," "PROJECT," "BELIEVE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, WHICH CONSTITUTE FORWARD LOOKING STATEMENTS. THESE STATEMENTS REFLECT MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE. THE COMPANY DOES NOT UNDERTAKE ANY OBLIGATION TO REVISE OR UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER SUCH DATE OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

## SUMMARY

### Our Mission

WorthPoint's mission is to be an indispensable tool for people buying and selling antiques and collectibles; just as Kelley Blue Book is to auto traders and the Bloomberg systems are for the NASDAQ. Historically, the antiques and collectibles industry was like any other industry. Knowledge passed slowly and selectively person-to-person. Subsequently, the paper publishing industry thrived in providing learning and prices in the way of price guides. That paper publishing industry has largely gone away due to printing and postage costs and the speed of the internet quickly made printed information obsolete. While the internet has made buying and selling much more efficient in our industry through sites like eBay, the information systems to help users definitively understand what an item is, how to price it, and where to sell it has not kept pace. WorthPoint's mission is to become the "go to" place on the internet to answer these questions.

### The Company

Founded in 2007, WorthPoint is the world's largest online resource for identifying, researching, and valuing antiques, art, and vintage collectibles. With no true central library for price guides or research material, the information in regard to antiques, art and collectibles is out of date or difficult to find. WorthPoint is building a solution, creating a global "worth" database to provide a powerful online resource for collectors, financial professionals and service providers. This solution leverages shared interests in collectibles, their value and stories, into a dynamic multimedia community.

WorthPoint's database hosts over 300 million auction sales results with more than 500 million images collated from multiple sources, including more than 50 auction houses, such as Heritage Auctions, Pook & Pook, Leslie Hindman Auctioneers and eBay. WorthPoint enables collectors, financial professionals and service providers to gain more knowledge of the items they own or are seeking to buy or sell. In doing so, WorthPoint replaces traditional, published price guides and the need to search multiple online sources. The Company derives more than 93% of its revenues from subscriptions to its Worthopedia™ price guide, its Marks, Autographs, Patterns and Symbols ("MAPS") database and the WorthPoint Library. WorthPoint is also accessible on iOS and Android platforms, providing subscribers with mobile database access. While traditional word search is the primary search tool on the platform, the Company has introduced a beta version of visual search on MAPS.

WorthPoint provides the tools to help a user identify any "old" vintage and collectible items in a person's house, whether it is worth \$5 or more than \$1 million. Collectibles include fine art, antiques, coins, stamps, toys, glassware, folk art, memorabilia and thousands of other categories of items. These classes of items represent hidden value in many homes, often unknown to their owners, inheritors or even those people responsible for administering estates. Since its founding, the Company believes interest in collectibles has grown as programs such as *Antiques Roadshow*, *Cash in the Attic* and *Pawn Stars* have grown in popularity.

The Worthopedia™ price guide is a searchable database that provides access to sales records on more than 300 million items from online marketplaces and auction houses from around the world. Historical eBay sales data form the bulk of the data in Worthopedia™, but are declining in significance as the database grows. WorthPoint is not a marketplace nor does it sell any of the items that appear in the Worthopedia™. WorthPoint management believes that being a marketplace would conflict with its aim of being an independent source of information for its community.

The Company's MAPS database is an online resource for researching **M**arks, the identifying marks or impressions used by artisans and manufacturers to distinguish their wares, **A**utographs, and other distinctive **P**atterns and **S**ymbols that are found on collectibles. WorthPoint has developed a visual recognition feature for use on computers and iOS devices that is currently in beta and will enable users to conduct searches optically. The Company plans to use a portion of the net proceeds of this Offering to enhance the feature and develop an Android version.

The WorthPoint Library contains the digital version of almost 1,000 collectibles price guides and reference books from leading publishers on a wide range of collecting topics. It offers users the ability to do the necessary research to identify and better educate themselves on a wide array of collectibles and is an additional tool for users of the Worthopedia™ database. The Company plans to use a portion of the net proceeds of the Offering to expedite the digitizing of materials for the WorthPoint Library.

## The Offering

Securities offered	Maximum of 454,545 shares of common stock
Common stock outstanding before the Offering (1)	2,136,333
Common stock outstanding after the Offering	2,590,878
Use of proceeds	The net proceeds of this Offering will be used to expand and diversify the Company's service offerings, enhance its technology, acquire skilled personnel and repay debt incurred on behalf of the Company by its CEO and directors
Regulation CF Offering	The Company is currently conducting an offering of up to 90,909 shares of common stock in an offering under Regulation Crowdfunding (Regulation CF)

(1) Assumes the conversion of all outstanding shares of Series A Preferred Stock into shares of common stock at a ratio of 1:1, conversion of all outstanding shares of Series A-1 Preferred Stock into shares of common stock at a ratio of 2:1 and a 1 for 6 reverse stock split immediately prior to the initial closing of our Regulation CF Offering. Excludes 370,116 shares acquirable via warrant and option exercise.

## Selected Risks Associated with the Business

The Company and its business are subject to a number of risks, which are set out in more detail in "Risk Factors." Risks include the following:

- The Company publishes all the data in the Worthopedia™ under various license agreements.
- The Company largely depends on one source of revenues.
- Changes to the level of the Company's online advertising on Google currently significantly impacts revenues.
- The Company will use a portion of the net proceeds of this Offering to repay amounts loaned by its CEO, directors and stockholders.
- The Company does not have a redundant infrastructure; the Company or its services providers could be hacked and data destroyed or services disrupted.
- The Company faces significant competition.
- The Company depends on a small management team.
- There has been no active public market for our common stock prior to this Offering and an active trading market may not be developed or sustained following this Offering, which may adversely impact the market for shares of our common stock and make it difficult to sell your shares.

## RISK FACTORS

The Commission requires the Company to identify risks that are specific to its business and its financial condition. The Company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments. Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

**The Company publishes all the data in the Worthopedia™ under various license agreements.** Currently, historical eBay data represents the bulk of the Company's Worthopedia™ data. The remaining data comes from other auction houses and online sources. Traditionally, data suppliers have been supportive of the Company's use of their data as it promotes their brand, creates a more knowledgeable market and complements the community. Should auction houses decide that they no longer want to license their data, this may have a negative impact on the Company. As the Company broadens both the types and sources of data available in its products, including user supplied data, it believes it will reduce its dependence on any one supplier of Worthopedia™ data.

**The Company largely depends on one source of revenues.** In 2015, more than 93% of the Company's revenues came from subscriptions; specifically subscriptions granting access to the Worthopedia™ database. Between 2012 and 2015, while its revenues from subscriptions grew through price increases and integrating MAPS into the Worthopedia™, its subscriber base shrank from over 20,000 subscribers to approximately 12,000 at June 15, 2016, as the Company refocused its strategy to appeal to professionals rather than consumers. The Company attributes the majority of the subscriber loss to problems encountered with a billing service provider that they no longer use for clients acquired since November 2014 (The legacy base that remains on the old system is less than 20% of revenue and declining as a percentage every month). However, the Company will need to expand its marketing to reach more markets and better differentiate products for varying user segments.

**Changes to the level of online advertising on Google currently significantly impacts revenues.** Pay per click ("PPC") has been an important source of advertising for the Company to acquire new users. While the Company believes its expertise in the components of its PPC strategy is a competitive advantage, they may not continue to be so. In addition, the cost of key words is subject to auction bidding, which may lead to increased advertising costs for this form of marketing for the Company and reduced profitability. Although part of the use of the proceeds from this Offering is to accelerate the Company's diversification from this strategy, including via social media, it may not be successful.

**The Company will use a portion of the net proceeds of this Offering to repay amounts loaned by its CEO, directors and stockholders.** The Company's CEO and one of its directors incurred approximately \$122,400 in credit card debt as of December 31, 2015 making purchases on behalf of the Company. In addition, in 2016, the Company issued convertible promissory notes to the CEO, 2 of the directors and other stockholders who loaned \$429,500 to the Company to cover expenses associated with this Offering as well as the Regulation CF offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Convertible Promissory Notes." If the Company raises as little as \$1 million in total proceeds from the Regulation CF Offering and this Offering, the Company will only repay the credit card debt and will not repay the \$429,500 until the total raised from the 2 offerings is more than \$1 million, thus allowing a majority of that \$1 million to be invested in the Company's growth.

**The Company does not have a redundant infrastructure; the Company or its services providers could be hacked and data destroyed or services disrupted.** The Company relies on billing and subscription management software provided by third parties who maintain data on subscribers. While the Company does not store any customer financial information, hacking and/or data breaches of the providers' systems could lead to material financial losses, reputational damage, and legal expenses. The Company also does not have a duplicate data center. Should the current Amazon facility used by the Company suffer an outage due to manmade or natural sources, this could materially impact the Company's ability to operate. Part of the use of net proceeds from this Offering is to build a backup facility on the West Coast to not only build redundancy for the Company's East Coast facility, but to also more quickly service West Coast and Asian data queries.

The Company does not store credit card information and only uses PCI compliant processors. It does its best to safeguard its systems and assets but cannot guarantee that it will be able to successfully repel future attempts to defraud the Company or hack into its customers' data.

**Unauthorized access to the Company's records, systems, and technology will expose the Company to litigation, reputational and financial risk.** WorthPoint's operational equipment and security systems are vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to interruptions and delays in the services and operations, loss, misuse, or theft of data. Additionally, problems faced by third party providers of the Company's cloud-based systems could harm the Company. The Company's insurance may not cover some or all of these risks.

**The Company faces significant competition.** The Company faces competition from eBay and Amazon, where users may search for historic pricing data at no cost, as well as from websites that offer free and subscription-based pricing information for collectibles, including some websites that are maintained by auction houses. The Company's ability to compete with these sites and any future sites depends on the cost of and access to data, the breadth and depth of products and the functionality and ease of its search functions.

**Competitors may be able to call on more resources than the Company.** The Company operates in a highly competitive market, and many of its competitors have more resources than it does. Existing or new competitors may produce directly competing offerings. These competitors may be better capitalized than WorthPoint, which might give them a significant advantage, for example, in surviving an economic downturn where users of online subscription services reduce their discretionary spending. Competitors may be able to use their greater resources to acquire more data, or offer more free content or lower subscription prices, even to uneconomic levels that the Company cannot match.

**Our assets are pledged as collateral to a lender.** Under an SBA loan from Access National Bank, all of our assets are pledged as collateral on the loan. Upon the occurrence of an event of default under the loan, including failure to make payment, the lender could elect to declare all amounts outstanding thereunder to be immediately due and payable. If the bank or the SBA accelerates the repayment of the loan, we may not have sufficient assets to repay them and they may seek to enforce their security interests. In such an event, we could experience a material adverse effect on our financial condition and results of operations.



**The Company depends on a small management team.** The Company depends primarily on the skill and experience of William Seippel, its founder and CEO. If the Company is not able to call upon him for any reason, its operations and development could be harmed.

**The Company is controlled by its officers and directors.** William Seippel, Michael Wharton, William McAtee, Roger Ogden, James Sturgill and Peter Schleider currently hold the majority of the Company's voting stock, and at the conclusion of this Offering will continue to hold the majority of the Company's voting stock. Investors in this Offering will not have the ability to control a vote by the stockholders or the board of directors.

**There has been no active public market for our common stock prior to this Offering and an active trading market may not be developed or sustained following this Offering, which may adversely impact the market for shares of our common stock and make it difficult to sell your shares.** There is no formal marketplace for the resale of the Company's common stock. Although the Company intends to apply for quotation of the common stock on an over the counter market, there are a number of requirements that the Company may or may not be able to satisfy in a timely manner. Even if we obtain that quotation, we do not know the extent to which investor interest will lead to the development and maintenance of a liquid trading market. Further, our common stock will not be quoted until after the termination of this Offering, if at all. Therefore, purchasers in the initial closing will be required to wait until at least after the final termination date of this Offering for such quotation. Investors should assume that they may not be able to liquidate their investment for some time, or be able to pledge their shares as collateral.

Over-the-counter markets have from time to time experienced significant price and volume fluctuations. As a result, the market price of shares of our common stock may be similarly volatile, and holders of shares of our common stock may from time to time experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. The price of shares of our common stock could be subject to wide fluctuations in response to a number of factors, including those listed in this "Risk Factors" section of this Offering Circular.

## DILUTION

Dilution means a reduction in value, control or earnings of the shares the investor owns.

### *Immediate dilution*

An early-stage company typically sells its shares (or grants options over its shares) to its founders and early employees at a very low cash cost, because they are, in effect, putting their “sweat equity” into the Company. When the Company seeks cash investments from outside investors, like you, the new investors typically pay a much larger sum for their shares than the founders or earlier investors, which means that the cash value of your stake is diluted because all the shares are worth the same amount, and you paid more than earlier investors for your shares.

The following table compares the price that new investors are paying for their shares with the effective cash price paid by existing stockholders and warrant-holders and assuming that the shares in this Offering are priced at \$11.00 per share. It reflects all transactions since inception, which gives investors a sense of what they will pay for their investment compared to the Company’s insiders. This table does not assume the conversion into common stock of all outstanding shares of Series A and Series A-1 Preferred Stock, nor the issuance of any shares in the Regulation CF Offering. Immediately prior to the initial closing of the Regulation CF Offering, the Company will convert all outstanding shares of Series A Preferred Stock into shares of common stock at a ratio of 1:1 and all outstanding shares of Series A-1 Preferred Stock into shares of common stock at a ratio of 2:1 and effect a 1-for-6 reverse stock split.

	<b>Dates Issued</b>	<b>Total Issued and Potential Shares (1)</b>	<b>Effective Price per Share Paid</b>
Founding common stock	February 2007	333,333	\$ 0.00
Restricted common stock units (2)	April 2007	38,108	0.00
GoAntiques acquisition (common stock)	October 2008	13,984	10.14
Various issuances of common stock	2009 to 2014	7,155	0.00
Series A Seed Preferred Stock	April 2007	147,425	5.46
Series A-1 (originally issued as Series B) (3)	February 2008 and 2009	503,726	10.50
Series A-1 (originally issued as Bridge note that converted into Series C and was exchanged into Series B) (3)(4)	September - October 2008	202,380	10.50
Series A-1 (Issued as Convertible Note that converted into Series C-2)(5)(6)	June - December 2009	105,321	9.42
Series A-1 (Issued as Series C-2) (6)	December 2010	255,429	10.50
Series A-1 (Issued as Series D) (7)	November 2011	191,782	10.50
Series A-1	October 2012 - July 2013	104,848	10.50
Series A-1 (Issued as Promissory Note and Convertible Note) (8)	September 2013 - July 2015	88,561	10.50
<b>Warrants:</b>			
Guaranty and Bridge Loan	July - December 2009	144,298	0.06
Guaranty of SBA Letter of credit	April 2010 - February 2016	46,100	0.06
Bridge Note	July - August 2016	14,317	0.06
Options:		309,705	6.84
<b>Fractional shares</b>		(24)	11.00
<b>Total Shares Common Stock</b>		<b>2,506,449</b>	<b>7.27</b>
Investors in this Offering assuming \$5 million raised		454,545	11.00
<b>Total After Inclusion of this Offering</b>		<b>2,960,994</b>	<b>7.84</b>

- (1) Potential shares are those reserved for issuance pursuant to warrants and those reserved for GoAntiques stockholders that could not be located
- (2) Includes 12,500 restricted stock units that were issued but did not vest.
- (3) Shares of Series B Preferred Stock were exchanged for Series A-1 Preferred Stock in September 2012 at a ratio of 1.1523 Series A-1 shares per Series B share.
- (4) Shares of Series C Preferred Stock were exchanged for shares of Series B Preferred Stock in July 2009 at a ratio of 1.2397 Series B shares per Series C share.
- (5) Convertible Notes issued in 2009 were converted into shares of Series C-2 Preferred Stock in December 2010 at a price of \$4.0331 (\$9.42 after conversion and stock split) per Series C-2 share.
- (6) Shares of Series C-2 Preferred Stock were exchanged for Series A-1 Preferred Stock in September 2012 at a ratio of 1.2857 Series A-1 shares per Series C-2 share.
- (7) Shares of Series D Preferred Stock were exchanged for Series A-1 Preferred Stock in September 2012 at a ratio of 1.4714 Series A-1 shares per Series D share.
- (8) Promissory and Convertible Notes were converted into shares of Series A-1 Preferred Stock in July 2015 at a price of \$3.50 (\$10.50 after conversion and stock split) per Series A-1 share.

#### *Future dilution*

Another important way of looking at dilution is the dilution that happens due to future actions by the Company. The investor's stake in a company could be diluted due to the Company issuing additional shares. In other words, when the Company issues more shares, the percentage of the Company that you own will go down, even though the value of the Company, and your shares, may go up. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (a public offering, crowdfunding round, venture capital round, angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible bonds, preferred shares or warrants) into stock.

If the Company decides to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if the Company offers dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the Company).

The type of dilution that hurts early-stage investors most occurs when the Company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings. An example of how this might occur is as follows (numbers are for illustrative purposes only):

- In June 2014 Jane invests \$20,000 for shares that represent 2% of a company valued at \$1 million
- In December the Company is doing very well and sells \$5 million in shares to venture capitalists on a valuation (before the new investment) of \$10 million. Jane now owns only 1.3% of the Company but her stake is worth \$200,000.
- In June 2015 the Company has run into serious problems and in order to stay afloat it raises \$1 million at a valuation of only \$2 million (the “down round”). Jane now owns only 0.89% of the Company and her stake is worth only \$26,660.

This type of dilution might also happen upon conversion of convertible notes into shares. Typically, the terms of convertible notes issued by early-stage companies provide that in the event of another round of financing, the holders of the convertible notes get to convert their notes into equity at a “discount” to the price paid by the new investors, i.e., they get more shares than the new investors would for the same price. Additionally, convertible notes may have a “price cap” on the conversion price, which effectively acts as a share price ceiling. Either way, the holders of the convertible notes get more shares for their money than new investors. In the event that the financing is a “down round” the holders of the convertible notes will dilute existing equity holders, and even more than the new investors do, because they get more shares for their money. Investors should pay careful attention to the amount of convertible notes that the Company has issued (and may issue in the future, and the terms of those notes).

If you are making an investment expecting to own a certain percentage of the Company or expecting each share to hold a certain amount of value, it’s important to realize how the value of those shares can decrease by actions taken by the Company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.

## USE OF PROCEEDS TO ISSUER

The net proceeds of a fully subscribed Offering to WorthPoint, after total Offering expenses and fees to be paid to NCPS, will be approximately \$4,916,250. Assuming NCPS does not introduce any investors to the company and 1,250 investors subscribe to the offering, the Company will pay NCPS and its affiliate NCIT \$83,750 in the discussion below.

All non-transactional expenses of this Offering (e.g., accounting fees, legal fees, payment for printing or video production, marketing, consulting and advertising fees) will be funded from funds contributed by Will Seippel, members of the board of directors and current stockholders. Transactional costs related to the number of transactions processed or amount of money raised will be funded from proceeds of the Offering.

WorthPoint plans to use the Offering proceeds as follows:

- Approximately \$429,500 to reimburse Mr. Seippel and 2 directors for funds they and other stockholders advanced via convertible promissory notes to the Company to pay for the non-transactional expenses in this Offering and \$122,400 to retire credit card debt incurred by Mr. Seippel and others on behalf of the Company;
- Approximately \$140,000 to bring accounts payable current;
- Approximately \$1.5 million for marketing and to increase advertising, including via social media;
- Approximately \$1.5 million to acquire data and to expedite digitizing materials for the WorthPoint Library; and
- Approximately \$1.5 million to expand the IT team to accelerate end user application development and to build a redundant West Coast data facility.

Although the Offering is a “best efforts” offering, the Company has decided not to conduct a first closing until at least \$750,000 in investor funds has been received by the escrow agent. As such, the Company may close the Offering without sufficient funds for all the intended purposes set out above. In the event the first closing is the only closing for the Offering, then the Company estimates that the net proceeds would be approximately \$737,813, assuming a payment to NCPS of \$12,188. In such an event, the Company will adjust the use of proceeds by paying credit card balances and account payables in full and dividing the remaining net proceeds among the other three uses. The Company will not reduce the amount outstanding on the convertible promissory notes issued to cover offering expenses until the total of all closings exceeds \$1 million. In such an event, the Company would use the net proceeds as follows:

- Approximately \$122,400 to retire credit card debt incurred by Mr. Seippel and others on behalf of the Company;
- Approximately \$140,000 to bring accounts payable current;
- Approximately \$300,000 for marketing and to increase advertising, including via social media;
- Approximately \$100,000 to acquire data and to expedite digitizing materials for the WorthPoint Library; and
- Approximately \$75,000 to expand the IT team to accelerate end user application development and to build a redundant West Coast data facility.

If the offering size were to be \$2,000,000, then the Company estimates that the net proceeds would be approximately \$1,967,500, assuming a payment to NCPS of \$32,500. In such an event, the Company will adjust the use of proceeds by paying off the convertible promissory notes issued for offering expenses, credit card balances and account payables in full and dividing the remaining proceeds among the other three areas.

- Approximately \$429,500 to reimburse Mr. Seippel and 2 directors for funds they advanced to the Company to pay for the non-transactional expenses in this Offering and \$122,400 to retire credit card debt incurred by Mr. Seippel and others on behalf of the Company;
- Approximately \$140,000 to bring accounts payable current;
- Approximately \$500,000 for marketing and to increase advertising, including via social media;
- Approximately \$500,000 to acquire data and to expedite digitizing materials for the WorthPoint Library; and
- Approximately \$500,000 to expand the IT team to accelerate end user application development and to build a redundant West Coast data facility.

**The Company reserves the right to change the above uses of proceeds if management believes it is in the best interests of the Company.**

## THE COMPANY'S BUSINESS

### Overview

WorthPoint was established in 2007 to change the market for collectibles by bringing the power of technology to identifying, researching and valuing collectibles via its website [www.worthpoint.com](http://www.worthpoint.com). The Company is currently operational, producing revenue and profitable, after accounting for one-time items. However, the Company continues to invest more than its cash flow from operations on building its database.

### Principal Products and Services

#### *Current products*

The Company currently has 3 principal products that it sells by subscription.

- The Worthopedia™ price guide is a searchable database that provides access to sales records on more than 300 million items from online marketplaces and auction houses from around the world. WorthPoint is not a marketplace nor does it sell any of the items that appear in Worthopedia™.
- MAPS is an online resource for investigating ' Marks, the identifying marks or impressions used by artisans and manufacturers to distinguish their wares, Autographs, and other distinctive Patterns and Symbols that are found on collectibles.
- The WorthPoint Library contains the digital version of over 1,000 collectibles price guides and reference books from leading publishers on a wide range of collecting topics. It offers users the ability to do the necessary research to identify and better educate themselves on a wide array of collectibles and is an alternative historical source of pricing information for in the Worthopedia™ database.

#### *Other products and services*

At the beginning of 2016, as part of its community-building efforts, the Company launched its reseller and affinity groups. WorthPoint offers users the opportunity to act as a reseller of its products. Resellers may offer their customers a discount on WorthPoint products and earn commissions when their customers subscribe. Resellers will also have the ability to download and distribute WorthPoint product information and to use the WorthPoint logo together with "Reseller Representative" on business cards. To date, 34 resellers have signed up for the program. The affinity program, WorthPoint Partners, offers subscribers discounts on the services of businesses and professionals working in the world of art, antiques and collectibles.

The Company also makes its pricing database available through the Priceminer® interface which is used by public libraries and sold by Gale, Cengage Learning. In 2015, revenue from Priceminer® subscriptions represented less than 5% of the Company's total revenues.

### ***Products in development and future products***

WorthPoint has implemented a visual recognition feature to enable users to conduct searches optically from its desktop solution. Additionally the Company has an optical search feature running in beta in MAPS for use on iOS devices. The Company plans to use a portion of the net proceeds of the Offering to complete the second phase of implementation to enhance the feature and develop an Android version. Once the feature is fully operational, the Company plans to charge users an additional subscription fee for its use.

The Company plans to commence developing visual recognition for Worthopedia™ in 2017. Other features slated for development include enabling users to submit data directly into the Worthopedia™, the WorthPoint Library, and MAPS.

### **Subscriptions**

Over 93% of the Company's revenues during 2015 came from recurring subscription revenues. Subscribers are offered the opportunity for a subscription trial for the shorter of 7 days or 7 searches before converting into a paid subscription.

The current subscription options are

- Access solely to the Worthopedia™ price guide,
- Access to MAPS and the WorthPoint Library, and
- Combinations of parts or all of the above.

As of September 1, 2016, the Company primarily offers monthly and annual subscriptions at the following non-promotional, non-discounted price points:

	Worthopedia™	MAPS & Library	Combined Access
Monthly	\$ 19.99	\$ 32.99	\$ 49.99
Annual	\$ 199.99	\$ 356.99	\$ 539.99

The Company also runs seasonal promotions that offer discounts to some of its subscription prices. Additionally, it offers quarterly packages and special combinations from time to time.

The Company plans to roll out an additional tier of subscription products targeted at homeowners during the fourth quarter of 2017. These products are referred to internally as the "Feather Lite" product line. The Feather product line will be geared toward subscribers who need access to less overall data than is available in the current offerings or is targeted at a particular category segment, such as "Coins". It is not currently anticipated the Feather suite of products will include the visual recognition feature that the Company is perfecting.

There can be no assurance as to when or whether the Company will implement subscription pricing changes for visual recognition or for the Feather products.



At August 31, 2016, the Company had approximately 12,000 total subscribers. The Company does not currently categorize its subscribers between professional and homeowner and is not able to predict whether or how many of its customers may convert to the Homeowner Feather subscription.

### **Advertising Revenues**

The Company derives the remainder of its revenues from advertising that appears on its website. Advertising is typically priced on a CPM (cost per thousand) basis; this is the price an advertiser pays for every 1,000 impressions of their ad. CPMs vary based by sales channel and ad product.

The Company sells ads through a number of agencies, offering banner, skyscraper and page bottom ads.

The Company plans to phase out advertising as a source of revenue. It plans, however, to continue to run ads for auction houses in exchange for provision of data and for other product partners.

### **Technology**

The Company uses desktops and laptops and a variety of PaaS and SaaS tools in developing its services, including Amazon Web Services based in the United States for hosting.

### **Market**

WorthPoint was founded in 2007 to bring transparency to identifying, researching and valuing the global antiques, art and collectibles markets through the use of technology. WorthPoint believes that these markets together are approaching \$500 billion in annual sales. Collectibles include fine art, antiques, coins, stamps, toys, glassware, folk art, memorabilia and thousands of other categories of items. These classes of items represent hidden value in many homes, often unknown to their owners, inheritors or even those people responsible for administering estates. Since its founding, the Company believes interest in collectibles has grown as programs such as *Antiques Roadshow*, *Cash in the Attic* and *Pawn Stars* have grown in popularity.

### **Competition**

WorthPoint's strategy has been to develop a database that reflects the wide variety of items that its users find in their homes. The Company competes with a number of different types of websites that offer the ability to search for historic price data and/or the ability to conduct research. Some of these sites focus on niche categories of collectibles, such as fine art, jewelry or ceramics, and have limited amounts of data compared to the Company. Others are not specifically organized as research sites, but have recent information that may be used to conduct research, particularly in one-off instances. These competitors may be grouped as follows:

- Research sites focused on collectibles that offer access to subscription databases, such as kovels.com, marks4antiques and P4A.
- Sites maintained by or on behalf of auction houses such as Invaluable, ArtNet, LiveAuctioneers and Proxibid, which display current auctions and maintain free and subscription databases of prices from historic auctions.
- Online sales sites that may sell collectibles and maintain a database of recent (up to 3 months old) sales prices at no cost to subscribers, such as eBay and Amazon.

In addition, some of the Company's data providers offer subscriptions to search some of the same data that WorthPoint licenses, which may attract subscribers, particularly merchants of collectibles, who would otherwise use WorthPoint's services. WorthPoint believes that none of these competitors offers the breadth of data or the range of research functionality that it provides.

### **Suppliers**

In order to develop its Worthopedia™ database, the Company licenses all the pricing data in the Worthopedia. Data from eBay represents the bulk of the current data stored in Worthopedia™. The Company also obtains data from other auction houses and online sources. Auction houses and other data providers have been supportive of the Company's use of their data as it promotes their brand, creates a more knowledgeable market and complements the community. As the Company broadens both the types and sources of data available in its products, including user supplied data, it believes it will reduce its dependence on any one supplier of Worthopedia™ data.

The Company builds the databases for MAPS and the WorthPoint Library by using data in the public domain or entering into copyright agreements when necessary to secure data derived from copyrighted works.

### **Billing and Payment Processors**

The Company currently uses three companies to bill and process subscription payments, Zuora, Avangate and Cybersource. The Company moved its billing and processing to Zuora in 2014 and is transitioning processing from Avangate to Zuora. It expects to transition all subscriptions to the Zuora platform over time but does not have a set plan to migrate the currently active subscriptions in Avangate. Cybersource represents less than one-half of one percent of billing processing.

### **Research and Development**

Since inception, the Company has invested over \$10 million to develop its database and the algorithms underlying its search engine.

### **Employees**

WorthPoint currently has eight full time employees, and has not entered into employment agreements with any of its employees.

The Company employs the services of 7 independent contractors in Romania to develop end user applications and data content. The Company also employs 3 independent contractors in the United States to input data, including digital images, maintain the database and focus on search engine optimization and internet marketing.

### **Intellectual Property**

The Company has applied for a patent covering the systems and methodology underlying its MAPS visual recognition feature. Mr. Seippel has assigned to the Company all rights he has in this intellectual property.

The Company has registered a number of trademarks, including for its logo and for WorthPoint, WorthPoint Library and Worthopedia™.

### **Litigation**

The Company is not currently involved in any litigation.

### **THE COMPANY'S PROPERTY**

WorthPoint currently leases its premises and owns no significant plant, property or equipment. The Company's office space in Atlanta, Georgia serves as its headquarters. All WorthPoint employees in Georgia work from this location.

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

### Operating Results

WorthPoint was founded in April 2007 and began generating minimal revenues in November 2007. The Company has generated revenues in each fiscal year since its inception. Early revenue was primarily advertising based. In the fall of 2008, the Company moved to a subscription-based revenue model. It first collected subscription fees for access to its database in April 2009. The Company was profitable in 2014 and 2015 after adjusting for one-time items, and continues to invest more than its cash flow from operations on building its database.

Subscriptions revenues represent over 93% of the Company's revenues in 2015. The Company collects these revenues directly for those subscribers enrolled via software it licenses from Zuora. In December 2013 the Company commenced a contract with Avangate to provide billing services and installed Avangate's billing system on its site to process all new subscriptions. In March 2014, the Company migrated its installed customer base to the Avangate system. Avangate onboarded subscribers and processed and collected monthly and annual subscription payments on behalf of the Company. Given poor performance of the system and notable subscriber attrition attributable to subscribers' frustration with using the Avangate system, the Company in November 2014, entered into a contract with Zuora to provide billing services for all new subscribers and, eventually, all continuing subscribers. The Company continues to use Avangate to collect subscription revenues for those subscribers who were successfully on-boarded or renewed using Avangate's system, but expects that those subscribers will migrate to Zuora as they change subscriptions or billing information, which would prompt the need to re-authorize them.

### Six Months Ended June 30, 2016 Compared to Six Months Ended June 30, 2015

#### Revenue

Total revenue was \$1.404 million in the six months ended June 30, 2016 compared to \$1.437 million in the six months ended June 30, 2015, a decrease of approximately \$33,000 (2.3%). Revenue for WorthPoint's core products was up just over 2%, or almost \$28,000 to \$1.286 million in 2016 compared to \$1.258 million in 2015, as the Company began to see the benefits of its new billing system and credit card processor. As discussed in the year over year results below, the Company was negatively impacted by the migration of its customer base to Avangate and has only recently grown the base on its new system to a level that allows it to grow faster than the attrition it experiences from the customers still based on Avangate. Other revenue streams decreased by approximately \$61,000. This decline in revenue was attributable to the sale of GoAntiques in May 2015, which provided approximately \$26,000 in revenue in 2015 versus no revenue in 2016, an \$18,000 decline in ad revenue due to the continued effort by the Company to deemphasize such revenue on the site, and an approximately \$17,000 decline in other revenue related to library sales and other legacy products.

### **Cost of Revenues**

Cost of revenues for the first six months of 2016 grew by almost 17%, from \$433,398 in the first six months of 2015 to \$506,201 in 2016. Management had reduced these costs as low as practical in response to the negative impact of the billing system. With the new billing system showing improved metrics, the Company began to expand its spending on databases and adding image recognition, imaging and redundancy. Management expects this growth will continue for the foreseeable future as the Company invests in new data products. In addition, the cost of maintaining two billing systems added to the cost base.

### **Gross Margins**

Gross margins as a percentage of revenue decreased from 69.8% in the first six months of 2015 to 63.9% in the first six months of 2016. This resulted in a total dollar decrease of approximately \$106,000 year-over-year. The decrease was partially due to the drop in revenue, which started to grow again in December 2015 coupled with increasing cost amortization of the Company's content database. As the Company introduces new products, enhanced content, and the reseller program, management expects to see some leverage on cost of revenues and an increase in gross margin.

### **Cash Flow**

In the last two years, the Company has generated cash flow from operations. However, the Company invested more into building its database and improving its product offering than it was able to generate through operations. To date, the Company has financed these investments as discussed below in "—Liquidity and Capital Resources." The Company is close to cash flow breakeven and in March 2016 its lender granted an increase of \$50,000 on its line of credit to use as needed.

### **Year Ended December 31, 2015 Compared to Year Ended December 31, 2014**

#### **Revenue**

Total revenue was \$2,820,115 in 2015 and \$3,417,077 in 2014, a decrease of \$596,962 (17%). The decrease in revenues was primarily due to the continued impact of subscriber attrition due to Avangate system performance issues. During 2015, the Company moved as many subscribers as possible to the Zuora system. At the end of 2015, approximately 45% of the Company's subscribers were still on Avangate and they comprised approximately 34% of revenue. As the percentage of legacy subscribers on Avangate continues to decrease, the Company believes it will have a diminished impact on its performance. By the end of 2015, the rate of subscriber growth on Zuora began to exceed the rate of decline on Avangate. In addition, the Company sold certain assets of GoAntiques in May 2015. The Company received minimal revenues from GoAntiques in all 12 months of the prior year.

Advertising revenue was \$152,441 at the end of 2015 and \$239,882 at the end of 2014, a decrease of \$87,441 (36%). This is due to the continued overall decrease in the PPC rate that advertisers were willing to pay for passive advertising, as well as the Company's continued strategy to reduce its focus on advertising revenue in favor of a focus on generating more recurring subscription revenue.

### **Cost of Revenues**

Cost of revenues decreased 6.4% from \$882,039 in 2014 to \$825,478 in 2015. Management believes it has reduced these costs as low as practical and that costs going forward will trend upwards as the Company continues to expand the database and add image recognition, imaging and redundancy.

### **Gross Margins**

Gross margins as a percentage of revenue decreased from 74.1% in 2014 to 70.7% in 2015. This resulted in a total dollar decrease of \$ 540,401 year-over-year. The decrease was primarily due to the drop in revenue, which started to grow again in December 2015 coupled with increasing cost amortization of the Company's content database. As the Company introduces new products, enhanced content, and the reseller program, management expects to see some leverage on cost of revenues and an increase in gross margin.

### **Cash Flow**

In the last two years, the company has generated cash flow from operations. However, the company invested more into building its database and improving its product offering than it was able to generate through operations. To date, the company has financed these investments as discussed below in "—Liquidity and Capital Resources." The Company is close to cash flow breakeven and in March 2016 its lender granted an increase of \$50,000 on its line of credit to use as needed.

### **Operational Statistics**

Since its introduction in December 2015, almost 300 customers, including international accounts in Korea and the United Kingdom, have subscribed to the expanded business subscription, representing 2.5% of the Company's customer base. With the new products we have increased the average monthly yield from our Zuora customers by almost \$2.00 each.

Over 1.5 million visits per month are made to the site and WorthPoint has rolled out a number of site updates since the December 2015 launch of the expanded business subscription and management believes that they are being well received. Specifically, the take rate of customers for a paid product after the 7-day trial is now approaching 65% compared with just over 50% in prior years. Annual subscribers are renewing at a rate of more than 80%. In addition, time spent on the site is up, bounce rate (the percentage of visitors that leave our site after viewing only one page) is down and number of pages viewed per session is higher, leading us to believe that subscribers and visitors like what they see and are using the site more than in the past.

### **Liquidity and Capital Resources**

#### **SBA Credit Facility**

On April 29, 2011, the Company entered into an SBA guaranteed term credit facility with Access National Bank for up to \$832,000 with a variable interest rate of prime +2.75%. At June 30, 2016, the outstanding balance on the loan was \$470,236. The credit facility has a 10-year term, is secured by the Company's business assets and a property in Maine owned by the CEO. The note is guaranteed by the CEO and one other board member.

### **Convertible Promissory Notes**

In August 2016, the Company offered convertible promissory notes under Rule 506(b) of Regulation D to officers, directors and preferred stockholders for the purpose of raising up to \$500,000 to help the company satisfy its short term financing needs, including to pay for offering-related expenses. The Company will use net proceeds from this Offering to retire these notes, in whole or in part, once it receives net proceeds in excess of \$1 million in combined proceeds from the Regulation CF Offering and this Offering.

### **Related Party Advances**

From time to time during the years ended December 31, 2015 and 2014, the Company received advances in the form of credit card usage from related parties for short-term working capital. At December 31, 2015 and 2014, amounts outstanding under related party advances totaled \$122,400 and \$111,972, respectively, and are included in the accompanying consolidated balance sheets. The Company intends to use a portion of the net proceeds of this Offering to pay off these balances. See "Use of Proceeds to Issuer."

The current term note and working capital line from the SBA are secured by the CEO's house in Maine as well as a guarantee by him and one other director. The only compensation for the use of the collateral is warrants. Over the past 2 years, the Company has issued 82,300 warrants for use of the collateral on the term note and 12,000 warrants for use of collateral on the line of credit. No more warrants are due for the collateral on the term loan. The Company will issue 6,000 warrants each year that the line of credit is outstanding and the collateral remains in place. The warrants are to buy common stock at a price of \$0.01 (\$0.10 post split per share), vested immediately and have a 10-year expiration date.

A significant portion of the non-transactional expenses of this Offering and the Regulation CF offering (e.g., accounting fees, legal fees, payment for printing or video production, marketing, consulting and advertising fees) will be funded from funds contributed by Will Seippel, members of the board of directors and current stockholders.

A majority of the funding in the last 2 years for WorthPoint has been supplied by members of the board. Other than the items discussed above, all debt has been converted into Preferred Stock that will be converted into common stock immediately prior to the initial closing of the Regulation CF Offering.

### **Issuances of Common and Preferred Stock**

In 2014 and until February 2015, the Company funded operations by continuing to issue a promissory note that had originally been approved by the board of directors in September 2013. As of February 2015, \$587,500 in principal amount of promissory notes was outstanding. The board of directors voted to convert the promissory notes into Series A-1 Preferred and to offer an additional \$250,000 in convertible notes. On July 31, 2015, the board of directors voted to convert the total outstanding indebtedness of \$837,500 plus interest of 10% per annum into Series A Preferred at \$3.50 per share (\$10.50 per share post conversion and stock split). All shares were issued under Rule 506(b) of the Regulation D to existing stockholders of the Company.

## Trend Information

The Company monitors, compiles and analyzes daily key performance indicators (KPI's) via the internet from various reports, including Google Analytics as well as Zuora and Avangate billing reports. The management team reviews these on daily, weekly or monthly bases and makes adjustments to the business as necessary. While these reports contain numerous statistics, the following is a synopsis of the ones that management believes are the most relevant to its business:

Site Unique User Visits (SUUV's). This measure has been relatively constant since April 2016 and running at 46,000 SUUV's per day. This number was negatively impacted in April 2016 and had been approximately 20% higher in the preceding year. The Company attributes this change in April to changes in Google algorithms, which essentially measure how Google ranks internet pages for user searches.

Average visits per day that a user makes to the site is another KPI. This statistic has gone from 1.07 to 1.09 visits per day over the last 18 months. This indicates the frequency a user returns to the site and an increasing number is viewed as a positive trend.

Average User Time on Site, the time a user spends on the site in a session, has increased over the last 18 months from approximately 105 seconds to 120 seconds, an increase of 14%. The Company believes this increase is due to both marketing efforts in attracting the proper persons to the site and educating them on the depth of the site. Additionally, the Company has increased the frequency of site updates that impact usability and merged the MAPS product into the WorthPoint website.

Conversion rate of site visitors into paying subscribers. This statistic indicates the percentage of users on the site that convert into paying customers. With the Company's prior billing system Avangate, the Company averaged a conversion rate of .07% prior to moving to the Zuora billing system in November 2014. Prior to moving to the Avangate system the conversion rate had been slightly over 0.1%. Since moving to the new Zuora billing platform the Company has been able to significantly increase the conversion rate and this has increased to as high as .185% in 2016 and averaged .136% over the most recent week in September.

Total paid Subscribers. As noted, the Company's ability to retain subscribers had been adversely impacted by the implementation of the Avangate billing system that was implemented in November 2013. In April 2014 the Company realized that it could not compel Avangate to make the necessary changes to its system and replaced it with Zuora in November 2014. The Company lost a significant number of customers over that period. Total paying customers on January 1, 2015 were 13,048. As of September 27, 2016, paying customers totaled 12,177. 73% of these were billed from the Zuora system. The gains of subscribers in the Zuora system are now keeping pace with losses in Avangate due to the reduced Avangate base and higher conversion rates the Company has experienced with Zuora. The Company has also demonstrated the positive impacts of marketing on growing the subscriber base and has seen returns as high as 200% a year on its advertising expenditures. The Company has also demonstrated that the average user billed via Zuora is willing to pay a significantly higher price per month than the average user billed via Avangate. In the most recent month the average billed per customer on Zuora was \$20.66, compared to \$13.94 on Avangate. The blended rate was \$17.97. This is an increase of \$1.75 from September 2015. The average Zuora subscriber bill has risen 30% above what an average Avangate customer was billed at the time of the cutover of billing systems in November 2014. The Company believes this is due to a number of factors including customers' satisfaction with the site, billing product customer service and the Company's focus on business users and the relevancy of the MAPS product to them.



Lastly, the Company focuses on the length of customer contracts as a KPI of satisfaction. Since January 2015 the number of customers on multi-period contracts has increased from 15% to 17.4% of the base. The 2.4 percentage increase in the base has been in the sales of annual contracts. WorthPoint believes that this is a good indication of the user satisfaction and belief in the product.

## DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Term of Office</u>
Executive Officers:			
William Seippel	CEO	60	From 2007
John Hale	SVP Finance	53	From 2014
Antoine Lyseight	CTO	37	From 2012
Directors:			
William Seippel	Chairman	60	From 2007
Pete Schleider	Board Member	59	From 2007
James Sturgill	Board Member	75	From 2007
William Neal McAtee	Board Member	53	From 2009
Michael Wharton	Board Member	56	From 2012
Rodger Ogden	Board Member	71	From 2012

### William Seippel, CEO and Chairman

Will founded the Company in 2007 and has over 25 years of financial and operational experience. He has been involved in successfully negotiating over 20 acquisitions in his career and played a leading role in structuring complex transactions that have raised \$5 billion in capital, including two that received the prestigious Institutional Investor Deal of the Year Award. He has also served as a consultant to various boards of directors on mergers and acquisitions and strategic business and financial planning. Prior to founding WorthPoint, Will served as Chief Financial Officer and also managed a number of technology business development and marketing roles at MIVA, AirGate PCS, Digital Commerce Corporation, Global Telesystems Groups, Haliburton/Landmark Graphics Corporation. Will has a Masters in Business Administration degree from American University. He received a Bachelor of Science degree from George Mason University.

### Antoine Lyseight, CTO

Antoine joined WorthPoint in September 2012 and is a veteran information technology leader in software development and product delivery, systems integration, point-of-sale, and e-Commerce. Just prior to WorthPoint, he worked as a consultant on a project at IHG. From 2008 until 2012, he worked as CTO at Dominovas Energy Corp. He also has experience with other Fortune 500 companies, as well as many other growth-phase companies and technology startups. He is a graduate from both Georgia Tech and Georgia State University.

**John Hale, SVP Finance**

John joined WorthPoint in January 2014. He has been a licensed CPA for over 20 years, with experience in managing the finance and accounting infrastructure of companies in various start-up and growth modes, raising more than \$100 million in equity financing. In 2013, he served as Corporate Controller for SCIenergy, Inc. in Atlanta. In 2012, he was Chief Financial Officer of the Atlanta Botanical Garden, Inc. In 2011, he was the Finance and Accounting Director for Renmatix, Inc. He has a B.S. in Accounting from the University of Alabama.

**Pete Schleider, CFA, Director**

Pete has spent his entire working career in the investment business. From 1983 to 1987 he was a hardware and software analyst with L.F. Rothschild, Unterberg, Towbin. From 1987 to 1997, Pete was a partner of Wessels, Arnold & Henderson, an investment banking firm in Minneapolis, MN focusing on technical software. In 1998, he founded Matrix Capital Management, a hedge fund focused on technology investments. Since 1998, he has been investing his own money as part of RKB Capital, L.P. In 2001, he and Scott Bedford started Peninsula Technology Fund, L.P. He has a Bachelor of Arts from Trinity University in History and Economics, and holds the Chartered Financial Analyst professional designation from the CFA Institute.

**Jim Sturgill, Director**

Jim is Founder and CEO of Sturgill & Associates, a full service CPA firm he founded in 1963 with multiple locations surrounding the nation's capital. His firm provides tax, assurance and advisory, and information technology services to a diversified client base of established and emerging growth companies in the high technology sector.

**William N. McAtee, Director**

Neal has been immersed in the financial world for 25 years. Since 2009, he served as portfolio manager at Reliant Investment Management, LLC. Earlier in his career, he was a founder and managing member of Red Rock Partners, LLC, as well as general partner and investment manager for Red Rock Fund, LP. Neal was a managing director at Morgan Keegan, working as an equity analyst, when he was recognized five times as a Wall Street Journal All-Star Analyst for his stock-picking ability. From December 2010 to December 2013, Neal served as WorthPoint's interim CFO.

Neal earned a bachelor's in mathematics and economics from Rhodes College and a master's in business administration with a concentration in finance and accounting from the Owen Graduate School of Management at Vanderbilt University. He has held the Chartered Financial Analyst professional designation from the CFA Institute since 1992.

**Roger Ogden, Director**

Roger is currently an independent media consultant. Until 2007, Roger was the head of Gannett Broadcasting. Prior to that he was senior vice president of Gannett Broadcasting and president and general manager of KUSA-TV in Denver, where he began his Gannett career in 1967. He has worked at WLKY-TV in Louisville, KY, when it was owned by Gannett, and at a non-Gannett station in Denver. Roger spent two years with NBC as president and managing director of NBC Europe.

## Michael Wharton, Director

Mike Wharton joined the WorthPoint board in May 2012. Mr. Wharton currently serves as president of McVean Trading & Investments, LLC, having joined at its inception in 1986, and over the last 10 years has become one of the firm's top traders and leading authorities on the livestock and grain markets. Mike is also the managing member of Wharton Asset Management LLC, a commodity-trading advisor, which was established in 2012. Originally from Nebraska, Mike literally grew up in the cattle business.

Under a National Futures Association ("NFA") order dated April 13, 2015, NFA settled complaints against McVean Trading & Investments and certain of its other employees and against Wharton Asset Management and Mike Wharton that alleged that each firm failed to enact required recordkeeping procedures and that the McVean employees and Mike failed to diligently supervise McVean Trading & Investments and Wharton Asset Management's respective operations. McVean Trading & Investments and Wharton Asset Management paid fines in the amounts of \$625,000 and \$105,000, respectively.

## COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

For the fiscal year ended December 31, 2015 the Company compensated its three highest-paid directors and executive officers as follows:

Name	Capacities in which compensation was received	Cash compensation (\$)	Other compensation (\$)	Total compensation (\$)
William Seippel	CEO	\$ 133,043	\$ 2,668	\$ 135,711
Antoine Lyseight	CTO	\$ 158,880	\$ 3,641	\$ 162,521
John Hale	SVP Finance	\$ 111,651	\$ 520	\$ 112,171

For the fiscal year ended December 31, 2015, we paid our directors as a group \$138,042.86. In addition, the Company awarded 98,251 options to the directors. Both the paid amount and the stock awards are inclusive of the amounts paid to Will Seippel. There are 6 directors in this group.

## Equity Incentive Plan

The Company maintains a 2007 Equity Incentive Plan, which provides for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, to the employees of the Company and its affiliates, and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock, or restricted stock units to employees, service providers and directors of the Company and its affiliates. The plan is effective through April 2017. The board of directors is the administrator of the plan.

A total of 2.3 million shares of common stock have been reserved under the plan and stock options for the purchase of 1,858,232 shares of common stock are outstanding under the plan.

The exercise price of options granted under the plan must at least be equal to the fair market value of the Company's common stock on the date of grant. The term of an option may not exceed 10 years, except that with respect to any participant who owns more than 10% of the voting power of all classes of the Company's outstanding stock, the term on an incentive stock option granted to such participant must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. Payment of the exercise price of an option is by cash or certified check, or by any other means set forth in the participant's award agreement that is consistent with applicable laws, regulations or rules. If a participant's service terminates other than due to his or her retirement, death or disability, the participant may exercise the vested portion of his or her award by the earlier of (i) the expiration date of the award, (ii) the date six months after the termination date (three months in the case of an incentive stock option), or (iii) the date of the participant's termination in the event the participant's employment is terminated on account of fraud or intentional misrepresentation, or embezzlement, misappropriation or conversion of assets or opportunities of the Company or its affiliates. Upon the retirement of an employee or director, the participant may exercise the vested portion of his or her award by the earlier of (i) the expiration date of the award or (ii) the expiration of (a) twelve months after the retirement date in the case of an award other than an incentive stock option award and (b) three months after the retirement date in the case of an incentive stock option. If an individual's service terminates due to the participant's death or disability, the option may be exercised by the earlier of (i) the expiration date of the award or (ii) the later of (a) the first anniversary of termination of service as a result of disability or death or (2) the first anniversary of such person's death if it occurs during a retirement or disability period

Award recipients may only transfer awards in limited circumstances, including by will or the laws of descent and distribution or by domestic relations order.

## SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN STOCKHOLDERS

The following table sets out, as of October 31, 2016, the voting securities of the Company that are owned by executive officers and directors, and other persons holding more than 10% of the Company's voting securities, or having the right to acquire those securities. The table assumes that

- a reverse stock split of 1 for 6 and all shares of Series A and Series A-1 Preferred Stock are converted to shares of common stock immediately prior to the first closing of the Regulation CF Offering;
- all restricted stock units and options have vested; and
- all outstanding promissory notes are repaid with net proceeds of the Offering, and issuance of the attached warrants

Title of class	Name and address of beneficial owner	Amount and nature of beneficial ownership	Amount and nature of beneficial ownership acquirable	Percent of class
Common stock	William Seippel	518,293	141,758	22.3%
Common stock	Pete Schleider (1)	323,099	13,666	11.4%
Common stock	James Sturgill	17,476	12,541	1.0%
Common stock	William Neal McAtee (2)	164,863	27,047	6.5%
Common stock	Michael Wharton (3)	361,927	12,166	12.6%
Common stock	Rodger Ogden	15,977	4,500	0.7%

- (1) Includes 321,432 shares owned by RKB Capital, a fund over which Mr. Schleider exercises control.
- (2) Includes 102,695 shares owned by Red Rock Fund, LP, a fund over which Mr. McAtee exercises control and 8,095 shares held in the name of Amy H McAtee, the wife of Mr. McAtee.
- (3) Includes 66,666 shares held in the name of a generational trust that Mr. Wharton disavows ownership of and control over.

## INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" for a discussion of related party transactions.

## SECURITIES BEING OFFERED

### General

The Company is offering up to 454,545 shares of common stock.

The following description summarizes the most important terms of the Company's capital stock. This summary does not purport to be complete and is qualified in its entirety by the provisions of WorthPoint's amended and restated certificate of incorporation, as amended, and bylaws, copies of which have been filed as exhibits to the Offering Statement of which this Offering Circular is a part. For a complete description of WorthPoint's common stock, you should refer to the amended and restated certificate of incorporation, as amended, and bylaws and to the applicable provisions of Delaware law.

As of September 30, 2016, the Company's authorized capital stock consists of 11,800,000 shares of common stock, 884,500 shares of Series A Preferred Stock and 4,956,142 shares of Series A-1 Preferred Stock. Immediately prior to the initial closing of the Regulation CF Offering, the Company will convert all outstanding shares of the Series A Preferred Stock into shares of common stock at a ratio of 1:1 and all outstanding shares of the Series A-1 Preferred Stock into shares of common stock at a ratio of 2:1, then effect a reverse stock split of 1 for 6. As a result, immediately following completion of this Offering, the Company's authorized capital stock will consist of 2,590,878 shares of common stock and an additional 370,116 shares in the form of options and warrants. As of September 30, 2016, prior to the conversion of the Preferred Stock to common stock, the reverse stock split, and the first closing of this Offering, one beneficial owner, Will Seippel held 2,091,599 outstanding shares of common stock and 648,241 shares of Series A and Series A-1 Preferred Stock representing 32.4% of the outstanding capital stock of the Company. On a fully diluted basis, he owns 33.5% of the Company.

### Common Stock

#### *Dividend Rights*

Holders of common stock are entitled to receive dividends and other distributions of cash, property, or shares of stock of the Company as may be declared by the board of directors from time to time with respect to the common stock out of assets or legally available funds. The Company has never declared or paid cash dividends on any of its capital stock and currently does not anticipate paying any cash dividends after this Offering or in the foreseeable future.

#### *Voting Rights*

Each holder of the Company's common stock is entitled to vote on all matters submitted to a vote of the stockholders, including the election of directors.

#### *Liquidation Rights*

In the event of a voluntary or involuntary liquidation, dissolution, distribution of assets, or winding up of the Company, the holders of common stock are entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all debts and other liabilities of the Company and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of non-voting stock.

## ***Rights and Preferences***

Pursuant to the Third Amended and Restated Investors' Rights Agreement dated December 13, 2010, the Company granted holders of its preferred stock the right to invest up to their pro rata share of any equity securities that the Company may issue, which gives them the right, but not the obligation, subject to certain exceptions, to invest in this Offering. Among other circumstances, the contractual preemptive right does not apply if the Company receives notice in writing from the holders of a majority of outstanding shares of preferred stock that they waive such rights. The Company intends to seek a waiver of the application of these rights to this Offering and the Regulation CF Offering. Unless the rights agreement is amended, the holders of preferred stock will continue to have preemptive rights with respect to those shares of common stock that they receive upon conversion of the shares of Series A and Series A-1 Preferred Stock.

The rights, preferences and privileges of the holders of the Company's common stock are subject to and may be adversely affected by, the rights of the holders of shares of any classes of preferred stock that the Company may designate in the future.

## **PLAN OF DISTRIBUTION**

### **Plan of Distribution**

The Company is offering up to 454,545 shares of common stock on a "best efforts" basis.

In addition to the cash offer, we are offering to exchange shares in this Offering for shares held by investors in the Regulation CF offering that we closed in XXXX 2016. Pursuant to the terms upon which those investors invested, they need do nothing to tender their shares into the exchange. They will receive shares that are not subject to the Regulation CF transfer restrictions. They will also benefit from the more expansive ongoing disclosure requirements applicable to Regulation A offerings. We are effecting this exchange in order to simplify our ongoing reporting requirements. We will receive no cash from this exchange offer.

NCPS will publicly market the Offering using general solicitation through methods that include emails to potential investors, online advertisements, and press releases. The Company will use its existing website, [www.worthpoint.com](http://www.worthpoint.com), blogs, and other social media to provide notification of the Offering. Persons who desire information will be directed to a landing page describing the Offering and operated by the Company.

This Offering Circular will be furnished to prospective investors via download 24 hours per day, 7 days per week on the Company's website, on a landing page that relates to the Offering.

In order to subscribe to purchase the shares, a prospective investor must complete a subscription agreement and send payment by check, wire transfer or ACH. The subscription agreement requires investors to answer certain questions to determine compliance with the investment limitation set forth in the securities laws, disclose that the securities will not be listed on a registered national securities exchange upon qualification, and that the aggregate purchase price to be paid by the investor for the securities cannot exceed 10% of the greater of the investor's annual income or net worth. In the case of an investor who is not a natural person, revenues or net assets for the investor's most recently completed fiscal year are used instead. The investment limitation does not apply to accredited investors, as that term is defined in Rule 501 under the Securities Act of 1933, as amended.

The Kingdom Trust Company ("Kingdom Trust"), a non-depository trust company, registered and regulated in the state of South Dakota as a non-depository trust company, will serve as escrow agent in accordance with Rule 15c2-4 of the Securities Exchange Act of 1934, as amended. Investor funds will be held in a segregated bank account at an FDIC insured bank pending closing or termination of the Offering. All subscribers will be instructed by the Company or its agents to transfer funds by wire or ACH transfer directly to the escrow account established for this Offering or deliver checks made payable to "TKTC/WorthPoint Escrow Account," which will be promptly deposited into such escrow account no later than noon the next business day after receipt. The Company may terminate the Offering at any time for any reason at its sole discretion. Investors should understand that acceptance of their funds into escrow does not necessarily result in their receiving shares; escrowed funds may be returned.

The Company has engaged NCPS, a broker-dealer registered with the Commission and a member of FINRA, to perform the following functions in connection with this Offering:

- qualify investors, including, but not limited to, conducting Know Your Customer, OFAC checks, AML compliance, and suitability reviews;
- gather additional information or clarification from prospective investors, working as necessary with the Company and/or its agents;
- provide the Company with prompt notice for subscriptions that cannot be accepted; and
- transmit the subscription information data to Computershare, the Company's transfer agent.

As compensation for the services listed above, the Company has agreed to pay a 1.5% commission on the amount invested by investors not solicited by NCPS, a 7% commission on the amount invested by investors solicited by NCPS and a \$5.00 fee in connection with each investor qualification. The Company has paid NCPS a \$5,000 retainer for its services. The Company has agreed to pay NCIT, an affiliate of NCPS, \$500 per month for technology to support the Offering. The Company has agreed to pay \$500 to Kingdom Trust to set up the escrow account. It is anticipated that NCPS's activity on behalf of the Company will be conducted by registered representatives, and a portion of the sales commission received by NCPS will be paid to those registered representatives.

The Company has also agreed to issue to NCPS warrants to purchase a number of shares of Common Stock equal to 1% of the total number of shares purchased by all investors whether or not solicited by NCPS. The warrants will have an exercise price equal to the price per share paid by investors and be exercisable for 7 years. The warrants will expire on the date that is 7 years after the issue date, or the date that is 5 years from the qualification of the Offering Statement by the Commission.

The warrants and the shares of Common Stock underlying the underwriter's warrants have been deemed compensation by the Financial Industry Regulatory Authority, or FINRA, and are therefore subject to a 180-day lock-up pursuant to Rule 5110(g)(1) of FINRA. NCPS, or its permitted assignees under such rule, may not sell, transfer, assign, pledge, or hypothecate the warrants or the shares of Common Stock underlying the warrants, nor will NCPS, or its permitted assignees engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the warrants or the underlying shares of Common Stock for a period of 180 days from the qualification date of the Offering statement, except that they may be transferred, in whole or in part, by operation of law or by reason of the Company's reorganization, or to any solicitation agent or selected dealer participating in the Offering and their officers or partners if the NCPS's warrants or the underlying shares of common stock so transferred remain subject to the foregoing lock-up restrictions for the remainder of the time period. The warrants will provide for adjustment in the number and price of the warrants and the shares of common stock underlying the warrants in the event of recapitalization, merger, stock split, or other structural transaction, or a future financing undertaken by the Company.

Computershare, Inc. will serve as transfer agent to maintain stockholder information on a book-entry basis.



## **Investors' Tender of Funds and Return of Funds**

After the Commission has qualified the Offering Statement, and NCPS has satisfactorily completed due diligence, the Company will accept tenders of funds to purchase the common stock. The Company may close on investments on a "rolling" basis (so not all investors will receive their shares on the same date), and may choose to hold the first closing after the escrow agent has received \$750,000. Upon closing, funds tendered by investors will be made available to the Company for its use. The Offering will terminate at the earlier of: (1) the date at which the maximum offering amount has been sold, (2) [date], 2017, the date that is twelve months from the date this Offering Statement is qualified by the Commission or (3) the date at which the Offering is earlier terminated by the Company in its sole discretion.

In the event that the Company terminates the Offering while investor funds are held in escrow, those funds will promptly be refunded to each investor without deduction or interest and in accordance with Rule 10b-9 under the Securities Exchange Act of 1934. The escrow agent has not investigated the desirability or advisability of the investment in the shares nor approved, endorsed or passed upon the merits of purchasing the shares.

In order to invest you will be required to subscribe to the Offering via the Company's website or via 99funding.com and agree to the terms of the Offering and the subscription agreement.

The funds tendered by potential investors will be held by the escrow agent, and will be transferred to the Company upon each closing or returned to the investors as discussed above. The escrow agreement can be found in Exhibit 8 to the Offering Statement of which this Offering Circular is a part.

In the event that it takes some time for the Company to raise funds in this Offering, the Company will rely on income from sales, credit available under its existing credit facility, which it is negotiating to increase and cash on hand. If necessary, the Company will also match revenues with expenses to cover any shortfall in operational cash flow.

Worthpoint Corporation  
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## INDEPENDENT AUDITORS' REPORT

To Board of Directors and Stockholders  
WorthPoint Corporation

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of WorthPoint Corporation (the "Company") which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Worthpoint Corporation as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*/s/ dbbmckennon*  
Newport Beach, CA  
September 30, 2016

**WORTHPOINT CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**AS OF DECEMBER 31, 2015 AND 2014**

	2015	2014
<b>Assets</b>		
Current assets:		
Cash	\$ 92,379	\$ 76,366
Accounts receivable	97,508	132,173
Other current assets	54,817	26,431
Total current assets	244,704	234,970
Property and equipment, net	4,126	21,122
Intangible assets, net	2,257,529	2,143,541
Other assets	24,842	14,310
Total assets	<u>\$ 2,531,201</u>	<u>\$ 2,413,943</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 276,968	\$ 292,696
Accrued liabilities	10,713	77,768
Deferred revenue	204,331	176,198
Related party advances	122,400	111,972
Note payable - current	97,236	82,652
Total current liabilities	711,648	741,286
Line of credit	150,000	133,007
Note payable - long term, net of current portion	428,511	525,252
Convertible debt - related parties	-	537,500
Total liabilities	1,290,159	1,937,045
Commitments and contingencies (Note 6)	-	-
Stockholders' Equity:		
Preferred Series A, \$0.001 par value 884,550 shares authorized, 884,550 issued and outstanding at December 31, 2015 and 2014, respectively	808,399	808,399
Preferred Series A-1, \$0.001 par value 4,411,628 shares authorized, 4,385,141 and 4,119,440 issued and outstanding at December 31, 2015 and 2014, respectively	15,226,755	14,296,858
Common stock, \$0.001 par value, 11,703,822 shares authorized; 3,150,237 shares issued and outstanding at December 31, 2015 and 2014, respectively	3,150	3,150
Additional paid-in capital	1,075,222	1,052,674
Accumulated deficit	(15,872,484)	(15,684,183)
Total stockholders' equity	1,241,042	476,898
Total liabilities and stockholders' equity	<u>\$ 2,531,201</u>	<u>\$ 2,413,943</u>

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

**WORTHPOINT CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenues	\$ 2,820,115	\$ 3,417,077
Cost of revenues	<u>825,478</u>	<u>882,039</u>
Gross profit	1,994,637	2,535,038
Operating Expenses:		
General and administrative	1,017,908	1,024,967
Sales and marketing	489,021	691,697
Research and development	<u>399,781</u>	<u>472,485</u>
Total operating expenses	1,906,710	2,189,149
Operating income	87,927	345,889
Other (income) expense :		
Interest expense	83,162	104,146
Other income	(58,846)	(48,610)
Loss on impairment of investment	<u>250,000</u>	<u>-</u>
Total other (income) expense	274,316	55,536
Income (loss) before provision for income taxes	(186,389)	290,353
Provision for income taxes	<u>1,912</u>	<u>-</u>
Net income (loss)	<u>\$ (188,301)</u>	<u>\$ 290,353</u>

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

**WORTHPOINT CORPORATION**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	Preferred Series A		Preferred Series A-1		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount			
December 31, 2013	884,550	\$808,399	4,119,440	\$14,296,858	3,036,918	\$ 3,037	\$ 1,034,187	\$ (15,974,536)	\$ 167,945
Stock based compensation	-	-	-	-	-	-	12,432	-	12,432
Shares issued for services	-	-	-	-	13,319	13	5,155	-	5,168
Warrants exercised	-	-	-	-	100,000	100	900	-	1,000
Net income	-	-	-	-	-	-	-	290,353	290,353
December 31, 2014	884,550	808,399	4,119,440	14,296,858	3,150,237	3,150	1,052,674	(15,684,183)	476,898
Stock based compensation	-	-	-	-	-	-	19,948	-	19,948
Converted debt	-	-	265,701	929,897	-	-	-	-	929,897
Warrants issued for compensation	-	-	-	-	-	-	2,600	-	2,600
Net loss	-	-	-	-	-	-	-	(188,301)	(188,301)
December 31, 2015	884,550	\$808,399	4,385,141	\$15,226,755	3,150,237	\$ 3,150	\$ 1,075,222	\$ (15,872,484)	\$ 1,241,042

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

**WORTHPOINT CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ (188,301)	\$ 290,353
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	18,086	18,086
Amortization	231,061	161,812
Loss on impairment of investment	250,000	-
Stock-based compensation	22,548	17,600
Changes in operating assets and liabilities:		
Accounts receivable	34,665	(37,690)
Other current assets	(28,386)	(10,907)
Accounts payable	(15,728)	27,154
Accrued liabilities	25,342	43,370
Deferred revenue	28,133	(24,426)
Net cash provided by operating activities	<u>377,420</u>	<u>485,352</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(1,090)	-
Amount paid for investment	(250,000)	-
Deposits and other	(10,532)	7,701
Proceeds from sale of intangible assets	151,886	-
Purchase of intangible assets	(496,935)	(723,184)
Net cash used in investing activities	<u>(606,671)</u>	<u>(715,483)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from related party advances	10,428	6,241
Proceeds from line of credit, net	16,993	118,007
Repayments of notes payable	(82,157)	(233,401)
Proceeds from convertible debt	45,000	-
Proceeds from convertible debt - related parties	255,000	287,500
Proceeds from warrants exercised	-	1,000
Net cash provided by financing activities	<u>245,264</u>	<u>179,347</u>
Increase (decrease) in cash and cash equivalents	16,013	(50,784)
Cash and cash equivalents, beginning of year	76,366	127,150
Cash and cash equivalents, end of year	<u>\$ 92,379</u>	<u>\$ 76,366</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 57,233</u>	<u>\$ 60,722</u>
Cash paid for income taxes	<u>\$ 1,912</u>	<u>\$ -</u>
Non cash investing and financing activities:		
Conversion of convertible debt and accrued interest into Series A-1	<u>\$ 929,897</u>	<u>\$ -</u>

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

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF OPERATIONS**

Worthpoint Corporation was incorporated on January 16, 2007 (“Inception”) in the State of Delaware. The Company’s headquarters are located in Atlanta, Georgia. The Company has developed a suite of online and mobile offerings consisting of a database for researching and valuing antiques, art and collectibles, a detailed catalog of Maker's Marks and other identifying indicators, as well as access to a library of reference books and price guides from leading publishers in a wide range of antiques and collecting categories. The consolidated financial statements of Worthpoint Corporation and subsidiaries (which may be referred to as "Worthpoint," the "Company," "we," "us," or "our") are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Principles of Consolidation*

The accompanying consolidated financial statements include the accounts of WorthPoint Corporation and Subsidiaries, WorthPoint (Ireland) Limited, WPGA Holding Corp, and GoAntiques, Inc. its wholly-owned subsidiaries. Significant intercompany balances and transactions have been eliminated in consolidation.

*Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amount of revenues and expenses during the reporting period. Actual results could materially differ from these estimates. Significant estimates include, but are not limited to, recoverability of property and equipment and long-lived assets, valuation of stock options, and the valuation allowance related to deferred tax assets. It is reasonably possible that changes in estimates will occur in the near term.

*Fair Value of Financial Instruments*

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company’s assumptions about the factors that market participants would use in valuing the asset or liability. There are three levels of inputs that may be used to measure fair value:

- Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.
- Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair-value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2015 and 2014. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash, accounts payable, accrued liabilities, related party advances, line of credit, notes payable and convertible notes. Fair values for these items were assumed to approximate carrying values because of their short term nature or they are payable on demand.



**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*Cash and Cash Equivalents*

For purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

*Accounts Receivable*

Accounts receivable are recorded at the invoiced amount and are non-interest-bearing. Accounts receivable primarily consists of credit card charges processed by the Company's credit card processors but not yet deposited into a Company bank account and receivables related to display services for which payment terms are provided. The Company maintains an allowance for doubtful accounts to reserve for potential uncollectible receivables. The allowance for doubtful accounts was immaterial as of December 31, 2015 and 2014.

*Property and Equipment*

Property and equipment are stated at cost. The Company's fixed assets are depreciated using the straight-line method over the estimated useful life of five (5) to seven (7) years. Leasehold improvements are depreciated over the shorter of the useful life or term of the lease. Maintenance and repairs are charged to operations as incurred. Significant renewals and betterments are capitalized. At the time of retirement or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in operations.

*Content Databases*

Content databases consists of a database for researching and valuing antiques, art and collectibles, a detailed catalog of Maker's Marks and other identifying indicators, as well as access to a library of reference books and price guides from leading publishers that the Company has accumulated in its databases. These records have been digitized and indexed to allow subscribers to search and view the content online and include the costs to acquire or license the historical records, costs incurred by Company employees or by third parties to scan, key and index the content and the fair value allocated to content databases in business acquisitions. The Company generally amortizes content databases on a straight-line basis over 10 years after the content is acquired. The amortization expense associated with content databases is included in cost of subscription revenues in the consolidated statements of operations.

*Investment in Securities*

The Company's investments consisting of preferred shares of non-controlled entities are accounted for on the cost basis.

In May 2015, the Company entered into an agreement to purchase 2,500,000 preferred shares in Search Find Sell, Inc. ("SFS"), which represented a 25% stake on a fully diluted basis, for \$75,000 in cash and \$175,000 in the form of a short term note, which was fully paid in 2015. The Company determined that the cost investment method was appropriate as management has been unable to exert significant influence over SFS from the time of the investment and the shareholders of SFS are concentrated to a large degree which nullifies the Company's influence over SFS. Since the time at which the investment was made, SFS has not succeeded in its business plan and requires significant capital to continue to operate. The Company determined that there is an other than temporary impairment of the investment and accordingly, the full value of the investment was deemed impaired as of December 31, 2015. Thus, during the year ended December 31, 2015, the Company recorded a loss on investment of \$250,000 in the accompanying consolidated statement of operations.

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*Impairment of Long-Lived Assets*

The long-lived assets held and used by the Company are reviewed for impairment no less frequently than annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability is performed. There were no impairment losses during the years ended December 31, 2015 and 2014. There can be no assurance, however, that market conditions will not change or demand for the Company's products and services will continue, which could result in impairment of long-lived assets in the future.

*Software Development Costs*

The Company develops and utilizes internally developed software. Costs incurred are accounted for under the provisions of ASC 350, Intangibles – Goodwill and Other, whereby direct costs related to development and enhancement of internal use software are capitalized, and costs related to maintenance are expensed as incurred. The Company capitalizes its direct internal costs of labor and associated employee benefits that qualify as development or enhancement of internally developed software. These software development costs are amortized over the estimated useful life of the software which management has determined is five years once the software is placed in service. No development costs were capitalized during the years ended December 31, 2015 and 2014. Development costs incurred in prior periods have been fully amortized.

*Intangible Assets*

Intangible assets with finite lives are amortized over their respective estimated lives and reviewed for impairment whenever events or other changes in circumstances indicate that the carrying amount may not be recoverable. The impairment testing compares carrying values to fair values and, when appropriate, the carrying value of these assets is reduced to fair value. Impairment charges, if any, are recorded in the period in which the impairment is determined. To date, there have been no impairment charges recognized.

*Goodwill*

The Company records the excess of purchase price of acquired businesses over the fair value of the acquired identifiable tangible and intangible net assets as goodwill. The Company tests for impairment of goodwill when there is an event or circumstance that indicates that goodwill has been impaired or at least annually. The Company first considers qualitative factors to determine whether the existence of events or circumstances leads to a conclusion that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If it is more likely than not that impairment exists, then the Company will use a two-step approach to test for impairment, the first of which is to compare the estimated fair value of the Company to the net asset carrying value of that reporting unit. If the estimated fair value is less than the net asset carrying value, the Company completes the second step to determine the extent of the impairment. To date, there have been no impairment charges recognized.

*Deferred Rent*

The Company accounts for lease rentals that have escalating rents on a straight-line basis over the life of each lease. This accounting generally results in a deferred liability (for the lease expense) recorded on the consolidated balance sheet. As of December 31, 2015, no such liability existed as the Company's material lease had just commenced.

*Preferred Stock*

ASC 480, Distinguishing Liabilities from Equity, includes standards for how an issuer of equity (including equity shares issued by consolidated entities) classifies and measures on its balance sheet certain financial instruments with characteristics of both liabilities and equity.

**WORTHPOINT CORPORATION**  
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Management is required to determine the presentation for the preferred stock as a result of the redemption and conversion provisions, among other provisions in the agreement. Specifically, management is required to determine whether the embedded conversion feature in the preferred stock is clearly and closely related to the host instrument, and whether the bifurcation of the conversion feature is required and whether the conversion feature should be accounted for as a derivative instrument. If the host instrument and conversion feature are determined to be clearly and closely related (both more akin to equity), derivative liability accounting under ASC 815, Derivatives and Hedging, is not required. Management determined that the host contract of the preferred stock is more akin to equity, and accordingly, derivative liability accounting is not required by the Company. In addition, the Company has presented preferred stock within stockholders' equity.

Costs incurred directly for the issuance of the preferred stock are recorded as a reduction of gross proceeds received by the Company, resulting in a discount to the preferred stock. The discount is amortized to the accumulated deficit, due to the absence of additional paid-in capital, over the period to redemption using the effective interest method of accounting.

Dividends which are required to be paid upon redemption are accrued and recorded within preferred stock and accumulated deficit.

*Revenue Recognition*

The Company recognizes revenue related to sales of subscriptions, products and services when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered to the customer, (iii) the fee is fixed or determinable, and (iv) collectability is reasonably assured.

Subscription revenues are derived by providing access to the Company's technologies and content on its websites. Subscription fees are collected primarily from credit cards through the Company's websites at the beginning of the subscription period. Subscription revenues are recognized ratably over the subscription period, ranging from one month to one year, net of estimated cancellations. Subscription revenues are not allocated to any free-trial periods the Company may offer. Amounts received from subscribers for which the performance obligations have not been fulfilled are recorded in deferred revenue. As of December 31, 2015 and 2014, deferred revenue recorded on the accompanying consolidated balance sheets related 100% to subscriptions.

The Company's display revenue is generated from the display of graphical, non-graphical, and video advertisements on the Company's websites. The revenue is recorded when the impression is delivered. Arrangements for these services generally have terms ranging from 30 to 60 days. Display revenue represents less than 5% of the Company's total revenues.

The Company maintains an allowance for future subscription cancellations and returns based on historical trends and data specific to each reporting period. The historical cancellation and returns rates are applied to the current period's revenues as a basis for estimating future returns. Actual customer subscription cancellations and returns are charged against this allowance or against deferred revenue to the extent that revenue has not yet been recognized.

*Cost of Revenues*

Cost of subscription revenues consists of amortization of content databases, web server operating costs, credit card processing fees, personnel-related costs of web support, and outside service costs for website content.

*Research and Development*

We incur research and development costs during the process of researching and developing our technologies and future offerings. Our research and development costs consist primarily of internal salaries. We expense these costs as incurred until the resulting product has been completed, tested, and made ready for commercial use.

**WORTHPOINT CORPORATION**  
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*Advertising*

The Company expenses advertising costs as incurred. Advertising expenses were approximately \$127,603 and \$146,964 for the years ended December 31, 2015 and 2014, respectively.

*Stock Based Compensation*

The Company accounts for stock options issued to employees under Accounting Standards Codification (“ASC”) 718 “Share-Based Payment”. Under ASC 718, share-based compensation cost to employees is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the employee’s requisite vesting period. The fair value of each stock option or warrant award is estimated on the date of grant using the Black-Scholes option valuation model.

The Company measures compensation expense for its non-employee stock-based compensation under ASC 505 Equity. The fair value of the option issued or committed to be issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company’s common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty’s performance is complete. The fair value of the equity instrument is charged directly to stock-based compensation expense and credited to additional paid-in capital.

*Income Taxes*

The Company applies ASC 740 Income Taxes. Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their consolidated financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any, and the change during the period in deferred tax assets and liabilities. At December 31, 2015 and 2014, the Company has established a full reserve against all deferred tax assets.

ASC 740 also provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position is recognized only if it is “more likely than not” that the position is sustainable upon examination by the relevant taxing authority based on its technical merit.

*Concentration of Credit Risk*

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be credit worthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company maintains balances in excess of the federally insured limits.

The Company has two and one vendors as of December 31, 2015 and 2014 that in aggregate make up 39% and 65% of accounts payable, respectively. The company purchases over 95% of its content, content related services and data from these vendors. The loss of any of these vendors would have a significant impact on the Company’s operations.

**WORTHPOINT CORPORATION**  
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*Risks and Uncertainties*

The Company's operations are subject to new innovations in product design and function. Significant technical changes can have an adverse effect on product lives. Design and development of new products are important elements to achieve and maintain profitability in the industry segment.

*Recent Accounting Pronouncements*

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers". Under this guidance, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. The updated standard will replace most existing revenue recognition guidance under U.S. GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. Early adoption is not permitted. The updated standard will be effective beginning January 1, 2018. We are currently evaluating the effect that the updated standard will have on our balance sheet and related disclosures.

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Consolidated Financial Statements Going Concern, which requires management to evaluate, at each annual and interim reporting period, whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date the consolidated financial statements are issued and provide related disclosures. ASU 2014-15 is effective for annual periods ending after December 15, 2016 and interim periods thereafter. The guidance is not expected to have a material impact on the Company's consolidated financial statements.

In April 2015, FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, which changes the presentation of debt issuance costs in consolidated financial statements. ASU 2015-03 requires an entity to present such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of debt issuance costs will continue to be reported as interest expense. ASU 2015-03 is effective for annual reporting periods beginning after December 15, 2015. Early adoption is permitted. The guidance is not expected to have a material impact on the Company's consolidated financial statements.

In November 2015, the FASB issued ASU 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes. The amendments in this update simplify the presentation of deferred taxes by requiring deferred tax assets and liabilities be classified as noncurrent on the balance sheet. These amendments may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. The amendments are effective for consolidated financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Earlier application is permitted for all entities as of the beginning of an interim or annual reporting period. The guidance is not expected to have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 840), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in this standard are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, for a public entity. Early adoption of the amendments in this standard is permitted for all entities and the Company must recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The Company is currently in the process of evaluating the effect this guidance will have on its consolidated financial statements and related disclosures.

The FASB Board issues ASU's to amend the authoritative literature in ASC. There have been a number of ASUs to date that amend the original text of ASC. The Company believes those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to the Company or (iv) are not expected to have a significant impact on the Company.

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31, 2015 and 2014:

	2015	2014
Furniture	\$ 1,805	\$ 1,805
Computer equipment	21,518	21,518
Office furniture	2,866	1,776
Software	6,312	6,312
Total property and equipment	32,501	31,411
Accumulated Depreciation	(28,375)	(10,289)
	<u>\$ 4,126</u>	<u>\$ 21,122</u>

Depreciation expense for the years ended December 31, 2015 and 2014 was \$18,086 and \$18,086, respectively.

**NOTE 4 – INTANGIBLE ASSETS**

Intangible assets subject to amortization consisted of the following at December 31, 2015 and 2014:

	2015	2014
Content database	\$ 2,694,458	\$ 2,201,140
Accumulated amortization	(522,445)	(291,385)
	<u>\$ 2,172,013</u>	<u>\$ 1,909,755</u>

Amortization expense for the years ended December 31, 2015 and 2014 was \$231,061 and \$161,812, respectively. Future amortization based on the content database assets is as follows:

2016	\$ 247,684
2017	247,684
2018	247,684
2019	247,684
2020	247,684
Thereafter	933,593
	<u>\$2,172,013</u>

Intangible assets not subject to amortization consisted of the following at December 31, 2015 and 2014:

	2015	2014
Goodwill	\$ -	\$ 151,887
Antiques library	85,516	81,899
	<u>\$ 85,516</u>	<u>\$ 233,786</u>

In May 2015, the Company entered into an asset purchase agreement with a third party for the sale of the Company's intangible assets held within its wholly owned subsidiary GoAntiques, which included intangible assets with a carrying value totaling \$151,886 for cash consideration of the same amount; accordingly, no gain or loss was recorded on the sale of assets. The Company determined that the assets sold constituted a similar line of business and accordingly, the need for discontinued operation presentation was not required.

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 5 – DEBTS**

*Line of Credit*

On April 26, 2010, the Company entered into a line of credit agreement with a financial institution. The credit facility under the agreement consisted of a \$50,000 revolving loan. The line of credit is collateralized by substantially all assets of the Company and personally guaranteed by certain stockholders. On October 24, 2014, the line of credit ceiling was raised to \$150,000. In March 2016, the credit ceiling was raised to \$200,000. The line of credit bears interest at the Wall Street Journal's prime rate (3.50% and 3.25% at December 31, 2015 and 2014) plus 1.75% per annum with a 5.75% floor, payable monthly, and expires on February 28, 2017. As of December 31, 2015 and 2014, \$150,000 and \$133,007, was due under the line of credit with \$0 and \$16,993 of credit remaining available, respectively.

*Term Loans*

In June 2011, the Company purchased an antique catalog library from a third party for \$100,000. Half of the purchase price was through the issuance of a note payable of \$50,000 due in annual installments of \$16,667 through April 2014 and bears no interest. As of December 31, 2015 and 2014, the balance outstanding was \$14,167 and \$18,708, respectively.

The Company entered into a \$500,000 term loan with a financial institution in April 2010 to fund operations. The loan bore interest at 7.50% per annum, and was to mature in April, 2015 and was payable in 60 monthly installments of \$10,046. The loan was collateralized by substantially all of the Company's assets and personally guaranteed by certain stockholders. The loan was repaid in full during 2014 utilizing the Company's line of credit.

The Company entered into a \$823,000 term loan with a financial institution in April 29, 2011 to fund operations. The loan is collateralized by substantially all of the Company's assets and personally guaranteed by certain stockholders. The loan bears interest at Wall Street Journal's prime rate (3.50% and 3.25% at December 31, 2015 and 2014) plus 2.75% per annum, matures on May 1, 2021 and is payable in 120 monthly installments. The monthly payment amount for 2015 and 2014 was \$9,238. As of December 31, 2015 and 2014, \$511,580 and \$589,196 is due under this loan, respectively.

Aggregate future principal payments are as follows as of December 31, 2015:

2016	\$ 97,236
2017	88,438
2018	94,209
2019	100,355
2020	106,879
Thereafter	38,630
	<u>525,747</u>
Less: current portion	(97,236)
	<u>\$ 428,511</u>

*Convertible Debt*

From September 2013 to July 2015, the Company entered into convertible debt agreements totaling \$837,500 convertible into Series A-1 Preferred stock at the sole discretion of the Company. The notes bore interest at a rate of 18% per annum if paid in cash or 10% per annum if converted into equity, and compounded quarterly. The notes were due on the second anniversary of each note agreement. In July 2015, the notes were converted to Series A-1 Preferred Stock. The conversion price was set by the Board of Directors at \$3.50 per share and the convertible debt was converted into 265,701 shares of Series A-1 Preferred Stock in full per the terms of the agreements. See Note 8 for related party portion of this debt.

**WORTHPOINT CORPORATION**  
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Interest expense recognized for the years ended December 31, 2015 and 2014 was \$83,162 and \$104,146, respectively.

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

*Lease*

On December 2, 2015, the Company entered into a lease agreement for its corporate office in Atlanta, GA. The lease is for 63 months with lease payments ranging from \$8,912 to \$10,332. The lease commenced January 1, 2016 and the Company received three months of free rent for the first three months of occupancy.

Prior to the new lease, the Company leased space for its operations in Atlanta, GA commencing in February 2012. The Company's lease is for 66 months with lease payments ranging from \$5,986 to \$6,941. In August 2012, the Company expanded this lease for the storage space. The expansion lease commenced in January 2013 was for 56 months and included monthly rent ranging from \$1,280 to \$1,484. As of December 31, 2015, the Company terminated this lease with full release of the ongoing obligation. There are no additional future payments in relation to this lease and no future liability.

The Company has also entered into a lease agreement in December 2015 for offsite storage in Atlanta, GA. The lease is for 39 months with lease payments from \$1,620 to \$1,770. The lease commenced on December 12, 2015.

The following table summarizes the Company's future minimum commitment under the lease agreement as of December 31, 2015:

2016	\$ 99,648
2017	129,373
2018	133,258
2019	121,329
2020	119,502
Thereafter	30,095
	<u>\$ 633,205</u>

As part of the acquisition of Go Antiques, Inc in September 2008, the Company assumed lease payments for office space in Dublin, Ohio. The lease expired in September 2014 and lease payments were \$6,946 per month. The Company subleased the office space for a total of \$3,429 per month.

Rent expense for the years ended December 31, 2015 and 2014 was \$99,909 and \$130,183, respectively.

*License and Service Agreement*

The Company enters into various third party licensing, maintenance, and service agreements for infrastructure, data maintenance and content data related to the Company's primary services. Under current agreements total fixed commitments are approximately \$60,000 per month for the next three years. These agreements vary in length from month-to-month to eight years. Agreements generally provide for a right of cancellation by the Company or the vendor, with appropriate notice, and in certain instances, may be subject to early termination penalty provisions; however, none have been incurred to date.



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**NOTE 7 – STOCKHOLDERS' EQUITY**

*Preferred Stock*

We have authorized the issuance of 5,296,178 shares of our preferred stock, each share having a par value of \$0.001. Of these shares, 884,550 have been designated Series A Preferred “Series A” and 4,411,628 have been designated Series A-1 Preferred “Series A-1.”

Upon the occurrence of any Liquidation Event (as defined in Subsection 2(e)(i) of the Seventh Amended and Restated Certificate of Incorporation), the holders of Series A Preferred Stock shall be entitled to receive prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock or any other security ranking junior in priority to the Preferred Stock by reason of their ownership thereof, an amount for each share of Series A Preferred Stock then held by them equal to the Original Purchase Price for such Series A Preferred Stock, plus an amount equal to any declared but unpaid dividends.

Upon the occurrence of any Liquidation Event the holders of Series A-1 Preferred Stock shall be entitled to receive on a pari passu basis, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock or any other security ranking junior in priority to the Series A-1 Preferred Stock by reason of their ownership thereof, an amount for each share of Series A-1 Preferred Stock then held by them equal to the Original Purchase Price for such Series A-1 Preferred Stock, plus an amount equal to any declared but unpaid dividends

If upon the occurrence of a Liquidation Event, the assets and funds thus distributed among the holders of the Preferred Stock shall be insufficient to permit the payment to such holders of the full Preferred Liquidation Amount, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Preferred Stock in accordance with Section 2 of the Seventh Amended and Restated Certificate of Incorporation and in proportion to the relative preferential amounts that each such holder is otherwise entitled to receive.

After payment to the holders of the Preferred Stock of the amounts set forth in Subsection 2(a) and 2(b) of Article IV(B) of the Seventh Amended and Restated Certificate of Incorporation, (x) the holders of Series A-1 Preferred Stock shall receive one-half of the amount they would be entitled to receive if any additional remaining assets were to be distributed ratably to the holders of the Common Stock and Preferred Stock (the “Series A-1 Participation”), and (y) after payment of the Series A-1 Participation the holders of Common Stock and the Series A Preferred Stock shall share in any additional remaining assets pro rata.

During the year ended December 31, 2015, 265,701 shares of Series A-1 were issued for the conversion of convertible debt. See Note 4.

Series A

In 2007, the Company received a cash investment of \$808,399 and issued 884,550 shares of Series A, or \$0.91 per share. The Series A-1 have liquidation and redemption priority over the Series A. The Series A has liquidation priority over common stock. The Series A votes on an as converted basis. The Series A is convertible by the holder at any time after issuance on a one to one basis for common stock. The Series A is automatically converted into common stock upon an effective registration statement, listing upon the AIM market on the London Stock Exchange or the date to which the majority of the Series A holders vote to convert. In addition, the Series A has various anti-dilution provisions which take into account future sales and issuances of common stock and other dilutive instruments.

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Series A-1

In 2012, the Company received a cash investment of \$1,131,722 at \$3.50 per share and converted \$13,165,136 in funds received prior to 2010 from Series B, C and D preferred stock. A total of 4,119,040 Series A preferred were issued in connection with these transactions. The Series A-1 have liquidation and redemption priority over the Series A and common stock. The Series A-1 votes on an as converted basis. The Series A-1 is convertible by the holder at any time after issuance on a one to one basis for common stock. The Series A-1 is automatically converted into common stock upon an effective registration statement, listing upon the AIM market on the London Stock Exchange or the date to which the majority of the Series A-1 holders vote to convert. In addition, the Series A-1 has various anti-dilution provisions which take into account future sales and issuances of common stock and other dilutive instruments.

During the year ended December 31, 2015, 265,701 shares of Series A-1 were issued for the conversion of convertible debt. See Note 5.

*Common Stock*

We have authorized the issuance of 11,703,822 shares of our common stock, each share having a par value of \$0.001.

*Stock Options*

During 2007, the Company adopted the WorthPoint, Inc. 2007 Equity Incentive Plan (the "Plan"). The Plan provides for the grant of equity awards to our directors, employees, and certain key consultants, including stock options and restricted stock units to purchase shares of our common stock. Up to 2,300,000 shares of our common stock may be issued pursuant to awards granted under the Plan, subject to adjustment in the event of stock splits and other similar events. As of December 31, 2015, 441,768 shares of common stock remain issuable under the Plan. The Plan is administered by our Board of Directors, and expires ten years after adoption, unless terminated earlier by the Board of Directors.

During 2015 and 2014, the Company granted 191,751 and 30,000 options to various employees and contractors, respectively. Each option had a life of ten years; exercise prices ranging from approximately \$1.05 to \$1.20; and vesting terms ranging from immediately to four years. The Company expenses the value of the options over the vesting for the employees. For non-employees the Company revalued the fair market value of the options at each reporting period under the provisions of ASC 505. The Company valued the options using the Black-Scholes pricing model on the date of grant using the following weighted-average assumptions:

**WORTHPOINT CORPORATION**  
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	December 31, 2015	December 31, 2014
Expected life (years)	6.25	6.25
Risk-free interest rate	1.8%	1.7%
Expected volatility	50%	50%
Annual dividend yield	0%	0%

The total value of the options issued during 2015 and 2014 was \$21,775 and \$2,613, respectively

The risk-free interest rate assumption for options granted is based upon observed interest rates on the United States government securities appropriate for the expected term of the Company's employee stock options.

The expected term of employee stock options is calculated using the simplified method which takes into consideration the contractual life and vesting terms of the options.

The Company determined the expected volatility assumption for options granted using the historical volatility of comparable public company's common stock. The Company will continue to monitor peer companies and other relevant factors used to measure expected volatility for future stock option grants, until such time that the Company's common stock has enough market history to use historical volatility.

The dividend yield assumption for options granted is based on the Company's history and expectation of dividend payouts. The Company has never declared or paid any cash dividends on its common stock, and the Company does not anticipate paying any cash dividends in the foreseeable future.

The Company estimated the fair value of common stock by comparing observable corporate transactions publicly disclosed which had similar attributes (subscriber base) to the Company, adjusting for debt, dilution, and marketability of common stock.

A summary of the Company's stock options activity and related information is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted average Remaining Contractual Term
Outstanding at December 31, 2013	1,696,481	\$ 1.74	7.0
Granted	30,000	1.15	10.0
Exercised	-	-	-
Expired/Cancelled	(34,500)	1.19	8.1
Outstanding at December 31, 2014	<u>1,691,981</u>	<u>\$ 1.71</u>	<u>5.8</u>
Granted	191,751	1.14	10.0
Exercised	-	-	-
Expired/Cancelled	(25,500)	1.05	8.8
Outstanding at December 31, 2015	<u>1,858,232</u>	<u>\$ 1.66</u>	<u>5.2</u>
Exercisable at December 31, 2014	<u>1,600,567</u>	<u>\$ 1.75</u>	<u>5.8</u>
Exercisable at December 31, 2015	<u>1,731,830</u>	<u>\$ 1.14</u>	<u>5.0</u>

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As of December 31, 2015, there was approximately \$36,500 of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted to employees and directors under the Plan. That cost is expected to be recognized over the next four years as follows: 2016 - \$31,000, 2017 - \$3,000, 2018 - \$2,000, and 2019 - \$500.

During the years ended December 31, 2015 and 2014, stock option compensation was \$19,948, and \$12,432, respectively, and included in general and administrative expenses in the accompanying consolidated statements of operations.

*Warrants*

The following is a table of warrant activity during the years ended December 31, 2015 and 2014:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Outstanding at December 31, 2013	336,087	\$ 0.01	6.4
Granted	-	-	-
Exercised	-	-	-
Expired/Cancelled	(100,000)	0.01	5.1
Outstanding at December 31, 2014	<u>236,087</u>	<u>0.01</u>	<u>5.8</u>
Granted	6,000	0.01	10.0
Exercised	-	-	-
Expired/Cancelled	-	-	-
Outstanding at December 31, 2015	<u>242,087</u>	<u>1.66</u>	<u>4.9</u>

In 2014, 100,000 warrants were exercised for a total of \$1,000 received. In 2015, 6,000 warrants were issued to related parties for compensation. The warrants were immediately vested and valued at \$2,600 which is located in general and administrative expense within the accompanying consolidated statement of operations. The Company valued these warrants using the Black-Scholes pricing model with similar inputs as used in stock option disclosures above.

**NOTE 8 – RELATED PARTY TRANSACTIONS**

*Related Party Advances*

From time to time during the years ended December 31, 2015 and 2014, the Company received advances from related parties for short-term working capital. At December 31, 2015 and 2014, amounts outstanding under related party advances totaled \$122,400 and \$111,972, respectively, and are included in the accompanying consolidated balance sheets. Such advances are considered short-term, non-interest bearing and are due on demand.

*Convertible Debt*

As disclosed in Note 5, the Company entered into various convertible debt agreements from 2013 to 2015. Such convertible debts included \$792,500 to related parties, all of which was converted to Series A-1 Preferred Stock in 2015. Of these amounts \$250,000 was received in 2013, \$287,500 was received in 2014, and \$255,000 was received in 2015. The balance outstanding as of December 31, 2014 was \$537,500.

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*Stock Options and Warrants*

The Company issued 52,751 stock options and 6,000 warrants to related parties during 2015, see Note 7.

**NOTE 9 – INCOME TAXES**

The following table presents the current and deferred tax provision for federal and state income taxes for the years ended December 31 2015 and 2014:

	2015	2014
Current tax provision:		
Federal	\$ -	\$ -
State	1,912	-
Total	<u>1,912</u>	<u>-</u>
Deferred tax provision:		
Federal	(8,114,000)	(8,061,000)
State	(493,000)	(484,000)
Total	<u>(8,607,000)</u>	<u>(8,545,000)</u>
Valuation allowance	8,607,000	8,545,000
Total provision for income taxes	<u>\$ 1,912</u>	<u>\$ -</u>

Reconciliations of the U.S. federal statutory rate to the actual tax rate are as follows for the period ended December 31:

	2015	2014
Federal tax benefit at statutory rate	34.0%	34.0%
Permanent differences:		
State taxes, net of federal benefit	4.0%	4.0%
Stock compensation	-4.5%	2.3%
Non-deductible entertainment	-1.5%	0.8%
Other permanent differences	-0.2%	0.2%
Temporary differences:		
Accounts payable and accrued liabilities	13.5%	5.7%
Data costs	100.2%	-74.3%
Loss on cost investment	-50.4%	-
Other	-83.6%	10.8%
Change in valuation allowance	-12.5%	16.5%
Total provision	<u>-1.0%</u>	<u>0.0%</u>

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The components of our deferred tax assets (liabilities) for federal and state income taxes consisted of the following as of December 31:

	Asset (Liability)	
	2015	2014
Current:		
Accruals and other	\$ 114,000	\$ 36,000
Noncurrent:		
Net operating loss carryforwards	8,919,000	8,726,000
Intangible assets and other	(424,000)	(226,000)
Valuation allowance	(8,609,000)	(8,546,000)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Based on federal tax returns filed, or to be filed, through December 31, 2015, we had available approximately \$24,944,000 in U.S. tax net operating loss carryforwards, pursuant to the Tax Reform Act of 1986, which assesses the utilization of a Company's net operating loss carryforwards resulting from retaining continuity of its business operations and changes within its ownership structure. Net operating loss carryforwards start to expire 2020 or 20 years for federal income and state tax reporting purposes. The Tax Reform Act of 1986 includes provisions which may limit the new operating loss carry forwards available for use in any given year if certain events occur, including significant changes in stock ownership.

The Company is subject to tax in the United States ("U.S.") and files tax returns in the U.S. Federal jurisdiction and Georgia state jurisdiction. The Company is subject to U.S. Federal, state and local income tax examinations by tax authorities for all period starting in 2013. The Company currently is not under examination by any tax authority.

**NOTE 10 – SUBSEQUENT EVENTS**

Subsequent to December 31, 2015, the Company issued bridge loans for \$329,500, \$269,500 from related parties. The loans bear interest at 10% per annum and a default rate of 13%, are due September 30, 2017 and are convertible into Series A-1 automatically upon default or maturity. The conversion price is one (1) share of Series A-1 for each \$1.00 of outstanding debt. The bridge loans include an aggregate amount of 65,900 warrants, exercisable at \$0.01 per share, a 10-year life.

Subsequent to year end, the Company issued 88,300 warrants to related parties as compensation. The warrants have a 10-year life, exercisable at \$0.01 and have a ten-year life.

In July 2016, the Board of Directors approved, subject to stockholder approval and filing with the State of Delaware, the increase of common shares from 11,703,822 to 11,800,000 and the increase of Series A-1 Preferred Stock from 4,411,628 to 4,956,142

The Company has evaluated subsequent events that occurred after December 31, 2015 through September 30, 2016, the issuance date of these consolidated financial statements. There have been no other events or transactions during this time which would have a material effect on these consolidated financial statements.

**WORTHPOINT CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**AS OF JUNE 30, 2016 AND DECEMBER 31, 2015**  
(unaudited)

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 58,288	\$ 92,379
Accounts receivable, net	85,994	97,508
Deferred offering costs	12,825	-
Other current assets	81,108	54,817
Total current assets	<u>238,215</u>	<u>244,704</u>
Property and equipment, net	3,376	4,126
Intangible assets, net	2,437,990	2,257,529
Other assets	11,532	24,842
Total assets	<u>\$ 2,691,113</u>	<u>\$ 2,531,201</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 434,275	\$ 276,968
Accrued liabilities	13,875	10,713
Deferred revenue	283,633	204,331
Related party advances	114,833	122,400
Note payable - current	94,236	97,236
Line of credit	175,000	-
Total current liabilities	<u>1,115,852</u>	<u>711,648</u>
Line of credit	-	150,000
Note payable - long term, net of current portion	387,169	428,511
Convertible debt - related parties, net of discount	96,185	-
Total liabilities	<u>1,599,206</u>	<u>1,290,159</u>
Commitments and contingencies (Note 5)	-	-
<b>Stockholders' Equity:</b>		
Preferred Series A, \$0.001 par value 884,550 shares authorized, 884,550 issued and outstanding at June 30, 2016 and December 31, 2015, respectively	808,399	808,399
Preferred Series A-1, \$0.001 par value 4,411,628 shares authorized, 4,385,141 issued and outstanding at June 30, 2016 and December 31, 2015, respectively	15,226,755	15,226,755
Common stock, \$0.001 par value, 11,703,822 shares authorized; 3,204,024 and 3,150,237 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively	3,204	3,150
Additional paid-in capital	1,130,335	1,075,222
Accumulated deficit	(16,076,786)	(15,872,484)
Total stockholders' equity	<u>1,091,907</u>	<u>1,241,042</u>
Total liabilities and stockholders' equity	<u>\$ 2,691,113</u>	<u>\$ 2,531,201</u>

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

**WORTHPOINT CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**  
**(unaudited)**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Revenues	\$ 1,404,097	\$ 1,437,172
Cost of revenues	<u>506,201</u>	<u>433,398</u>
Gross profit	897,896	1,003,774
Operating Expenses:		
General and administrative	561,894	566,078
Sales and marketing	284,338	211,206
Research and development	224,960	197,815
Total operating expenses	<u>1,071,192</u>	<u>975,099</u>
Operating income	(173,296)	28,675
Other (income) expense :		
Interest expense	31,006	56,415
Other income	<u>-</u>	<u>(58,846)</u>
Total other (income) expense	31,006	(2,431)
Net income (loss)	<u>\$ (204,302)</u>	<u>\$ 31,106</u>

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



**WORTHPOINT CORPORATION**  
**CONSOLIDATED STATEMENTS CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**  
**(unaudited)**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ (204,302)	\$ 31,106
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	750	9,043
Amortization	131,339	108,437
Allowance for doubtful accounts	13,493	-
Amortization of debt discount	480	-
Stock-based compensation	45,834	12,574
Changes in operating assets and liabilities:		
Accounts receivable	(1,979)	(11,084)
Other current assets	(26,291)	(42,673)
Accounts payable	157,307	93,116
Accrued liabilities	3,162	25,230
Deferred revenue	79,302	43,051
Net cash provided by operating activities	<u>199,095</u>	<u>268,800</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Amount paid for investment	-	(125,000)
Deposits and other	13,310	-
Purchase of intangible assets	(311,800)	(241,002)
Net cash used in investing activities	<u>(298,490)</u>	<u>(366,002)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment on related party advances, net	(7,029)	(40,755)
Deferred offering costs	(12,825)	-
Proceeds (repayment) from line of credit, net	25,000	(108,007)
Repayments of notes payable	(44,342)	(38,989)
Proceeds from convertible debt	-	45,000
Proceeds from convertible debt - related parties	104,500	205,000
Net cash provided by (used in) financing activities	<u>65,304</u>	<u>62,249</u>
Decrease in cash and cash equivalents	(34,091)	(34,953)
Cash and cash equivalents, beginning of year	92,379	76,366
Cash and cash equivalents, end of period	<u>\$ 58,288</u>	<u>\$ 41,413</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 31,006</u>	<u>\$ 37,837</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non cash investing and financing activities:		
Relative fair value of warrants issued with convertible debt	<u>\$ 8,795</u>	<u>\$ -</u>
Investment purchased with note payable	<u>\$ -</u>	<u>\$ 125,000</u>

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

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**NOTE 1 – NATURE OF OPERATIONS**

WorthPoint Corporation was incorporated on January 16, 2007 (“Inception”) in the State of Delaware. The Company’s headquarters are located in Atlanta, Georgia. The Company has developed a suite of online and mobile offerings consisting of a database for researching and valuing antiques, art and collectibles, a detailed catalog of Maker's Marks and other identifying indicators, as well as access to a library of reference books and price guides from leading publishers in a wide range of antiques and collecting categories. The consolidated financial statements of WorthPoint Corporation and subsidiaries (which may be referred to as "WorthPoint," the "Company," "we," "us," or "our") are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

The accompanying unaudited consolidated financial statements of WorthPoint have been prepared in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP) for interim financial information and in accordance with Rule 8-03 of Regulation S-X per Regulation A requirements. Certain information and disclosures normally included in the annual consolidated financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments, consisting of normal recurring adjustments considered necessary for a fair presentation, have been included. These interim consolidated financial statements should be read in conjunction with the audited annual financial statements of the Company for the six months ended December 31, 2015 and 2014. The results of operations for the six months ended June 30, 2016 are not necessarily indicative of the results that may be expected for the full year.

*Principles of Consolidation*

The accompanying consolidated financial statements include the accounts of WorthPoint Corporation and Subsidiaries, WorthPoint (Ireland) Limited, WPGA Holding Corp, and GoAntiques, Inc. its wholly-owned subsidiaries. Significant intercompany balances and transactions have been eliminated in consolidation.

*Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amount of revenues and expenses during the reporting period. Actual results could materially differ from these estimates. Significant estimates include, but are not limited to, recoverability of property and equipment and long-lived assets, valuation of stock options, and the valuation allowance related to deferred tax assets. It is reasonably possible that changes in estimates will occur in the near term.

*Accounts Receivable*

Accounts receivable are recorded at the invoiced amount and are non-interest-bearing. Accounts receivable primarily consists of credit card charges processed by the Company’s credit card processors but not yet deposited into a Company bank account and receivables related to display services for which payment terms are provided. The Company maintains an allowance for doubtful accounts to reserve for potential uncollectible receivables. The allowance for doubtful accounts was \$13,493 and zero as of June 30, 2016 and 2015, respectively.

*Content Databases*

Content databases consists of a database for researching valuing antiques, art and collectibles, a detailed catalog of Maker's Marks and other identifying indicators, as well as access to a library of reference books and price guides from leading publishers that the Company has accumulated in its databases. These records have been digitized and indexed to allow subscribers to search and view the content online and include the costs to acquire or license the historical records, costs incurred by Company employees or by third parties to scan, key and index the content and the fair value allocated to content databases in business acquisitions. The Company generally amortizes content databases on a straight-line basis over 10 years after the content acquired. The amortization expense associated with content databases is included in cost of subscription revenues in the consolidated statements of operations.

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

*Investment in Securities*

The Company's investments consisting of preferred shares of non-controlled entities are accounted for on the cost basis.

In May 2015, the Company entered into an agreement to purchase 2,500,000 preferred shares in Search Find Sell, Inc. ("SFS"), which represented a 25% stake on a fully diluted basis, for \$75,000 in cash and \$175,000 in the form of a short term note. The Company determined that the cost investment method was appropriate as management has been unable to exert significant influence over SFS from the time of the investment and the shareholders of SFS is concentrated to a large degree which nullifies the Company's influence over SFS. Since the time at which the investment has made, SFS has not succeeded in its business plan and requires significant capital to continue to operate. The Company determined that there is an other than temporary impairment of the investment and accordingly, the full value of the investment was deemed impaired as of December 31, 2015. As of June 30, 2015, the Company maintained the full value of the investment and owed \$125,000 under the short term note.

*Preferred Stock*

ASC 480, Distinguishing Liabilities from Equity, includes standards for how an issuer of equity (including equity shares issued by consolidated entities) classifies and measures on its balance sheet certain financial instruments with characteristics of both liabilities and equity.

Management is required to determine the presentation for the preferred stock as a result of the redemption and conversion provisions, among other provisions in the agreement. Specifically, management is required to determine whether the embedded conversion feature in the preferred stock is clearly and closely related to the host instrument, and whether the bifurcation of the conversion feature is required and whether the conversion feature should be accounted for as a derivative instrument. If the host instrument and conversion feature are determined to be clearly and closely related (both more akin to equity), derivative liability accounting under ASC 815, Derivatives and Hedging, is not required. Management determined that the host contract of the preferred stock is more akin to equity, and accordingly, derivative liability accounting is not required by the Company. In addition, the Company has presented preferred stock within stockholders' equity.

Costs incurred directly for the issuance of the preferred stock are recorded as a reduction of gross proceeds received by the Company, resulting in a discount to the preferred stock. The discount is amortized to the accumulated deficit, due to the absence of additional paid-in capital, over the period to redemption using the effective interest method of accounting.

Dividends which are required to be paid upon redemption are accrued and recorded within preferred stock and accumulated deficit.

*Revenue Recognition*

The Company recognizes revenue related to sales of subscriptions, products and services when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered to the customer, (iii) the fee is fixed or determinable, and (iv) collectability is reasonably assured.

Subscription revenues are derived by providing access to the Company's technologies and content on its websites. Subscription fees are collected primarily from credit cards through the Company's websites at the beginning of the subscription period. Subscription revenues are recognized ratably over the subscription period, ranging from one month to one year, net of estimated cancellations. Subscription revenues are not allocated to any free-trial periods the Company may offer. Amounts received from subscribers for which the performance obligations have not been fulfilled are recorded in deferred revenue. As of June 30, 2016 and 2015, deferred revenue recorded on the accompanying consolidated balance sheets related 100% to subscriptions.

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

The Company's display revenue is generated from the display of graphical, non-graphical, and video advertisements on the Company's websites. The revenue is recorded when the impression is delivered. Arrangements for these services generally have terms ranging from 30 to 60. Display revenue represents less than 5% of the Company's total revenues.

The Company maintains an allowance for future subscription cancellations and returns based on historical trends and data specific to each reporting period. The historical cancellation and returns rates are applied to the current period's revenues as a basis for estimating future returns. Actual customer subscription cancellations and returns are charged against this allowance or against deferred revenue to the extent that revenue has not yet been recognized.

*Cost of Revenues*

Cost of subscription revenues consists of amortization of content databases, web server operating costs, credit card processing fees, personnel-related costs of web support, and outside service costs for website content.

*Stock Based Compensation*

The Company accounts for stock options issued to employees under Accounting Standards Codification ("ASC") 718 "Share-Based Payment". Under ASC 718, share-based compensation cost to employees is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the employee's requisite vesting period. The fair value of each stock option or warrant award is estimated on the date of grant using the Black-Scholes option valuation model.

The Company measures compensation expense for its non-employee stock-based compensation under ASC 505 Equity. The fair value of the option issued or committed to be issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty's performance is complete. The fair value of the equity instrument is charged directly to stock-based compensation expense and credited to additional paid-in capital.

*Concentration of Credit Risk*

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be credit worthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company maintains balances in excess of the federally insured limits.

The Company has three and two vendors as of June 30, 2016 and December 31, 2015 that in aggregate make up 55% and 39% of accounts payable, respectively. The company purchases over 95% of its content, content related services and data from these vendors. The loss of any of these vendors would have a significant impact on the Company's operations.

*Risks and Uncertainties*

The Company's operations are subject to new innovations in product design and function. Significant technical changes can have an adverse effect on product lives. Design and development of new products are important elements to achieve and maintain profitability in the industry segment.

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

*Recent Accounting Pronouncements*

The FASB Board issues ASU's to amend the authoritative literature in ASC. There have been a number of ASUs to date that amend the original text of ASC. The Company believes those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to the Company or (iv) are not expected to have a significant impact on the Company.

**NOTE 3 – INTANGIBLE ASSETS**

Intangible assets subject to amortization consisted of the following at June 30, 2016 and December 31, 2015:

	June 30, 2016	December 31, 2015
Content database	\$ 3,006,258	\$ 2,694,458
Accumulated amortization	(653,784)	(522,445)
	<u>\$ 2,352,474</u>	<u>\$ 2,172,013</u>

Amortization expense for the six months ended June 30, 2016 and 2015 was \$ 131,339 and \$108,437, respectively.

Intangible assets not subject to amortization consisted of the following at June 30, 2016 and December 31, 2015:

	June 30, 2016	December 31, 2015
Antiques library	\$ 85,516	\$ 85,516

In May 2015, the Company entered into an asset purchase agreement with a third party for the sale of the Company's intangible assets held within its wholly owned subsidiary GoAntiques, which included intangible assets with a carrying value totaling \$151,886 for cash consideration of the same amount; accordingly, no gain or loss was recorded on the sale of assets. The Company determined that the assets sold constituted a similar line of business and accordingly, the need for discontinued operation presentation was not required.

**NOTE 4 – DEBTS**

*Bridge Financing*

Starting in May 2016, the Company raised convertible bridge financing ("Bridge Notes") to fund operations and the Company's capital raising efforts. As of June 30, 2016, \$104,500 was raised with an additional \$325,000 raised subsequent to such date. The Bridge Notes bear interest at 10% per annum with a default rate of 13%, and are due on September 30, 2017. The Bridge Notes shall automatically convert into the Series A-1 Preferred Stock of the Company upon the later of one day after the expiration of the pre-emptive rights granted to certain of the Company's stockholders pursuant to Section 3.1 of the Third Amended and Restated Investor Rights Agreement by and among the Company and purchasers of its preferred stock, and the maturity date of September 30, 2017.

For every \$1,000 in Bridge Note, the holder receives 200 warrants to purchase common stock. The warrants were immediately vested, have a ten-year term, and an exercise price of \$0.01. The Company calculated the relative fair value of the warrants issued with the Bridge Notes using a Black-Scholes pricing model with similar input as outlined in Note 6 related to warrants issued for compensation. The relative fair valued, \$8,795 was recorded as a discount to the note, with the discount being accreted up over the life of the note to interest expense using the straight line method due to the short term nature of the notes. Accretion of the Bridge Note discount was \$480 during the six months ended June 30, 2016. As of June 30, 2016, \$8,315 remains to be accreted through September 30, 2017.

In connection with this offering, the Company has capitalized \$12,825 in costs directly related to the offering which will be netted with the funds raised in the offering or expensed if the offering is unsuccessful.

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

*Line of Credit*

On April 26, 2010, the Company entered into a line of credit agreement with a financial institution. The credit facility under the agreement consisted of a \$50,000 revolving loan. The line of credit is collateralized by substantially all assets of the Company and personally guaranteed by certain stockholders. On October 24, 2014, the line of credit ceiling was raised to \$150,000. In March 2016, the credit ceiling was raised to \$200,000. The line of credit bears interest at the Wall Street Journal's prime rate (3.50% at June 30, 2016 and December 31, 2015) plus 1.75% per annum with a 5.75% floor, payable monthly, and expires on February 28, 2017. As of June 30, 2016 and December 31, 2015, \$175,000 and \$150,000, was due under the line of credit with \$25,000 and zero of credit remaining available, respectively.

*Term Loans*

In June 2011, the Company purchased an antique catalog library from a third party for \$100,000. Half of the purchase price was through the issuance of a note payable of \$50,000 due in annual installments of \$16,667 through April 2014 and bears no interest. As of June 30, 2016 and December 31, 2015, the balance outstanding was \$11,167 and \$14,167, respectively.

The Company entered into a \$823,000 term loan with a financial institution in April 29, 2011 to fund operations. The loan is collateralized by substantially all of the Company's assets and personally guaranteed by certain stockholders. The loan bears interest at Wall Street Journal's prime rate (3.50% at June 30, 2016 and December 31, 2015) plus 2.75% per annum, matures on May 1, 2021 and is payable in 120 monthly installments. The monthly payment amount for 2015 was \$9,238 and \$9,421 beginning February 1, 2016. As of June 30, 2016 and December 31, 2015, \$470,236 and \$511,580 is due under this loan, respectively.

*Convertible Debt*

From September 2013 to July 2015, the Company entered into convertible debt agreements totaling \$837,500 convertible into Series A-1 Preferred stock at the sole discretion of the Company. The notes bore interest at a rate of 18% per annum if paid repaid in cash or 10% per annum if converted into equity, and compounded quarterly. The notes were due on the second anniversary of each note agreement. In July 2015, the notes were converted to Series A-1 Preferred Stock. The conversion price was set by the Board of Directors at \$3.50 per share and the convertible debt was converted into 265,701 shares of Series A-1 Preferred Stock in full per the terms of the agreements. See Note 7 for related party portion of this debt.

Interest expense recognized for the six months ended June 30, 2016 and 2015 was \$31,006 and \$56,415, respectively.

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

*Lease*

On December 2, 2015, the Company entered into a lease agreement for its corporate office in Atlanta, GA. The lease is for 63 months with lease payments ranging from \$8,912 to \$10,332. The lease commenced January 1, 2016 and the Company received three months of free rent for the first three months of occupancy.

Prior to the new lease, the Company leased space for its operations in Atlanta, GA commencing in February 2012. The Company's lease is for 66 months with lease payments ranging from \$5,986 to \$6,941. In August 2012, the Company expanded this lease for the storage space. The expansion lease commenced in January 2013 was for 56 months and included monthly rent ranging from \$1,280 to \$1,484. As of December 31, 2015, the Company terminated this lease with full release of the ongoing obligation. There are no additional future payments in relation to this lease and no future liability.

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

The Company has also entered into a lease agreement in December 2015 for offsite storage in Atlanta, GA. The lease is for 39 months with lease payments from \$1,620 to \$1,770. The lease commenced on December 12, 2015.

Rent expense for the six months ended June 30, 2016 and 2015 was \$61,038 and \$47,121, respectively.

*License and Service Agreement*

The Company enters into various third party licensing, maintenance, and service agreements for infrastructure, data maintenance and content data related to the Company's primary services. Under current agreements total fixed commitments are approximately \$60,000 per month for the next three years. These agreements vary in length from month-to-month to eight years. Agreements generally provide for a right of cancellation by the Company or the vendor, with appropriate notice, and in certain instances, may be subject to early termination penalty provisions; however, none have been incurred to date.

**NOTE 6 – STOCKHOLDERS' EQUITY**

*Preferred Stock*

We have authorized the issuance of 5,296,178 shares of our preferred stock, each share having a par value of \$0.001. Of these shares, 884,550 have been designated Series A Preferred "Series A" and 4,411,628 have been designated Series A-1 Preferred "Series A-1."

Upon the occurrence of any Liquidation Event (as defined in Subsection 2(e)(i) of the Seventh Amended and Restated Certificate of Incorporation), the holders of Series A Preferred Stock shall be entitled to receive prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock or any other security ranking junior in priority to the Preferred Stock by reason of their ownership thereof, an amount for each share of Series A Preferred Stock then held by them equal to the Original Purchase Price for such Series A Preferred Stock, plus an amount equal to any declared but unpaid dividends.

Upon the occurrence of any Liquidation Event the holders of Series A-1 Preferred Stock shall be entitled to receive on a pari passu basis, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock or any other security ranking junior in priority to the Series A-1 Preferred Stock by reason of their ownership thereof, an amount for each share of Series A-1 Preferred Stock then held by them equal to the Original Purchase Price for such Series A-1 Preferred Stock, plus an amount equal to any declared but unpaid dividends

If upon the occurrence of a Liquidation Event, the assets and funds thus distributed among the holders of the Preferred Stock shall be insufficient to permit the payment to such holders of the full Preferred Liquidation Amount, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Preferred Stock in accordance with Section 2 of the Seventh Amended and Restated Certificate of Incorporation and in proportion to the relative preferential amounts that each such holder is otherwise entitled to receive.

After payment to the holders of the Preferred Stock of the amounts set forth in Subsection 2(a) and 2(b) of Article IV(B) of the Seventh Amended and Restated Certificate of Incorporation, (x) the holders of Series A-1 Preferred Stock shall receive one-half of the amount they would be entitled to receive if any additional remaining assets were to be distributed ratably to the holders of the Common Stock and Preferred Stock (the "Series A-1 Participation"), and (y) after payment of the Series A-1 Participation the holders of Common Stock and the Series A Preferred Stock shall share in any additional remaining assets pro rata.

**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

During the year ended December 31, 2015, 265,701 shares of Series A-1 were issued for the conversion of convertible debt. See Note 4.

*Common Stock*

We have authorized the issuance of 11,703,822 shares of our common stock, each share having a par value of \$0.001.

*Stock Options*

During 2007, the Company adopted the WorthPoint, Inc. 2007 Equity Incentive Plan (the "Plan"). The Plan provides for the grant of equity awards to our directors, employees, and certain key consultants, including stock options and restricted stock units to purchase shares of our common stock. Up to 2,300,000 shares of our common stock may be issued pursuant to awards granted under the Plan, subject to adjustment in the event of stock splits and other similar events. As of June 30, 2016, 441,768 shares of common stock remain issuable under the Plan. The Plan is administered by our Board of Directors, and expires ten years after adoption, unless terminated earlier by the Board of Directors.

No stock options were issued during the six months ended June 30, 2016.

During the six months ended June 30, 2016 and 2015, stock option compensation was \$5,334, and \$9,974, respectively, and included in general and administrative expenses in the accompanying consolidated statements of operations.

*Warrants*

During the six months ended June 30, 2016, the Company issued 88,300 warrants to related parties for compensation. The warrants had an exercise price of \$0.01, vested immediately, and have a ten-year life. The Company valued the warrants using the Black-Scholes pricing model using the above information as inputs, volatility of 50%, a risk-free rate based on a ten-year treasury, and zero dividend rate. The warrants were valued at \$40,500. As of June 30, 2016, 287,500 warrants are outstanding. Stock-based compensation for warrants was \$40,500 and \$2,600 for the six months ended June 30, 2016 and 2015, respectively, and included in general and administrative expense in the accompanying consolidated statement of operations.

During the six months ended June 30, 2016, the Company's Chief Executive Officer exercised 53,787 warrants at \$0.01 per common share.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

*Related Party Advances*

From time to time during the six months ended June 30, 2016 and 2015, the Company received advances from related parties for short-term working capital. At June 30, 2016 and December 31, 2015, amounts outstanding under related party advances totaled \$114,833 and \$122,400, respectively, and are included in the accompanying consolidated balance sheets. Such advances are considered short-term, non-interest bearing and are due on demand.

*Bridge Notes*

During the six months ended June 30, 2016, the Company raised \$104,500 from the Company Chief Executive officer. Including subsequent events, a total of \$429,500 has been raised, of which \$369,500 is to related parties with related warrants of 73,900. See Note 4 and 8 for terms and subsequent events.



**WORTHPOINT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

*Convertible Debt*

As disclosed in Note 4, the Company entered into various convertible debt agreements from 2013 to 2015. Such convertible debts included \$792,500 to related parties, all of which was converted to Series A-1 in the second half of 2015. Of these amounts \$250,000 was received in 2013, \$287,500 was received in 2014, and \$255,000 was received in 2015.

*Warrants*

During the six months ended June 30, 2016 the Company issued 99,200 warrants to related parties, see Notes 4 and 6. See Note 6 for warrants exercised by our Chief Executive Officer.

**NOTE 8 – SUBSEQUENT EVENTS**

Subsequent to June 30, 2016, the Company raised an additional \$325,000 in Bridge Notes and 65,000 in associated warrants, see Note 4 for terms.

The Company has evaluated subsequent events that occurred after June 30, 2016 through November 9, 2016, the issuance date of these consolidated financial statements. There have been no other events or transactions during this time which would have a material effect on these consolidated financial statements.

**PART III**

**INDEX TO EXHIBITS**

**2.1.1 Amended and Restated Certificate of Incorporation\*\***

**2.1.2 Form of Certificate of Amendment to Amended and Restated Certificate of Incorporation**

**2.2 Bylaws\*\***

**3 Third Amended and Restated Investors' Rights Agreement**

**4 Form of Subscription Agreement**

**6.1 Credit Facility with Access National Bank\*\***

**6.2 2007 Equity Incentive Plan\*\***

**6.3 Solicitation Agreement with North Capital Private Securities Corporation\*\***

**8 Form of Escrow Agreement with The Kingdom Trust Company\*\***

**11 Independent Auditor's Consent**

**12. Opinion of KHLK LLP**

**13 "Testing the waters" materials\*\***

**\*\* Previously filed**

## SIGNATURES

Pursuant to the requirements of Regulation A, the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form 1-A and has duly caused this Offering Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia, on December 23, 2016.

### WORTHPOINT CORPORATION

By /s/ William Seippel

William Seippel, Chief Executive Officer  
WorthPoint Corporation

The following persons in the capacities and on the dates indicated have signed this Offering Statement.

/s/ William Seippel

William Seippel, Chief Executive Officer, Director

Date: December 23, 2016

/s/ John Hale

John Hale, Senior Vice President of Finance, principal accounting officer

Date: December 23, 2016

/s/ William N. McAtee

William N. McAtee, Director

Date: December 23, 2016

/s/ Roger Ogden

Roger Ogden, Director

Date: December 23, 2016

/s/ Peter Schleider

Peter Schleider, Director

Date: December 23, 2016

/s/ James Sturgill

James Sturgill, Director

Date: December 23, 2016

/s/ Michael Wharton

Michael Wharton, Director

Date: December 23, 2016

**Certificate of Amendment  
of  
Seventh Amended and Restated Certificate of Incorporation**

WorthPoint Corporation (the “Corporation”), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the “DGCL”), hereby adopts this Certificate of Amendment (this “Certificate of Amendment”), which amends its Seventh Amended and Restated Certificate of Incorporation (as further amended) (the “Certificate of Incorporation”), as described below, and does hereby further certify that:

FIRST: The Board of Directors of the Corporation duly adopted resolutions proposing and declaring advisable the amendments to the Certificate of Incorporation described herein, and the Corporation’s stockholders duly adopted such amendments, all in accordance with the provisions of Sections 242 and 228 of the DGCL.

SECOND: Article IV.A of the Seventh Amended and Restated Certificate of Incorporation is hereby amended by and restated as follows:

**A. Authorized Capital.** The total number of shares of all classes of capital stock which the Corporation shall have the authority to issue is Seventeen million (17,000,000), of which Twelve Million Fifty Three Thousand Eight Hundred Twenty-Two (12,053,822) shares shall be Common Stock, par value \$0.001 per share (“Common Stock”) and Four million Nine Hundred Forty Six Thousand One Hundred Seventy-Eight (4,946,178) shares shall be preferred stock, par value \$0.001 per share (“Preferred Stock”).

Effective as of the close of business, Eastern Time, on the date of filing of this Certificate of Amendment with the Secretary of State of the State of Delaware (the “Effective Time”), each six (6) outstanding shares of the Corporation’s Common Stock, par value \$0.001 per share, shall automatically and without any action on the part of the respective holders thereof be exchanged and combined into one (1) share of Common Stock, par value \$0.001 per share. At the Effective Time, there shall be no change in the number of authorized shares that the Corporation shall have the authority to issue. No fractional shares shall be issued in connection with the exchange. In lieu of issuing fractional shares, the corporation shall pay cash in the amount of \$1.83 per each one sixth (1/6th) of a share.

2. At the Effective Time the number of shares of Preferred Stock that the Corporation has authority to issue is Four million Nine Hundred Forty Six Thousand One Hundred Seventy-Eight (4,946,178), divided into two series, consisting of eight hundred eighty-four thousand five hundred fifty (884,550) shares designated “*Series A Preferred*”, and Four Million Sixty-One Thousand Six Hundred Twenty-Eight (4,061,628) shares designated “*Series A-1 Preferred*”. The “*Original Purchase Price*” per share for each series of Preferred Stock shall be as follows:

<b>Series of Preferred Stock</b>	<b>Original Purchase Price</b>
Series A Preferred	\$ 0.91
Series A-1 Preferred	\$ 3.50

The Original Purchase Price shall be adjusted to reflect stock dividends, stock splits, reverse stock splits, combinations, recapitalizations and the like with respect to such shares. The Series A Preferred, and Series A-1 Preferred is collectively referred to hereinafter as the “**Preferred Stock**”.

THIRD: Article IV.B.4(a) of the Seventh Amended and Restated Certificate of Incorporation is hereby amended and restated as follows:

Right to Convert. Each share of each series of the Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined, with respect to each such share of Preferred Stock, by dividing (x) the applicable Original Purchase Price for such series of Preferred Stock (as adjusted to reflect stock dividends, stock splits, combinations, recapitalizations and the like with respect to such shares) by (y) the Conversion Price in effect for such series of Preferred Stock on the date the certificate is surrendered for conversion; provided, however, that if the holders of a majority of the then outstanding shares of the Preferred Stock, agree, pursuant to Subsection 4(b) below, to convert the Preferred Stock concurrent with the closing of an offering of the Company’s Common Stock which offering closes on or before September 15, 2017, the number of shares of Common Stock into which each share of Series A-1 Preferred Stock shall be converted shall be determined by (x) multiplying the applicable Original Purchase Price for such series of Preferred Stock (as adjusted to reflect stock dividends, stock splits, combinations, recapitalizations and the like with respect to such shares) by two (2) and (y) dividing the result by the Conversion Price in effect for such series of Preferred Stock on the date the certificate is surrendered for conversion. The initial “**Conversion Price**” per share for each series of Preferred Stock shall be the Original Purchase Price for such series of Preferred Stock; *provided, however*, that the Conversion Price shall be subject to adjustment as set forth in Subsection 4(d) below.

Executed this \_\_\_ day of \_\_\_\_\_, 2016.

**WORTHPOINT CORPORATION**

**BY:** \_\_\_\_\_

**WILLIAM H. SEIPPEL, CEO**

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**WORTHPOINT CORPORATION**  
**THIRD AMENDED AND RESTATED**  
**INVESTORS' RIGHTS AGREEMENT**

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**December \_\_, 2010**

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### **THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

**THIS THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT** (the "*Agreement*") is made as of December \_\_, 2010 by and among (i) WorthPoint Corporation, a Delaware corporation (the "*Company*"), (ii) the holders of the Company's Series A Preferred Stock and Series B Preferred Stock listed on Schedule A hereto, (iii) the persons purchasing the Company's Series C Preferred Stock; (iv) certain holders of the Company's Common Stock listed on Schedule B hereto (each, a "*Founder*") and collectively, the "*Founders*"), (v) certain Lending Institutions (as defined herein) that may become a party hereto from time to time, and (v) such other persons who shall execute a copy of this Agreement and become a party hereto pursuant to the provisions hereof.

#### **RECITALS:**

**WHEREAS**, the Company and the holders of the Company's Series A Preferred Stock (the "*Series A Preferred Stock*") and Series B Preferred Stock (the "*Series B Preferred Stock*") are parties to the Second Amended and Restated Investors' Rights Agreement dated October 28, 2008 (the "*Rights Agreement*"); and

**WHEREAS**, the Company and the persons purchasing Series C Preferred Stock are parties to a Series C Stock Purchase Agreement (the "*Purchase Agreement*") pursuant to which the Company has agreed to sell and the purchasers have agreed to purchase shares of the Company's Series C Convertible Preferred Stock (the "*Series C Preferred Stock*");

**WHEREAS**, the holders of Series A Preferred Stock and Series B Preferred Stock, in order to facilitate the sale of the Series C Preferred Stock and such other series of the Company's preferred stock as may be sold hereafter, have agreed to amend the Rights Agreement; and

**WHEREAS**, in order to induce such persons to invest in the Company's Series C Preferred Stock pursuant to the Purchase Agreement, the parties hereto hereby agree that this Agreement shall govern the rights of the Investors and the Founders to cause the Company to register shares of Common Stock issuable to the Investors and certain other matters as set forth herein.

#### **AGREEMENT:**

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual promises and covenants set forth herein, the parties hereto agree as follows:

#### **ARTICLE I** **Registration Rights**

The Company covenants and agrees as follows:

**Section 1.1 Definitions.** For purposes of this Article I:

(a) "*Certificate of Incorporation*" shall mean the Company's Certificate of Incorporation as in effect as of the date hereof and as amended from time to time.

(b) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

(c) “**Form S-3**” shall mean such form under the Securities Act as in effect on the date hereof or any registration forms under the Securities Act subsequently adopted by the SEC that permit inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(d) “**Holder**” shall mean any person owning Registrable Securities or any assignee thereof in accordance with Section 1.11.

(e) “**Investor**” shall mean the holders of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and any other person who holds shares of the Company’s Preferred Stock and executes a copy of this Agreement.

(f) “**Lending Institution**” shall mean a bank, savings and loan association or other similar lending institution that lends funds to the Company.

(g) “**Preferred Stock**” means the then outstanding shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock and any other series of the Company’s preferred stock for which rights are granted under this Agreement in connection with the sale and issuance of such series of preferred stock.

(h) The terms “**register**,” “**registered**” and “**registration**” refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(i) “**Registrable Securities**” shall mean (i) shares of the Common Stock of the Company now held or hereafter acquired by the Investors (including shares of Common Stock issued or issuable upon conversion, exercise and/or exchange of any other securities held by an Investor); and (ii) any shares of Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of the shares referenced in (i) above; excluding in all cases, however, (a) any securities sold by a Holder in a transaction in which his rights under this Article I are not assigned, (b) any securities sold by a person to the public either pursuant to a registration statement or Rule 144 under the Securities Act, and (c) with respect to each Holder, any shares of Common Stock described in clause (i) or (ii) above if all such Common Stock could then be sold pursuant to Rule 144(k) under the Securities Act.

(j) “**Qualified Public Offering**” shall mean a firm commitment underwritten public offering of the Company’s Common Stock under the Securities Act with aggregate gross proceeds to the Company of not less than \$35,000,000, and at a price per share of not less than five (5) times the Original Series A Purchase Price (subject to adjustments for stock dividends, stock splits, combinations, recapitalizations and the like with respect to such shares).

(k) “**Registrable Securities then outstanding**” shall be the number of shares of Common Stock outstanding which are, and the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities which are, Registrable Securities.

(l) “**SEC**” shall mean the Securities and Exchange Commission.

(m) “**Securities Act**” shall mean the Securities Act of 1933, as amended.

## **Section 1.2 Request for Registration.**

(a) At any time after the later of (i) March 31, 2012 or (ii) six (6) months after the effective date of the first registration statement for a firm commitment underwritten public offering of the Company’s Common Stock, the Investors holding at least a majority of the shares of Registrable Securities issued or issuable upon conversion of the Preferred Stock may request that the Company effect a registration under the Securities Act of all or any part of their Registrable Securities (each, a “**Demand Registration**”), subject to the terms and conditions of this Agreement. Any request (a “**Registration Request**”) for a Demand Registration shall specify (A) the approximate number of shares of Registrable Securities requested to be registered and (B) the intended method of distribution of such shares. Within five (5) days of the receipt of the Registration Request, the Company will give written notice of such requested registration to all other Holders. Such Holders shall have the right, by written notice given to the Company within twenty (20) days after the Company sends such notice, to elect to have included in such registration that number of their Registrable Securities as such Holders request in such notice of election, subject to underwriter cut-backs as provided in this Agreement. The Company shall, as expeditiously as possible, use its best efforts to effect the registration under the Securities Act of all Registrable Securities which the Company has been requested to so register.

(i) The Company shall not be required to effect more than two (2) Demand Registrations that have been declared or ordered effective and shall have the deferral rights set forth in Subsection (c) below.

(ii) The Company shall not be required to effect a Demand Registration unless at least 20% of the then outstanding Registrable Securities shall be included in such registration (with a minimum aggregate offering price to the public of \$10,000,000).

(iii) Without the prior written consent of the holders of a majority of the shares of Registrable Securities held by the Investors included in such registration, the Company will not include in any Demand Registration any securities other than (a) Registrable Securities, (b) shares of stock pursuant to Section 1.3 hereof, and (c) securities to be registered for offering and sale on behalf of the Company. If the managing underwriter(s) advise the Company in writing that in their opinion the number of shares of Registrable Securities and, if permitted hereunder, other securities in such offering, exceeds the number of shares of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within a price range acceptable to the holders of a majority of the shares of Registrable Securities held by Investors initially requesting registration, the Company will include in such registration, prior to the inclusion of any securities which are not shares of Registrable Securities, the number of shares of Registrable Securities requested to be included that in the opinion of such underwriters can be sold in an orderly manner within the price range of such offering, subject to the following order of priority: (A) first, the securities requested to be included therein by the Investors, pro rata among the holders thereof on the basis of the number of shares of Registrable Securities such holders requested to be included in such registration; and (B) second, the securities requested to be included therein by the Company.

(b) If the Investors initiating the registration request hereunder (the “**Initiating Holders**”) intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their Registration Request, and the Company shall include such information in the written notice referred to in subsection 1.2(a). The underwriter will be selected by the Company and shall be approved by a majority in interest of the Holders of the Preferred Stock, which approval shall not be unreasonably withheld or delayed; provided that if the managing underwriter or underwriters shall be the firm or firms that managed the Company’s most recently completed underwritten public offering of Common Stock, such firm or firms shall be deemed acceptable unless a majority in interest of the Holders of the Preferred Stock shall object to such firm or firms for reasons related to the ability of such firm or firms to effectively manage the offering. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in subsection 1.4(e)) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting.

(c) Notwithstanding the foregoing, if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2 a certificate signed by the President of the Company stating that either (i) the Company is engaged or has plans to engage in a registered public offering or (ii) in the reasonable, good faith judgment of the Board of Directors of the Company (the “**Board of Directors**”) it would be seriously detrimental to the Company and its stockholders for such registration statement to be filed and it is therefore essential to defer the filing of such registration statement, the Company shall have the right to defer taking action with respect to such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders; *provided, however*, that the Company may not utilize this right more than once in any twelve-month period.

(d) In addition, the Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to this Section 1.2:

(i) after the Company has effected two (2) Demand Registrations pursuant to this Section 1.2 and such registrations have been declared or ordered effective; or

(ii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 1.11 below.

### **Section 1.3 Company Registration.**

(a) If, but without any obligation to do so, the Company proposes to register (including for this purpose a registration initiated by the Company for itself or for the Holders) any of its stock or other securities under the Securities Act in connection with the public offering of such securities solely for cash (other than a registration relating solely to employee benefit plans, or a registration relating solely to a SEC Rule 145 transaction, or a registration on any registration form which does not permit secondary sales) the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after delivery of such notice by the Company, the Company shall, subject to the provisions of Section 1.8, cause to be registered under the Securities Act all of the Registrable Securities that each such Holder has requested to be registered.

(b) If a registration subject to subsection (a) relates to an underwritten public offering of equity securities and the managing underwriters advise the Company that in their opinion the number of securities requested to be included in such registration exceeds the number that can be sold in an orderly manner in such offering within a price range acceptable to the Holders initially requesting such registration, the Company will include in such registration (i) first, the securities requested to be included therein by the Company if the Company has initiated the registration; and (ii) second, the Registrable Securities requested to be included in such registration by Investors, allocated pro rata among the holders thereof on the basis of the number of shares of Registrable Securities such holder requested to be included in such registration; and (iii) third, among persons not contractually entitled to registration rights under this Agreement. Notwithstanding the foregoing, the amount of securities of the Investors included in the offering shall not be reduced below thirty percent (30%) of the total amount of securities included in such offering. Notwithstanding the preceding sentence, in the event of an initial public offering by the Company, the number of selling Holders included in the offering may be reduced to zero (as long as no other selling stockholders are permitted to participate in such offering). In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters).

**Section 1.4 Obligations of the Company.** Whenever required under this Article I to effect the registration of any Registrable Securities, the Company shall, as expeditiously as possible:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective as soon as possible, and keep such registration statement effective for a period of up to one hundred eighty (180) days or until the distribution contemplated in the Registration Statement has been completed; provided, however, that such one hundred eighty (180) day period shall be extended for a period of time equal to the period the Holder agrees to refrain from selling any securities included in such registration at the request of an underwriter of Common Stock (or other securities) of the Company.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act (including the anti-fraud provisions thereof) with respect to the disposition of all securities covered by such registration statement.

(c) Furnish to the Holders such numbers of copies of a prospectus, including a preliminary prospectus and any amendments or supplements thereto, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as shall be reasonably requested by the Holders; provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing. The Company will as expeditiously as reasonably possible amend or supplement such prospectus in order to cause such prospectus not to include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(h) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities not later than the effective date of such registration.

(i) Furnish, at the request of the Holders of at least a majority of the Registrable Securities participating in the registration, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated such date, of the counsel representing the Company for purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in connection with an underwritten public offering, addressed to the underwriters, if any, and the Holders requesting registration of Registrable Securities.

(j) Make available for inspection by the Holders participating in such underwriting, any managing underwriter participating in any disposition pursuant to the registration statement with respect to such Registrable Securities, and any attorney, accountant or other agent retained by any such underwriter or selected by such participating Holders, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent auditors to supply all information reasonably requested by any such participating Holder, underwriter, attorney, accountant or agent in connection with such registration statement.

**Section 1.5 Furnish Information.** Each selling Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as the Company may reasonably request in writing and as shall be required to effect the registration of such Holder's Registrable Securities. The Company shall have no obligation with respect to any registration requested pursuant to Section 1.2 or Section 1.11 if, due to the operation of Section 1.5, the number of shares or the anticipated aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in subsection 1.2(a) or subsection 1.11(b)(2), whichever is applicable.

**Section 1.6 Expenses of Demand Registration.** All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications pursuant to this Article I, including (without limitation) all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the selling Holders for each registration shall be borne by the Company; *provided, however*, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.2 if the registration request is subsequently withdrawn on the written request of the Holders of a majority of the Registrable Securities to be registered unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one demand registration pursuant to Section 1.2; *provided further, however*, if the withdrawal results from information concerning the condition, business or prospects of the Company not known to the Holders at the time of the request, then the Holders shall not be required to pay any of such expenses and shall retain their full rights pursuant to Section 1.2.

**Section 1.7 Expenses of Company Registration.** The Company shall bear and pay all expenses incurred in connection with any registration, filing or qualification of Registrable Securities with respect to the registrations pursuant to Section 1.3 for each Holder (which right may be assigned as provided in Section 1.12), including (without limitation) all registration, filing, and qualification fees, printers and accounting fees relating or apportionable thereto and the reasonable fees and disbursements of one counsel for the selling Holders, but excluding underwriting discounts and commissions relating to Registrable Securities.

**Section 1.8 Delay of Registration.** No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Article I.

**Section 1.9 Indemnification.** In the event any Registrable Securities are included in a registration statement under this Article I:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers, and directors of each Holder, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereto) arise out of or are based upon any of the following statements, omissions or violations (each, a “**Violation**”): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law; and the Company will pay to each such Holder, underwriter or controlling person, as incurred, any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, or action; *provided, however*, that the indemnity agreement contained in this subsection 1.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld, conditioned or delayed), nor shall the Company be liable in any such case for any such loss, claim, damage, liability, or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished by any such Holder, underwriter or controlling person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will pay, as incurred, any legal or other expenses reasonably incurred by any person intended to be indemnified pursuant to this subsection 1.9(b), in connection with investigating or defending any such loss, claim, damage, liability, or action; *provided, however*, that the indemnity agreement contained in this subsection 1.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld, conditioned or delayed); provided that in no event shall any indemnity under this subsection 1.9(b) exceed the net proceeds from the offering received by such Holder.



(c) Promptly after receipt by an indemnified party under this Section 1.9 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however*, that an indemnified party (together with all other indemnified parties which may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.9, if, and solely to the extent that, such failure materially prejudices the ability of the indemnifying party to defend such action; provided that the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.9.

(d) If the indemnification provided for in this Section 1.9 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage, or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the Violations that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations; provided that in no event shall any contribution under this subsection 1.9(d) exceed the net proceeds from the offering received by such Holder. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control as to any Investor that is a party thereto.

(f) The obligations of the Company and Holders under this Section 1.9 shall survive the completion of any offering of Registrable Securities in a registration statement under this Article I, and the termination of this Agreement. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each other indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

**Section 1.10 Reports Under Securities Exchange Act.** With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act ("**Rule 144**") and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the effective date of the first registration statement filed by the Company for the offering of its securities to the general public;

(b) take such action, including the voluntary registration of its Common Stock under Section 12 of the Exchange Act, as is necessary to enable the Holders to utilize Form S-3 for the sale of their Registrable Securities, such action to be taken as soon as practicable after the end of the fiscal year in which the first registration statement filed by the Company for the offering of its securities to the general public is declared effective;

(c) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(d) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request from such Holder (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after 90 days after the effective date of the first registration statement filed by the Company), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC which permits the selling of any such securities without registration or pursuant to such form.

**Section 1.11 Form S-3 Registrations.** In case the Company shall receive a written request from any Holder or Holders of Registrable Securities that the Company effect a registration on Form S-3, and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) as promptly as practicable, but in any event within five (5) days of the receipt of such request, give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) use its best efforts to, as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within ten (10) days after receipt of such written notice from the Company; *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 1.11: (1) if Form S-3 is not available for such offering by the Holders; (2) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such Form S-3, propose to sell Registrable Securities at an aggregate price to the public (net of underwriting discounts and commissions) of less than \$1,000,000; (3) if the Company shall furnish to the Holders a certificate signed by the President of the Company stating that in the reasonable, good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than thirty (30) days after receipt of the request of the Holder or Holders under this Section 1.11; *provided, however*, that the Company shall not utilize this right more than once in any twelve (12) month period; (4) if the Company has, in the twelve (12) month period preceding the date of such request, already effected two registrations pursuant to this Section 1.11; or (5) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders. All expenses incurred in connection with a registration requested pursuant to this Section 1.11, including, without limitation, all registration, filing, qualification, printer's and accounting fees and the reasonable fees and disbursements of counsel for the selling Holder or Holders and counsel for the Company, shall be borne by the Company. Registrations effected pursuant to this Section 1.11 shall not be counted as demands for registration or registrations effected pursuant to Sections 1.2 or 1.3, respectively.

(d) The Company shall not be required to effect a Demand Registration on Form S-3 unless at least 10% of the then outstanding Registrable Securities shall be included in such registration (with a minimum aggregate offering price to the public of \$1,000,000).

(e) If the Holders initiating a registration pursuant to this Section 1.11 intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.11 and the Company shall include such information in the written notice referred to in subsection 1.11(a). The underwriter will be selected by the Company and shall be approved by a majority in interest of the Holders of the Preferred Stock, which approval shall not be unreasonably withheld or delayed. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in subsection 1.4(e)) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 1.11, if the underwriter advises the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall so advise all Holders of Registrable Securities which would otherwise be underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the underwriting shall be allocated (i) first, among all Investors requesting registration hereunder, including the Initiating Holders, in proportion (as nearly as practicable) to the amount of Registrable Securities of the Company which the Investors are requesting to be included in such registration, and (ii) second, to the Company and any other persons entitled to inclusion in such registration; *provided, however*, that the number of shares of Registrable Securities to be included by the Holders in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting.

**Section 1.12 Assignment of Registration Rights.** The rights to cause the Company to register Registrable Securities pursuant to this Article I may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities that (i) is a subsidiary, parent, member, partner, limited partner, retired partner, grantor or shareholder of a Holder, (ii) is a Holder's family member or trust for the benefit of an individual Holder or a family member of such Holder, or (iii) who, after such assignment or transfer, holds at least ten percent (10%) of the total number of shares of Preferred Stock and Common Stock issuable upon the conversion of Preferred Stock then held by the transferor of such Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations and other recapitalizations with respect to such shares); provided that: (a) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including (without limitation) the provisions of Section 1.13 below, including the execution of an Adoption Agreement in the form attached hereto as Exhibit A; and (c) such assignment shall be effective only if immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Securities Act. For the purposes of determining the number of shares of Registrable Securities held by a transferee or assignee, the holdings of transferees and assignees of a partnership who are partners or retired partners of such partnership (including spouses and ancestors, lineal descendants and siblings of such partners or spouses who acquire Registrable Securities by gift, will or intestate succession) shall be aggregated together and with the partnership and the provisions of Section 4.8 below shall be applicable; provided that all assignees and transferees who would not qualify individually for assignment of registration rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices or taking any action under this Article I.

**Section 1.13 “Market Stand-Off” Agreement.** Each Holder hereby agrees that, during the period of up to one hundred eighty (180) days following the date of the first sale to the public pursuant to a registration statement of the Company filed under the Securities Act it shall not, to the extent requested by the Company and such underwriter, directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period except Common Stock included in such registration; *provided, however*, that, with respect to the Investors, all executive officers, directors and greater than one percent (1%) stockholders of the Company enter into similar agreements.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

**Section 1.14 Limitations on Subsequent Registration Rights.** From and after the date of this Agreement, the Company shall not, without the prior written consent of Holder(s) of at least a majority of the then outstanding Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company (a) giving such holder or prospective holder any registration rights, unless the terms of such registration rights are not more favorable than the registration rights granted to the Holders under Section 1.3 of this Agreement or (b) that would grant such holder or prospective holder rights to demand the registration of shares of the Company’s capital stock.

**Section 1.15 Termination of Registration Rights.** The registration obligations of the Company pursuant to this Article I shall terminate with respect to any Holder on the earlier of (i) the time at which such Holder (together with its Affiliates, partners, members and former partners and former members) holds less than 1% of the Company’s outstanding stock or is, able to sell under Rule 144(k) all of the remaining Registrable Securities issued or issuable to such Holder, or (ii) the date on which a Liquidation Event occurs.

## **ARTICLE II**

### **Covenants of the Company**

**Section 2.1 Delivery of Financial Statements.** The Company shall deliver to each Investor holding at least 5% of the issued and outstanding capital stock of the Company as of the date hereof (each, a “*Major Investor*”):

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company and a consolidated statement of stockholders’ equity as of the end of such year, and a consolidated statement of operations and a consolidated statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles (“*GAAP*”), and audited and certified by a regionally recognized independent public accounting firm selected by the Company;

(b) as soon as practicable, but in any event within forty-five (45) calendar days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited consolidated balance sheets of the Company and its subsidiaries, if any, as of the end of such quarter, and unaudited consolidated statements of operations and consolidated statements of cash flows of the Company and its subsidiaries, if any, for such quarter prepared in accordance with GAAP, all in reasonable detail with comparisons of the financial results against the Company’s budget for that financial period and the Company’s financial results for the corresponding period of the previous year;

(c) as soon as practicable, but in any event within thirty (30) days of the end of each month, an unaudited consolidated balance sheet of the Company for, and as of, the end of such month, an unaudited consolidated statement of operations and a consolidated statement of cash flows, prepared in accordance with GAAP, in reasonable detail with comparisons of the financial results against the Company's budget for that financial period and the Company's financial results for the corresponding period of the previous year, and an updated capitalization table as of the date of such statements;

(d) as soon as practicable, but in any event within thirty (30) days prior to the beginning of each fiscal year, a copy of the Company's budget and annual operating plan for such fiscal year;

(e) such other information relating to the financial condition, business, prospects or corporate affairs of the Company as the Major Investor may from time to time reasonably request; *provided, however*, that the Company shall not be obligated under this subsection (e) to provide information which it reasonably considers to be a trade secret or similar confidential information; and

(f) together with the financial statements called for in subsections (b) and (c) above, a certificate executed by the Chief Financial Officer of the Company that such financial statements were prepared in accordance with GAAP (with the exception of footnotes that may be required by GAAP) applied on a consistent basis with prior periods and fairly represent the financial condition of the Company as of the date they were prepared and the results of operations of the Company for the period indicated, subject to year-end audit adjustments.

**Section 2.2 Inspection.** The Company shall permit each Major Investor, at such Major Investor's expense, to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times and during normal business hours as may be requested by such Major Investor. Any Major Investor exercising its rights of inspection hereunder agrees to maintain the confidentiality of all confidential information of the Company disclosed to it. Any Major Investor exercising its rights of inspection hereunder agrees that it will not disclose any confidential information of the Company to any third party, will not remove such confidential information from the Company's premises, and will not use the confidential information for any purpose other than for the purposes of inspection hereunder.

**Section 2.3 Proprietary Information Agreement.** The Company will cause each person now or hereafter employed by it or any subsidiary with access to confidential information to enter into a proprietary information agreement in the form approved by the Investors' counsel. The Company will cause each consultant now or hereafter engaged by it or any subsidiary with access to confidential information to enter into an agreement containing provisions protecting the confidentiality of the Company's confidential information and providing for the assignment to the Company of all inventions and intellectual property developed by such consultant pursuant to such engagement. In addition, the Founders and all employees with a title of vice president or above shall entered into agreements which provide that such employee shall be obligated to (a) assign all intellectual property to the Company, (b) not disclose confidential Company information at any time, and (c) to not compete with, solicit or hire employees or customers from the Company for the term of employment plus two years thereafter.

**Section 2.4 Market Stand-Off Agreements.** The Company shall cause each current and future stockholder of the Company to enter into a market stand-off agreement substantially the same as Section 1.13.

**Section 2.5 Employee and Other Stock Arrangements.** Each acquisition of any shares of the Company's capital stock or any option or right to acquire any shares of the Company's capital stock by an employee, consultant, officer or director of the Company will be conditioned upon the execution and delivery by the Company and such employee, consultant, officer or director of an agreement substantially in the form approved by the Board of Directors. Unless otherwise determined by the Board of Directors, any such option or right to acquire shares of the Company's capital stock shall vest at the rate of one-fourth ( $\frac{1}{4}^{\text{th}}$ ) of the shares granted after one year from the date of grant and one forty-eighth ( $\frac{1}{48}^{\text{th}}$ ) of the total number of shares granted monthly thereafter. Unless otherwise determined by the Company's Board of Directors, any stock sold shall be subject to the Company's right to repurchase such stock at its original purchase price and such stock shall vest on the same schedule as set forth in the preceding sentence.

**Section 2.6 Insurance.** The Company shall use its best efforts to obtain from financially sound and reputable insurers key executive insurance for the Chief Executive Officer on terms and in amounts reasonably acceptable to the Investors of not less than \$2,000,000. The Company shall use commercially reasonable efforts to obtain from financially sound and reputable insurers directors and officers insurance with coverage customary for companies similarly situated to the Company, except as otherwise decided in accordance with policies adopted by the Company's Board of Directors. The Company will use commercially reasonable efforts to maintain the general liability and directors and officers insurance required by this Section 2.6, except as otherwise decided in accordance with policies adopted by the Company's Board of Directors. Such policy shall name the Company as loss payee and shall not be cancelable by the Company without prior approval of the Board of Directors.

**Section 2.7 Confidentiality and Non-Disclosure.**

(a) Each Investor acknowledges that the information received by it pursuant to this Agreement is confidential and that it will only use such confidential information in its evaluation of the decisions it faces by virtue of being a stockholder of the Company. Each Investor agrees that in any event, it shall not use such confidential information in violation of the Exchange Act. Investor may include summary financial information concerning the Company and general statements concerning the nature and progress of the Company's business in an Investor's reports to its limited partners. Investor shall be liable to the Company for any violation of this Section 2.7 by any related person.

(b) Except as otherwise required by law, the Company may disclose to third parties the identity of an Investor as an investor in or interested party to the Company, but the Company shall not publicly disclose any information concerning such Investor's ownership amounts or percentages or the terms of any Investor's investment in the Company, other than to prospective investors (and the Company's stockholders to the extent necessary or appropriate), prospective acquirors who are under a duty of confidentiality, governmental agencies and the like, without the prior written consent of such Investor, which consent shall be at that Investor's sole discretion.

**Section 2.8 Indemnification Agreements.**

(a) As of the date that any person is first elected or appointed to the Board of Directors, the Company shall enter into an indemnification agreement in substantially the form attached as Exhibit B hereto with such person. The Company shall also enter into indemnification agreements (in a form reasonably acceptable to the Company's Board of Directors) with the executive officers of the Company on or promptly as possible.

(b) In the event of a change of control of the Company, proper provision shall be made so that the successors and assigns of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately prior to such transaction, whether in the Company's Bylaws, Certificate of Incorporation, or elsewhere, as the case may be, and, unless otherwise affirmatively determined by the Board of Directors, for the purchase of "tail" D&O insurance coverage.

**Section 2.9 Termination of Covenants.** As set forth below, certain covenants shall terminate upon the earliest to occur of (i) the time on which the sale of securities pursuant to a Qualified Public Offering is consummated, with respect to Sections 2.1, 2.2, and 2.4, (ii) the date at which the Company first becomes subject to the periodic reporting requirements of Sections 13 or 15(d) of the Exchange Act, Sections 2.1, and 2.2 or (iii) upon (A) the closing of any acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation) unless the Company's stockholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the Company's acquisition or sale or otherwise) hold at least a majority of the voting power of the surviving or acquiring entity (except that the sale by the Company of shares of its capital stock to investors in bona fide equity financing transactions shall not be deemed an acquisition for this purpose), with respect to Sections 2.1, 2.2, 2.3, 2.4, 2.5, and 2.6, (B) the closing of any sale of all or substantially all of the assets of the Company, including a sale of all or substantially all of the assets of the Company's subsidiaries, if such assets constitute substantially all of the assets of the Company and such subsidiaries taken as a whole, with respect to Sections 2.3, 2.4, 2.5, and 2.6, or (C) the dissolution of the Company with respect to all such covenants set forth in this Article II.

**Section 2.10 Compensation Committee.** The Board of Directors of the Company shall establish a Compensation Committee made up of two (2) Directors. The Compensation Committee must approve all stock option plans and grants and all restricted stock plans and grants of restricted stock to employees, Board of Directors members, or other parties. In addition, the Compensation Committee must approve the compensation of all employees at the Vice President level and above, as well as the overall compensation plan for the Company on an annual basis.



**Section 2.11 Audit Committee.** The Board of Directors shall establish an Audit Committee made up of two (2) directors. The Audit Committee shall select the Company's accountants, and shall be consulted on the selection of (or existing relationship with) the Company's legal counsel.

**ARTICLE III**  
**Future Offerings**

**Section 3.1 Preemptive Right.**

(a) Grant of Preemptive Right. If the Company shall issue any equity securities, options therefor or securities convertible or exercisable for equity securities (each an "**Equity Security**" and together, "**Equity Securities**"), each Investor shall be entitled to purchase the Pro-rata Portion (as defined below) of such Equity Securities to be issued; *provided, however*, that this contractual preemptive right shall not apply to issuances of Equity Securities: (a) upon the conversion of any shares of the Preferred Stock; (b) to officers, directors or employees of, or consultants or other service providers to, the Corporation as compensation pursuant to equity incentive plans approved by the Board of Directors to the extent included in the equity incentive pool immediately prior to the sale of the Series C Preferred Stock and, to the extent the pool is increased after the sale of the Series C Preferred Stock; (c) to banks, savings and loan associations, equipment lessors or other similar financial institutions or lessors in connection with such entities providing commercial credit arrangements, equipment financings, commercial property lease transactions, or similar transactions to the Corporation approved by the Board of Directors; (d) in connection with permitted business acquisitions, mergers or strategic partnerships approved by the Board of Directors; (e) pursuant to any stock splits, stock dividends, reverse stock splits, stock combinations and other similar capitalization changes for which appropriate adjustment is made hereunder; (f) pursuant to the issuance of securities upon the exercise of options and convertible securities or rights exercisable to purchase the Corporation's capital stock that were outstanding as of the date hereof; or (g) pursuant to the issuance of shares as to which the holders of a majority of the outstanding shares of Preferred Stock have waived the application of this Section 3.1(a) in writing. For purposes of this preemptive right, an Investor's "**Pro-rata Portion**" will be a fraction, the numerator of which is the number of shares of Common Stock held, or issuable upon conversion of the Preferred Stock held (assuming full conversion and exercise of all outstanding convertible or exercisable securities held by such Investor) by such Investor immediately prior to the issuance of the new securities, and the denominator of which is the total number of shares of Common Stock outstanding (assuming full conversion and exercise of all outstanding convertible or exercisable securities) immediately prior to the issuance of new securities.

(b) Over-Allotment Option. Each Investor electing to purchase their full Pro-rata Portion of Equity Securities pursuant to Section 3.1(a) shall also be entitled to purchase (on a pro rata basis according to their relative holdings of Common Stock among each Investor electing to exercise such over-allotment option, assuming full conversion of shares of Preferred Stock and full exercise of all options and warrants then outstanding) Equity Securities that the other Investors decline to purchase.

(c) Procedures for Exercise. The price of Equity Securities that each Investor is entitled to purchase under this Article III shall be the same price at which such Equity Securities are offered to others. Each Investor may exercise its preemptive rights under Section 3.1(a) to purchase Equity Securities by paying the purchase price therefor at the principal office of the Company within twenty (20) days after receipt of notice from the Company stating the number or amount of Equity Securities it intends to issue and the price and characteristics thereof, as well as the names of the prospective purchasers, a summary of the terms and conditions upon which the prospective purchasers have offered to purchase such Equity Securities, and with respect to each Investor, such Investor's Pro-rata Portion of such Equity Securities, and each Investor may exercise any over-allotment option pursuant to Section 3.1(b), with respect to shares which other Investors elect not to purchase, in the same manner provided above within ten (10) days after receiving notice from the Company of such over-allotment shares, which shall be delivered within five (5) days after the expiration of such initial twenty (20) day period. Each Investor shall pay such purchase price in cash, check, cancellation of indebtedness or wire transfer of immediately available funds or any combination of the foregoing. As promptly as practicable on or after the purchase date, the Company shall issue and deliver at its principal office a certificate or certificates for the number of full shares or amount, whichever is applicable, of Equity Securities.

(d) If the Investors purchase less than all of the Equity Securities offered to them pursuant to this Section 3.1, the Company shall be entitled, for a period of 90 days (the "***Unrestricted Period***") following the expiration of the twenty-day period described in Section 3.1(c) to sell to the prospective purchasers up to the full amount of the Equity Securities set forth in the Company's notice to Investors, less the amount of Equity Securities purchased by Investors pursuant to this Section 3.1. Such sale shall be at the price and upon terms and conditions no more favorable to the prospective purchasers than those described in the Company's notice to Investors. If the Company does not complete the sale of the remaining Equity Securities within the Unrestricted Period, the preemptive rights granted in Section 3.1(a) shall be deemed to be revived and such remaining Equity Securities shall not be offered unless first reoffered to the Investors in accordance herewith.

(e) Assignability of Preemptive Rights. The preemptive rights pursuant to this Section 3.1 may only be assigned by an Investor to a transferee or assignee to whom or which the rights to cause the Company to register Registrable Securities are transferred or assigned pursuant to Article I hereof.

**Section 3.2 Termination of Article III**. The covenants set forth in this Article III shall terminate on the date at which the sale of securities pursuant to an underwritten initial public offering of the Company's Common Stock is consummated.

**ARTICLE IV**  
**Miscellaneous**

**Section 4.1 Successors and Assigns.** Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

**Section 4.2 Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Delaware, without giving effect to principles of conflicts of law and choice of law that would cause the laws of any other jurisdiction to apply. THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.

**Section 4.3 Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**Section 4.4 Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

**Section 4.5 Notices.** All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by commercial delivery service, or mailed by registered or certified mail (return receipt requested) or sent via facsimile (with confirmation of receipt) to the parties at the address for each party set forth herein (or at such other address for a party as shall be specified by like notice):

- (i) If to the Company:

WorthPoint Corporation  
75 Fifth Street, NW  
Suite 212  
Atlanta, GA, 30308  
Attn: William H. Seippel  
Email: will.seippel@worthpoint.com

with a copy (which shall not constitute notice) to:

McCarthy, Sweeney & Harkaway, P.C.  
1825 K Street NW, Suite 700  
Washington, DC 20006  
Fax: (202) 775-5574  
Attn: Susan J. King  
Email: sking@mshpc.com

- (ii) If to an Investor, at the addresses set forth below such Investor's name on Schedule A or his or its signature page hereto.
- (iii) If to the Founders:

At the respective addresses set forth below each Founders name on Schedule B hereto.

Notice given by personal delivery, courier service or mail shall be effective upon actual receipt. Notice given by facsimile shall be confirmed by appropriate answer back and shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. All notices by facsimile shall be confirmed promptly after transmission in writing by certified mail or personal delivery. Any party may change any address to which notice is to be given to it by giving notice as provided above of such change of address.

An electronic communication ("**Electronic Notice**") shall be deemed written notice for purposes of this Section 4.5 if sent with return receipt requested to the electronic mail address specified by the receiving party in a signed writing in a nonelectronic form. Electronic Notice shall be deemed received at the time the party sending Electronic Notice receives verification of receipt by the receiving party. Any party receiving Electronic Notice may request and shall be entitled to receive the notice on paper, in a nonelectronic form ("**Nonelectronic Notice**") which shall be sent to the requesting party within ten (10) days of receipt of the written request for Nonelectronic Notice.

**Section 4.6 Amendments and Waivers.** Any provision in this Agreement to the contrary notwithstanding, modifications or amendments to this Agreement may be made, and compliance with any covenant or provision herein set forth may be omitted or waived, if the Company shall agree thereto and (a) shall obtain consent thereto in writing from persons holding or having the right to acquire in the aggregate a majority of the Registrable Securities then outstanding, and (b) shall deliver copies of such consent in writing to any Holders who did not execute the same; provided, however, that no Holder shall, without its consent, be adversely affected by any such modification, amendment or waiver in any manner in which the other Holders are not likewise adversely affected.

**Section 4.7 Additional Parties.** Any provision in this Agreement to the contrary notwithstanding, persons purchasing shares of Series C Preferred Stock or other series of Preferred Stock issued hereafter by the Company may be added as to this Agreement as Investors upon the execution by such person and the Company of a Joinder Agreement in the form of Exhibit C hereto.

**Section 4.8 Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

**Section 4.9 Aggregation of Stock.** All shares of Registrable Securities or other Securities of the Company held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement. For the purposes of determining the availability of any rights under this Agreement, the holdings of transferees and assignees of an individual, a partnership or trust who are spouses, ancestors, lineal descendants or siblings of such individual, partners or retired partners of such partnership or partnerships affiliated with such transferring or assigning partnership (including spouses and ancestors, lineal descendants and siblings of such partners or spouses who acquire Common Stock by gift, will or intestate succession) or grantors of such trust shall be aggregated together with the individual or partnership, as the case may be, for the purpose of exercising any rights or taking any action under this Agreement.

**Section 4.10 Entire Agreement.** This Agreement (including the Schedules hereto, if any) constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersedes any and all prior agreements relating to the subject matter hereof.

**Section 4.11 Attorneys' Fees.** In the event of any dispute involving the terms hereof, the prevailing party shall be entitled to collect legal fees and expenses from the other party to the dispute.

**Section 4.12 Joint Product.** This Agreement is the joint product of the Company and the other parties hereto and each provision hereof and thereof has been subject to the mutual consultation, negotiation and agreement of the Company and the other parties hereto and shall not be construed against any party hereto.

**Section 4.13 Specific Performance.** The Company recognizes that the rights of the Holders under this Agreement are unique, and, accordingly, the Holders shall, in addition to such other remedies as may be available to them at law or in equity, have the right to enforce their rights hereunder by actions for injunctive relief and specific performance to the extent permitted by law. This Agreement is not intended to limit or abridge any rights of the Holders which may exist apart from this Agreement.

[Signature pages follow.]

IN WITNESS WHEREOF, the undersigned party has executed this Third Amended Investors' Rights Agreement as of the date first above written.

**COMPANY:**

**WORTHPOINT CORPORATION**

By: \_\_\_\_\_  
Name: William H. Seippel  
Title: Chief Executive Officer

**INVESTORS:**

RKB Capital, L.P.

By: \_\_\_\_\_  
Name: Peter D. Schleider  
Title: General Partner

\_\_\_\_\_  
William H. Seippel

\_\_\_\_\_  
Bernard L. Daina

\_\_\_\_\_  
James G. Sturgill

Robert S. Colman Trust UDT 3/13/85

\_\_\_\_\_  
Blair C. Fensterstock

By: \_\_\_\_\_  
Bob Colman  
Trustee

\_\_\_\_\_  
Kilin To

\_\_\_\_\_  
William Stanfill

Red Rock Partners, LLC

Peninsula Master Fund LTD

By: \_\_\_\_\_  
William N. McAtee Title:

By: \_\_\_\_\_  
Name: Scott Bedford  
Title: General Partner

Griffen, LLC

By: \_\_\_\_\_  
Name: Tom Lafleur  
Title: \_\_\_\_\_

\_\_\_\_\_  
Benjamin H. Schleider

\_\_\_\_\_  
Stuart Cureton, Jr.

\_\_\_\_\_  
Robert Martin

\_\_\_\_\_  
Paul S. Mazziotti

\_\_\_\_\_  
Tracy A. Mazziotti

Millennium Trust Company, LLC Custodian FBO Account  
Owner William N. McAtee, IRAT #90U053015

Regions Morgan Keegan FBO Michael J. Wharton IRA

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

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

\_\_\_\_\_  
Amy McAtee

\_\_\_\_\_  
Michael J. Wharton

\_\_\_\_\_  
Marjorie K. Lippy

Sterling Trust Co. FBO  
James Sturgill IRA

Sterling Trust Co. FBO  
William Seippel IRA

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

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

Advanced Economic Research Systems, Inc.

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

Howard Lau

**FOUNDERS:**

GEORGE MASON UNIVERSITY

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

William H. Seippel

James W. Wolfe

Jonathan D. Kerness



**SCHEDULE A**

**Schedule of Investors**

**Series A Investors**

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**Series B Investors**

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William H. Seippel	William H. Seippel	Griffen, LLC
RKB Capital, L.P.	RKB Capital, L.P.	Red Rock Partners, LLC
Bernard L. Daina	Peninsula Master Fund LTD	Regions Morgan Keegan FBO Michael J. Wharton IRA
James G. Sturgill	James G. Sturgill,	Michael J. Wharton
Blair C. Fensterstock	Blair C. Fensterstock	Millennium Trust Company FBO William N. McAtee IRA
Robert S. Coleman Trust UDT 3/13/85	Robert S. Coleman Trust UDT 3/13/85	Amy McAtee
Kilin To	Benjamin H. Schleider	Thomas Edward and Marjorie K. Lippy
William Stanfill	Stewart Cureton, Jr. c/o Gulfstar Group	Howard Lau
	Paul S. and Tracy A. Mazziotti, JTWROS	Sterling Trust Co. FBO James Sturgill IRA
	Robert Martin	Sterling Trust Co. FBO William Seippel IRA Advanced Economic Research Systems, Inc.

**SCHEDULE B**

**Schedule of Founders**

**Founders**

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William H. Seippel  
190 Ironwood Terrace  
Roswell GA 30075

George Mason University

James W. Wolfe

Jonathan D. Kerness

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**EXHIBIT A**  
**Adoption Agreement**

This Adoption Agreement (“*Adoption Agreement*”) is executed by the undersigned (the “*Transferee*”) pursuant to the terms of that certain Third Amended and Restated Investors’ Rights Agreement dated as of December \_\_\_, 2010 (the “*Agreement*”) by and among the Company and certain of its Stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Adoption Agreement, the Transferee agrees as follows:

1. Acknowledgement. Transferee acknowledges that Transferee is acquiring certain shares of the capital stock of the Company (the “*Stock*”), which shares are subject to the terms and conditions of the Agreement, including, but not limited to, the terms of the Market-Stand Off under Section 1.13 of the Agreement.

2. Agreement. As partial consideration for such transfer, Transferee (i) agrees that the Stock acquired by Transferee shall be bound by and subject to the terms of the Agreement, to the same extent and with the same rights and obligations as the person(s) from which such Stock is received and (ii) hereby agrees to become a party to the Agreement with the same force and effect as if Transferee were originally a party thereto.

3. Notice. Any notice required or permitted by the Agreement shall be given to Transferee at the address listed beside Transferee’s signature below.

4. Joinder. The spouse of the undersigned Transferee, if applicable, executes this Adoption to acknowledge its fairness and that it is in such spouse’s best interests and to bind to the terms of the Agreement such spouse’s community interest, if any, in the Stock.

EXECUTED AND DATED this \_\_\_ day of \_\_\_\_\_, \_\_\_\_.

TRANSFEEE:

Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Fax: \_\_\_\_\_

Spouse: (if applicable):

Name: \_\_\_\_\_

Acknowledged and accepted on \_\_\_\_\_, \_\_\_\_\_.

**WORTHPOINT CORPORATION**

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

**EXHIBIT B**

**Indemnification Agreement**

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## SUBSCRIPTION AGREEMENT

**THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK.** THIS INVESTMENT IS SUITABLE ONLY FOR PERSONS WHO CAN BEAR THE ECONOMIC RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. FURTHERMORE, INVESTORS MUST UNDERSTAND THAT SUCH INVESTMENT IS ILLIQUID AND IS EXPECTED TO CONTINUE TO BE ILLIQUID FOR AN INDEFINITE PERIOD OF TIME. NO PUBLIC MARKET EXISTS FOR THE SECURITIES, AND NO PUBLIC MARKET IS EXPECTED TO DEVELOP FOLLOWING THIS OFFERING.

**THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY STATE SECURITIES OR BLUE SKY LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND STATE SECURITIES OR BLUE SKY LAWS.** ALTHOUGH AN OFFERING STATEMENT HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), THAT OFFERING STATEMENT DOES NOT INCLUDE THE SAME INFORMATION THAT WOULD BE INCLUDED IN A REGISTRATION STATEMENT UNDER THE ACT. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF THIS OFFERING OR THE ADEQUACY OR ACCURACY OF THE SUBSCRIPTION AGREEMENT OR ANY OTHER MATERIALS OR INFORMATION MADE AVAILABLE TO SUBSCRIBER IN CONNECTION WITH THIS OFFERING OVER THE WEB-BASED PLATFORM PROVIDED BY NORTH CAPITAL INVESTMENT TECHNOLOGY, INC. AND MAINTAINED BY THE ISSUER (THE “PLATFORM”) OR THROUGH NORTH CAPITAL PRIVATE SECURITIES CORPORATION (THE “BROKER”). ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**INVESTORS WHO ARE NOT “ACCREDITED INVESTORS” (AS THAT TERM IS DEFINED IN SECTION 501 OF REGULATION D PROMULGATED UNDER THE ACT) ARE SUBJECT TO LIMITATIONS ON THE AMOUNT THEY MAY INVEST, AS SET OUT IN SECTION 4.** THE COMPANY IS RELYING ON THE REPRESENTATIONS AND WARRANTIES SET FORTH BY EACH SUBSCRIBER IN THIS SUBSCRIPTION AGREEMENT AND THE OTHER INFORMATION PROVIDED BY SUBSCRIBER IN CONNECTION WITH THIS OFFERING TO DETERMINE THE APPLICABILITY TO THIS OFFERING OF EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT.

**PROSPECTIVE INVESTORS MAY NOT TREAT THE CONTENTS OF THE SUBSCRIPTION AGREEMENT, THE OFFERING CIRCULAR OR ANY OF THE OTHER MATERIALS AVAILABLE ON THE PLATFORM OR PROVIDED BY THE BROKER (COLLECTIVELY, THE “OFFERING MATERIALS”) OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY OR ANY OF ITS OFFICERS, EMPLOYEES OR AGENTS (INCLUDING “TESTING THE WATERS” MATERIALS) AS INVESTMENT, LEGAL OR TAX ADVICE.** IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND THE RISKS INVOLVED. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THE INVESTOR’S OWN COUNSEL, ACCOUNTANT AND OTHER PROFESSIONAL ADVISOR AS TO INVESTMENT, LEGAL, TAX AND OTHER RELATED MATTERS CONCERNING THE INVESTOR’S PROPOSED INVESTMENT.

**THE OFFERING MATERIALS MAY CONTAIN FORWARD-LOOKING STATEMENTS AND INFORMATION RELATING TO, AMONG OTHER THINGS, THE COMPANY, ITS BUSINESS PLAN AND STRATEGY, AND ITS INDUSTRY.** THESE FORWARD-LOOKING STATEMENTS ARE BASED ON THE BELIEFS OF, ASSUMPTIONS MADE BY, AND INFORMATION CURRENTLY AVAILABLE TO THE COMPANY'S MANAGEMENT. WHEN USED IN THE OFFERING MATERIALS, THE WORDS "ESTIMATE," "PROJECT," "BELIEVE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, WHICH CONSTITUTE FORWARD LOOKING STATEMENTS. THESE STATEMENTS REFLECT MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE. THE COMPANY DOES NOT UNDERTAKE ANY OBLIGATION TO REVISE OR UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER SUCH DATE OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

**THE COMPANY MAY NOT BE OFFERING THE SECURITIES IN EVERY STATE.** THE OFFERING MATERIALS DO NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR JURISDICTION IN WHICH THE SECURITIES ARE NOT BEING OFFERED.

**THE INFORMATION PRESENTED IN THE OFFERING MATERIALS WAS PREPARED BY THE COMPANY SOLELY FOR THE USE BY PROSPECTIVE INVESTORS IN CONNECTION WITH THIS OFFERING.** NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN ANY OFFERING MATERIALS, AND NOTHING CONTAINED IN THE OFFERING MATERIALS IS OR SHOULD BE RELIED UPON AS A PROMISE OR REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE COMPANY.

**THE COMPANY RESERVES THE RIGHT IN ITS SOLE DISCRETION AND FOR ANY REASON WHATSOEVER TO MODIFY, AMEND AND/OR WITHDRAW ALL OR A PORTION OF THE OFFERING AND/OR ACCEPT OR REJECT IN WHOLE OR IN PART ANY PROSPECTIVE INVESTMENT IN THE SECURITIES OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE AMOUNT OF SECURITIES SUCH INVESTOR DESIRES TO PURCHASE.** EXCEPT AS OTHERWISE INDICATED, THE OFFERING MATERIALS SPEAK AS OF THEIR DATE. NEITHER THE DELIVERY NOR THE PURCHASE OF THE SECURITIES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THAT DATE.

TO: Worthpoint Corporation  
5 Concourse Parkway  
Suite 2850  
Atlanta, Georgia 30328

Ladies and Gentlemen:

1. Subscription.

(a) The undersigned (“Subscriber”) hereby irrevocably subscribes for and agrees to purchase Common Stock (the “Securities”), of Worthpoint Corporation, a Delaware corporation (the “Company”), at a purchase price of \$11.00 per share (the “Per Security Price”), upon the terms and conditions set forth herein. The rights of the shares are as set forth in Amended and Restated Certificate of Incorporation, as amended, included in the exhibits to the Offering Statement of the Company filed with the SEC (the “Offering Statement”).

(b) Subscriber understands that the Securities are being offered pursuant an offering circular dated December \_\_, 2016 (the “Offering Circular”), filed with the SEC as part of the Offering Statement. By executing this Subscription Agreement, Subscriber acknowledges that Subscriber has received this Subscription Agreement, copies of the Offering Circular and Offering Statement, including the exhibits thereto, and any other information required by the Subscriber to make an investment decision.

(c) The Subscriber’s subscription may be accepted or rejected in whole or in part, at any time prior to a Closing Date (as hereinafter defined), by the Company at its sole discretion. In addition, the Company, at its sole discretion, may allocate to Subscriber only a portion of the number of Securities Subscriber has subscribed for. The Company will notify Subscriber whether this subscription is accepted (whether in whole or in part) or rejected. If Subscriber’s subscription is rejected, Subscriber’s payment (or portion thereof if partially rejected) will be returned to Subscriber without interest and all of Subscriber’s obligations hereunder shall terminate.

(d) The aggregate number of Securities sold shall not exceed 454,545 (the “maximum number of shares”). The Company may accept subscriptions until \_\_\_\_\_, 2017, unless otherwise extended by the Company in its sole discretion in accordance with applicable SEC regulations for such other period required to sell the maximum number of shares (the “Termination Date”). The Company may elect at any time to close all or any portion of this offering, on various dates at or prior to the Termination Date (each a “Closing Date”).

(e) In the event of rejection of this subscription in its entirety, or in the event the sale of the Securities (or any portion thereof) is not consummated for any reason, this Subscription Agreement shall have no force or effect, except for Section 5 hereof, which shall remain in force and effect.

(f) The terms of this Subscription Agreement shall be binding upon Subscriber and its transferees, heirs, successors and assigns (collectively, “**Transferees**”); provided that for any such transfer to be deemed effective, the Transferee shall have executed and delivered to the Company in advance an instrument in a form acceptable to the Company in its sole discretion, pursuant to which the proposed Transferee shall be acknowledge, agree, and be bound by the representations and warranties of Subscriber, terms of this Subscription Agreement, and the Company consents to the transfer in its sole discretion.

2. Purchase Procedure.

(a) Payment. The purchase price for the Securities shall be paid simultaneously with the execution and delivery to the Company of the signature page of this Subscription Agreement. Subscriber shall deliver a signed copy of this Subscription Agreement, along with payment for the aggregate purchase price of the Securities by a check for available funds made payable to “TKTC/WorthPoint Escrow Account”, by ACH electronic transfer or wire transfer to an account designated by the Company, or by any combination of such methods.

(b) Escrow arrangements. Payment for the Securities shall be received by The Kingdom Trust Company (the “**Escrow Agent**”) from the undersigned by ACH electronic transfer, wire transfer of immediately available funds, check or other means approved by the Company at least two days prior to the applicable Closing Date, in the amount as set forth in Appendix A on the signature page hereto. Upon such Closing Date, the Escrow Agent shall release such funds to the Company. The undersigned shall receive notice and evidence of the digital entry of the number of the Securities owned by undersigned reflected on the books and records of the Company and verified by Computershare (the “Transfer Agent”), which books and records shall bear a notation that the Securities were sold in reliance upon Regulation A.

<b>Escrow Agent Name</b>	The Kingdom Trust Company
<b>Address</b>	1105 State Route 121 North, Suite B Murray, KY 42071
<b>Routing Number</b>	083900680
<b>Account Number</b>	0005185842179
<b>Account Name</b>	The Kingdom Trust Company
<b>Further Instructions</b>	WorthPoint Corp

3. Representations and Warranties of the Company.

The Company represents and warrants to Subscriber that the following representations and warranties are true and complete in all material respects as of the date of each Closing Date, except as otherwise indicated. For purposes of this Agreement, an individual shall be deemed to have “knowledge” of a particular fact or other matter if such individual is actually aware of such fact. The Company will be deemed to have “knowledge” of a particular fact or other matter if one of the Company’s current officers has, or at any time had, actual knowledge of such fact or other matter.



(a) Organization and Standing. The Company is a corporation duly formed, validly existing and in good standing under the laws of the State of Delaware. The Company has all requisite power and authority to own and operate its properties and assets, to execute and deliver this Subscription Agreement and any other agreements or instruments required hereunder. The Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or its business.

(b) Issuance of the Securities. The issuance, sale and delivery of the Securities in accordance with this Subscription Agreement have been duly authorized by all necessary corporate action on the part of the Company. The Securities, when so issued, sold and delivered against payment therefor in accordance with the provisions of this Subscription Agreement, will be duly and validly issued, fully paid and non-assessable.

(c) Authority for Agreement. The execution and delivery by the Company of this Subscription Agreement and the consummation of the transactions contemplated hereby (including the issuance, sale and delivery of the Securities) are within the Company's powers and have been duly authorized by all necessary corporate action on the part of the Company. Upon full execution hereof, this Subscription Agreement shall constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and (iii) with respect to provisions relating to indemnification and contribution, as limited by considerations of public policy and by federal or state securities laws.

(d) No filings. Assuming the accuracy of the Subscriber's representations and warranties set forth in Section 4 hereof, no order, license, consent, authorization or approval of, or exemption by, or action by or in respect of, or notice to, or filing or registration with, any governmental body, agency or official is required by or with respect to the Company in connection with the execution, delivery and performance by the Company of this Subscription Agreement except (i) for such filings as may be required under Regulation A or under any applicable state securities laws, (ii) for such other filings and approvals as have been made or obtained, or (iii) where the failure to obtain any such order, license, consent, authorization, approval or exemption or give any such notice or make any filing or registration would not have a material adverse effect on the ability of the Company to perform its obligations hereunder.

(e) Capitalization. The authorized securities of the Company immediately prior to the initial investment in the Securities is as set forth under "Securities Being Offered – General" in the Offering Circular. Except as set forth in the Offering Circular, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal), or agreements of any kind (oral or written) for the purchase or acquisition from the Company of any of its securities.

(f) Financial statements. Complete copies of the Company's consolidated financial statements consisting of the balance sheets of the Company as of December 31, 2015 and 2014 and the related statements of operations, stockholders' equity and cash flows for the two-year period then ended (the "Financial Statements") have been made available to the Subscriber and appear in the Offering Circular. The Financial Statements are based on the books and records of the Company and fairly present, in all material respects, the consolidated financial condition of the Company as of the respective dates they were prepared and the results of the operations and cash flows of the Company for the periods indicated. dbmckennon, which has audited the Financial Statements, is an independent accounting firm within the rules and regulations adopted by the SEC.

(g) Proceeds. The Company shall use the proceeds from the issuance and sale of the Securities as set forth under "Use of Proceeds to Issuer" in the Offering Circular.

(h) Litigation. There is no pending action, suit, proceeding, arbitration, mediation, complaint, claim, charge or investigation before any court, arbitrator, mediator or governmental body, or to the Company's knowledge, currently threatened in writing (a) against the Company or (b) against any consultant, officer, manager, director or key employee of the Company arising out of his or her consulting, employment or board relationship with the Company or that could otherwise materially impact the Company.

4. Representations and Warranties of Subscriber. By executing this Subscription Agreement, Subscriber (and, if Subscriber is purchasing the Securities subscribed for hereby in a fiduciary capacity, the person or persons for whom Subscriber is so purchasing) represents and warrants, which representations and warranties are true and complete in all material respects as of each Closing Date:

(a) Requisite Power and Authority. Such Subscriber has all necessary power and authority under all applicable provisions of law to execute and deliver this Subscription Agreement and other agreements required hereunder and to carry out their provisions. All action on Subscriber's part required for the lawful execution and delivery of this Subscription Agreement and other agreements required hereunder have been or will be effectively taken prior to the Closing Date. Upon their execution and delivery, this Subscription Agreement and other agreements required hereunder will be valid and binding obligations of Subscriber, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (b) as limited by general principles of equity that restrict the availability of equitable remedies.

(b) Investment Representations. Subscriber understands that the Securities have not been registered under the Securities Act of 1933, as amended (the "Securities Act"). Subscriber also understands that the Securities are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Subscriber's representations contained in this Subscription Agreement.

(c) Illiquidity and Continued Economic Risk. Subscriber acknowledges and agrees that there is no ready public market for the Securities and that there is no guarantee that a market for their resale will ever exist. Subscriber must bear the economic risk of this investment indefinitely and the Company has no obligation to list the Securities on any market or take any steps (including registration under the Securities Act or the Securities Exchange Act of 1934, as amended) with respect to facilitating trading or resale of the Securities. Subscriber acknowledges that Subscriber is able to bear the economic risk of losing Subscriber's entire investment in the Securities. Subscriber also understands that an investment in the Company involves significant risks and has taken full cognizance of and understands all of the risk factors relating to the purchase of Securities.

(d) Accredited Investor Status or Investment Limits. Subscriber represents that either:

(i) Subscriber is an “accredited investor” within the meaning of Rule 501 of Regulation D under the Securities Act. Subscriber represents and warrants that the information set forth in response to question (c) on the signature page hereto concerning Subscriber is true and correct; or

(ii) The purchase price set out in paragraph (b) of the signature page to this Subscription Agreement, together with any other amounts previously used to purchase Securities in this offering, does not exceed 10% of the greater of the Subscriber’s annual income or net worth.

Subscriber represents that to the extent it has any questions with respect to its status as an accredited investor, or the application of the investment limits, it has sought professional advice.

(e) Shareholder information. Within five days after receipt of a request from the Company, the Subscriber hereby agrees to provide such information with respect to its status as a shareholder (or potential shareholder) and to execute and deliver such documents as may reasonably be necessary to comply with any and all laws and regulations to which the Company is or may become subject. **Subscriber further agrees that in the event it transfers any Securities, it will require the transferee of such Securities to agree to provide such information to the Company as a condition of such transfer.**

(f) Company Information. Subscriber understands that the Company is subject to all the risks that apply to early-stage companies, whether or not those risks are explicitly set out in the Offering Circular. Subscriber has had an opportunity to discuss the Company’s business, management and financial affairs with managers, officers and management of the Company and has had the opportunity to review the Company’s operations and facilities. Subscriber has also had the opportunity to ask questions of and receive answers from the Company and its management regarding the terms and conditions of this investment. Subscriber acknowledges that except as set forth herein, no representations or warranties have been made to Subscriber, or to Subscriber’s advisors or representative, by the Company or others with respect to the business or prospects of the Company or its financial condition.

(g) Valuation. The Subscriber acknowledges that the price of the Securities was set by the Company on the basis of the Company’s internal valuation and no warranties are made as to value. The Subscriber further acknowledges that future offerings of Securities may be made at lower valuations, with the result that the Subscriber’s investment will bear a lower valuation.

(h) Domicile. Subscriber maintains Subscriber’s domicile (and is not a transient or temporary resident) at the address shown on the signature page.

(i) No Brokerage Fees. There are no claims for brokerage commission, finders' fees or similar compensation in connection with the transactions contemplated by this Subscription Agreement or related documents based on any arrangement or agreement binding upon Subscriber. The undersigned will indemnify and hold the Company harmless against any liability, loss or expense (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) arising in connection with any such claim.

(j) Foreign Investors. If Subscriber is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Subscriber hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Securities or any use of this Subscription Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Securities, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Securities. Subscriber's subscription and payment for and continued beneficial ownership of the Securities will not violate any applicable securities or other laws of the Subscriber's jurisdiction.

5. Indemnity. The representations, warranties and covenants made by the Subscriber herein shall survive the Termination Date. The Subscriber agrees to indemnify and hold harmless the Company and its respective officers, directors and affiliates, and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all reasonable attorneys' fees, including attorneys' fees on appeal) and expenses reasonably incurred in investigating, preparing or defending against any false representation or warranty or breach of failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any other document furnished by the Subscriber to any of the foregoing in connection with this transaction.

6. Governing Law; Jurisdiction. This Subscription Agreement shall be governed and construed in accordance with the laws of the State of Delaware.

EACH OF THE SUBSCRIBER AND THE COMPANY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED WITHIN THE STATE OF DELAWARE AND NO OTHER PLACE AND IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS RELATING TO THIS SUBSCRIPTION AGREEMENT MAY BE LITIGATED IN SUCH COURTS. EACH OF SUBSCRIBER AND THE COMPANY ACCEPTS FOR ITSELF AND HIMSELF AND IN CONNECTION WITH ITS AND HIS RESPECTIVE PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS SUBSCRIPTION AGREEMENT. EACH OF SUBSCRIBER AND THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN THE MANNER AND IN THE ADDRESS SPECIFIED IN SECTION 8 AND THE SIGNATURE PAGE OF THIS SUBSCRIPTION AGREEMENT.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS SUBSCRIPTION AGREEMENT OR THE ACTIONS OF EITHER PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT THEREOF, EACH OF THE PARTIES HERETO ALSO WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF SUCH PARTY. EACH OF THE PARTIES HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS SUBSCRIPTION AGREEMENT. IN THE EVENT OF LITIGATION, THIS SUBSCRIPTION AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

7. Notices. Notice, requests, demands and other communications relating to this Subscription Agreement and the transactions contemplated herein shall be in writing and shall be deemed to have been duly given if and when (a) delivered personally, on the date of such delivery; or (b) mailed by registered or certified mail, postage prepaid, return receipt requested, in the third day after the posting thereof; or (c) emailed, telecopied or cabled, on the date of such delivery to the address of the respective parties as follows:

If to the Company, to:

Worthpoint Corporation  
5 Concourse Parkway  
Suite 2850  
Atlanta, Georgia 30328

If to a Subscriber, to Subscriber's address as shown on the signature page hereto.

or to such other address as may be specified by written notice from time to time by the party entitled to receive such notice. Any notices, requests, demands or other communications by telecopy or cable shall be confirmed by letter given in accordance with (a) or (b) above.

8. Miscellaneous.

(a) All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons or entity or entities may require.

(b) This Subscription Agreement is not transferable or assignable by Subscriber.

(c) The representations, warranties and agreements contained herein shall be deemed to be made by and be binding upon Subscriber and its heirs, executors, administrators and successors and shall inure to the benefit of the Company and its successors and assigns.

(d) None of the provisions of this Subscription Agreement may be waived, changed or terminated orally or otherwise, except as specifically set forth herein or except by a writing signed by the Company and Subscriber.

(e) In the event any part of this Subscription Agreement is found to be void or unenforceable, the remaining provisions are intended to be separable and binding with the same effect as if the void or unenforceable part were never the subject of agreement.

(f) The invalidity, illegality or unenforceability of one or more of the provisions of this Subscription Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Subscription Agreement in such jurisdiction or the validity, legality or enforceability of this Subscription Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

(g) This Subscription Agreement supersedes all prior discussions and agreements between the parties with respect to the subject matter hereof and contains the sole and entire agreement between the parties hereto with respect to the subject matter hereof.

(h) The terms and provisions of this Subscription Agreement are intended solely for the benefit of each party hereto and their respective successors and assigns, and it is not the intention of the parties to confer, and no provision hereof shall confer, third-party beneficiary rights upon any other person.

(i) The headings used in this Subscription Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

(j) This Subscription Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

(k) If any recapitalization or other transaction affecting the stock of the Company is effected, then any new, substituted or additional securities or other property which is distributed with respect to the Securities shall be immediately subject to this Subscription Agreement, to the same extent that the Securities, immediately prior thereto, shall have been covered by this Subscription Agreement.

(l) No failure or delay by any party in exercising any right, power or privilege under this Subscription Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

*[SIGNATURE PAGE FOLLOWS]*

**WORTHPOINT CORPORATION**

**SUBSCRIPTION AGREEMENT SIGNATURE PAGE**

The undersigned, desiring to purchase Common Stock of Worthpoint Corporation, by executing this signature page, hereby executes, adopts and agrees to all terms, conditions and representations of the Subscription Agreement.

- (a) The number of shares of Common Stock the undersigned hereby irrevocably subscribes for is: \_\_\_\_\_  
(print number of Securities)
- (b) The aggregate purchase price (based on a purchase price of \$11.00 per Security) for the shares the undersigned hereby irrevocably subscribes for is: \$ \_\_\_\_\_  
(print aggregate purchase price)
- (c) EITHER (i) The undersigned is an accredited investor (as that term is defined in Regulation D under the Securities Act because the undersigned meets the criteria set forth in the following paragraph(s) of Appendix A attached hereto: \_\_\_\_\_  
(print applicable number from Appendix A)
- OR (ii) The amount set forth in paragraph (b) above (together with any previous investments in the Securities pursuant to this offering) does not exceed 10% of the greater of the undersigned's net worth or annual income. \_\_\_\_\_
- (d) The Securities being subscribed for will be owned by, and should be recorded on the Company's books as held in the name of:

\_\_\_\_\_  
(print name of owner or joint owners)

If the Securities are to be purchased in joint names, both  
Subscribers must sign:

Signature

Name (Please Print)

Email address

Address

Telephone Number

Social Security Number

Date

Signature

Name (Please Print)

Email address

Address

Telephone Number

Social Security Number/EIN

Date

\* \* \* \* \*

This Subscription is accepted

on \_\_\_\_\_, 2017

WORTHPOINT CORPORATION

By: \_\_\_\_\_

Name:

Title:



## APPENDIX A

*An accredited investor includes the following categories of investor:*

- (1) 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 benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- (2) Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;
- (3) 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 \$5,000,000;
- (4) 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;
- (5) Any natural person whose individual net worth, or joint net worth with that person's spouse, exceeds \$1,000,000.
  - (i) Except as provided in paragraph (a)(5)(ii) of this section, for purposes of calculating net worth under this paragraph (a)(5):
    - (A) The person's primary residence shall not be included as an asset;
    - (B) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(C) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability;

(ii) Paragraph (a)(5)(i) of this section will not apply to any calculation of a person's net worth made in connection with a purchase of securities in accordance with a right to purchase such securities, provided that:

(A) Such right was held by the person on July 20, 2010;

(B) The person qualified as an accredited investor on the basis of net worth at the time the person acquired such right; and

(C) The person held securities of the same issuer, other than such right, on July 20, 2010.

(6) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

(7) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in §230.506(b)(2)(ii); and

(8) Any entity in which all of the equity owners are accredited investors.

**CONSENT OF INDEPENDENT AUDITOR**

We consent to the use, in this Offering Statement on Form 1-A, as it may be amended, of our independent auditors' report dated September 30, 2016 on our audits related to the consolidated financial statements of Worthpoint Corporation as of December 31, 2015 and 2014 and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Very truly yours,

*/s/ dbbmckennon*  
Newport Beach, California  
December 23, 2016

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WorthPoint Corporation  
5 Concourse Parkway NE, Suite 2850  
Atlanta, GA 30328

December 23, 2016

To the Board of Directors:

We are acting as counsel to WorthPoint Corporation (the "Company") with respect to the preparation and filing of an offering statement on Form 1-A. The offering statement covers the contemplated sale of up to 454,545 shares of the Company's Common Stock.

In connection with the opinion contained herein, we have examined the offering statement, the amended and restated certificate of incorporation and the amendment thereto approved by the Board of Directors and the Company's stockholders, the bylaws, the minutes of meetings of the Company's board of directors and stockholders, as well as all other documents necessary to render an opinion. In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such copies.

Based upon the foregoing, we are of the opinion that the Common Stock being sold pursuant to the offering statement will be duly authorized and will be, when issued in the manner described in the offering statement, legally and validly issued, fully paid and non-assessable. No opinion is being rendered hereby with respect to the truth and accuracy, or completeness of the offering statement or any portion thereof.

We further consent to the use of this opinion as an exhibit to the offering statement.

Yours truly,

/s/ KHLK, LLP

KHLK, LLP

By Jeanne Campanelli, Partner