

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

Organic To Go Food CORP

CIK: **1014343** | IRS No.: **582044990** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-21061** | Film No.: **081108831**
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **October 3, 2008**

ORGANIC TO GO FOOD CORPORATION

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction of
incorporation)

0-21061
(Commission File Number)

58-2044990
(IRS Employee Identification
No.)

3317 Third Avenue South
Seattle, Washington 98134
(Address of Principal Executive Offices) (Zip Code)

(206) 838-4670
(Registrant's Telephone Number)

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

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

Item 1.01 **Entry into a Material Definitive Agreement**

As previously disclosed in a Current Report on Form 8-K filed by Organic To Go Food Corporation (the “Company”) on June 4, 2008, the Company entered into a Note and Warrant Purchase Agreement (the “Note and Warrant Purchase Agreement”) with W.Health L.P. (the “Investor”), relating to the sale of (i) up to \$10.0 million in convertible promissory notes, convertible into shares of common stock, par value \$0.001, of the Company (“Common Stock”) and (ii) warrants to purchase up to 1,250,000 shares of Common Stock.

The Company has previously issued to the Investor \$7.0 million in convertible notes and warrants to purchase 875,000 shares of Common Stock pursuant to the Note and Warrant Purchase Agreement.

On October 3, 2008, the Company issued to the Investor a \$3.0 million convertible note (the “Note”) and a warrant to purchase 375,000 shares of Common Stock (the “Warrant”) pursuant to terms of the Note and Warrant Purchase Agreement (the “Debt Financing”).

The Debt Financing was conducted pursuant to Section 4(2) of the Securities Act of 1933, as amended, and Regulation S promulgated thereunder.

The descriptions of the Note and Warrant above do not purport to be complete and are qualified in their entirety by reference to the complete text of the forms of such agreements, copies of which are filed as exhibits to this Current Report on Form 8-K and are incorporated herein by reference.

Item 3.02 **Unregistered Sales of Equity Securities**

The information contained in Item 1.01 is incorporated herein by reference.

Item 9.01 **Financial Statements and Exhibits**

(d) Exhibits

10.1 Note

10.2 Warrant

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ORGANIC TO GO FOOD CORPORATION

Date: October 6, 2008

By: /s/ Michael Gats
Michael Gats
Chief Financial Officer

EXHIBIT INDEX

- 10.1 Note
- 10.2 Warrant

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT, PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT. THIS NOTE MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, PLEDGE, HYPOTHECATION OR ANY OTHER TRANSFER OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED BY THIS NOTE.

ORGANIC TO GO FOOD CORPORATION

CONVERTIBLE PROMISSORY NOTE

\$3,000,000.00

October 3, 2008

Seattle, Washington

FOR VALUE RECEIVED, Organic To Go Food Corporation, a Delaware corporation (the “**Company**”) promises to pay to W.Health L.P., a limited partnership organized under the laws of the Bahamas (“**Investor**”), or its registered assigns, in lawful money of the United States of America the principal sum of Three Million Dollars (\$3,000,000.00), payable in shares of common stock, par value \$0.001 (“**Common Stock**”), of the Company on March 17, 2010 (the “**Maturity Date**”) in accordance with the terms hereof. This Note is one of the “Notes” issued pursuant to the Note and Warrant Purchase Agreement, dated as of June 1, 2008 (as amended, modified or supplemented, the “**Note and Warrant Purchase Agreement**”) between the Company and the Investor (as defined in the Note and Warrant Purchase Agreement).

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Note and Warrant Purchase Agreement.

The following is a statement of the rights of Investor and the conditions to which this Note is subject, and to which Investor, by the acceptance of this Note, agrees:

1. Definitions. As used in this Note, the following capitalized terms have the following meanings:

- (a) “**Adjusted Closing Price**” has the meaning given in **Section 2(c)(ii)**.
- (b) “**Base Amount**” has the meaning given in **Section 2(c)(i)**.

(c) **“Change in Control”** shall mean: (1) the consummation of the sale, transfer, conveyance or other disposition (including any merger, reorganization or consolidation) in one or a series of related transactions of the voting equity securities of the Company or a similar transaction (or transactions) such that immediately following such transaction (or transactions) any “person” or related “group” of “persons” (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company or an Affiliate of the Company) beneficially owns more than fifty percent (50%) of the total voting equity securities of the Company outstanding immediately after such transaction; (2) the sale or transfer of all or substantially all of the assets of the Company to another entity which is not an Affiliate of the Company; or (3) the consummation of a merger or consolidation of the Company with any other entity that is not an Affiliate of the Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power of the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

(d) **“Pre-Sale Trading Price”** has the meaning given in **Section 2(f)(iii)**

(e) **“Trading Day”** means (i) a day on which the Common Stock is traded on a Trading Market (other than the OTC Bulletin Board), or (ii) if the Common Stock is not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as reported by the Pink Sheets LLC (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

2. **Conversion.**

(a) *Automatic Conversion.* The outstanding principal amount of this Note shall automatically convert into shares of Common Stock upon the earliest to occur of the following:

(i) the Maturity Date; or

(ii) subject to **Section 2(f)** below, the date upon which the closing price of the Common Stock on the Trading Market it is listed or quoted on is and has been \$3.00 per share (subject to adjustments in accordance with **Section 3**) or more on each Trading Day during a period of 60 consecutive calendar days preceding such date.

Upon such conversion of this Note, the Investor hereby agrees to deliver the original of this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement acceptable to the Company whereby the holder agrees to indemnify the Company from any loss incurred by it in connection with this Note) for cancellation; *provided, however*, that upon satisfaction of the conditions set forth in this **Section 2(a)**, this Note shall be deemed converted and of no further force and effect, whether or not it is delivered for cancellation as set forth in this sentence.

(b) *Optional Conversion.* Subject to **Sections 2(d) and 2(e)** below, if this Note has not been converted pursuant to **Section 2(a)**, then all, but not less than all, of the outstanding principal amount of this Note shall be convertible into shares of Common Stock at the option of the Investor any time before the Maturity Date. Before the Investor shall be entitled to convert this Note into shares of Common Stock under this **Section 2(b)**, the Investor shall surrender this Note, duly endorsed, at the office of the Company and shall give written notice to the Company at its principal corporate office, of the election to convert the same pursuant to this **Section 2(b)**, and shall state the name in which the certificate for shares of Common Stock are to be issued. The Company shall, as soon as practicable thereafter, issue and deliver at such office to Investor a certificate for the number of shares of Common Stock to which Investor shall be entitled upon conversion (bearing such legends as are required by the Note and Warrant Purchase Agreement and applicable state and federal securities laws in the opinion of counsel to the Company) and any other securities and property to which Investor is entitled upon such conversion under the terms of this Note. The conversion shall be deemed to have been made immediately prior to the close of business on the date of the surrender of this Note, and the Person entitled to receive the shares of Common Stock upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock as of such date.

(c) *Conversion Calculation.* The number of shares of Common Stock the Investor is entitled to receive upon conversion of this Note in accordance with this **Section 2** shall be determined as follows:

(i) Except as otherwise provided in **Section 2(c)(ii)**, the Investor shall receive such number of shares of Common Stock as determined by the following formula (the “**Base Amount**”):

$$A/10,000,000 * 4,333,333$$

where:

A = the principal amount of this Note.

For example, for a Note with a principal amount of \$5,000,000, the Investor would receive 2,166,667 shares of Common Stock calculated as follows:

Investment amount	\$5,000,000
Divided by total investment	\$10,000,000
Percent of total investment	50 %
Multiplied by total shares for \$10MM	4,333,333
Shares issued for \$5MM investment	2,166,667

(ii) If this Note is converted on the Maturity Date and the average closing price of the Common Stock on the Trading Market it is listed or quoted on during the ten (10) Trading Days ending three (3) days before the date of conversion (the “**Adjusted Closing Price**”) is less than \$3.00 (subject to adjustment in accordance with **Section 3** and subject to **Section 2(f)**), then the Investor shall receive such number of shares of Common Stock as determined by the following formula:

$$A \times 3 / (B \times .70)$$

where:

A = the Base Amount; and

B = the Adjusted Closing Price.

For example, if the Adjusted Closing Price is \$2.95, the Investor would receive 3,147,700 shares of Common Stock calculated as follows:

Base Amount	2,166,667
Multiplied by 3	3.00
	6,500,000
Divided by 70% of the Adjusted Closing Price	2.065
Adjusted number of shares	3,147,700

(d) *Conversion upon a Change in Control.* Upon the occurrence of a Change in Control in the Company, the principal balance of this Note shall be due and payable immediately in cash plus accrued and unpaid interest at the rate of 25% per annum, compounded on an annual basis.

(e) *Event of Default.* If an Event of Default shall occur, then at the election of the Investor, upon a notice to the Company (a) this Note shall be immediately converted into shares of Common Stock pursuant to the formula detailed in **Section 2(c)(ii)** (where “B” equals the closing price of the Common Stock on the date of the Event of Default), or (b) the principal balance of this Note plus accrued and unpaid interest at the rate of 25% per annum, compounded on an annual basis, shall become due and payable immediately in cash.

(f) *Price Manipulation.*

(i) In case the Company or any of its Subsidiaries or Affiliates, or any of the directors or officers of the Company or their Affiliates, purchase shares of Common Stock of the Company or cause others to purchase shares of Common Stock of the Company and, during the next full three (3) Trading Days following any such purchase the stock price rises above \$3.00 per share, then principal balance of this Note shall be due and payable immediately in cash plus accrued and unpaid interest at the rate of 50% per annum, compounded on an annual basis.

(ii) In case the Investor engages in any activity designed to manipulate the trading price of the Common Stock or sells shares of Common Stock beneficially owned by the Investor, or over which the Investor has dispositive control, (A) more than two (2) times every three (3) months or more than seven (7) times in the aggregate during the period beginning on the Initial Closing Date and ending on the Maturity Date, or (B) in blocks of less than 250,000 shares of Common Stock per sale, then this Note will automatically convert into shares of Common Stock pursuant to the formula set forth in **Section 2(c)(i)**.

(iii) During the three (3) months immediately prior to the Maturity Date, if the Investor sells shares of Common Stock and, during the next full three (3) Trading Days following any such sale the trading price of the Common Stock falls below the trading price of the Common Stock immediately prior to such sale (the “**Pre-Sale Trading Price**”), and the Pre-Sale Trading Price is less than \$3.00, then this Note will automatically convert into shares of Common Stock pursuant to the formula set forth in **Section 2(c)(ii)** (where “B” equals the pre-sale trading price); provided, however, if the Pre-Sale Trading Price is \$3.00 or more, then this Note will automatically convert into shares of Common Stock pursuant to the formula set forth in **Section 2(c)(i)**.

(g) *Fractional Shares; Interest; Effect of Conversion.* No fractional shares shall be issued upon conversion of this Note. Upon conversion of this Note in full, the Company shall be forever released from all its obligations and liabilities under this Note

3. *Adjustments.*

(a) *Adjustments for distributions, splits or subdivisions.* In the event the Company at any time or from time to time after the date of issuance hereof fixes a record date for the effectuation of a split or subdivision of any outstanding shares of Common Stock or the determination of holders of any shares of Common Stock entitled to receive a distribution without payment of any consideration by such holder, then, as of such record date (or the date of such distribution, split or subdivision if no record date is fixed), then the closing price of the Common Stock referenced in **Sections 2(a)(ii), 2(c)(ii) and 2(f)** and the conversion formulas referenced in **Section 2(c)(i) and 2(c)(ii)** shall be adjusted appropriately.

(b) *Adjustment for Reclassification, Exchange and Substitution.* If the shares of Common Stock issuable upon the conversion of this Note are changed into the same or a different number of shares or units of any class or classes of capital stock, whether by recapitalization, reclassification, or otherwise, then, and in any such event, the Investor shall have the right thereafter to convert this Note into the kind and amount of such capital stock and property receivable upon such reorganization, reclassification, or other change in accordance with the number of shares of Common Stock into which this Note would have been converted immediately prior to such reorganization, reclassification, or change.

4. *Successors and Assigns.* Subject to the restrictions on transfer described in the Note and Warrant Purchase Agreement, the rights and obligations of the Company and Investor shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

5. *Waiver and Amendment.* Any provision of this Note may be amended, waived or modified upon the written consent of the Company and the Investor.

6. **Notices.** All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall in be in accordance with the notice provisions set forth in the Note and Warrant Purchase Agreement.

7. **Pari Passu Notes.** Investor acknowledges and agrees that the payment of all or any portion of the outstanding principal amount of this Note and all interest hereon shall be *pari passu* in right of payment and in all other respects to the other Notes issued pursuant to the Note and Warrant Purchase Agreement or pursuant to the terms of such Notes. In the event the holder of this Note receives payments in excess of its pro rata share of the Company's payments to the holders of all of the Notes, then such holder shall hold in trust all such excess payments for the benefit of the holders of the other Notes and shall pay such amounts held in trust to such other holders upon demand by such holders.

8. **Usury.** In the event any interest is paid on this Note which is deemed to be in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the principal of this Note.

9. **Waivers.** The Company hereby waives notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor and all other notices or demands relative to this instrument.

10. **Governing Law.** This Note and all actions arising out of or in connection with this Note shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflicts of law provisions of the State of New York, or of any other state.

11. **Arbitration.** Any dispute, controversy, or claim arising in relation to this Note, including with regard to its validity, invalidity, breach, enforcement or termination, shall be resolved by binding arbitration in London, England, in accordance with the rules of arbitration which are in force in the United Kingdom on the date when the notice of arbitration is submitted. The arbitrability of such dispute, claim or controversy shall also be determined in such arbitration. Such arbitration proceeding shall be conducted in the English language before one (1) arbitrator agreed to by the parties. Both the foregoing agreement of the parties to arbitrate any and all such disputes, claims and controversies, and the results, determinations, findings, judgments and/or awards rendered through any such arbitration shall be final and binding on the parties hereto and may be specifically enforced by legal proceedings.

[Signature Page Follows]

The Company has caused this Note to be issued as of the date first written above.

Organic To Go Food Corporation

a Delaware corporation

By: _____

Name: Jason Brown

Title: Chief Executive Officer

[Signature page to Convertible Promissory Note]

NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT SECURED BY SUCH SECURITIES.

ORGANIC TO GO FOOD CORPORATION

WARRANT

Warrant No. J08-3

Original Issue Date: October 3, 2008

Organic To Go Food Corporation, a Delaware corporation (the "**Company**"), hereby certifies that, for value received, W.Health L.P., a limited partnership organized under the laws of the Bahamas or its registered assigns (the "**Holder**"), is entitled to purchase from the Company a total of 375,000 shares of Common Stock (each such share, a "**Warrant Share**" and all such shares, the "**Warrant Shares**"), at any time and from time to time from and after the Original Issue Date and through and including five years following the Original Issue Date (the "**Expiration Date**"), and subject to the following terms and conditions:

1. **Definitions.** As used in this Warrant, the following terms shall have the respective definitions set forth in this Section 1. Capitalized terms that are used and not defined in this Warrant that are defined in the Note and Warrant Purchase Agreement (as defined below) shall have the respective definitions set forth in the Note and Warrant Purchase Agreement.

"Business Day" means any day except Saturday, Sunday and any day that is a federal legal holiday in the United States or in Switzerland, or a day on which banking institutions in the State of New York are authorized or required by law or other government action to close.

"Common Stock" means the common stock of the Company, par value \$0.001 per share, and any securities into which such common stock may hereafter be reclassified.

"Exercise Price" means \$3.00, subject to adjustment in accordance with Section 9.

"Fundamental Transaction" means any of the following: (1) the Company effects any merger or consolidation of the Company with or into another Person, (2) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (3) any tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (4) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property.

"Original Issue Date" means the Original Issue Date first set forth on the first page of this Warrant.

"Note and Warrant Purchase Agreement" means the Note and Warrant Purchase Agreement, dated June 1, 2008, to which the Company and the original Holder are parties.

"Trading Day" means (i) a day on which the Common Stock is traded on a Trading Market (other than the OTC Bulletin Board), or (ii) if the Common Stock is not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as reported by the Pink Sheets LLC (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

2. Registration of Warrant. The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the **"Warrant Register"**), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

3. Registration of Transfers. The Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant, with the Form of Assignment attached hereto duly completed and signed, to the Company at its address specified herein. Upon any such registration or transfer, a new Warrant to purchase Common Stock, in substantially the form of this Warrant (any such new Warrant, a **"New Warrant"**), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Warrant.

4. Exercise and Duration of Warrants. This Warrant shall be exercisable by the registered Holder, in whole or in part, at any time and from time to time on or after the Original Issue Date through and including the Expiration Date. At 6:30 p.m., New York City time on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value. The Company may not call or redeem any portion of this Warrant without the prior written consent of the affected Holder.

5. Delivery of Warrant Shares.

(a) To effect exercises hereunder, the Holder shall not be required to physically surrender this Warrant unless the aggregate Warrant Shares represented by this Warrant is being exercised. Upon delivery of the Exercise Notice (in the form attached hereto) to the Company (with the attached Warrant Shares Exercise Log) at its address for notice set forth herein and upon payment of the Exercise Price multiplied by the number of Warrant Shares that the Holder intends to purchase hereunder, the Company shall promptly (but in no event later than three Trading Days after the Date of Exercise (as defined herein)) issue and deliver to the Holder, a certificate for the Warrant Shares issuable upon such exercise, which, unless otherwise required by the Note and Warrant Purchase Agreement, shall be free of restrictive legends. The Company shall, subsequent to the date on which a registration statement covering the resale of the Warrant Shares has been declared effective by the Securities and Exchange Commission, use its reasonable best efforts to deliver Warrant Shares hereunder electronically through the Depository Trust Corporation or another established clearing corporation performing similar functions, if available, provided, that, the Company may, but will not be required to change its transfer agent if its current transfer agent cannot deliver Warrant Shares electronically through the Depository Trust Corporation. A **"Date of Exercise"** means the date on which the Holder shall have delivered to the Company: (i) the Exercise Notice (with the Warrant Exercise Log attached to it), appropriately completed and duly signed and (ii) if such Holder is not utilizing the cashless exercise provisions set forth in this Warrant, payment of the Exercise Price for the number of Warrant Shares so indicated by the Holder to be purchased.

(b) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), then the Holder will have the right to rescind such exercise.

(c) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), and if after such third Trading Day and prior to the receipt of such Warrant Shares, the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "**Buy-In**"), then the Company shall (1) pay in cash to the Holder the amount by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (A) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue by (B) the closing bid price of the Common Stock on the Date of Exercise and (2) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In.

(d) The Company's obligations to issue and deliver Warrant Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Warrant Shares. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Warrant Shares upon exercise of the Warrant as required pursuant to the terms hereof.

6. Charges, Taxes and Expenses. Issuance and delivery of Warrant Shares upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

7. Replacement of Warrant. If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity (which shall not include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and shall reimburse the Company for all reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8. Reservation of Warrant Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of Persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable.

9. Certain Adjustments. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) Fundamental Transactions. If, at any time while this Warrant is outstanding there is a Fundamental Transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant (the "**Alternate Consideration**"). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this paragraph (b) and insuring that the Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(c) General Protection. The Company will not, by amendment of its Certificate of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder, or impair the economic interest of the Holder, but will at all times in good faith assist in the carrying out of all the provisions hereof and in taking of all such actions and making all such adjustments as may be necessary or appropriate in order to protect the rights and the economic interests of the Holder against impairment.

(d) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to this Section 9, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(e) Calculations. All calculations under this Section 9 shall be made to the nearest cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

(f) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section 9, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based, and the method by which such adjustment was calculated. Upon the occurrence of each adjustment, the Company will promptly deliver a copy of each such certificate to the Holder and to the Company's Transfer Agent.

(g) Notice of Corporate Events. If the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including without limitation any granting of rights or warrants to subscribe for or purchase any capital stock of the Company or any Subsidiary, (ii) authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for any Fundamental Transaction or (iii) authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then the Company shall deliver to the Holder a notice describing the material terms and conditions of such transaction (but only to the extent such disclosure would not result in the dissemination of material, non-public information to the Holder) at least 10 calendar days prior to the applicable record or effective date on which a Person would need to hold Common Stock in order to participate in or vote with respect to such transaction, and the Company will take all steps reasonably necessary in order to insure that the Holder is given the practical opportunity to exercise this Warrant prior to such time so as to participate in or vote with respect to such transaction; provided, however, that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

10. Payment of Exercise Price. The Holder may pay the Exercise Price in one of the following manners:

(a) Cash Exercise. The Holder may deliver immediately available funds; or

(b) Cashless Exercise. The Holder may notify the Company in an Exercise Notice of its election to utilize cashless exercise, in which event the Company shall issue to the Holder the number of Warrant Shares determined as follows:

$$X = Y [(A-B)/A]$$

where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares with respect to which this Warrant is being exercised.

A = the average of the closing prices for the five Trading Days immediately prior to (but not including) the Date of Exercise.

B = the Exercise Price.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Warrant Shares issued in a cashless exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the date this Warrant was originally issued.

11. No Fractional Shares. No fractional shares of Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would, otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the closing price of one Warrant Share as reported by the applicable Trading Market on the date of exercise.

12. Notices.

(a) All notices and other communications made pursuant to this Warrant shall be in writing and shall be conclusively deemed to have been duly given:

(i) in the case of hand delivery to the address set forth below, on the next Business Day after delivery;

(ii) in the case of delivery by an internationally recognized overnight courier to the address set forth below, freight prepaid, on the next Business Day after delivery and signed receipt by the recipient; and

(iii) in the case of a notice sent by facsimile transmission to the number and addressed as set forth below, on the next Business Day after delivery, if receipt of such facsimile transmission is confirmed.

(b) For all notices given pursuant to one of the methods listed in sub-clause (a) above, a copy of the notice should also be sent by email to the email address set forth below.

(c) Contact details:

If to Holder:

Address for notices being delivered by hand/courier:

c/o Inventages Whealth Management Inc.
Winterbotham Place, Marlborough & Queen Streets
P. O. Box N-3026
Nassau, The Bahamas, Attn: Dr. Gunnar Weikert

Always with a copy to: IVC SA, Route de Coppet 26A, 1291 - Commugny, Switzerland, Attn: Dr. Bogdan von Rueckmann

Always with a copy to: weikert@inventages.com and portfolio@inventages.com

Number for notices being delivered by facsimile transmission:

To: IVC SA, Attn: Dr. Bogdan von Rueckmann, at: +41 21 823 0001

Always with a copy to: weikert@inventages.com and portfolio@inventages.com

If to the Company:

Address for notices being delivered by hand/courier:

Organic To Go Food Corporation
3317 Third Avenue South
Seattle, Washington 98134
Attn: Chief Financial Officer

Number for notices being delivered by facsimile transmission:

(d) A party may change or supplement the contact details for service of any notice pursuant to this Warrant, or designate additional addresses, facsimile numbers and email addresses for the purposes of this Section 12, by giving the other parties written notice of the new contact details in the manner set forth above.

13. Warrant Agent. The Company shall serve as warrant agent under this Warrant. Upon 10 days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

14. Miscellaneous.

(a) This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any Person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder and their successors and assigns.

(b) All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof.

(c) Each party agrees that any dispute, controversy, or claim arising in relation to this Warrant, including with regard to its validity, invalidity, breach, enforcement or termination, shall be resolved by binding arbitration in London, England, in accordance with the rules of arbitration which are in force in the United Kingdom on the date when the notice of arbitration is submitted. The arbitrability of such dispute, claim or controversy shall also be determined in such arbitration. Such arbitration proceeding shall be conducted in the English language before one (1) arbitrator agreed to by the parties. Both the foregoing agreement of the parties to arbitrate any and all such disputes, claims and controversies, and the results, determinations, findings, judgments and/or awards rendered through any such arbitration shall be final and binding on the parties hereto and may be specifically enforced by legal proceedings.

(d) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(e) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(f) Prior to exercise of this Warrant, the Holder hereof shall not, by reason of being a Holder, be entitled to any rights of a stockholder with respect to the Warrant Shares.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK,
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

ORGANIC TO GO FOOD CORPORATION

By: _____

Name: Jason Brown

Title: Chairman and Chief Executive Officer

Signature Page to Warrant

EXERCISE NOTICE
ORGANIC TO GO FOOD CORPORATION
WARRANT DATED OCTOBER 3, 2008

The undersigned Holder hereby irrevocably elects to purchase _____ shares of Common Stock pursuant to the above referenced Warrant. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant.

(1) The undersigned Holder hereby exercises its right to purchase _____ Warrant Shares pursuant to the Warrant.

(2) The Holder intends that payment of the Exercise Price shall be made as (check one):

____ “Cash Exercise” under Section 10

____ “Cashless Exercise” under Section 10

(3) If the holder has elected a Cash Exercise, the holder shall pay the sum of \$_____ to the Company in accordance with the terms of the Warrant.

(4) Pursuant to this Exercise Notice, the Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Dated: _____, 20____

Name of Holder:

(Print) _____

By: _____

Name: _____

Title: _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

Warrant Shares Exercise Log

Date	Number of Warrant Shares Available to be Exercised	Number of Warrant Shares Exercised	Number of Warrant Shares Remaining to be Exercised

ORGANIC TO GO FOOD CORPORATION
WARRANT ORIGINALLY ISSUED OCTOBER 3, 2008
WARRANT NO. J08-3

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the above-captioned Warrant to purchase _____ shares of Common Stock to which such Warrant relates and appoints _____ attorney to transfer said right on the books of the Company with full power of substitution in the premises.

Dated: _____, _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

Address of Transferee

In the presence of: