FORM 8-K

Current report filing

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Green Ballast, Inc.
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SIC: **3640** Electric lighting & wiring equipment

Mailing Address
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SUITE 4000
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Business Address
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901-260-4400

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 16, 2012

GREEN BALLAST, INC.

(Exact name of registrant as specified in its charter)

Delaware	**000-54568**	**45-1629984**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
2620 Thousand Oaks Blvd., Suite 4000, Memphis, Tennessee		**38118**
(Address of principal executive offices)		(Zip Code)

(901) 260-4400
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box 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.

On October 16, 2012, Green Ballast, Inc. (the "Company") entered into Purchase Agreements (collectively, the "Purchase Agreement") with certain accredited investors (collectively, the "Investors"), pursuant to which the Company issued (i) two of its 8% Mandatorily Convertible Notes (each, a "Note" and collectively, the "Notes") in the aggregate principal amount of $200,000, and (ii) an aggregate of 200,000 shares of the Company's common stock, $0.0001 par value per share (the "Common Stock"), to the Investors, for aggregate gross proceeds of $200,000 (the "Financing Transaction").

As a condition to closing the Financing Transaction, on October 16, 2012, the Company also entered into a Stock Surrender Agreement (the "Stock Surrender Agreement") with current executive officers, J. Kevin Adams and William Bethell, and former executive officer, Daniel. L. Brown (collectively, the "Stockholders") and an affiliate of Kevin Adams, the Adams Family Limited Partnership (the "Affiliate"), pursuant to which the Stockholders and the Affiliate surrendered to the Company an aggregate of 1,000,000 shares of the Company's Common Stock.

The Purchase Agreement contains representations and warranties by the Company and the Investors and covenants of the Company and the Investors (including indemnification from the Company in the event it breaches its representations and warranties), which the Company believes are customary for transactions of this type. The Company agreed to use commercially reasonable efforts to effect a recapitalization of its capital stock by first reducing the number of shares of its outstanding Common Stock by the surrender of additional shares of Common Stock by existing stockholders of the Company (the "Share Reduction") and then effecting a reverse split of its outstanding shares of Common Stock.

The Notes bear a simple interest rate of 8% per annum and mature on October 16, 2013. Upon a closing of a subsequent private placement of the Company's equity or equity linked securities (the "Subsequent Offering") and completion of the Share Reduction (each, a "Conversion Event"), the outstanding principal amount of each Note is automatically convertible into shares of Common Stock. The number of shares of Common Stock to be issued upon conversion is equal to (a)(i) the principal amount of the Note (ii) divided by the pre-money valuation of the Company used in the Subsequent Offering, and then (iii) multiplied by the number of shares of Common Stock outstanding after the Conversion Event (the "Base Number"), plus (b) 20% of the Base Number. On the conversion date, all accrued but unpaid interest on the Notes will be forgiven.

The Notes contain customary covenants, including restricting certain payments to be made by the Company until all amounts due and payable under the Notes are paid in full. The Notes also contain customary events of default upon the occurrence of which, subject to any cure period, the full principal amount of the Notes, together with any other amounts owing in respect thereof, to the date of such event of default, shall become immediately due and payable without any action on the part of the holders of the Notes. In addition, failure by the Company to consummate the Subsequent Offering on or prior to April 15, 2013 constitutes an event of default under the Notes.

If the investors in the Subsequent Offering receive warrants or other rights to subscribe for shares of the Company's Common Stock, then the Investors are entitled to receive such warrants or other rights on a pro rata basis. The terms of the warrants received by the Investors would be the same as the warrants received by the investors in the Subsequent Offering.

In conjunction with the Financing Transaction, certain provisions of the warrants issued to Gemini Master Fund, Ltd. which require the reduction of the exercise price of such warrants was effected. As a result, the exercise price for each of the Company's Class A warrants, exercisable into 1,500,000 shares of Common Stock, and Class B warrants, exercisable into 1,500,000 shares of Common Stock and Class C warrants, exercisable into 2,000,000 shares of Common Stock, was reduced to $0.25 per share. As a result, the warrants are exercisable for an aggregate of 5,000,000 shares of Common Stock for an exercise price of $0.25 per share.

This Form 8-K does not constitute an offer to sell, or a solicitation of an offer to purchase, any of the foregoing or other securities of the Company. Any such offer may only be made by offering materials issued by the Company. The foregoing referenced securities have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and such securities may not be offered or sold within the United States or to or for the account or benefit of U.S. persons unless registered under the Securities Act and any applicable state securities laws or an exemption from such registration is available.

The foregoing description of the terms and conditions of the Purchase Agreement, the Notes and the Stock Surrender Agreement is only a summary and is qualified in its entirety by the full text of the Purchase Agreement, the Notes and the Stock Purchase Agreement, forms of which are filed as Exhibit 10.1, Exhibit 4.1 and Exhibit 10.2, respectively, to this Form 8-K and are incorporated by reference herein.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 of this Form 8-K regarding the issuance of Notes in the aggregate principal amount of $200,000 is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

See Exhibit Index immediately following the signature page.

GREEN BALLAST, INC.

Date: October 22, 2012

By: /s/ Mary F. Sharp

Mary F. Sharp
Secretary

EXHIBIT INDEX

Exhibit No.	Description
4.1	Form of Note issued by the Company to the Investors
10.1	Form of Purchase Agreement by and between the Company and the Investors
10.2	Stock Surrender Agreement, dated as of October 16, 2012, by and among the Company, the Stockholders and the Affiliate

EXHIBIT 4.1

THE SECURITIES REPRESENTED HEREBY MAY NOT BE TRANSFERRED UNLESS (I) SUCH SECURITIES HAVE BEEN REGISTERED FOR SALE PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, (II) SUCH SECURITIES MAY BE SOLD PURSUANT TO RULE 144, OR (III) THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSFER MAY LAWFULLY BE MADE WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933 OR QUALIFICATION UNDER APPLICABLE STATE SECURITIES LAWS.

8% MANDATORILY CONVERTIBLE NOTE

$_____

Original Issuance Date: _____, 2012

FOR VALUE RECEIVED, Green Ballast, Inc., a Delaware corporation (the "Company"), hereby unconditionally promises to pay to the order of _____ (the "Holder"), having an address at [address], at such address or at such other place as may be designated in writing by the Holder, or its permitted assigns, the aggregate principal sum of _____ United States Dollars ($_____), together with interest from the date set forth above on the unpaid principal balance of this Note outstanding at a rate equal to eight percent (8.0%) (computed on the basis of the actual number of days elapsed in a 360-day year) per annum and continuing on the outstanding principal until this 8% Mandatorily Convertible Note (the "Note") is indefeasibly and irrevocably paid in full by the Company or converted as provided in Section 4 hereof. The principal of this Note and all accrued and unpaid interest hereon shall mature and become due and payable on ● (the "Stated Maturity Date"). All payments of principal and interest by the Company under this Note shall be made in United States dollars in immediately available funds to an account specified by the Holder.

In the event that any amount due hereunder is not paid when due, such overdue amount shall bear interest at an annual rate of thirteen percent (13%) until paid in full. In no event shall any interest charged, collected or reserved under this Note exceed the maximum rate then permitted by applicable law and if any such payment is paid by the Company, then such excess sum shall be credited by the Holder as a payment of principal.

This Note is one of a series of Notes (the "Company Notes") of like tenor in an aggregate principal amount of up to One Million United States Dollars ($1,000,000) issued by the Company.

1. Definitions. Unless the context otherwise requires, when used herein the following terms shall have the meaning indicated:

"Affiliate" shall mean, with respect to any Person, any other Person which directly or indirectly through one or more intermediaries Controls, is controlled by, or is under common control with, such Person.

"Applicable Valuation" means a pre-money valuation of the Company equal to the valuation used in the Qualified Financing.

"Board" shall mean the Board of Directors of Company.

"Business Day" means a day, other than a Saturday or Sunday, on which banks in New York City are open for the general transaction of business.

"Common Stock" shall mean the Common Stock, par value $0.0001 per share, of the Company or any securities into which shares of Common Stock may be reclassified after the date hereof.

"Company" has the meaning set forth in the first paragraph hereof.

"Company's Knowledge" means the actual knowledge of the executive officers (as defined in Rule 405 under the 1933 Act) of the Company, after due inquiry.

"Company Notes" has the meaning set forth in the third paragraph hereof.

"Control" (including the terms "controlling", "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Event of Default" has the meaning set forth in Section 6 hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Hedging Agreement" means any interest rate swap, collar, cap, floor or forward rate agreement or other agreement regarding the hedging of interest rate risk exposure executed in connection with hedging the interest rate exposure of any Person and any confirming letter executed pursuant to such agreement, all as amended, supplemented, restated or otherwise modified from time to time.

"Holder" has the meaning set forth in the first paragraph hereof.

"Holders" means the registered holders of the Company Notes from time to time outstanding.

"Indebtedness" means any liability or obligation (i) for borrowed money, other than trade payables incurred in the ordinary course of business, (ii) evidenced by bonds, debentures, notes, or other similar instruments, (iii) in respect of letters of credit or other similar instruments (or reimbursement obligations with respect thereto), except letters of credit or other similar instruments issued to secure payment of trade payables or obligations in respect of workers' compensation, unemployment insurance and other social security laws or regulations, all arising in the ordinary course of business consistent with past practices, (iv) to pay the deferred purchase price of property or services, except trade payables arising in the ordinary course of business consistent with past practices, (v) as lessee under capitalized leases, (vi) secured by a Lien on any asset of the Company or a Subsidiary, whether or not such obligation is assumed by the Company or such Subsidiary.

"Intellectual Property" means all of the following: (i) patents, patent applications, patent disclosures and inventions (whether or not patentable and whether or not reduced to practice); (ii) trademarks, service marks, trade dress, trade names, corporate names, logos, slogans and Internet domain names, together with all goodwill associated with each of the foregoing; (iii) copyrights and copyrightable works; (iv) registrations, applications and renewals for any of the foregoing; and (v) proprietary computer software (including but not limited to data, data bases and documentation).

"Investment" means, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person or any agreement to make any such acquisition (including, without limitation, any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding 90 days arising in connection with the sale of inventory or supplies by such Person in the ordinary course of business; (c) the entering into of any guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person; or (d) the entering into of any Hedging Agreement.

"Lien" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any of the foregoing).

"Majority Holders" has the meaning set forth in Section 8 hereof.

"Mandatory Conversion Event" means the later to occur of (i) the consummation of a Qualified Financing and (ii) the Share Reduction.

"Material Adverse Effect" means a material adverse effect on (i) the assets, liabilities, results of operations, condition (financial or otherwise), business, or prospects of the Company and its Subsidiaries taken as a whole, or (ii) the ability of the Company to perform its obligations under Company Notes.

"1933 Act" meand the Securities Act of 1933, as amended.

"1934 Act" means the Securities Exchange Act of 1934, as amended.

"Note" has the meaning set forth in the first paragraph hereof.

"Permitted Indebtedness" means:

(a) Indebtedness existing on the date of the original issuance of this Note (or any predecessor of this Note) and refinancings, renewals and extensions of any such Indebtedness if (i) the average life to maturity thereof is greater than or equal to that of the Indebtedness being refinanced or extended, (ii) if the principal amount thereof or interest payable thereon is not increased, and (iii) the terms thereof (including any Liens securing such Indebtedness) are not less favorable to the Company or the Subsidiary incurring such Indebtedness than the Indebtedness being refinanced, renewed or extended;

(b) Guaranties by any Subsidiary of any "Permitted Indebtedness" of the Company or another Subsidiary;

(c) Indebtedness representing the deferred purchase price of property and capital lease obligations which collectively does not exceed $100,000 in aggregate principal amount; and

(d) Indebtedness of the Company to any wholly owned Subsidiary and Indebtedness of any wholly owned Subsidiary to the Company or another wholly owned Subsidiary which constitutes "Permitted Indebtedness."

"Permitted Investments" means:

(a) direct obligations of the United States of America, or of any agency thereof, or obligations guaranteed as to principal and interest by the United States of America, or of any agency thereof, in either case maturing not more than 90 days from the date of acquisition thereof;

(b) certificates of deposit issued by any bank or trust company organized under the laws of the United States of America or any State thereof and having capital, surplus and undivided profits of at least $500,000,000, maturing not more than 90 days from the date of acquisition thereof; and

(c) commercial paper rated A-1 or better or P-1 by Standard & Poor's Ratings Services or Moody's Investors Services, Inc., respectively, maturing not more than 90 days from the date of acquisition thereof; in each case so long as the same (x) provide for the payment of principal and interest (and not principal alone or interest alone) and (y) are not subject to any contingency regarding the payment of principal or interest.

"Permitted Liens" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in good faith and for which adequate reserves have been established on the Company's books and records in accordance with U.S. generally accepted accounting principles, consistently applied;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or that are being contested in good faith and by appropriate proceedings;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Company or any of its Subsidiaries;

(f) Liens securing any secured Indebtendess permitted under clause (a) of the definition of "Permitted Indebtedness"; and

(g) Liens granted to secure the obligations of the Company or any Subsidiary under any Indebtedness permitted under clause (c) of the definition of "Permitted Indebtedness" provided the Lien is limited to the property acquired or so financed (and any accessions thereto and proceeds thereof).

"Person" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, governmental authority or any other form of entity not specifically listed herein.

"Qualified Financing" means a private placement by the Company of its equity or equity linked securities to one or more accredited investors.

"Qualified Financing Documents" means the definitive documentation entered into by the Company and the investors in connection with the Qualified Financing, including, without limitation, customary registration rights provisions.

"Restricted Payment" has the meaning set forth in Section 5(b)(iv) hereof.

"SEC" means the Securities and Exchange Commission and any successor thereto.

"Share Reduction" means the reduction of the number of outstanding shares of Common Stock to be effected by the Company as promptly as practicable after the date of the original issuance of this Note.

"Stated Maturity Date" has the meaning set forth in the first paragraph hereof.

"Subsidiary" of any Person means another Person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its Board of Directors or other governing body (or, if there are no such voting interests, 50% or more of the equity interests of which) is owned directly or indirectly by such first Person.

"Trading Day" means (i) if the relevant stock or security is listed or admitted for trading on a national securities exchange, a day on which such exchange is open for business; (ii) if the relevant stock or security is quoted on a system of automated dissemination of quotations of securities prices, a day on which trades may be effected through such system; or (iii) if the relevant stock or security is not listed or admitted for trading on any national securities exchange or quoted on a system of automated dissemination of quotation of securities prices, a day on which the relevant stock or security is traded in a regular way in the over-the-counter market and for which a closing bid and a closing asked price for such stock or security are available, shall mean a day, other than a Saturday or Sunday, on which The New York Stock Exchange, Inc. is open for trading.

2. Company Notes. This Note is one of the several 8% Mandatorily Convertible Notes of the Company. This Note is transferable and assignable to any Person to whom such transfer is permissible under applicable law. The Company agrees to issue from time to time a replacement Note in the form hereof to facilitate such transfers and assignments. In addition, after delivery of an indemnity in form and substance reasonably satisfactory to the Company, the Company also agrees to promptly issue a replacement Note if this Note is lost, stolen, mutilated or destroyed.

3. No Right of Prepayment or Redemption. This Note shall not be prepayable or redeemable by the Company prior to the Stated Maturity Date.

4. Automatic Conversion.

(a) Neither this Note nor any portion of this Note shall be convertible at any time unless and until a Mandatory Conversion Event shall have occurred. Upon the occurrence of a Mandatory Conversion Event, the outstanding principal amount of this Note shall automatically and without any action on the part of the Holder be converted into a number of shares of Common Stock equal to Applicable Number (as defined). As used herein, the "Applicable Number" shall be equal the sum of (i) the quotient obtained by dividing (A) the principal amount of this Note, by (B) the Applicable Valuation, multiplied by (C) the number of shares of Common Stock outstanding immediately after giving effect to the Mandatory Conversion Event (such result being the "Base Number") plus (ii) 20% of the Base Number. By way of example, if the principal amount of this Note is $500,000, the Applicable Valuation is $15,000,000 and the number of shares of Common Stock outstanding immediately after giving effect to the Mandatory Conversion Event is 60,000,000, then the "Applicable Number" would be ((500,000/15,000,000)x60,000,000) + 0.2x((500,000/15,000,000)x60,000,000)=2,400,000. In the event that investors in the Qualified Financing receive warrants or other rights to subscribe for shares of Common Stock, the Holder would also receive such warrants or other rights on a pro rata basis. By way of example, if investors in the Qualified Financing receive 100% warrant coverage for the shares of Common Stock purchased by them in the Qualified Financing, based on the example above, the Holder would receive warrants to purchase 2,400,000 shares of Common Stock. The terms of the warrants received by the Holder (including the exercise price) would be the same as the warrants received by the other investors in the Qualified Financing. The date on which the Mandatory Conversion Event occurs is hereinafter referred to as the "Mandatory Conversion Date." The Company shall use its best efforts to notify the Holder at least five (5) Business Days prior to the expected Mandatory Conversion Date. The Holder shall keep such notice confidential and shall not effect any transaction in securities of the Company from and after receipt of the Company's notice and until such transactions are again permitted pursuant to the Qualified Financing Documents. On the Mandatory Conversion Date, all accrued and unpaid interest on this Note and the other Company Notes shall be forgiven.

(b) Promptly following the Mandatory Conversion Date, the Holder of this Note shall deliver to the Company (i) this Note (or, in lieu thereof, an appropriate lost security affidavit in the event this Note shall have been lost or destroyed, together with a customary indemnity agreement) to the Company at its principal office (or such other office or agency of the Company as the Company may designate by notice in writing to the Holder), together with a statement of the name or names (with address) in which the certificate or certificates for the shares of Common Stock and, if applicable, the other securities issuable upon such conversion shall be issued and (ii) executed counterparts of the Qualified Financing Documents executed by the investors in the Qualified Financing. Unless other arrangements have been made with the Holder, promptly following the Mandatory Conversion Date and the surrender of this Note (or,

in lieu thereof, delivery of an appropriate lost security affidavit in the event this Note shall have been lost or destroyed, together with a customary indemnity agreement) and such counterparts as aforesaid, the Company shall issue and deliver, or cause to be issued and delivered, to the Holder, registered in such name or names as the Holder may direct in writing, certificates representing the shares of Common Stock and, if applicable, the other securities into which this Note has been converted. The conversion shall be deemed to have been effected, as of the close of business on the Mandatory Conversion Date, and at such time, the rights of the Holder shall cease with respect to this Note, and the Person or Persons in whose name or names the shares of Common Stock and, if applicable, the other securities into which this Note has been converted shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of such shares of Common Stock and, if applicable, other securities.

(c) No fractional interest in a share of Common Stock shall be issued upon any conversion of this Note. If any fractional interest would, except for the provisions of the first sentence of this Section 4(c), be delivered upon such conversion, such fractional interest shall be rounded down to nearest whole number or amount, as applicable.

5. Covenants.

(a) So long as any amount due under this Note is outstanding and until indefeasible payment in full of all amounts payable by the Company hereunder:

(i) The Company shall and shall cause each of its Subsidiaries to (A) carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducting, (B) do all things necessary to remain duly organized, validly existing, and in good standing as a domestic corporation under the laws of its state of incorporation and (C) maintain all requisite authority to conduct its business in those jurisdictions in which its business is conducted.

(ii) The Company shall promptly notify the Holder in writing of (A) any change in the business or the operations the Company or any Subsidiary which could reasonably be expected to have a Material Adverse Effect, and (B) any information which indicates that any financial statements of the Company which have been filed with the Securities and Exchange Commission, fail, in any material respect, to present fairly, as of the date thereof and for the period covered thereby, the financial condition and results of operations purported to be presented therein, disclosing the nature thereof.

(iii) The Company shall promptly notify the Holder of the occurrence of any Event of Default or any event which, with the giving of notice, the lapse of time or both would constitute an Event of Default, which notice shall include a written statement as to such occurrence, specifying the nature thereof and the action (if any) which is proposed to be taken with respect thereto.

(iv) The Company shall promptly notify the Holder of any action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency against the Company or any Subsidiary or to which the Company or any Subsidiary may be subject which alleges damages in excess of Fifty Thousand United States Dollars ($50,000).

(v) The Company shall promptly notify the Holder of any default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which the Company or any Subsidiary is a party which default could reasonably be expected to have a Material Adverse Effect.

(vi) The Company shall and shall cause each Subsidiary to pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or property, except those that are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside.

(vii) The Company shall and shall cause each Subsidiary to all times maintain with financially sound and reputable insurance companies insurance covering its assets and its businesses in such amounts and covering such risks (including, without limitation, hazard, business interruption and public liability) as is consistent with sound business practice and as may be obtained at commercially reasonable rates.

(viii) The Company shall and shall cause each Subsidiary to comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which they may be subject except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

(ix) The Company shall and shall cause each Subsidiary to use commercially reasonable efforts to do all things necessary to maintain, preserve, protect and keep its properties in good repair, working order and condition and use commercially reasonable efforts to make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted.

(x) At its own expense, the Company shall and shall cause each Subsidiary to make, execute, endorse, acknowledge file and/or deliver any documents and take all actions which the Company reasonably believes is necessary or required to maintain its ownership rights in its Intellectual Property. Except for non-exclusive licenses granted in the ordinary course of business, the Company shall not and shall cause each Subsidiary not to transfer, assign or otherwise convey the Intellectual Property, any registrations or applications thereof and all goodwill associated therewith, to any person or entity.

(b) So long as any amount due under this Note is outstanding and until indefeasible payment in full of all amounts payable by the Company hereunder:

(i) The Company shall not and shall cause each Subsidiary not to create, incur, guarantee, issue, assume or in any manner become liable in respect of any Indebtedness, other than Permitted Indebtedness.

(ii) The Company shall not and shall cause each Subsidiary not to create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired other than Permitted Liens. The Company shall not, and shall cause each Subsidiary not to, be bound by any agreement which limits the ability of the Company or any Subsidiary to grant Liens.

(iii) The Company shall not, and shall cause each of its Subsidiaries not to, directly or indirectly, declare or pay any dividends on account of any shares of any class or series of its capital stock now or hereafter outstanding, or set aside or otherwise deposit or invest any sums for such purpose, or redeem, retire, defease, purchase or otherwise acquire any shares of any class of its capital stock (or set aside or otherwise deposit or invest any sums for such purpose) for any consideration or apply or set apart any sum, or make any other distribution (by reduction of capital or otherwise) in respect of any such shares or pay any interest, premium if any, or principal of any Indebtedness or redeem, retire, defease, repurchase or otherwise acquire any Indebtedness (or set aside or otherwise deposit or invest any sums for such purpose) for any consideration or apply or set apart any sum, or make any other payment in respect thereof or agree to do any of the foregoing (each of the foregoing is herein called a "Restricted Payment"); provided, that (i) the Company may make payments of interest, premium if any, and principal of the Notes in accordance with the terms hereof, (ii) provided that no Event of Default or event which, with the giving of notice, the lapse of time or both would constitute an Event of Default has occurred and is continuing, the Company and its Subsidiaries may make regularly scheduled payments of interest and principal of any Permitted Indebtedness, (iii) any Subsidiary directly or indirectly wholly owned by the Company may pay dividends on its capital stock and (iv) the Company may repurchase capital stock from any employee or consultant to the Company in order to satisfy any tax liability incurred by such employee or consultant in connection with the vesting of any restricted stock grant, provided that (A) such repurchase is approved by a majority of the Board, (B) payments permitted under this clause (iv) shall not exceed Fifty Thousand United States Dollars ($50,000) in the aggregate, and (C) no such payment may be made if an Event of Default or an event which, with the giving of notice, the lapse of time or both would constitute an Event of Default has occurred and is continuing or would result from such payment.

(iv) The Company shall not and shall cause each Subsidiary not to, directly or indirectly, engage in any business other than the business of developing and marketing ballasts for use in fluorescent lighting to reduce energy consumption and costs.

(v) The Company shall not and shall cause each Subsidiary not to make or own any Investment in any Person, including without limitation any joint venture, other than (A) Permitted Investments, (B) operating deposit accounts with banks, (C) Hedging Agreements entered into in the ordinary course of the Company's financial planning and not for speculative purposes and (D) investments by the Company in the capital stock of any wholly owned Subsidiary.

(vi) The Company shall not and shall cause each Subsidiary not to, directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which the Company or any Subsidiary (a) has sold or transferred or is to sell or to transfer to any other Person, or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by the Company or any Subsidiary to any Person in connection with such lease.

(vii) The Company shall not and shall cause each Subsidiary not to settle, or agree to indemnify or defend third parties against, any material lawsuit, except as may be required by judicial or regulatory order or by agreements entered into prior to the date hereof on a basis consistent with past practice. A material lawsuit shall be any lawsuit in which the amount in controversy exceeds Fifty Thousand United States Dollars ($50,000).

(viii) The Company shall not and shall cause each Subsidiary not to amend its bylaws, certificate of incorporation or other charter document in a manner adverse to the Holder.

6. Event of Default. The occurrence of any of following events shall constitute an "Event of Default" hereunder:

(a) the failure of the Company to make any payment of principal or interest on this Note or any Company Note when due, whether at maturity, upon acceleration or otherwise;

(b) the failure of the Company to make any payment of any other amounts due under this Note or Company Note when due, whether at maturity, upon acceleration or otherwise, and such failure continues for more than five (5) days;

(c) a Qualified Financing is not consummated on or before April 15, 2013;

(d) the Company and/or its Subsidiaries fail to make a required payment or payments on Indebtedness of Fifty Thousand United States Dollars ($50,000) or more in aggregate principal amount and such failure continues for more than thirty (30) days;

(e) there shall have occurred an acceleration of the stated maturity of any Indebtedness of the Company or its Subsidiaries of Fifty Thousand United States Dollars ($50,000) or more in aggregate principal amount (which acceleration is not rescinded, annulled or otherwise cured within ten (10) days of receipt by the Company or a Subsidiary of notice of such acceleration);

(f) the Company or any Subsidiary makes an assignment for the benefit of creditors or admits in writing its inability to pay its debts generally as they become due; or an order, judgment or decree is entered adjudicating the Company or any Subsidiary as bankrupt or insolvent; or any order for relief with respect to the Company or any Subsidiary is entered under the Federal Bankruptcy Code or any other bankruptcy or insolvency law; or the Company or any Subsidiary petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of the Company or any Subsidiary or of any substantial part of the assets of the Company or any Subsidiary, or commences any proceeding relating to it under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction; or any such petition or application is filed, or any such proceeding is commenced, against the Company or any Subsidiary and either (i) the Company or any Subsidiary by any act indicates its approval thereof, consents thereto or acquiescence therein or (ii) such petition application or proceeding is not dismissed within sixty (60) days;

(g) a final, non-appealable judgment which, in the aggregate with other outstanding final judgments against the Company and its Subsidiaries, exceeds Fifty Thousand United States Dollars ($50,000) shall be rendered against the Company or a Subsidiary and within sixty (60) days after entry thereof, such judgment is not discharged or execution thereof stayed pending appeal, or within sixty (60) days after the expiration of such stay, such judgment is not discharged; provided, however, that a judgment that provides for the payment of royalties subsequent to the date of the judgment shall be deemed to be discharged so long as the Company or the Subsidiary affected thereby is in compliance with the terms of such judgment;

(h) the Company is in breach of the requirements of Section 5(b) hereof; or

(i) if any representation or statement of fact made herein or furnished to the Holder at any time by or on behalf of the Company proves to have been false in any material respect when made or furnished.

Upon the occurrence of any such Event of Default all unpaid principal and accrued interest under this Note shall become immediately due and payable (A) upon election of the Holder, with respect to (a) through (e) and (g) through (i), and (B) automatically, with respect to (f). Upon the occurrence of any Event of Default, the Holder may, in addition to declaring all amounts due hereunder to be immediately due and payable, pursue any available remedy, whether at law or in equity. If an Event of Default occurs, the Company shall pay to the Holder the reasonable attorneys' fees and disbursements and all other reasonable out-of-pocket costs incurred by the Holder in order to collect amounts due and owing under this Note or otherwise to enforce the Holder's rights and remedies hereunder.

7. No Waiver. No delay or omission on the part of the Holder in exercising any right under this Note shall operate as a waiver of such right or of any other right of the Holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion.

8. Amendments in Writing. Any term of this Note may be amended or waived upon the written consent of the Company and the holders of Company Notes representing at least 50% of the principal amount of Company Notes then outstanding (the "Majority Holders"); provided, that (x) any such amendment or waiver must apply to all outstanding Company Notes; and (y) without the consent of the Holder hereof, no amendment or waiver shall (i) change the Stated Maturity Date of this Note, (ii) reduce the principal amount of this Note or the interest rate due hereon, (iii) change the provisions of Section 4 hereof or (iv) change the place of payment of this Note. No such waiver or consent on any one instance shall be construed to be a continuing waiver or a waiver in any other instance unless it expressly so provides.

9. Waivers. The Company hereby forever waives presentment, demand, presentment for payment, protest, notice of protest, notice of dishonor of this Note and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note.

10. Waiver of Jury Trial. **THE COMPANY HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS NOTE OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THE COMPANY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.**

11. Governing Law; Consent to Jurisdiction. This Note shall be governed by and construed under the law of the State of New York, without giving effect to the choice of law principles thereof (other than Section 5-1401 of the New York General Obligation Law). The Company and, by accepting this Note, the Holder, each irrevocably submits to the exclusive jurisdiction of the courts of the State of New York located in New York County and the United States District Court for the Southern District of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Note and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Note. The Company and, by accepting this Note, the Holder, each irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. The Company and, by accepting this Note, the Holder, each irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

12. Costs. If action is instituted to collect on this Note, the Company promises to pay all costs and expenses, including reasonable attorney's fees, incurred in connection with such action.

13. Notices. Any notice required or permitted under this Note shall be given in writing and shall be deemed effectively given as hereinafter described (i) if given by personal delivery, then such notice shall be deemed given upon such delivery, (ii) if given by telex or telecopier, then such notice shall be deemed given upon receipt of confirmation of complete transmittal, (iii) if given by mail, then such notice shall be deemed given upon the earlier of (A) receipt of such notice by the recipient or (B) three days after such notice is deposited in first class mail, postage prepaid, and (iv) if given by an internationally recognized overnight air courier, then such notice shall be deemed given one Business Day after delivery to such carrier. All notices shall be addressed to the party to be notified at the address as follows, or at such other address as such party may designate by ten days' advance written notice to the other party:

If to the Company:

Green Ballast, Inc.
2620 Thousand Oaks Boulevard, Suite 4000
Memphis, TN 38118
Attention: J. Kevin Adams
Fax: (901) 260-1002

With a copy to:

Green Ballast, Inc.
2620 Thousand Oaks Boulevard, Suite 4000
Memphis, TN 38118
Attention: Office of General Counsel
Fax: (901) 260-4423

If to the Holder, at the address of the Holder specified on the first page of this Note.

14. Successors and Assigns. This Note shall be binding upon the successors or assigns of the Company and shall inure to the benefit of the successors and assigns of the Holder.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company has caused this 8% Mandatorily Convertible Note to be signed in its name effective as of the date first above written.

GREEN BALLAST, INC.

By:_____
Name:
Title:

EXHIBIT 10.1

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is made as of the ● day of ●, 2012 by and between Green Ballast, Inc., a Delaware corporation (the "Company"), and the Investor party hereto (the "Investor").

Recitals

A. The Company and the Investor are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the provisions of Regulation D ("Regulation D"), as promulgated by the U.S. Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended; and

B. The Company is offering, upon the terms and conditions stated in this Agreement, (i) up to $1,000,000 in aggregate principal amount of the Company's 8% Mandatorily Convertible Notes in the form attached hereto as Exhibit A (the "Notes") which Notes are convertible into securities of the Company as provided therein and (ii) up to 1,000,000 shares (the "Shares") of the Company's Common Stock, par value $0.0001 per share (together with any securities into which such shares may be reclassified the "Common Stock"); the Notes and the Shares to be issued in Units (each, a "Unit" and, collectively, the "Units"), each Unit consisting of $1,000 in principal amount of the Notes and 1,000 Shares for an aggregate per Unit price of $1,000 (the "Per Unit Purchase Price"); and

C. The Investor wishes to purchase from the Company, and the Company wishes to sell and issue to the Investor the Units specified on the signature page to this Agreement at the Per Unit Purchase Price; and

D. On or prior to the Closing (as defined herein), certain executive officers of the Company and/or their Affiliates (the "Surrendering Holders") will execute and deliver to the Company one or more surrender agreements (the "Surrender Agreements") pursuant to which the Surrendering Holders will surrender to the Company at the Closing an aggregate of 1,000,000 shares of Common Stock currently owned by them (the "Surrendered Shares") (the "Stock Surrender").

In consideration of the mutual promises made herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. In addition to those terms defined above and elsewhere in this Agreement, for the purposes of this Agreement, the following terms shall have the meanings set forth below:

"Affiliate" means, with respect to any Person, any other Person which directly or indirectly through one or more intermediaries Controls, is controlled by, or is under common control with, such Person.

"Agent" means Loewen, Ondaatje, McCutcheon USA LTD

"Business Day" means a day, other than a Saturday or Sunday, on which banks in New York City are open for the general transaction of business.

"Company's Knowledge" means the actual knowledge of the executive officers (as defined in Rule 405 under the 1933 Act) of the Company.

"Control" (including the terms "controlling", "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Conversion Securities" means the securities issued upon conversion of the Notes, including any shares of Common Stock issuable upon the exercise or conversion of any Conversion Securities.

"Material Adverse Effect" means a material adverse effect on (i) the results of operations or financial condition of the Company and its Subsidiaries taken as a whole, or (ii) the ability of the Company to perform its obligations under the Transaction Documents.

"Person" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, governmental authority or any other form of entity not specifically listed herein.

"SEC Filings" has the meaning set forth in Section 4.6.

"Securities" means the Notes, the Shares and the Conversion Securities.

"Subsidiary" of any Person means another Person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its Board of Directors or other governing body (or, if there are no such voting interests, 50% or more of the equity interests of which) is owned directly or indirectly by such first Person.

"Transaction Documents" means this Agreement, the Surrender Agreements and the Notes.

"1933 Act" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"1934 Act" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

2. Purchase and Sale of the Units. Subject to the terms and conditions of this Agreement, on the Closing Date, the Investor shall purchase, and the Company shall sell and issue to the Investor, the Units in the amount set forth opposite the Investor's name on the signature page attached hereto at a price per Unit equal to the Per Unit Purchase Price. The Investor acknowledges that the Company will, from time to time, enter into purchase agreements containing substantially the same terms as contained herein with one or more additional investors.

3. Closings. The purchase and sale of the Units to be purchased by the Investor hereunder shall occur on a date to be mutually agreed to by the Company and the Investor (the "Closing"). The date on which the Closing occurs is hereinafter referred to as the "Closing Date." At the Closing, (i) the Investor shall cause a wire transfer in same day funds to be sent to the account of the Company as instructed in writing by the Company, in an amount equal to the product of (A) the number of Units being purchased by such Investor on the Closing Date and (B) the Per Unit Purchase Price, and (ii) the Company shall (A) cause to be issued and delivered to such Investor or its designee, by FedEx or other recognized overnight courier, a Note in the aggregate principal amount purchased by the Investor at the Closing, registered in such name or names as the Investor may designate, and (B) issue irrevocable transfer instructions to the transfer agent for the Common Stock (the "Transfer Agent") instructing the Transfer Agent to issue and deliver to such Investor or its designee a stock certificate representing the Shares purchased by the Investor at the Closing, registered in such name or names as the Investor may designate. No certificates representing Units will be issued and the Notes and the Shares shall be separately transferrable, subject to the restrictions on transfer set forth herein and those arising under the 1933 Act. The Closing shall take place at the offices of Lowenstein Sandler PC, 1251 Avenue of the Americas, 18th Floor, New York, New York 10020, or at such other location and on such other date as the Company and the Investor shall mutually agree.

4. Representations and Warranties of the Company. The Company hereby represents and warrants to the Investor that, except as set forth in the schedules delivered herewith (collectively, the "Disclosure Schedules"):

4. 1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all requisite corporate power and authority to carry on its business as now conducted and to own its properties. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property makes such qualification or leasing necessary unless the failure to so qualify has not had and could not reasonably be expected to have a Material Adverse Effect. The Company does not own any equity interest in any other Person.

4.2 Authorization. The Company has the corporate power and has taken all requisite action on the part of the Company, its officers, directors and stockholders necessary for (i) the authorization, execution and delivery of the Transaction Documents, (ii) the authorization of the performance of all obligations of the Company hereunder or thereunder, and (iii) the authorization, issuance (or reservation for issuance) and delivery of the Securities. The Transaction Documents constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability, relating to or affecting creditors' rights generally.

4.3 Capitalization. The Company has the capitalization set forth in the SEC Filings (as defined below). All of the issued and outstanding shares of the Company's capital stock have been duly authorized and validly issued and are fully paid, nonassessable and free of pre-emptive rights and were issued in compliance in all material respects with applicable state and federal securities law and any rights of third parties. No Person is entitled to pre-emptive or similar statutory or contractual rights with respect to any securities of the Company. There are no voting agreements, buy-sell agreements, option or right of first purchase agreements or other agreements of any kind among the Company and any of the securityholders of the Company relating to the securities of the Company held by them.

The issuance and sale of the Securities hereunder will not obligate the Company to issue shares of Common Stock or other securities to any other Person (other than the Investor) and will not result in the adjustment of the exercise, conversion, exchange or reset price of any outstanding security.

The Company does not have outstanding stockholder purchase rights or "poison pill" or any similar arrangement in effect giving any Person the right to purchase any equity interest in the Company upon the occurrence of certain events.

4.4 Valid Issuance. Upon the due conversion of the Notes, the Conversion Securities will (i) to the extent constituting capital stock of the Company, be validly issued, fully paid and non-assessable free and clear of all encumbrances and restrictions, except for restrictions on transfer set forth in the Transaction Documents or imposed by applicable securities laws and except for those created by the Investor and (ii) in all other cases, constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability, relating to or affecting creditors' rights generally. No later than the Mandatory Conversion Date, the Company will have reserved a sufficient number of shares of Common Stock for issuance upon the exercise or conversion of any Conversion Securities exercisable for or convertible into Common Stock, free and clear of all encumbrances and restrictions, except for restrictions on transfer set forth in the Transaction Documents or imposed by applicable securities laws and except for those created by the Investor.

4.5 Consents. The execution, delivery and performance by the Company of the Transaction Documents and the offer, issuance and sale of the Securities require no consent of, action by or in respect of, or filing with, any Person, governmental body, agency, or official other than filings that have been made pursuant to applicable state securities laws and post-sale filings pursuant to applicable state and federal securities laws which the Company undertakes to file within the applicable time periods. Subject to the accuracy of the representations and warranties of each Investor set forth in Section 5 hereof, the Company has taken all action necessary to exempt (i) the issuance and sale of the Securities, (ii) the issuance of the Conversion Securities and (iii) the other transactions contemplated by the Transaction Documents from the provisions of any anti-takeover, business combination or control share law or statute binding on the Company or to which the Company or any of its assets and properties may be subject and any provision of the Company's Certificate of Incorporation or Bylaws that is or could reasonably be expected to become applicable to the Investor as a result of the transactions contemplated hereby.

4.6 Delivery of SEC Filings; Business. The Company has made available to the Investor through the EDGAR system, true and complete copies of the Company's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (the "10-K"), and all other reports filed by the Company pursuant to the 1934 Act since the filing of the 10-K and prior to the date hereof (collectively, the "SEC Filings"). The SEC Filings are the only filings required of the Company pursuant to the 1934 Act for such period.

4.7 Use of Proceeds. The net proceeds of the sale of the Notes and the Shares hereunder shall be used by the Company for working capital and general corporate purposes; provided, however, that none of such net proceeds shall be used to redeem, repurchase or other wise satisfy or provide for the satisfaction of any Indebtedness (as defined in the Notes), other than the repayment in full when due of $150,000 in aggregate principal amount plus accrued interest under the Company's 12% Senior Secured Notes due October 16, 2012 issued to Green Ballast LLC ("GBL") and Gemini Master Fund, Ltd. ("Gemini") pursuant to the Loan Agreement, dated April 16, 2012, by and among the Company, GBL and Gemini.

4.8 No Material Adverse Change. Since December 31, 2011, except as identified and described in the SEC Filings and except for the Stock Surrender, there has not been:

(i) any material adverse change in the consolidated assets, liabilities, financial condition or operating results of the Company from that reflected in the financial statements included in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012;

(ii) any declaration or payment of any dividend, or any authorization or payment of any distribution, on any of the capital stock of the Company, or any redemption or repurchase of any securities of the Company;

(iii) any material damage, destruction or loss, whether or not covered by insurance to any assets or properties of the Company;

(iv) any material labor difficulties or labor union organizing activities with respect to employees of the Company;

(v) any material transaction entered into by the Company other than in the ordinary course of business; or

(vi) any other event or condition of any character that has had or could reasonably be expected to have a Material Adverse Effect.

4.9 SEC Filings. At the time of filing thereof as amended on or prior to the date hereof, the SEC Filings complied as to form in all material respects with the requirements of the 1934 Act and did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4.10 No Conflict, Breach, Violation or Default. The execution, delivery and performance of the Transaction Documents by the Company and the issuance and sale of the Securities will not conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under (i) the Company's Certificate of Incorporation or the Company's Bylaws, both as in effect on the date hereof (true and complete copies of which have been made available to the Investor through the EDGAR system), or (ii)(a) any statute, rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any of its assets or properties, or (b) any agreement or instrument to which the Company is a party or by which the Company is bound or to which any of its assets or properties is subject, except, in the case of clause (ii), for such breaches, violations or defaults as would not reasonably be expected to result in a Material Adverse Effect.

4.11 Financial Statements. The financial statements included in each SEC Filing present fairly, in all material respects, the financial position of the Company as of the dates shown and its results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with United States generally accepted accounting principles applied on a consistent basis ("GAAP") (except as may be disclosed therein or in the notes thereto, and, in the case of quarterly financial statements, as permitted by Form 10-Q under the 1934 Act). Except as set forth in the financial statements of the Company included in the SEC Filings filed prior to the date hereof, the Company has not incurred any liabilities, contingent or otherwise, except those incurred in the ordinary course of business, consistent (as to amount and nature) with past practices since the date of such financial statements, none of which, individually or in the aggregate, have had or could reasonably be expected to have a Material Adverse Effect.

4.12 Brokers and Finders. Except for the Agent, no Person will have, as a result of the transactions contemplated by the Transaction Documents, any valid right, interest or claim against or upon the Company or an Investor for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of the Company.

4.13 No Directed Selling Efforts or General Solicitation. Neither the Company nor any Person acting on its behalf has conducted any general solicitation or general advertising (as those terms are used in Regulation D) in connection with the offer or sale of any of the Securities.

4.14 No Integrated Offering. Neither the Company nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any Company security or solicited any offers to buy any security, under circumstances that would adversely affect reliance by the Company on Section 4(2) for the exemption from registration for the transactions contemplated hereby or would require registration of the Securities under the 1933 Act.

4.15 Private Placement. Assuming the accuracy of the representations and warranties of the Investor contained in Section 5 hereof and compliance by the Investor with the terms of the Transaction Documents, the offer and sale of the Securities to the Investor as contemplated hereby is exempt from the registration requirements of the 1933 Act.

4.16 Internal Controls. The Company is in material compliance with the provisions of the Sarbanes-Oxley Act of 2002 currently applicable to the Company. Except as disclosed in the SEC Filings, the Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the SEC Filings, the Company has established disclosure controls and procedures (as defined in 1934 Act Rules 13a-14 and 15d-14) for the Company and designed such disclosure controls and procedures to ensure that material information relating to the Company, including the Subsidiaries, is made known to the certifying officers by others within those entities, particularly during the period in which the Company's most recently filed period report under the 1934 Act, as the case may be, is being prepared. The Company's certifying officers have evaluated the effectiveness of the Company's controls and procedures as of the end of the period covered by the most recently filed periodic report under the 1934 Act (such date, the "Evaluation Date"). The Company presented in its most recently filed periodic report under the 1934 Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no significant changes in the Company's internal controls (as such term is defined in Item 308 of Regulation S-B) or, to the Company's Knowledge, in other factors that could significantly affect the Company's internal controls. The Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with GAAP and the applicable requirements of the 1934 Act.

4.17 Disclosures. Neither the Company nor any Person acting on its behalf has provided the Investor or its agents or counsel with any information that constitutes or might constitute material, non-public information, other than the terms of this transaction. The Company understands that the Investor will be relying on this representation in effecting transactions in the Company's securities.

5. Representations and Warranties of the Investor. The Investor hereby represents and warrants to the Company that:

5.1 Organization and Existence. Such Investor is a validly existing corporation, limited partnership or limited liability company and has all requisite corporate, partnership or limited liability company power and authority to invest in the Securities pursuant to this Agreement.

5.2 Authorization. The execution, delivery and performance by such Investor of the Transaction Documents to which such Investor is a party have been duly authorized and will each constitute the valid and legally binding obligation of such Investor, enforceable against such Investor in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability, relating to or affecting creditors' rights generally.

5.3 Purchase Entirely for Own Account. The Securities to be received by such Investor hereunder will be acquired for such Investor's own account, not as nominee or agent, and not with a view to the resale or distribution of any part thereof in violation of the 1933 Act, and such Investor has no present intention of selling, granting any participation in, or otherwise distributing the same in violation of the 1933 Act without prejudice, however, to such Investor's right at all times to sell or otherwise dispose of all or any part of such Securities in compliance with applicable federal and state securities laws**.** Nothing contained herein shall be deemed a representation or warranty by such Investor to hold the Securities for any period of time. Such Investor is not a broker-dealer registered with the SEC under the 1934 Act or an entity engaged in a business that would require it to be so registered.

5.4 Investment Experience. Such Investor acknowledges that it can bear the economic risk and complete loss of its investment in the Securities and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment contemplated hereby.

5.5 Disclosure of Information. Such Investor has had an opportunity to receive all information related to the Company requested by it and to ask questions of and receive answers from the Company regarding the Company, its business and the terms and conditions of the offering of the Securities. Such Investor acknowledges receipt of copies of the SEC Filings. Neither such inquiries nor any other due diligence investigation conducted by such Investor shall modify, amend or affect such Investor's right to rely on the Company's representations and warranties contained in this Agreement.

5.6 Restricted Securities. Such Investor understands that the Securities are characterized as "restricted securities" under the U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the 1933 Act only in certain limited circumstances.

5.7 Legends. It is understood that, except as provided below, certificates evidencing the Securities may bear the following or any similar legend:

(a) "The securities represented hereby may not be transferred unless (i) such securities have been registered for sale pursuant to the Securities Act of 1933, as amended, (ii) such securities may be sold pursuant to Rule 144, or (iii) the Company has received an opinion of counsel reasonably satisfactory to it that such transfer may lawfully be made without registration under the Securities Act of 1933, as amended, or qualification under applicable state securities laws."

(b) If required by the authorities of any state in connection with the issuance of sale of the Securities, the legend required by such state authority.

5.8 Accredited Investor. Such Investor is an accredited investor as defined in Rule 501(a) of Regulation D, as amended, under the 1933 Act.

5.9 No General Solicitation. Such Investor did not learn of the investment in the Securities as a result of any public advertising or general solicitation.

5.10 Brokers and Finders. No Person will have, as a result of the transactions contemplated by the Transaction Documents, any valid right, interest or claim against or upon the Company or an Investor for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of such Investor.

5.11 Agent. Such Investor understands that the Agent has acted solely as the agent of the Company in this offering, and that the Agent makes no representation or warranty with regard to the merits of this transaction or as to the accuracy of any information such Investor may have received in connection therewith. Such Investor acknowledges that he has not relied on any information or advice furnished by or on behalf of the Agent.

6. Conditions to Closing.

6.1 Conditions to the Investor's Obligations. The Investor's obligation to purchase Notes and Shares at the Closing is subject to the fulfillment to such Investor's satisfaction, on or prior to the Closing Date, of the following conditions, any of which may be waived by such Investor:

(a) The representations and warranties made by the Company in Section 4 hereof qualified as to materiality shall be true and correct at all times prior to and on the Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct as of such earlier date, and, the representations and warranties made by the Company in Section 4 hereof

not qualified as to materiality shall be true and correct in all material respects at all times prior to and on the Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date. The Company shall have performed in all material respects all obligations and covenants herein required to be performed by it on or prior to the Closing Date.

(b) The Company shall have obtained any and all consents, permits, approvals, registrations and waivers necessary or appropriate for consummation of the purchase and sale of the Securities and the consummation of the other transactions contemplated by the Transaction Documents, all of which shall be in full force and effect.

(c) No judgment, writ, order, injunction, award or decree of or by any court, or judge, justice or magistrate, including any bankruptcy court or judge, or any order of or by any governmental authority, shall have been issued, and no action or proceeding shall have been instituted by any governmental authority, enjoining or preventing the consummation of the transactions contemplated hereby or in the other Transaction Documents.

(d) No stop order or suspension of trading shall have been imposed by the SEC or any other governmental or regulatory body with respect to public trading in the Common Stock.

(e) The Stock Surrender Agreements shall have been executed and delivered by the Company and the Surrendering Holders, the Surrendering Holders shall have delivered to the Company the certificates representing the Surrendered Shares, free and clear of all encumbrances and restrictions, the Company shall have issued to the Transfer Agent irrevocable transfer instructions instructing the Transfer Agent to transfer the Surrendered Shares to the Company, and evidence of all of such transactions reasonably satisfactory to the Investor shall have been provided to the Investor.[1]

6.2 Conditions to Obligations of the Company. The Company's obligation to sell and issue the Notes and the Shares to the Investor at the Closing is subject to the fulfillment to the satisfaction of the Company on or prior to the Closing Date of the following conditions, any of which may be waived by the Company:

(a) The representations and warranties made by the Investor in Section 5 hereof, other than the representations and warranties contained in Sections 5.3, 5.4, 5.5, 5.6, 5.7, 5.8 and 5.9 (the "Investment Representations"), shall be true and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date with the same force and effect as if they had been made on and as of said date. The Investment Representations shall be true and correct in all respects when made, and shall be true and correct in all respects on the Closing Date with the same force and effect as if they had been made on and as of said date. The Investor shall have performed in all material respects all obligations and covenants herein required to be performed by it on or prior to the Closing Date.

[1] To be included only in the first Agreements executed by the Company.

(b) The Investor shall have paid the purchase price for the Notes and the Shares to be issued on the Closing Date.

6.3 Termination of Obligations to Effect Closing; Effects.

(a) The obligations of the Company, on the one hand, and the Investor, on the other hand, to effect any Closing shall terminate as follows:

(i) Upon the mutual written consent of the Company and the Investor;

(ii) By the Company if any of the conditions set forth in Section 6.2 shall have become incapable of fulfillment, and shall not have been waived by the Company;

(iii) By the Investor if any of the conditions set forth in Section 6.1 shall have become incapable of fulfillment, and shall not have been waived by the Investor; or

(iv) By either the Company or the Investor if the Closing has not occurred on or prior to December 31, 2012;

provided, however, that, except in the case of clause (i) above, the party seeking to terminate its obligation to effect the Closing shall not then be in breach of any of its representations, warranties, covenants or agreements contained in this Agreement or the other Transaction Documents if such breach has resulted in the circumstances giving rise to such party's seeking to terminate its obligation to effect the Closing.

(b) Nothing in this Section 6.3 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents.

7. Covenants and Agreements of the Company.

7.1 Reservation of Common Stock. No later than the Mandatory Conversion Date, the Company shall reserve a sufficient number of shares of Common Stock for issuance upon the exercise or conversion of any Conversion Securities exercisable for or convertible into Common Stock.

7.2 No Conflicting Agreements. The Company will not take any action, enter into any agreement or make any commitment that would conflict or interfere in any material respect with the Company's obligations to the Investor under the Transaction Documents.

7.3 Compliance with Laws. The Company will comply in all material respects with all applicable laws, rules, regulations, orders and decrees of all governmental authorities.

7.4 Recapitalization. The Company shall use commercially reasonable efforts to effect as promptly as practicable after the Closing a recapitalization of its capital stock whereby, among other things, (i) the number of outstanding shares of Common Stock will be reduced (the "Share Reduction"), and (ii) the Company shall effect a reverse split of its outstanding Common Stock. In connection with the Share Reduction, the Investor shall adjust its ownership interest in the Company (whether by surrendering some or all of the Shares, by amending the terms of the Notes, or both) so that, immediately after giving effect to the Share Reduction, its pro rata economic interest in the Company (on a fully diluted basis) will be the same as it was immediately prior to the Share Reduction, plus a premium of 20%.

8. Survival and Indemnification.

8.1 Survival. The representations, warranties, covenants and agreements contained in this Agreement shall survive the Closing of the transactions contemplated by this Agreement; provided, however, that any claim for Losses (as defined below) arising out of a breach of representation or warranty must be made, if at all, within one year of the Closing Date.

8.2 Indemnification. The Company agrees to indemnify and hold harmless the Investor and its Affiliates and their respective directors, officers, employees and agents from and against any and all losses, claims, damages, liabilities and expenses (including without limitation reasonable attorney fees and disbursements and other expenses incurred in connection with investigating, preparing or defending any action, claim or proceeding, pending or threatened and the costs of enforcement thereof) (collectively, "Losses") to which such Person may become subject as a result of any breach of representation, warranty, covenant or agreement made by or to be performed on the part of the Company under the Transaction Documents, and will reimburse any such Person for all such amounts as they are incurred by such Person.

8.3 Conduct of Indemnification Proceedings. Promptly after receipt by any Person (the "Indemnified Person") of notice of any demand, claim or circumstances which would or might give rise to a claim or the commencement of any action, proceeding or investigation in respect of which indemnity may be sought pursuant to Section 8.2, such Indemnified Person shall promptly notify the Company in writing and the Company shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Person, and shall assume the payment of all fees and expenses; provided, however, that the failure of any Indemnified Person so to notify the Company shall not relieve the Company of its obligations hereunder except to the extent that the Company is materially prejudiced by such failure to notify. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless: (i) the Company and the Indemnified Person shall have mutually agreed to the retention of such counsel; or (ii) in the reasonable judgment of counsel to such Indemnified Person representation of both parties by the same counsel would be

inappropriate due to actual or potential differing interests between them. The Company shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent, or if there be a final judgment for the plaintiff, the Company shall indemnify and hold harmless such Indemnified Person from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. Without the prior written consent of the Indemnified Person, which consent shall not be unreasonably withheld, the Company shall not effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person from all liability arising out of such proceeding.

9. Miscellaneous.

9.1 Successors and Assigns. This Agreement may not be assigned by a party hereto without the prior written consent of the Company or the Investor, as applicable, provided, however, that the Investor may assign its rights and delegate its duties hereunder in whole or in part to an Affiliate or to a third party acquiring some or all of its Securities in a private transaction without the prior written consent of the Company, after notice duly given by the Investor to the Company provided, that no such assignment or obligation shall affect the obligations of the Investor hereunder. The provisions of this Agreement shall inure to the benefit of and be binding upon the respective permitted successors and assigns of the parties. 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.

9.2 Counterparts; Faxes. 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. This Agreement may also be executed via facsimile, which shall be deemed an original.

9.3 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.

9.4 Notices. Unless otherwise provided, any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given as hereinafter described (i) if given by personal delivery, then such notice shall be deemed given upon such delivery, (ii) if given by telex or telecopier, then such notice shall be deemed given upon receipt of confirmation of complete transmittal, (iii) if given by mail, then such notice shall be deemed given upon the earlier of (A) receipt of such notice by the recipient or (B) three days after such notice is deposited in first class mail, postage prepaid, and (iv) if given by an internationally recognized overnight air courier, then such notice shall be deemed given one Business Day after delivery to such carrier. All notices shall be addressed to the party to be notified at the address as follows, or at such other address as such party may designate by ten days' advance written notice to the other party:

If to the Company:

Green Ballast, Inc.
2620 Thousand Oaks Boulevard
Memphis, Tennessee 38118
Attention: J. Kevin Adams
Fax: (901) 260-1002

With a copy to:

Green Ballast, Inc.
2620 Thousand Oaks Boulevard, Suite 4000
Memphis, TN 38118
Attention: Office of General Counsel
Fax: (901) 260-4423

If to the Investor:

to the address set forth on the signature pages hereto.

9.5 Expenses. The parties hereto shall pay their own costs and expenses in connection herewith.

9.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Investor. Any amendment or waiver effected in accordance with this Section 9.6 shall be binding upon each holder of any Securities purchased under this Agreement at the time outstanding, each future holder of all such Securities, and the Company.

9.7 Publicity. Except as set forth below, no public release or announcement concerning the transactions contemplated hereby shall be issued by the Company or the Investor without the prior consent of the Company (in the case of a release or announcement by the Investor) or the Investor (in the case of a release or announcement by the Company) (which consents shall not be unreasonably withheld), except as such release or announcement may be required by law or the applicable rules or regulations of any securities exchange or securities market, in which case the Company or the Investor, as the case may be, shall allow the Investor or the Company, as applicable, to the extent reasonably practicable in the circumstances, reasonable time to comment on such release or announcement in advance of such issuance. [By 8:30 a.m. (New York City time) on the trading day immediately following the execution and delivery of this Agreement, the Company shall issue a press release disclosing the execution and delivery of this Agreement and describing the transactions contemplated hereby. No later than the fourth trading day following the execution and delivery of this Agreement, the Company will file a Current Report on Form 8-K attaching the press release described in the foregoing sentence as well as copies of the Transaction Documents.][2] In addition, the Company will make such other filings and notices in the manner and time required by the SEC.

9.8 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof but shall be interpreted as if it were written so as to be enforceable to the maximum extent permitted by applicable law, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereby waive any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

9.9 Entire Agreement. This Agreement, including the Exhibits and the Disclosure Schedules, and the other Transaction Documents constitute the entire agreement among the parties hereof with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof and thereof.

9.10 Further Assurances. The parties shall execute and deliver all such further instruments and documents and take all such other actions as may reasonably be required to carry out the transactions contemplated hereby and to evidence the fulfillment of the agreements herein contained.

9.11 Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York without regard to the choice of law principles thereof. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the courts of the State of New York located in New York County and the United States District Court for the Southern District of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the parties hereto irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. **EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.**

[signature page follows]

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[2] To be included only in the first Agreements executed by the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement or caused their duly authorized officers to execute this Agreement as of the date first above written.

The Company:

GREEN BALLAST, INC.

By:_____
Name:
Title:

[*Investor Signature Page Follows*]

Counterpart Signature Page

FOR ENTITY INVESTORS:

_____
[Name of Entity]

By: _____
Name: _____
Title: _____
Taxpayer
ID #: _____

FOR INDIVIDUAL INVESTORS:

Signature: _____
Name: _____
Taxpayer
ID #: _____

ADDRESS FOR
DELIVERY:

_____
_____

ADDRESS FOR NOTICE IF
DIFFERENT:

_____
_____

Attention: _____
Tel: _____
Fax: _____
E-mail _____

Attention: _____
Tel: _____
Fax _____
E-mail: _____

With a copy to:

_____
_____
_____

Attention: _____
Tel: _____
Fax: _____
E-mail: _____

Aggregate Purchase Price: $ _____

Units Purchased: _____

EXHIBIT 10.2

STOCK SURRENDER AGREEMENT

This Stock Surrender Agreement (the "Agreement") dated as of October 16, 2012, by and among J. Kevin Adams, Daniel L. Brown and William Bethell (collectively, "Senior Management") and the persons listed on Schedule A (each such person listed on Schedule A being hereinafter referred to as a "Shareholder" and collectively, the "Shareholders") and Green Ballast, Inc., a Delaware corporation (the "Company").

W I T N E S S E T H:

WHEREAS, the Company has adopted that certain 2011 Restricted Stock Plan of Green Ballast, Inc., effective April 15, 2011 (the "Plan"); and

WHEREAS, pursuant to the Plan and certain stock award agreements (the "Award Agreements") entered into by and between the Company and each of the persons composing Senior Management, Senior Management received shares of common stock (the "Common Stock") from the Company pursuant to the Award Agreements from the Company; and

WHEREAS, the Company has entered into an agreement with Loewen, Ondaatje, McCutcheon USA LTD ("LOM") whereby LOM is to provide certain investment banking services to the Company relating to certain capital financings for the Company which include, without limitation, certain bridge loan financings (collectively, the "Bridge Financing"); and

WHEREAS, in partial consideration for the Bridge Financing, the Company has agreed to surrender certain shares of Common Stock to the Company to fund the Company's sale and issuance of Common Stock to the investors or lenders providing the Bridge Financing to the Company; and

WHEREAS, in connection with the Bridge Financing, Senior Management desires to surrender, or cause the Shareholders to whom certain shares of the Common Stock were issued pursuant to the Plan and the Award Agreements or were assigned thereafter, as the case may be, to surrender his or its legal right, title and interest in the number of shares of Common Stock needed by the Company in connection with the Bridge Financing, not to exceed the number of shares set out opposite his or its name on Schedule A attached hereto (the "Surrendered Shares"), and the Company desires to accept such Surrendered Shares.

NOW, THEREFORE, in consideration of the promises and mutual covenants, agreements, representations and warranties herein contained, the parties hereto agree as follows:

1. Surrender of Shares. Subject to the terms and conditions of this Agreement, at or prior to the closing (the "Closing") of the Bridge Financing, the Shareholders agree to surrender all legal right, title and interest in and to the Surrendered Shares to the Company. Shareholders shall receive no consideration for the Surrendered Shares.

2. Transfer of Surrendered Shares. At or prior to the Closing of the Bridge Financing, Senior Management shall deliver and issue, or cause their respective family limited partnerships to deliver and issue, as the case may be, the stock certificates representing the Surrendered Shares, applicable stock powers and irrevocable transfer instructions to the Company's transfer agent (the "Transfer Agent") instructing the Transfer Agent to issue and deliver to the Company a stock certificate representing the Surrendered Shares, registered in the Company's name.

3. Representations and Warranties. Each Shareholder hereby represents and warrants to the Company that:

a. The Shareholder owns, beneficially and of record, and has the full power and authority to convey, free and clear of all liens, encumbrances and restrictions, the Surrendered Shares set forth opposite his or its name on Schedule A. The Shareholder is not a party to any voting agreement, buy-sell agreement, option or right of first purchase agreements or other agreements of any kind among the Company and any of the security holders of the Company relating to the Common Stock of the Company held by the Shareholder.

b. The execution, delivery and performance by the Shareholder of this Agreement has been duly authorized and will constitute the valid and legally binding obligation of the Shareholder, enforceable against the Shareholder in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability, relating to or affecting creditors' rights generally. No consent, approval, authorization, order, filing, registration or qualification of or with any court, government authority or third person is required to be obtained by the Shareholder in connection with the execution and delivery of this Agreement or the performance of the Shareholder's obligations hereunder.

4. Further Assurances. Each party hereto shall execute, deliver, file and record, or cause to be executed, delivered, filed and recorded, such further agreements, instruments and other documents, and take, or cause to be taken, such further actions as LOM, or the other parties hereto may reasonably request as being necessary or advisable to effect or evidence the transactions contemplated by this Agreement.

5. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent by telecopy, or by postage prepaid, registered, certified or express mail or by reputable overnight courier service and shall be deemed given when delivered by hand or upon receipt of telecopy confirmation if sent by facsimile, three days after mailing (one (1) Business Day in the case of guaranteed overnight express mail or guaranteed overnight courier service), as follows (or at such other address or to such other fax for a party as shall be specified by like notice):

a. If to Senior Management:
J. Kevin Adams, CEO
c/o Green Ballast, Inc.
2620 Thousand Oaks Boulevard, Suite 4000
Memphis, TN 38118
FAX: 901.260.1803

b. If to the Shareholders:
c/o Green Ballast, Inc.
2620 Thousand Oaks Boulevard, Suite 4000
Memphis, TN 38118
ATTN: CEO
FAX: 901.260.1803

c. If to the Company:
J. Kevin Adams, CEO
c/o Green Ballast, Inc.
2620 Thousand Oaks Boulevard, Suite 4000
Memphis, TN 38118
FAX: 901.260.1803

6. Assignment; Successors and Assigns. This Agreement and the rights and obligations hereunder shall not be assigned or transferred in whole or in part by any party hereto without the prior written consent of the other parties hereto. Any attempted assignment or delegation in contravention hereof shall be null and void. This Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the parties hereto.

7. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto, and nothing herein express or implied shall give or be construed to give to any person or entity, other than the parties hereto, any legal or equitable rights hereunder.

8. Default; Remedies. In the event of any default by any party to this Agreement, each other party shall have all other remedies now or hereafter existing at law or in equity or by statute or otherwise, and the election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

9. Interpretation; Definitions. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted. When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The phrases "the date of this Agreement," "the date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to the date set forth in the first paragraph of this Agreement. The words "hereof," "hereby," "herein," "hereunder" and similar terms in this Agreement shall refer to this Agreement as a whole and not to any particular Section in which such words appear.

10. Amendments. No amendment to this Agreement shall be effective unless it shall be in writing and signed by each party hereto.

11. Counterparts. This Agreement and any amendments hereto may be executed by facsimile or PDF and in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other parties hereto.

12. Severability. If any provision of this Agreement or the application of any such provision to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State, without regard to the choice of law principles of such State.

14. Actions and Proceedings. The parties hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Tennessee located within the County of Shelby, of the United States of America located in the Western District of the State of Tennessee within Shelby County for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agree that, the fullest extent permitted by law, service of any process, summons, notice or document by U.S. registered mail to any such party's address referred to in Section 5 shall be effective service of process for any action, suit or proceeding brought against such party in any such court). The parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this agreement or the transactions contemplated hereby in the courts of the State of Tennessee or the United States of America located in the State of Tennessee, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. **EACH OF THE PARTIES HERETO HEREBY AGREES TO**

WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO FURTHER REPRESENTS AND WARRANTS 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.

15. Waiver. Except as otherwise provided in this Agreement, any failure of any of the parties hereto to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Any consent given by any party pursuant to this Agreement shall be valid only if contained in a written consent signed by such party.

16. Entire Agreement. This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, whether written or oral, relating to such subject matter.

17. Specific Performance. The parties hereby acknowledge, recognize and agree that irreparable injury may result to any non-breaching party if a party breached any provision of this Agreement such that money damages alone would not be a sufficient remedy for any such breach. Each party hereto therefore agrees that if it should engage, or cause or permit any other person to engage, in any act in violation of any provision hereof, the other parties shall be entitled, in addition to such other remedies, damages and relief as may be available under this Agreement or applicable law, to an injunction prohibiting the breaching party from engaging in any such act or specifically enforcing this Agreement, as the case may be.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement on the day and year first above written.

The “Company”

Green Ballast, Inc.

By: /s/ William Bethell
Name: William Bethell
Title: Chief Financial Officer

"Senior Management”

/s/ J. Kevin Adams
J. Kevin Adams

/s/ Daniel L. Brown
Daniel L. Brown

/s/ William Bethell
William Bethell

The "Shareholders"

Adams Family Limited Partnership

By: /s/ Sarah E. Adams
Name: Sarah E. Adams
Title: General Partner

The “Shareholders”

/s/ Daniel L. Brown
Daniel L. Brown

The “Shareholders”

/s/ William Bethell
William Bethell

Schedule A

Seller	Maximum number of Shares to be transferred to the Company
Adams Family Limited Partnership	334,000
Daniel L. Brown	333,000
William Bethell	333,000
Total	1,000,000