

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: **December 31, 2011**

or

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: **000-33383**

**WIZARD WORLD, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**98-0357690**

(I.R.S. Employer  
Identification No.)

**1350 Avenue of the Americas, 2nd Floor  
New York, NY 10019**

(Address of principal executive offices)

**(646) 801-5572**

(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act: **None**

Securities registered under Section 12(g) of the Exchange Act: **Common Stock, par value \$0.0001 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2011, based on a closing price of \$0.75 was \$26,015,801. As of April 13, 2012, the registrant had 35,044,878 shares of its common stock, par value \$0.0001 per share, outstanding.

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### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Included in this Annual Report on Form 10-K are “forward-looking” statements, as well as historical information. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that the expectations reflected in these forward-looking statements will prove to be correct. Our actual results could differ materially from those anticipated in forward-looking statements as a result of certain factors, including matters described in the section titled “Risk Factors.” Forward-looking statements include those that use forward-looking terminology, such as the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “project,” “plan,” “will,” “shall,” “should,” and similar expressions, including when used in the negative. Although we believe that the expectations reflected in these forward-looking statements are reasonable and achievable, these statements involve risks and uncertainties and we cannot assure you that actual results will be consistent with these forward-looking statements. Important factors that could cause our actual results, performance or achievements to differ from these forward-looking statements include the following:

- the availability and adequacy of our cash flow to meet our requirements;
- economic, competitive, demographic, business and other conditions in our local and regional markets;
- changes in our business and growth strategy;
- changes or developments in laws, regulations or taxes in the entertainment industry;
- actions taken or not taken by third-parties, including our contractors and competitors;
- the availability of additional capital; and
- other factors discussed under the section entitled “Risk Factors” or elsewhere in this Annual Report.

All forward-looking statements attributable to us are expressly qualified in their entirety by these and other factors. We undertake no obligation to update or revise these forward-looking statements, whether to reflect events or circumstances after the date initially filed or published, to reflect the occurrence of unanticipated events or otherwise unless required by applicable law.

## PART I

### Item 1. Business.

As used in this Annual Report, “we,” “us,” “our,” “Wizard,” “Company” or “our Company” refers to Wizard World, Inc. and references to “Conventions” refer collectively to Kick the Can Corp. and its predecessors, Wizard Conventions, Inc. and Kicking the Can, L.L.C.

#### Our Company

We, through our operating subsidiary Conventions, are a producer of pop culture and live multimedia conventions across North America. These live multimedia conventions market and provide a social networking and entertainment venue for popular fiction enthusiasts of movies, TV shows, video games, technology, toys, social networking/gaming platforms, comic books and graphic novels.

#### Company History

Wizard World, Inc. (f/k/a GoEnergy, Inc.) was incorporated in Delaware on May 2, 2001. The Company was initially involved in oil and gas exploration and considered various oil and gas properties. None of the properties that the Company explored had commercial potential so operations ceased and the Company abandoned any interests it had in such properties.

On December 7, 2010 (the “Closing Date”), the Company acquired Conventions pursuant to a Share Purchase and Share Exchange Agreement (the “Exchange Agreement”), by and among the Company, Strato Malamas, an individual and former majority stockholder of the Company, Conventions, and shareholders of Conventions (the “Conventions Shareholders”), that are signatories thereto. On the Closing Date, pursuant to the terms of the Exchange Agreement, the Conventions Shareholders transferred and contributed all of their shares (the “Conventions Shares”) to the Company, resulting in our acquisition of all of the outstanding Conventions Shares. In return, we issued to the Conventions Shareholders, their designees or assigns (the “Share Exchange”), an aggregate of 32,927,576 shares of the Company’s common stock (the “Exchange Shares”), which constituted approximately 94.9% (on a fully diluted basis) of the shares of the Company’s common stock, par value \$0.0001 per share (the “Common Stock”), issued and outstanding immediately after the consummation of the Share Exchange (the “Closing”). As the result of the Share Exchange, Conventions became a wholly owned subsidiary of the Company.

Our executive offices are located at 1350 Avenue of the Americas, 2nd Floor, New York, NY 10019 and our telephone number at such office is (646) 801-5572.

#### Business Overview

Our Company produces pop culture and live multimedia conventions (“Comic Cons”) across North America that provide a social networking and entertainment venue for popular fiction enthusiasts of movies, TV shows, video games, technology, toys, social networking/gaming platforms, comic books and graphic novels. These Comic Cons provide entertainment companies, toy companies, gaming companies, publishing companies and retailers venues for their sales, marketing, promotions, public relations, advertising and sponsorships efforts.

#### Conventions

Conventions has been producing comic conventions since July 1997. In 2009, Conventions produced three Comic Cons, namely the Philadelphia Comic Con, Chicago Comic Con and New York ‘Big Apple’ Comic Con. In 2010, Conventions produced eight Comic Cons in the following North American cities: (i) Toronto, Ontario; (ii) Anaheim, CA; (iii) Philadelphia, PA; (iv) Chicago, IL; (v) New York, NY; (vi) Boston, MA; (vii) Austin, TX; and (viii) Atlanta, GA.

In 2011, Conventions produced nine Comic Cons in the following North American cities: (i) Miami, FL; (ii) New Orleans, LA; (iii) Toronto, Ontario; (iv) Anaheim, CA; (v) Philadelphia, PA; (vi) Chicago, IL; (vii) New York, NY; (viii) Columbus, OH; and (ix) Austin, TX.

Conventions currently holds the production rights to the following 13 conventions: (i) Atlanta Comic Con (Atlanta, GA); (ii) Big Apple Comic Con (New York, NY); (iii) Cincinnati Comic Con (Cincinnati, OH); (iv) Connecticut Comic Con (Hartford, CT); (v) Nashville Comic Con (Nashville, TN); (vi) New England Comic Con (Boston, MA); (vii) North Coast Comic Con (Akron, OH); (viii) Toronto Comic Con (Toronto, Ontario); (ix) Nola Comic Con (New Orleans, LA); (x) Central Canada Comic Con (Winnipeg, Manitoba); (xi) San Antonio Comic Con (San Antonio, TX); (xii) Houston Comic Con (Houston, TX); and (xiii) Mid-Ohio Comic Con (Columbus, OH). We organically developed the Comic Cons in Miami, FL; Anaheim, CA; Austin, TX; Philadelphia, PA; and Chicago, IL.

We receive revenue from our Comic Cons in three (3) ways, namely from (i) consumer ticket sales; (ii) exhibitor booth sales; and (iii) national and/or regional sponsorships. Each Comic Con varies in cost to produce. Production costs vary based on the size and scope of the production. Generally, our production costs range from approximately \$150,000 for a smaller scale production to over \$670,000 for a larger production.

The Company's plan for 2012 is to focus the Wizard World tour on the Company's six most popular Super-Regional shows: (i) New Orleans, LA; (ii) Toronto, Ontario; (iii) Philadelphia, PA; (iv) Rosemont, IL; (v) Columbus, OH; and (vi) Austin, TX. The Company is focusing on the shows that performed well in 2011, and looks to build a foundation for more events based on revenue driven growth.

The majority of our target audience are young adult males and are active consumers of many types of entertainment and media, such as movies, music, toys, video games, apps, consumer electronics, computers, and lifestyle products (e.g. clothes, footwear, digital devices, mobile phones and men's personal items).

### **Digital Media**

In late 2011, we began leveraging the popularity of our Comic Cons as a springboard to enter the digital media market. We will use digital media (i) as a distribution channel for the pop culture content that we showcase at our Comic Cons, (ii) to provide coverage of our Comic Con events, and (iii) to introduce new and upcoming products and talent in the pop culture world. To that end, we formed a wholly owned subsidiary, Wizard World Digital, Inc. ("Digital"), to communicate with our fan database, manage our website [www.wizardworld.com](http://www.wizardworld.com) and our social media presence on, among others, Twitter and Facebook.

Further, in the fourth quarter of 2011, we launched our new digital entertainment ad network called the "Wizard World Digital Entertainment Network," which is comprised of two websites located at [www.wizardworld.com](http://www.wizardworld.com) and [www.toywiz.com](http://www.toywiz.com), as well as the Wizard World electronic database. The Wizard World Digital Entertainment Network will offer display advertising to brand advertisers, priced on a traditional cost-per-thousand (CPM) ad impression basis. We plan to work with display advertising networks and third party representation firms, and to hire four direct sales employees over the next 12 months to maximize the monetization of the Wizard World Digital Entertainment Network.

### **Strategy**

Our objective is to use our Comic Cons and Digital to become the voice for pop culture enthusiasts across multiple media platforms. Key elements of our strategy include:

- producing high quality live multimedia events across North America for promotion of consumer products and entertainment;
- leveraging the content created and generated at the live multimedia events to enter the media market and distribute the content in digital media such as websites, apps, emails, newsletters, Facebook, Twitter, Flickr, Tumblr and YouTube, among others; and
- obtaining sponsorships and promotions from media and entertainment companies for the Comic Cons, including:

- o expanding our relationships with entertainment and media companies; and
- o forming strategic relationships with new media and entertainment companies to promote their products.

### **Sponsorships and Advertising**

We sell sponsorship and advertising opportunities to businesses seeking to reach our core target audience of active entertainment consumers, with a particular focus on young families.

#### *Sponsorships*

We provide sponsorship opportunities that allow advertisers a wide range of promotional vehicles on-site and through our public relations efforts. For example, we offer advertisers the ability to (i) display signage at the Comic Cons, (ii) include their desired logos on all direct mail that is sent in connection with one or more Comic Cons, (iii) be included in press releases to the media, (iv) obtain sponsor tags on the radio spots or in the print or online ads where we advertise, and (v) obtain advertising space in our digital media. We also provide the opportunity for advertisers to sponsor events at the Comic Cons like costume contests or gaming tournaments and the ability to have “step-and-repeats” for photo opportunities, meet and greets with celebrities, VIP packages and “goody” bag giveaways. Sponsors pay a fee based upon the position of their advertising media and the exposure it will receive. Specifically, the closer a sponsor is to the entrance of the Comic Con, the more exposure such sponsor will receive as a greater number of Comic Con attendees will view the sponsor’s product and/or services. Therefore, the rental fee for space at our Comic Cons is more expensive if the space is closer to the entrance.

#### *Promotions*

Promotional opportunities include product placement and brand associations on-site at the Comic Cons. As our brand grows, we hope to earn revenues by co-promoting, for example, a movie at one of our Comic Cons, with entertainment and media companies and brands seeking to benefit from the popularity of the Comic Cons and the exposure received from appearing at them.

#### *Digital Media*

We produce a number of digital media properties, including our website [www.wizardworld.com](http://www.wizardworld.com), emails, newsletters, Facebook, YouTube, Twitter, Flickr and Tumblr to create awareness of our Comic Cons and provide updates to our fans and consumers. We also use our website [www.wizardworld.com](http://www.wizardworld.com) to a large extent to provide a source for the latest Comic Con news and information. Display advertising is offered to brand advertisers across all our digital media properties, priced on a traditional CPM basis.

#### *Marketing*

Our Comic Cons are marketed through a variety of media outlets, including social media, websites, public relations, television, radio, direct mail, email, flyers and postcards. Our Comic Cons usually obtain publicity through coverage of the events at our Comic Cons from local TV stations, radio stations, newspapers, national press such as the Associated Press and Reuters, fan websites, blogs and social network channels such as Twitter, Facebook, Flickr and Tumblr. In certain instances, we do not pay for advertising because we can provide desirable content to media outlets. For example, we typically invite the local TV stations to our Comic Cons so that they can interview the celebrities featured at our Comic Cons. As a result, we receive free TV coverage and the TV stations obtain content for their shows. In addition, we arrange for celebrities to call into local radio stations. As a result, we receive on-air promotion of our events and the radio station reaches a larger audience who want to tune in to hear our celebrities. We also receive on-air promotion by exchanging air time for ticket give-aways to our Comic Cons. With respect to the internet and online advertising, we advertise throughout our website, [www.wizardworld.com](http://www.wizardworld.com), about the upcoming Comic Cons. We also send out emails to our fans on a regular basis. In addition, we send out direct mail postcards, print flyers and postcards in each city where we hold a Comic Con, which are handed out at local events, retailers and public gatherings. As a result, we believe that we are cost effective when it comes to how we spend our advertising dollars.

## **Trademarks and Copyrights**

We have a portfolio of trademarks and service marks and maintain a catalog of copyrighted works. Such marks include Wizard World, Pop FI, Where Pop FI Comes to Life and Wizard World Girls. We do not consider our service marks and trademarks to be significant to our business.

## **Regulation**

Typically, we do not have to obtain permits to operate the Comic Cons. The convention centers at which such events occur obtain any required permits and cover fire safety and occupancy matters as part of the rental agreement. Crowd control varies by location and are either provided by the convention center's personnel or by a third party security service recommended by the convention center. The convention centers do, however, require liability insurance, which Conventions has obtained and maintained.

## **Customers**

Our client base is diverse. We have strong relationships with what we consider to be the leading movie studios, video game producers, comic book publishers, television broadcasters and toy manufacturers. These customers are potential exhibitors and sponsors of our Comic Con conferences. In addition, our digital media business will provide sales opportunities across the Fortune 1000 corporate sector, as these brand advertisers look to leverage our media properties to target our predominantly male, age 25-44 target audience.

No single advertiser, promoter or sponsor comprises a significant portion of our revenues.

## **Competition; Competitive Strengths**

In the live, regionally-based consumer conventions market, the strength of a competitor is measured by the location and size of the region or city, the frequency of live events per year, the guest and VIP list (e.g. celebrities and artists), the number of paying attendees, the physical size of the convention, the extent of the public relations outreach (through traditional media, digital media and social media) and the quantity and quality of exhibitors and dealers. We believe that we have a strong competitive position because our Comic Cons take place in well-known major cities in North America throughout the year. Our multiple conventions per year enable us to market our events year round, create a large amount of content that can be distributed through our digital media outlets, and market in not only the regional consumer areas, but nationally as well. The multiple locations also allow us to work with more celebrities, artists and writers and host them in multiple cities.

Most of our competitors produce local one-time events and/or once a year events. For example, Reed Exhibitions Limited ("Reed Exhibitions"), our competitor in the New York market, produces an annual comic con event in New York City. Reed Exhibitions also has a Chicago event. There is an event in Toronto called Fan Expo produced by Hobby Star Marketing Inc., which is limited to the Toronto marketplace. Other than Reed Exhibitions or Hobby Star Marketing Inc., we are not aware of any competitor that has successfully existed or entered a market in which we have a foothold.

Unlike regional competitors such as Reed Exhibitions and Hobby Star Marketing Inc., however, we are able to tap into many geographic pop culture markets as opposed to being limited to the local pop culture market. Further, the number of Comic Cons we produce gives us a competitive advantage over these local comic cons because they do not have the economies of scale and operating efficiencies that result from producing a multitude of Comic Cons. For instance, despite the number of Comic Cons that we hold, production costs remain relatively consistent because, for example, the number of personnel we employ or consult with does not significantly increase with the production of more Comic Cons. Further, the size of the Comic Cons and the volume at which they are produced provide greater leverage to negotiate discounts on such things as hotels, convention centers and other travel expenses. Therefore, it costs us less to produce a Comic Con than a producer that holds only one convention a year.

There is a non-profit educational organization called Comic-Con International, which produces the largest Comic-Con event in the United States, held annually in San Diego, CA, during the month of July. Comic-Con International also produces a show in San Francisco, CA, called WonderCon. Because of the momentum of Comic-Con International in those markets, we do not intend to enter those markets because our view is that the markets are saturated, and therefore could not support multiple shows in San Diego and San Francisco, which is what our shows would provide if they were to be held in such cities. Further, the San Diego Comic-Con has an established history and presence in San Diego, and draws a large audience to the well-publicized and popular event. Thus, there is a significant barrier to our Company entering into the San Diego market. Despite our decision not to enter the San Diego Comic-Con market, the San Diego Comic-Con is considered a competitor given that some fans may have to choose between attending either the San Diego Comic-Con or any one of our Comic Cons, regardless of geographic region.

We believe, however, that we have an advantage over other event producers because our Comic Cons are not limited to one city, but rather to several well-known cities across North America. Therefore, rather than having to travel to San Diego, which for some fans may be a long distance; our fans are able to attend a Wizard World Comic Con that is closer in proximity to them.

We also believe that we have an edge over competitors because our Comic Cons are well known in the markets in which we hold our Comic Cons. We have a reputation among fans, exhibitors and celebrities that our shows will be high quality and well attended by popular fiction fans.

Our competitors in the digital business include publishers of entertainment sites, particularly in the popular fiction category. As we grow our entertainment ad network, we will compete with vertical entertainment ad networks such as Evolve Media.

#### **Sales Channels and Pricing Policies**

We have outsourced our ticket sales to an online ticketing service, thereby eliminating the need to mail physical badges. Consumers can order online, print out their barcode, come to the show, get scanned and get a wristband for entry. We still, however, sell tickets on-site at the live events themselves. We offer a five dollar discount on the purchase price of our tickets to those who pre-purchase tickets online as compared to those who purchase their tickets on-site at the Comic Con. Tickets typically range from \$25 for a single day pass to \$65 for a weekend pass. Entry of children ten years old and under is free at all Comic Cons.

Across all our digital media properties, display advertising is offered to brand advertisers, priced on a traditional CPM basis.

#### **Sales and Marketing Strategy**

We promote our Comic Cons through a wide variety of media outlets, such as local radio and TV stations, newspapers, fan websites and blogs. We also use online social networks such as Facebook, Twitter, YouTube, Flickr and Tumblr, to reach our fans and provide updates. Further, we promote our Comic Cons on our website [www.wizardworld.com](http://www.wizardworld.com) and through our email database. We currently sell to prospective corporate sponsors and advertisers through our direct sales force. In coming months, we plan to augment our direct sales force through the utilization of third party representation firms and digital ad networks to help sell display advertising on our digital properties.

#### **Growth Strategy**

Rather than acquiring or organically developing new Comic Cons, we plan to grow our existing Comic Cons and increase the revenues of our existing Comic Cons by adding more dealers, exhibitors, celebrities, panels, gaming tournaments and VIPs to our Comic Cons. Additionally, we are focused on increasing revenues through increasing corporate sponsorships that allow advertisers a wide range of promotional vehicles on-site and through our public relations efforts. We believe that we will be able to leverage our relationships with our existing dealers, exhibitors, celebrities and VIPs to develop new relationships.



We use the digital marketing outlets that we have developed, such as our website [www.wizardworld.com](http://www.wizardworld.com) which covers new and upcoming products and talents in the pop culture world, to distribute the large amount of content we create from our live events. We also reach consumers via e-mail and direct mail. We recently launched the new [www.wizardworld.com](http://www.wizardworld.com) website and a mobile application that will allow users of iPhone mobile devices to access our content from the live events. Through the distribution of our content via digital media, we offer advertisers the ability to display their ads on our website located at [www.wizardworld.com](http://www.wizardworld.com) and reach our large e-mail database of fans. Through sales of display advertising space on our digital media properties, we plan to generate revenues and thus strengthen our financial condition.

Further, in the fourth quarter of 2011 we launched our new digital entertainment ad network called the “Wizard World Digital Entertainment Network,” which will be comprised of two websites located at [www.wizardworld.com](http://www.wizardworld.com) and [www.toywiz.com](http://www.toywiz.com), as well as the Wizard World email database. The Wizard World Digital Entertainment Network will offer display advertising to brand advertisers, priced on a traditional CPM ad impression basis. We plan to work with display advertising networks and third party representation firms, and to hire four direct sales employees over the next 12 months to maximize the monetization of the Wizard World Digital Entertainment Network. We have no signed agreements to date with third-party representation firms. Third-party representation firms represent several web publishers (such as Wizard World), selling their display advertising inventory to brand advertisers and/or advertising agencies. These third-party representation firms obtain a revenue share from the web publisher for any revenue earned through their sales efforts. Wizard World is currently working with interclick, inc. (ad network) to monetize Wizard World’s display advertising inventory.

In 2011, we invested approximately \$815,000 in technical development costs to launch the Wizard World Digital Entertainment Network.

To date, we have been able to raise financing to implement our growth plans by issuing convertible notes, preferred stock and warrants through private placements. We plan to continue to obtain financing, when needed, from private placements from time to time, and/or from other traditional financing sources, including term notes. We utilized a major portion of the existing investment proceeds to fund digital development, including the Wizard World Digital Entertainment Network. We plan to use the proceeds from any future private placements for working capital and to expand our business including the sale of sponsorships of the Wizard World live events, increasing and improving the guest pool and improving the fan experience, which should drive revenue growth.

### **Employees**

We currently have nine employees, of which eight are full-time and one is part-time. Additionally, we engage four part-time freelance consultants.

### **Where You Can Find More Information**

The public may read and copy any materials the Company files with the U.S. Securities and Exchange Commission (the “SEC”) at the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0030. The SEC maintains an Internet website (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

### **Item 1A. Risk Factors.**

#### **Risks Relating to our Company**

*We have a limited operating history from which you can evaluate our performance.*

Since we have a limited operating history, it will be difficult for investors and securities analysts to evaluate our business and prospects and predict future revenue. Because we have a limited operating history, we will encounter risks, expenses and difficulties of which we are unaware, and may be challenging to overcome. There can be no assurance that our efforts will be successful or that we will reach profitability.

***Our independent auditors have expressed doubt about our ability to continue as a going concern, which may hinder our ability to obtain future financing and force us to cease operations.***

In their report dated April 16, 2012, our independent auditors stated that our financial statements for the years ended December 31, 2011 and 2010 were prepared assuming that we would continue as a going concern. Our ability to continue as a going concern is an issue because to date, we have incurred net operating losses. We anticipate that we will continue to experience net operating losses.

Our net operating losses will require that we finance our operations from outside sources, such as obtaining additional funding from the sale of our securities. The going concern explanatory paragraph included in our auditor's report on our financial statements, however, could inhibit our ability to raise additional financing. If we are unable to obtain such additional capital, we will not be able to sustain our operations and would be required to cease our operations. You should consider our independent registered public accountant's comments when determining if an investment in our Company is suitable.

Even if we do raise sufficient capital and generate revenues to support our operating expenses, there can be no assurance that the revenue will be sufficient to enable us to develop our business to a level where it will generate profits and cash flows from operations, or provide a return on investment. In addition, if we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders could be significantly diluted, the newly-issued securities may have rights, preferences or privileges senior to those of existing stockholders and the trading price of our common stock could be adversely affected. Further, if we obtain additional debt financing, a substantial portion of our operating cash flow may be dedicated to the payment of principal and interest on such indebtedness, and the terms of the debt securities issued could impose significant restrictions on our operations. If we are unable to continue as a going concern, you may lose your entire investment.

***If we need additional capital to fund our growing operations, we may not be able to obtain sufficient capital and may be forced to limit the scope of our operations.***

As we implement our growth strategies, we may experience increased capital needs. We may not, however, have sufficient capital to fund our future operations without additional capital investments. If adequate additional financing is not available on reasonable terms or at all, we may not be able to carry out our corporate strategy and we would be forced to modify our business plans (e.g., limit our expansion, limit our marketing efforts and/or decrease or eliminate capital expenditures), any of which may adversely affect our financial condition, results of operations and cash flow. Such reduction could materially adversely affect our business and our ability to compete.

Our capital needs will depend on numerous factors, including, without limitation, (i) our profitability, (ii) our ability to respond to a release of competitive products by our competitors, and (iii) the amount of our capital expenditures, including acquisitions. Moreover, the costs involved may exceed those originally contemplated. Cost savings and other economic benefits expected may not materialize as a result of any cost overruns or changes in market circumstances. Failure to obtain intended economic benefits could adversely affect our business, financial condition and operating performances.

***We need to manage growth in operations to maximize our potential growth and achieve our expected revenues. Our failure to manage growth will cause a disruption of our operations that may result in the failure to generate revenues at levels we expect.***

In order to maximize potential growth in our current markets, we may have to expand our operations. Such expansion will place a significant strain on our management and our operational, accounting and information systems. We expect that we will need to continue to improve our financial controls, operating procedures and management information systems. We will also need to effectively train, motivate and manage our employees. Our failure to manage our growth could disrupt our operations and ultimately prevent us from generating the revenues we expect.

## **Risks Related to our Business and Industry**

***We may not be able to prevent others from using our intellectual property, and may be subject to claims by third parties that we infringe on their intellectual property.***

We regard the content that we plan to distribute via digital media to be important to our success. We plan to rely on non-disclosure and other contractual provisions to protect our proprietary rights. We may also try to protect our intellectual property rights by, among other things, searching the Internet to detect unauthorized use of our intellectual property.

However, policing the unauthorized use of our intellectual property is often difficult and any steps we take may not, in every case, prevent the infringement by unauthorized third parties. Further, there can be no assurance that our efforts to enforce our rights and protect our intellectual property will be successful. We may need to resort to litigation to enforce our intellectual property rights, which may result in substantial costs and diversion of resources and management attention.

Further, although management does not believe that our products and services infringe on the intellectual rights of others, there is no assurance that we will not be the target of infringement or other claims. Such claims, even if not true, could result in significant legal and other costs and may be a distraction to our management or interrupt our business.

***We encounter competition in our business, and any failure to compete effectively could adversely affect our results of operations.***

We anticipate that our competitors will continue to expand and seek to obtain additional market share with competitive price and performance characteristics. Aggressive expansion of our competitors or the entrance of new competitors into our markets could have a material adverse effect on our business, results of operations and financial condition.

***If we do not compete successfully against new and existing competitors, we may lose our market share, and our operating results may be adversely affected.***

We compete with other advertising service providers that may reach our target audience by means that are more effective than our Comic Cons and digital media. Further, if such other providers of advertising have a long operating history, large product and service suites, more capital resources and broad international or local recognition, our operating results may be adversely affected if we cannot successfully compete.

***The loss of the services of our key employees and directors, particularly the services rendered by John Macaluso, our Chief Executive Officer, could harm our business.***

Our success depends to a significant degree on the services rendered to us by our key employees and directors. In particular, we are heavily dependent on the continued services of John Macaluso, our Chief Executive Officer. The loss of Mr. Macaluso and our inability to attract highly skilled personnel with sufficient experience in our industry could harm our business.

***Our future success depends upon, in large part, our continuing ability to attract and retain qualified personnel.***

Expansion of our business and operation may require additional managers and employees with industry experience, in which case our success will be dependent on our ability to attract and retain experienced management personnel and other employees. There can be no assurance that we will be able to attract or retain qualified personnel. Competition may also make it more difficult and expensive to attract, hire and retain qualified managers and employees. If we fail to attract, train and retain sufficient numbers of the qualified personnel, our prospects, business, financial condition and results of operations will be materially and adversely affected.

***If we do not maintain and develop our Wizard World Comic Con brand and those of our strategic partners, we will not be able to attract an audience to the Comic Cons.***

We attract audiences and advertisers partly through brand name recognition. We believe that establishing, maintaining and enhancing our portfolio of Comic Cons and the brands of our strategic partners will enhance our growth prospects. The promotion of our Wizard World Comic Con brand and those of our strategic partners will depend largely on our success in maintaining a sizable and loyal audience, providing high-quality content and organizing effective marketing programs. If we fail to meet the standards to which our consumers are accustomed, our reputation will be harmed and we may lose market share.

***Our future success depends on attracting sponsors and pop culture advertisers who will advertise at our Comic Cons. If we fail to attract a sufficient number of sponsors and pop culture advertisers, our operating results and revenues may not meet expectations.***

One of our important strategies is to create an integrated platform of tours on which sponsors and pop-culture advertisers wishing to reach our young male target audience may advertise. However, advertisers may find that our targeted demographic does not consist of their desired consumers or a critical mass of consumers, decide to use a competitor's services or decide not to use our services for other reasons. If the sponsors and pop-culture advertisers decide against advertising with us, we may not realize our growth potential or meet investor expectations. Our future operating results and business prospects could be adversely affected.

***We may not be able to respond to changing consumer preferences and our sales may decline.***

We operate in markets that are subject to change, including changes in customer preferences. New fads, trends and shifts in pop culture could affect the type of live events customers will attend or the products consumers will purchase. Content in which we have invested significant resources may fail to meet consumer demand at the time. A decrease in the level of media exposure or popularity of the pop culture market or a loss in sales could have a material adverse effect on our business, prospects and financial condition.

***We rely on key contracts and business relationships, and if our current or future business partners or contracting counterparties fail to perform or terminate any of their contractual arrangements with us for any reason or cease operations, or should we fail to adequately identify key business relationships, our business could be disrupted and our reputation may be harmed.***

If any of our business partners or contracting counterparties fails to perform or terminates their agreement(s) with us for any reason, or if our business partners or contracting counterparties with which we have short-term agreements refuse to extend or renew the agreement or enter into a similar agreement, our ability to carry on operations and cross-sell sales and marketing services among different platforms may be impaired. In addition, we depend on the continued operation of our long-term business partners and contracting counterparties and on maintaining good relations with them. If one of our long-term partners or counterparties is unable (including as a result of bankruptcy or a liquidation proceeding) or unwilling to continue operating in the line of business that is the subject of our contract, we may not be able to obtain similar relationships and agreements on terms acceptable to us or at all. If a partner or counterparty fails to perform or terminates any of the agreements with us or discontinues operations, and we are unable to obtain similar relationships or agreements, such events could have an adverse effect on our operating results and financial condition. Further, if we are unable to timely produce our Comic Cons or produce the same quality of Comic Cons to which our target demographic has been accustomed, the consequences could be far-reaching and harmful to our reputation, existing business relationships and future growth potential.

We may also need to form new strategic partnerships or joint ventures to access appropriate assets and industry know-how. Failing to identify, execute and integrate such future partnerships or joint ventures may have an adverse effect on our business, growth, financial condition, and cash flow from operations.

***Insiders have substantial control over us, and they could delay or prevent a change in our corporate control even if our other stockholders want it to occur.***

As of the date of this filing, our executive officers, directors and principal stockholders who beneficially own 5% or more of our outstanding common stock, own in the aggregate, approximately 86.05% of our outstanding common stock. These stockholders are able to exercise significant control over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This could delay or prevent an outside party from acquiring or merging with our Company even if our other stockholders want it to occur.

***Our Certificate of Incorporation provides for indemnification of officers and directors at our expense and limits their liability, which may result in a major cost to us and hurt the interests of our stockholders because corporate resources may be expended for the benefit of officers and/or directors.***

Our certificate of incorporation and applicable Delaware law provide for the indemnification of our directors and officers against attorney's fees and other expenses incurred by them in any action to which they become a party arising from their association with or activities on our behalf. This indemnification policy could result in substantial expenditures by us that we will be unable to recoup.

We have been advised that, in the opinion of the SEC, indemnification for liabilities arising under federal securities laws is against public policy as expressed in the Securities Act of 1933, as amended (the "Securities Act"), and is, therefore, unenforceable. In the event that a claim for indemnification for liabilities arising under federal securities laws, other than the payment by us of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding, is asserted by a director, officer or controlling person in connection with the securities being registered, we will (unless in the opinion of our counsel, the matter has been settled by controlling precedent) submit to a court of appropriate jurisdiction, the question whether indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue. The legal process relating to this matter, if it were to occur, is likely to be very costly and may result in us receiving negative publicity, either of which factors is likely to materially reduce the market and price for our shares if such a market ever develops.

***We could face a variety of risks of expanding into a new business.***

Risks of our entry into the new business line of digital media, include, without limitation: (i) potential diversion of management's attention and other resources, including available cash, from our existing businesses; (ii) unanticipated liabilities or contingencies; (iii) the need for additional capital and other resources to expand into this new line of business; and (iv) inefficient combination or integration of operational and management systems and controls. Entry into a new line of business may also subject us to new laws and regulations with which we are not familiar, and may lead to increased litigation and regulatory risk. Further, our business model and strategy are still evolving and are continually being reviewed and revised, and we may not be able to successfully implement our business model and strategy. We may not be able to attract a sufficiently large number of audience or customers, or recover costs incurred for developing and marketing these products or services. If we are unable to successfully implement our growth strategies, our revenue and profitability may not grow as we expect, our competitiveness may be materially and adversely affected, and our reputation and business may be harmed.

In developing and marketing the new business of digital media, we may invest significant time and resources. Initial timetables for the introduction and development of our digital media business may not be achieved and price and profitability targets may not prove feasible. Furthermore, any new line of business could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of our new digital media business could have a material adverse effect on our business, results of operations and financial condition.

***We will face significant competition in the digital media business. If we fail to compete effectively, we may lose users to competitors, which could materially and adversely affect our ability to generate revenues from online advertising.***

We will face significant competition for online advertising revenues with other websites that sell online advertising services. In addition, we indirectly compete for advertising budgets with traditional advertising media, such as television and radio stations, newspapers and magazines, and major out-of-home media. Some of our competitors may have longer operating histories and significantly greater financial, technical and marketing resources than we do, and in turn may have an advantage in attracting and retaining users and advertisers.

***We will incur significant costs to ensure compliance with United States corporate governance and accounting requirements.***

We will incur significant costs associated with our public company reporting requirements and costs associated with corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002 and other rules implemented by the SEC. We expect all of these applicable rules and regulations to significantly increase our legal and financial compliance costs and to make some activities more time consuming and costly. We also expect that these applicable rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on the Company's board of directors (the "Board") or as executive officers. We may be wrong in our prediction or estimate of the amount of additional costs we may incur or the timing of such costs.

***If we fail to maintain an effective system of internal control over financial reporting, our ability to accurately and timely report our financial results or prevent fraud may be adversely affected and investor confidence may be adversely impacted.***

As directed by Section 404 of the Sarbanes-Oxley Act of 2002, or SOX 404, the SEC adopted rules requiring public companies to include a report of management on the Company's internal controls over financial reporting in their annual reports. Under current SEC rules, our management may conclude that our internal controls over our financial reporting are not effective. Even if our management concludes that our internal controls over financial reporting are effective, our independent registered public accounting firm may issue a report that is qualified if it is not satisfied with our controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In the event that we are unable to have effective internal controls, investors and others may lose confidence in the reliability of our financial statements and our ability to obtain equity or debt financing as needed could suffer.

***A continued decline in general economic conditions and disruption of financial markets may, among other things, reduce the discretionary income of consumers or further erode advertising markets, which could adversely affect our business.***

Our operations are affected by general economic conditions, which affect consumers' disposable income. The demand for entertainment and leisure activities tends to be highly sensitive to the level of consumers' disposable income. Declines in general economic conditions could reduce the level of discretionary income that our fans and potential fans have to spend on consumer products and entertainment, which could adversely affect our revenues. Volatility and disruption of financial markets could limit our advertisers, sponsors' and/or promoters' ability to obtain adequate financing to maintain operations, and result in a decrease in sales volume that could have a negative impact on our business, financial condition and results of operations. Continued softness in the market could adversely affect our revenues or the financial viability of our distributors.

***The advertising market is particularly volatile and we may not be able to effectively adjust to such volatility.***

Advertising spending is volatile and sensitive to changes in the economy. Our advertising customers may reduce the amount they spend on our media for a number of reasons, including, without limitation:

- a downturn in economic conditions;
- a deterioration of the ratings of their programs; or
- a decline in advertising spending in general.

We may be unable to maintain or increase our advertising fees and sales, which could negatively affect our ability to generate revenues in the future. A decrease in demand for advertising in general, and for our advertising services in particular, could materially and adversely affect our operating results.

## **Risks Related To Our Securities**

### ***Our common stock is quoted on the OTC Markets, which may have an unfavorable impact on our stock price and liquidity.***

Our common stock is quoted on the OTC Markets. The quotation of our shares on the Pink Sheets may result in a less liquid market available for existing and potential stockholders to trade shares of our common stock, could depress the trading price of our common stock and could have a long-term adverse impact on our ability to raise capital in the future.

### ***There is limited liquidity on the OTC Markets, which enhances the volatile nature of our equity.***

When fewer shares of a security are being traded on the Pink Sheets, volatility of prices may increase and price movement may outpace the ability to deliver accurate quote information. Due to lower trading volumes in shares of our common stock, there may be a lower likelihood that orders for shares of our common stock will be executed, and current prices may differ significantly from the price that was quoted at the time of entry of the order.

### ***Our stock price is likely to be highly volatile because of our limited public float.***

The market price of our common stock is likely to be highly volatile because there has been a relatively thin trading market for our stock, which causes trades of small blocks of stock to have a significant impact on our stock price. You may not be able to resell shares of our common stock following periods of volatility because of the market's adverse reaction to volatility. Other factors that could cause such volatility may include, among other things: actual or anticipated fluctuations in our operating results; the absence of securities analysts covering us and distributing research and recommendations about us; overall stock market fluctuations; economic conditions generally; announcements concerning our business or those of our competitors; our ability to raise capital when we require it, and to raise such capital on favorable terms; conditions or trends in the industry; litigation; changes in market valuations of other similar companies; announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships or joint ventures; future sales of common stock; actions initiated by the SEC or other regulatory bodies; and general market conditions. Any of these factors could have a significant and adverse impact on the market price of our common stock. These broad market fluctuations may adversely affect the trading price of our common stock, regardless of our actual operating performance.

### ***In order to raise sufficient funds to expand our operations, we may have to issue additional securities at prices which may result in substantial dilution to our shareholders.***

If we raise additional funds through the sale of equity or convertible debt, our current stockholders' percentage ownership will be reduced. In addition, these transactions may dilute the value of our common shares outstanding. We may also have to issue securities that may have rights, preferences and privileges senior to our common stock.

### ***We do not currently have a broker or dealer creating or maintaining a market in our stock.***

There is currently no broker or dealer acting as a marketmaker for our securities. The lack of a marketmaker for our securities could adversely influence the market for, and price of, our securities, as well as your ability to dispose of, or to obtain accurate information about, and/or quotations as to the price of, our securities. If an active public trading market for our securities does not develop, the market price and liquidity of such securities may be adversely affected.

If a market were to develop, future trading prices could depend upon many factors, such as prevailing interest rates, our operating results, and the markets for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to our common stock. There can be no assurance that if a market for our common stock was to develop, such a market would not be subject to similar disruptions.

***Our stock is thinly traded, so you may be unable to sell at or near ask prices or at all.***

The shares of our common stock are traded on the Pink Sheets and are thinly traded, meaning that the number of persons interested in purchasing our common stock at or near ask prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that we are a smaller reporting company that is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community who generate or influence sales volume. Even in the event that we come to the attention of such persons, they would likely be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we become more seasoned and viable. As a consequence, our stock price may not reflect an actual or perceived value. Also, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as is currently the case, as compared to a seasoned issuer that has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. A broader or more active public trading market for our common shares may not develop or if developed, may not be sustained. Due to these conditions, you may not be able to sell your shares at or near ask prices or at all if you need money or otherwise desire to liquidate your shares.

***Currently, there is a limited public market for our securities, and there can be no assurances that any public market will ever develop and, even if developed, it is likely to be subject to significant price fluctuations.***

We have a trading symbol for our common stock, namely 'WIZD'. However, our stock has been thinly traded, if at all. Consequently, there can be no assurances as to whether:

- any market for our shares will develop;
- the prices at which our common stock will trade; or
- the extent to which investor interest in us will lead to the development of an active, liquid trading market. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors.

Until our common stock is fully distributed and an orderly market develops in our common stock, if ever, the price at which it trades is likely to fluctuate significantly. Prices for our common stock will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for shares of our common stock, developments affecting our business, including the impact of the factors referred to elsewhere in these risk factors, investor perception of our Company and general economic and market conditions. No assurances can be given that an orderly or liquid market will ever develop for the shares of our common stock.

***We are subject to the penny stock rules which will make our securities more difficult to sell.***

We are subject to the SEC's "penny stock" rules because our securities sell below \$5.00 per share. The penny stock rules require broker-dealers to deliver a standardized risk disclosure document prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the bid and offer quotations, and the broker-dealer and salesperson compensation information must be given to the customer orally or in writing prior to completing the transaction and must be given to the customer in writing before or with the customer's confirmation.

Furthermore, the penny stock rules require that prior to a transaction, the broker dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. The penny stock rules are burdensome and may reduce purchases of any offerings and reduce the trading activity for our securities. As long as our securities are subject to the penny stock rules, the holders of such securities will find it more difficult to sell their securities.

***We are not likely to pay cash dividends in the foreseeable future.***

We currently intend to retain any future earnings for use in the operation and expansion of our business. Accordingly, we do not expect to pay any cash dividends in the foreseeable future, but will review this policy as circumstances dictate.



**Item 1B. Unresolved Staff Comments.**

By letter dated February 21, 2012, the Company received (i) 19 comments related to its Current Report on Form 8-K/A, filed on December 7, 2010, as amended by Amendment No. 1 filed on February 18, 2011, Amendment No. 2 filed on July 1, 2011, Amendment No. 3 filed on September 13, 2011, Amendment No. 4 filed on November 17, 2011, and Amendment No. 5 filed on February 1, 2012, and (ii) 11 comments related to its Annual Report on Form 10-K for the year ended December 31, 2010. As of April 13, 2012, these comments remain outstanding.

**Item 2. Properties.**

Conventions, through a service agreement with an office service provider, occupies offices at 1350 Avenue of the Americas, 2nd floor, New York, NY 10019. The term of the lease agreement commenced on January 22, 2011, and it was to expire on January 31, 2012. The Company exercised a one year renewal option, extending the expiration date of the lease to January 31, 2013. The office space covers approximately 800 square feet and our monthly rent is \$6,850.00. In addition, effective January 1, 2012, the Company subleased one office of approximately 224 square feet at 10960 Wilshire Blvd, Suite 1050, Los Angeles, CA 90024, on a month-to-month basis for \$1,000.00 per month. We do not own any real estate.

**Item 3. Legal Proceedings.**

We are not currently involved in any litigation that we believe could have a materially adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our Company, our common stock, any of our subsidiaries or of our Company's or our Company's subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

**Item 4. Mine Safety Disclosures.**

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

#### (a) Market Information

Our shares of common stock are currently quoted on the OTC Markets under the symbol "WIZD".

The following table sets forth the high and low bid price for our common stock for each quarter during the past three fiscal years. The prices reflect inter-dealer quotations, do not include retail mark-ups, markdowns or commissions and do not necessarily reflect actual transactions.

Quarter ended	Low Price	High Price
March 31, 2009	\$ 0.075	\$ 0.510
June 30, 2009	\$	\$
September 30, 2009	\$ 0.333	\$ 0.333
December 31, 2009	\$ 0.400	\$ 0.450
March 31, 2010	\$	\$
June 30, 2010	\$ 0.030	\$ 0.200
September 30, 2010	\$	\$
December 31, 2010	\$ 0.150	\$ 0.650
March 31, 2011	\$ 0.650	\$ 0.750
June 30, 2011	\$ 0.750	\$ 0.750
September 30, 2011	\$	\$
December 31, 2011	\$ 0.750	\$ 0.750

#### (b) Holders

As of April 13, 2012, a total of 35,044,878 shares of the Company's common stock are currently outstanding held by 18 shareholders of record. This figure does not take into account those shareholders whose certificates are held in the name of broker-dealers or other nominees.

#### (c) Dividends

We have not declared or paid any dividends on our common stock and intend to retain any future earnings to fund the development and growth of our business. Therefore, we do not anticipate paying dividends on our common stock for the foreseeable future. There are no restrictions on our present ability to pay dividends to stockholders of our common stock, other than those prescribed by Delaware law.

#### (d) Securities Authorized for Issuance under Equity Compensation Plans

Below is a description of the Company's compensation plan adopted in 2011.

##### 2011 Incentive Stock Award Plan, as Amended

On May 9, 2011, the Board approved, authorized and adopted (subject to stockholder approval) the 2011 Incentive Stock and Award Plan (the "Plan"). The Plan was amended on September 14, 2011, and April 11, 2012. The Plan provides for the issuance of up to 5,000,000 shares of our common stock through the grant of non-qualified options, incentive options and restricted stock to our directors, officers, consultants, attorneys, advisors and employees. Until a committee consisting of two or more independent, non-employee and outside directors is constituted, our Board administers the Plan.

Under the Plan:

1. Each option will contain the following terms:

- (i) the exercise price, which shall be determined at the time of grant, shall not be less than 100% of the Fair Market Value (defined as the closing price on the final trading day immediately prior to the grant on the principal exchange or quotation system on which the common stock is listed or quoted, as applicable) of the common stock of the Company, *provided* that if the recipient of the option owns more than ten percent (10%) of the total combined voting power of the Company, the exercise price shall be at least 110% of the Fair Market Value;
- (ii) the term of each option shall be fixed by the Board, *provided* that such option shall not be exercisable more than five (5) years after the date such option is granted, and *provided further* that with respect to an incentive option, if the recipient owns more than ten percent (10%) of the total combined voting power of the Company, the incentive option shall not be exercisable more than five (5) years after the date such incentive option is granted;
- (iii) subject to acceleration in the event of a change of control of the Company (as further described in the Plan), the period during which the options vest shall be designated by the Board or, in the absence of any option vesting periods designated by the Board at the time of grant, shall vest and become exercisable in equal amounts on each fiscal quarter of the Company through the four (4) year anniversary of the date on which the option was granted;
- (iv) no option is transferable and each is exercisable only by the recipient of such option except in the event of the death of the recipient (if such recipient is a natural person); and
- (v) with respect to incentive options, the aggregate Fair Market Value of common stock exercisable for the first time during any calendar year shall not exceed \$100,000.

2. Each award of restricted stock will be subject to the following terms:

- (i) no rights to an award of restricted stock is granted to the intended recipient of restricted stock unless and until the grant of restricted stock is accepted within the period prescribed by the Board;
- (ii) restricted stock shall not be delivered until they are free of any restrictions specified by the Board at the time of grant;
- (iii) recipients of restricted stock have the rights of a stockholder of the Company as of the date of the grant of the restricted stock;
- (iv) shares of restricted stock are forfeitable until the terms of the restricted stock grant have been satisfied or the employment with the Company is terminated; and
- (v) the restricted stock is not transferable until the date on which the Board has specified such restrictions have lapsed.

As of December 31, 2011, the Company issued the following stock options and grants under the Plan:

#### Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights and number of shares of restricted stock	Weighted average exercise price of outstanding options, warrants and rights (1)	Number of securities remaining available for future issuance
Equity compensation approved by security holders under the Plan	-	\$ -	-
Equity compensation plans not approved by security holders	600,000	\$ 0.44	2,400,000
<b>Total</b>	<b>600,000</b>	<b>\$ 0.44</b>	<b>2,400,000</b>

(1) Excludes shares of restricted stock issued under the Plan.

As of April 13, 2012, we have issued the following stock options and grants under the Plan:

#### Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights and number of shares of restricted stock	Weighted average exercise price of outstanding options, warrants and rights (1)	Number of securities remaining available for future issuance
Equity compensation approved by security holders under the Plan	-	\$ -	-
Equity compensation plans not approved by security holders	3,350,000	\$ 0.44	1,650,000
<b>Total</b>	<b>3,350,000</b>	<b>\$ 0.44</b>	<b>1,650,000</b>

(1) Excludes shares of restricted stock issued under the Plan.

#### Rule 10B-18 Transactions

During the years ended December 31, 2011, there were no repurchases of the Company's common stock by the Company.

#### Recent Sales of Unregistered Securities

The following contains information regarding our sales of unregistered securities during the year ended December 31, 2011. All of the securities sold during these periods were sales of our securities to accredited investors and were deemed to be exempt under Rule 506 of Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), and Section 4(2) of the Securities Act. No advertising or general solicitation was employed in offering these securities. The offerings and sales were made to a limited number of persons, all of whom were accredited investors, and, unless otherwise stated below, the shares were restricted in accordance with the requirements of the Securities Act.

On April 18, 2011, the Company entered into subscription agreements with certain accredited investor subscribers for the issuance and sale of (i) \$575,000 in shares of the Company's Series A Preferred Stock (the "Series A Preferred") and (ii) 287,500 warrants to purchase shares of the Company's common stock (the "Warrants"). The Preferred Stock is convertible into shares of the Company's common stock, at a per share conversion price of \$0.40, and the Warrants are exercisable to purchase shares of the Company's Common Stock at a per share exercise price of \$0.60. On December 6, 2011, the Warrants were re-priced at \$0.40 per share.

On August 19, 2011, the Company entered into subscription agreements with certain investors in connection with an offering of up to \$455,000 principal amount of convertible promissory notes (the "August Notes"). The August Notes accrue interest at an annual rate of 14% and are due four months from the issuance date. The Notes were originally convertible at a per share price of \$0.60. In conjunction with the August Notes, each investor was granted a Warrant, exercisable for one share of common stock of the Company for each \$2.00 of investment. The Warrants have a five year term and were originally exercisable at \$0.60 per share, which may be paid via a cashless exercise. On December 6, 2011, the August Notes and Warrants were re-priced at \$0.40 per share.

On December 6, 2011, the Company entered into subscription agreements with accredited investors for the issuance and sale of an aggregate of \$325,000 in Senior Convertible Debentures (the "Debentures"). The Debentures bear interest at a rate of six percent (6%) per annum and have a maturity date of February 28, 2011. The Company, at its option, shall have the right to prepay a portion or all outstanding principal of the Debentures prior to the maturity date without penalty. The Debentures are mandatorily convertible into shares of the Company's Series A Preferred, upon a private placement of the Company of a minimum of \$500,000 of Series A Preferred (the "Qualified Offering"). Additionally, at the option of the subscribers, the Debentures are convertible into shares of Series A Preferred, in whole or in part, at any time between the original issue date of the Debentures and the maturity date, unless previously repaid by the Company or mandatorily converted into Series A Preferred. The Debentures contain customary events of default, the occurrence of which would entitle Subscribers to accelerate the amounts outstanding.

On December 21, 2011, the Company entered into a subscription agreement with one investor, the Michael Mathews 2011 Children's GRAT (the "Trust"). Michael Mathews is the Company's Chairman of the Board. Pursuant to the terms of the Agreement, the Company issued 357,143 shares of the Company's common stock, at a per share subscription price of \$0.70 per share, for a total subscription price of \$250,000.00.

#### **Item 6. Selected Financial Data.**

Not applicable.

#### **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

THE FOLLOWING DISCUSSION OF OUR PLAN OF OPERATION AND RESULTS OF OPERATIONS SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND RELATED NOTES TO THE FINANCIAL STATEMENTS INCLUDED ELSEWHERE IN THIS REPORT. THIS DISCUSSION CONTAINS FORWARD-LOOKING STATEMENTS THAT RELATE TO FUTURE EVENTS OR OUR FUTURE FINANCIAL PERFORMANCE. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE OUR ACTUAL RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THESE FORWARD-LOOKING STATEMENTS. THESE RISKS AND OTHER FACTORS INCLUDE, AMONG OTHERS, THOSE LISTED UNDER "FORWARD-LOOKING STATEMENTS" AND "RISK FACTORS" AND THOSE INCLUDED ELSEWHERE IN THIS REPORT.

#### **Overview**

We intend for this discussion to provide information that will assist in understanding our financial statements, the changes in certain key items in those financial statements, and the primary factors that accounted for those changes, as well as how certain accounting principles affect our financial statements. This discussion should be read in conjunction with our financial statements and accompanying notes for the years ended December 31, 2010 and 2009, included elsewhere in this report.

We are a producer of pop culture and multimedia conventions (“Comic Cons”) across North America that markets movies, TV shows, video games, technology, toys, social networking/gaming platforms, comic books and graphic novels. These Comic Cons provide sales, marketing, promotions, public relations, advertising and sponsorship opportunities for entertainment companies, toy companies, gaming companies, publishing companies, marketers, corporate sponsors and retailers.

### Plan of Operation

Our Company has two lines of business: (i) live multimedia events, which involves ticket sales and exhibitor booth space, and (ii) sponsorships and advertising. Our current focus is on growing our existing Comic Cons by obtaining new exhibitors and dealers and attracting more high profile celebrities and VIPs. We also plan to expose our database of fans and our target market of young adult males to our content through digital media such as facebook, Twitter, YouTube, Flickr, and Tumblr, and draw higher traffic to our website www.wizardworld.com by creating content from our live multimedia events and promoting such events through emails and newsletters.

Further, in the fourth quarter of 2011, we launched our new digital entertainment ad network called the “Wizard World Digital Entertainment Network,” which will be comprised of two websites located at www.wizardworld.com and www.toywiz.com, and the Wizard World email database. The Wizard World Digital Entertainment Network will offer display advertising to brand advertisers, priced on a traditional CPM ad impression basis. We plan to work with display advertising networks and third party representation firms, and to hire four direct sales employees over the next 12 months to maximize the monetization of the Wizard World Digital Entertainment Network.

We expect to produce six (6) live events during the year ended December 31, 2012. We run the risk that we will not be profitable in the live event business. To date, we have operated profitable live events in both the Philadelphia and Chicago markets, but we have operated at a deficit in other events. In order for us to operate a successful event, we must produce an event that is relevant to the public in order drive ticket sales, booth sales, sponsorship and advertising. In order for the Company to grow the digital business, we must attract unique users and drive traffic to our online site. To date, we have exhausted considerable resources developing our media platform, but we have yet to earn a profit from the platform.

Currently, our digital media business has been funded on capital raised from outside investors. We are currently earning revenue from the site and from the newly launched digital entertainment ad network, but not enough to maintain the costs to operate. We must continue to fund the digital media business from outside investors and from cash flow from the live event business until the media platform generates enough revenue to support its own operation.

### Results of Operations

#### *For the Year Ended December 31, 2011 Compared to the Year Ended December 31, 2010*

	Year Ended	
	December 31, 2011	December 31, 2010
Convention revenue	\$ 3,782,124	\$ 3,000,814
Gross profit (loss)	\$ 950,913	\$ 842,201
Operating expenses	\$ (4,108,215)	\$ (1,183,010)
Loss from operations	\$ (3,157,302)	\$ (340,809)
Other income (expenses)	\$ 1,148,064	\$ (1,287,381)
Net loss	\$ (2,009,238)	\$ (1,628,190)
Income (loss) per common share – basic and diluted	\$ (0.06)	\$ (0.08)

#### *Convention Revenue*

Convention revenue was \$3,782,124 for the year ended December 31, 2011, as compared to \$3,000,814 for the comparable year ended December 31, 2010, an increase of \$781,310. The significant increase in convention revenue is primarily attributable to running larger events in 2011, as compared to 2010. The Company ran nine events during the year ended December 31, 2011, as compared to eight during the comparable year ended December 31, 2010. Average revenue generated per event in 2011 was \$420,236, as compared to \$375,102 during 2010.

### **Gross Profit**

Gross profit percentage decreased from 28% for the year ended December 31, 2010, as compared to 25% during the year ended December 31, 2011. The slight decrease in margin is primarily attributable to increased expenses in the company's digital platform for content providers and revenue share.

### **Operating Expenses**

Operating expenses for the year ended December 31, 2011, was \$4,108,215, as compared to \$1,183,010 for the year ended December 31, 2010. The \$2,925,205 increase is primarily attributable to an increase in compensation of \$411,413, an increase in professional fees associated with being a public company, and increase in web development fees of \$815,039, and an increase in non-cash stock based compensation to key consultants and professionals in the amount of \$700,090.

### **Income (Loss) from Operations**

Loss from operations for the year ended December 31, 2011, was \$(3,157,302), as compared to \$(340,809) for the year ended December 31, 2010. The increase is primarily attributable to an increase in compensation of \$411,413, an increase in professional fees associated with being a public company, an increase in web development fees of \$815,039, and an increase in non-cash stock based compensation to key consultants and professionals in the amount of \$700,090, offset by a slight increase in gross profit of \$108,712.

### **Other income (expenses)**

Other income (expense) for the year ended December 31, 2011, was \$1,148,064, as compared to \$(1,287,381) for the year ended December 31, 2010. The increase is attributable to a gain in fair market value of derivative liabilities of \$1,278,848, as compared to incurring a loss on the same account of \$1,284,643. This increase was offset by increased interest expense associated with accreting debt discount recorded on the Company's note offerings.

### **Net Income (Loss)**

Net loss for year ended December 31, 2011, was \$(2,009,238) or loss per share of \$(0.06), as compared to \$(1,628,190) or loss per share of \$(0.08), for the comparable year ended December 31, 2010.

Inflation did not have a material impact on the Company's operations for the period. Other than the foregoing, management knows of no trends, demands, or uncertainties that are reasonably likely to have a material impact on the Company's results of operations.

### **Liquidity and Capital Resources**

The following table summarizes total current assets, liabilities and working capital at December 31, 2011, compared to December 31, 2010:

	<b>December 31, 2011</b>	<b>December 31, 2010</b>	<b>Increase/Decrease</b>
Current Assets	\$ 669,972	\$ 656,997	\$ 12,975
Current Liabilities	\$ 4,080,466	\$ 2,925,407	\$ (1,155,059)
Working Capital (Deficit)	\$ (3,410,494)	\$ (2,268,410)	\$ (1,142,084)

At December 31, 2011, we had a working capital deficit of \$3,410,494, as compared to a working capital deficit of \$2,268,410, at December 31, 2010, an increase of \$1,142,084. The increase is primarily attributable to an increase in accounts payables and accrued liabilities and an increase in convertible promissory notes.

Net cash used in operating activities for the year ended December 31, 2011 and 2010 was \$(1,572,555) and \$(350,537), respectively. The net loss for the years ended December 31, 2011 and 2010 was \$(2,009,238) and \$(1,628,190), respectively. The Company's cash used in operations increased significantly due to running an additional events during the quarter and the costs associated and increased professional fees associated with running a public company, as well as cash spent in web development fees.

Net cash obtained through all financing activities for the years ended December 31, 2011 was \$1,456,117, as compared to \$894,314 for the year ended December 31, 2010. The company raised \$575,000 through the sale and issuance of convertible preferred stock and through the sales and issuance of convertible promissory notes in the amount of \$778,100.

### **Going Concern**

As reflected in the accompanying consolidated financial statements, the Company had a net loss and net cash used in operations for the year ended December 31, 2011, and a working capital deficit and stockholders' deficit, respectively, at December 31, 2011. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The ability of the Company to continue its operations is dependent on management's plans, which include the raising of capital through debt and/or equity markets with some additional funding from other traditional financing sources, including term notes.

The Company will require additional funding to finance the growth of its current and expected future operations as well as to achieve its strategic objectives. The Company believes its current available cash along with anticipated revenues may be insufficient to meet its cash needs for the near future. There can be no assurance that financing will be available in amounts or terms acceptable to the Company, if at all.

In response to these problems, management has taken the following actions:

- seek additional third party debt and/or equity financing;
- continue with the implementation of the business plan;
- increase product prices and reduce discounts;
- increase revenue from existing live events; and
- increase revenue through sponsorship and advertising deals.

### **Off-Balance Sheet Arrangements**

As of December 31, 2011, the Company had no off-balance sheet arrangements.

### **Critical Accounting Policies**

We believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating this "Management's Discussion and Analysis of Financial Condition and Results of Operations."

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.



The Company's significant estimates and assumptions include the fair value of financial instruments; the carrying value, recoverability and impairment, if any, of long-lived assets, including the values assigned to deposits and construction in progress, income tax rate, income tax provision, allowance of deferred tax assets and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

#### **Property and Equipment**

Property and equipment is stated at historical cost less accumulated depreciation and amortization. Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets, varying from 3 to 5 years or, when applicable, the life of the lease, whichever is shorter.

#### **Carrying Value, Recoverability and Impairment of long-lived assets**

The Company has adopted paragraph 360-10-35-17 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, which include property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company considers the following to be some examples of important indicators that may trigger an impairment review: (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company's overall strategy with respect to the manner or use of the acquired assets or changes in the Company's overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; and (v) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

The impairment charges, if any, are included in operating expenses in the accompanying statements of operations.

#### **Derivative Instruments**

The Company evaluates its convertible debt, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with Paragraph 810-10-05-4 of the Codification and Paragraph 815-40-25 of the Codification. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the consolidated statements of operations as other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the balance sheet date.

### **Income Taxes**

We comply with SFAS No. 109, *Accounting for Income Taxes*, which requires an asset and liability approach to financial reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred income tax assets to the amount expected to be realized.

### **Revenue Recognition**

In accordance with the provisions of Staff Accounting Bulletin (“SAB”) No. 101, *Revenue Recognition*, as amended by SAB 104, revenues are generally recognized when products are shipped or as services are performed. However, due to the nature of our business, there are additional steps in the revenue recognition process, as described below:

- Sponsorships: We follow the guidance of Emerging Issues Task Force (“EITF”) Issue 00-21 *Revenue Arrangements with Multiple Deliverables*, and assign the total of sponsorship revenues to the various elements contained within a sponsorship package based on their relative fair values.

### **Fair Value of Financial Instruments**

We follow paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of our financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification (“Paragraph 820-10-35-37”) to measure the fair value of our financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

- Level 1 – Quoted market prices available in active markets for identical assets or liabilities as of the reporting date;
- Level 2 – Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date; and
- Level 3 – Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amount of the Company’s financial assets and liabilities, such as cash, prepaid expenses and accrued expenses approximate their fair value because of the short maturity of those instruments. The Company’s convertible preferred stock and warrants approximate the fair value of such instruments based upon management’s best estimate of interest rates that would be available to the Company for similar financial arrangements at December 31, 2011 and December 31, 2010.

The Company uses Level 3 of the fair value hierarchy to measure the fair value of the derivative liabilities and revalues its derivative warrant liability at every reporting period and recognizes gains or losses in the consolidated statements of operations and comprehensive income (loss) that are attributable to the change in the fair value of the derivative warrant liability.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below and disclosed on the consolidated balance sheets:

	<u>Carrying Value</u>	<u>Fair Value Measurement Using</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Derivative conversion features and warrant liabilities	\$ 1,946,669	\$ -	\$ -	\$ 1,946,669	\$ 1,946,669

The table below provides a summary of the changes in fair value, including net transfers in and/or out, of all financial assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended December 31, 2011:

	Fair Value Measurement Using Level 3 Inputs	
	Derivative Liabilities	Total
Balance, December 31, 2010	\$ 2,260,571	\$ 2,260,571
Total gains or losses (realized/unrealized) included in net loss	(1,278,848)	(1,278,848)
Purchases, issuances and settlements	964,946	964,946
Transfers in and/or out of Level 3	-	-
Balance, December 31, 2011	\$ 1,946,669	\$ 1,946,669

#### Recent Accounting Pronouncements

In May 2011, the FASB issued the FASB Accounting Standards Update No. 2011-04 “*Fair Value Measurement*” (“*ASU 2011-04*”). This amendment and guidance are the result of the work by the FASB and the IASB to develop common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and International Financial Reporting Standards (IFRSs).

This update does not modify the requirements for when fair value measurements apply; rather, it generally represent clarifications on how to measure and disclose fair value under ASC 820, *Fair Value Measurement*, including the following revisions:

- An entity that holds a group of financial assets and financial liabilities whose market risk (that is, interest rate risk, currency risk, or other price risk) and credit risk are managed on the basis of the entity’s net risk exposure may apply an exception to the fair value requirements in ASC 820 if certain criteria are met. The exception allows such financial instruments to be measured on the basis of the reporting entity’s net, rather than gross, exposure to those risks.
- In the absence of a Level 1 input, a reporting entity should apply premiums or discounts when market participants would do so when pricing the asset or liability consistent with the unit of account.
- Additional disclosures about fair value measurements.

The amendments in this Update are to be applied prospectively and are effective for public entity during interim and annual periods beginning after December 15, 2011.

In June 2011, the FASB issued the FASB Accounting Standards Update No. 2011-05 “*Comprehensive Income*” (“*ASU 2011-05*”), which was the result of a joint project with the IASB and amends the guidance in ASC 220, *Comprehensive Income*, by eliminating the option to present components of other comprehensive income (OCI) in the statement of stockholders’ equity. Instead, the new guidance now gives entities the option to present all non-owner changes in stockholders’ equity either as a single continuous statement of comprehensive income or as two separate but consecutive statements. Regardless of whether an entity chooses to present comprehensive income in a single continuous statement or in two separate but consecutive statements, the amendments require entities to present all reclassification adjustments from OCI to net income on the face of the statement of comprehensive income.

The amendments in this Update should be applied retrospectively and are effective for public entity for fiscal years, and interim periods within those years, beginning after December 15, 2011.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

We do not hold any derivative instruments and do not engage in any hedging activities.

**Item 8. Financial Statements.**

Our consolidated financial statements are contained in pages F-1 through F-21 which appear at the end of this Annual Report.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

There are no reportable events under this item for the year ended December 31, 2011.

**Item 9A. Controls and Procedures.**

**(a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES**

Based on their evaluation as of the end of the period covered by this Annual Report on Form 10-K, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(c) and 15d-15(e) under the Exchange Act) are not effective to ensure that information required to be disclosed by us in report that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

**(b) MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

This Company's management is responsible for establishing and maintaining internal controls over financial reporting and disclosure controls. Internal Control Over Financial Reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the registrant; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is appropriately recorded, processed, summarized and reported within the specified time periods.

Management has conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2011, based on the framework established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on this assessment, management concluded that as of December 31, 2011, it had material weaknesses in its internal control procedures.

A material weakness is a control deficiency, or combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements would not be prevented or detected on a timely basis. As of December 31, 2011, we have concluded that our internal control over financial reporting was ineffective. The Company's assessment identified certain material weaknesses which are set forth below:

#### **Functional Controls and Segregation of Duties**

Because of the company's limited resources, there are limited controls over information processing, and no internal controls over the accuracy, completeness and authorization of transactions.

There is an inadequate segregation of duties consistent with control objectives. Our Company's management is composed of a small number of individuals resulting in a situation where limitations on segregation of duties exist. In order to remedy this situation we would need to hire additional staff to provide greater segregation of duties. Currently, it is not feasible to hire additional staff to obtain optimal segregation of duties. Management will reassess this matter in the following year to determine whether improvement in segregation of duty is feasible.

There is a lack of top level reviews in place to review targets, product development, joint ventures or financing. All major business decisions are carried out by the officers with board of director approval when needed.

Accordingly, as the result of identifying the above material weaknesses we have concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the Company's internal controls.

Management believes that the material weaknesses set forth above were the result of the scale of our operations and are intrinsic to our small size. Management believes these weaknesses did not have a material effect on our financial results and intends to take remedial actions upon receiving funding for the Company's business operations.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report herein.

#### **(c) CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING**

We are committed to improving our financial organization. As part of this commitment, we will create a position to segregate duties consistent with control objectives and will increase our personnel resources and technical accounting expertise within the accounting function when funds are available to us by preparing and implementing sufficient written policies and checklists which will set forth procedures for accounting and financial reporting with respect to the requirements and application of US GAAP and SEC disclosure requirements.

Management believes that preparing and implementing sufficient written policies and checklists will remedy the material weaknesses pertaining to insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of US GAAP and SEC disclosure requirements. We intend to take appropriate and reasonable steps to make the necessary improvements to remediate these deficiencies, including:

- (1) We will document a formal code of ethics.
- (2) We will revise processes to provide for a greater role of independent board members in the oversight and review until such time that we are adequately capitalized to permit hiring additional personnel to address segregation of duties issues, ineffective controls over the revenue cycle and insufficient supervision and review by our corporate management.

(3) We will continue to update the documentation of our internal control processes, including formal risk assessment of our financial reporting processes.

We intend to consider the results of our remediation efforts and related testing as part of our year-end 2011 assessment of the effectiveness of our internal control over financial reporting.

Subsequent to December 31 2011, we have undertaken the following steps to address the deficiencies stated above:

- Continued the development and documentation of internal controls and procedures surrounding the financial reporting process, primarily through the use of account reconciliations, and supervision.

**Item 9B. Other Information.**

On August 25, 2011, pursuant to a meeting of the board of directors on July 24, 2011, the Company changed its fiscal year end from July 31 to December 31.

On April 11, 2012, the board of directors approved an amendment to the Company's 2011 Incentive Stock and Award Plan. The amendment increased the authorized shares under the Plan to 5,000,000. A copy of the amended and restated Plan is filed as an exhibit hereto.

### PART III

#### Item 10. Directors, Executive Officers and Corporate Governance.

##### *Directors and Executive Officers*

The following table discloses our directors and executive officers as of April 13, 2012. There are no familial relationships between or among the directors or executive officers of the Company.

Name	Age	Title
John Macaluso	55	Chief Executive Officer, Director
Michael Mathews	50	Chairman
John Maatta	59	Director
Greg Suess	39	Director
Vadim Mats	27	Director

##### **John Macaluso, age 55, Chief Executive Officer, Director**

John Macaluso has served as a member of our Board since May 13, 2011. Mr. Macaluso is the founder, sole owner and Chief Executive Officer of California Concepts, a domestic manufacturer of domestic and imported women's and girls' clothing, which operated as such from 1987 through 2007. In 2007, Mr. Macaluso exited the clothing business and transitioned California Concepts into a real estate development business, managing projects in Los Angeles, Las Vegas and Big Sky, Montana at the Yellowstone Club, among others.

The Board believes that Mr. Macaluso's business experience with managing gross profit margins, markdown allowances, budgets and negotiating effective costs of goods purchased will be a significant asset to the Company with respect to, among other things, its operating budget as a growing public company.

##### **Michael Mathews, age 50, Chairman of the Board**

Michael Mathews has been our Company's Chairman of the Board since March 23, 2011, and from the period from December 1, 2011 to March 19, 2012, he served as our Executive Chairman. In May 2011, Mr. Mathews was appointed Chief Executive Officer and Director of Aspen Group, Inc., a for-profit nationally accredited, exclusively online university. From August 2007 until January 31, 2011, Mr. Mathews was the Chief Executive Officer of interclick, inc. (formerly Customer Acquisition Network Holdings, Inc.), a provider of data driven campaign strategies for digital agencies and marketers ("interclick"). From May 2008 until June 2008, Mr. Mathews served as the interim Chief Financial Officer of interclick. Interclick, was acquired by Yahoo! in December, 2011. From 2004 to 2007, Mr. Mathews served as the Senior Vice-President of Marketing and Publisher Services of World Avenue U.S.A., LLC, an Internet promotional marketing company. Mr. Mathews graduated from San Francisco State University with a degree in Marketing and holds a Masters in Business Administration from Golden Gate University.

The Board believes that Mr. Mathews' extensive experience and background in the internet marketing industry will be a significant asset to the Company's development of its digital platform, and his leadership roles in public companies will aid in the operation of our Company as a public company.



**Mr. John Maatta, age 59, Director**

John Maatta has been a member of our Board since May 25, 2011. Since 2006, Mr. Maatta has been the Chief Operating Officer of The CW Network, which is America's fifth broadcast network and a network that focuses substantially on targeting young adults between the ages of 18 and 34. From September 2005 through September 2006, Mr. Maatta served as the Chief Operating Officer of The WB, a Warner Bros. television network ("The WB"), where he had direct oversight of all business and operations departments, such as business affairs, finance, network distribution (which included The WB 100+ station group), technology, legal, research, network operations, broadcast standards and human resources. While Chief Operating Officer at The WB, Mr. Maatta also served as The WB's General Counsel. Mr. Maatta is currently a director of Trader Vics, Inc., a Polynesian-style restaurant chain, a position he has held since 1998. Mr. Maatta received a Bachelor of Arts in Government from the University of San Francisco in 1974, and a Juris Doctorate from the University of California, Hastings College of the Law, in 1977.

The Board believes that Mr. Maatta's experience with operating companies in the entertainment industry and his contacts in the industry will be an important factor in the Company's growth as a digital entertainment and event company.

**Greg Suess, age 39, Director**

Greg Suess has been a director of our Company since May 9, 2011. In 2000, he founded ROAR, a Beverly Hills-based management and consulting company that focuses on media and entertainment and provides comprehensive management services for its clients, including talent and brand management, managing partnerships, strategic alliances and marketing strategies that engage consumers through entertainment, music and lifestyle experiences. Mr. Suess is, and has been since inception, a partner at ROAR. Since 1997, Greg has been with the law firm of Glaser, Weil, Fink, Jacobs, Howard, Avchen & Shapiro, LLP, where he is currently Of Counsel and focuses on general corporate law and media and entertainment. Mr. Suess also serves on the board of directors of TicTock Studios and Derycz Scientific, Inc. Mr. Suess holds a Bachelor of Science from the University of Southern California (Lloyd Greif Center for Entrepreneurial Studies), and holds a JD/MBA from Pepperdine University. He is a member of the State Bar of California.

The Board believes that Mr. Suess' extensive experience and background in the media and entertainment industry complements the Company's events business, its new digital initiatives and its new online media Wizard World Digital, which covers new and upcoming products and talents in the pop culture world.

**Vadim Mats, age 27, Director**

Vadim Mats has been a director of our Company since January 14, 2011. Mr. Mats is also, and has been since June 28, 2010, the Chief Financial Officer of FWS Capital Ltd. Prior to joining FWS Capital Ltd., Mr. Mats served as an accounting consultant to various companies from December 2009 until June 2010. Mr. Mats was also previously the assistant controller at Eton Park Capital Management, a multi-strategy fund, from July 16, 2007 to December 1, 2009. From June 2006 to July 2007, Mr. Mats was a senior fund accountant at The Bank of New York Mellon, where he was responsible for over fifteen funds. Mr. Mats graduated *cum laude* from the Zicklin School of Business at Bernard Baruch College with a Bachelor's degree in Business Administration, specializing in finance and investments.

Mr. Mats' extensive experience and background in finance, accounting and investment funds will be a significant asset to the Company's operation as a public company.

**Family Relationships**

There are no family relationships among our directors, executive officers, or persons nominated or chosen by the Company to become directors or executive officers. None of our directors or executive officers or their respective immediate family members or affiliates are indebted to us.

**Committees of the Board of Directors**

We have not established any committees, including an audit committee, a compensation committee or a nominating committee. The Board currently acts as our audit committee. At the present time, we believe that our Board is capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting.

We do not have a policy regarding the consideration of any director candidates which may be recommended by our shareholders, including the minimum qualifications for director candidates, nor has our board of directors established a process for identifying and evaluating director nominees, nor do we have a policy regarding director diversity. We have not adopted a policy regarding the handling of any potential recommendation of director candidates by our shareholders, including the procedures to be followed. Our Board has not considered or adopted any of these policies as we have never received a recommendation from any shareholder for any candidate to serve on our Board of Directors.

Given our relative size, we do not anticipate that any of our shareholders will make such a recommendation in the near future. While there have been no nominations of additional directors proposed, in the event such a proposal is made, all members of our Board will participate in the consideration of director nominees. In considering a director nominee, it is likely that our Board will consider the professional and/or educational background of any nominee with a view towards how this person might bring a different viewpoint or experience to our Board.

None of our directors is an "audit committee financial expert" within the meaning of Item 401(e) of Regulation S-K. In general, an "audit committee financial expert" is an individual member of the audit committee or Board who:

- understands generally accepted accounting principles and financial statements;
- is able to assess the general application of such principles in connection with accounting for estimates, accruals and reserves;
- has experience preparing, auditing, analyzing or evaluating financial statements comparable to the breadth and complexity to our financial statements;
- understands internal controls over financial reporting, and
- understands audit committee functions.

Our securities are not quoted on an exchange that has requirements that a majority of our Board members be independent and we are not currently otherwise subject to any law, rule or regulation requiring that all or any portion of our Board include "independent" directors, nor are we required to establish or maintain an audit committee or other committee of our board of directors.

#### *Director Independence*

The common stock of the Company is currently quoted on the OTC Markets, a quotation system which currently does not have director independence requirements. On an annual basis, each director and executive officer will be obligated to disclose any transactions with the Company in which a director or executive officer, or any member of his or her immediate family, have a direct or indirect material interest in accordance with Item 407(a) of Regulation S-K. Following completion of these disclosures, the Board will make an annual determination as to the independence of each director using the current standards for "independence" that satisfy the criteria for the Nasdaq.

As of April 13, 2012, the Board determined that the following directors are independent under these standards:

John Maatta; Vadim Mats; and Greg Suess.

#### *Board Oversight in Risk Management*

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including liquidity risk, operational risk, strategic risk and reputation risk. Our Chief Executive Officer also serves as one of our directors. In the context of risk oversight, at the present stage of our operations we believe that our selection of one person to serve in both positions provides the Board with additional perspective which combines the operational experience of a member of management with the oversight focus of a member of the Board. The business and operations of the Company are managed by our Board as a whole, including oversight of various risks that the Company faces.

**Compliance with Section 16(a) of the Exchange Act**

As of December 31, 2011, we were not subject to Section 16(a) of the Exchange Act, which requires the Company's directors, executive officers and persons who beneficially own 10% or more of a class of securities registered under Section 12 of the Exchange Act to file reports of beneficial ownership and changes in beneficial ownership with the SEC.

On March 30, 2012, the Company filed a registration statement on Form 8-A, registering the Company's common stock, par value \$0.0001 per share, under Section 12(g) of the Exchange Act, and thus became subject to the reporting requirements of Section 16(a). To our knowledge, as of April, 13, 2012, all required Section 16(a) filings have been made.

**Code of Ethics**

We have not yet adopted a code of ethics because we wanted to complete our constitution of the Board prior to adopting such code of ethics to allow the entire Board to review and approve a code of ethics.

**Legal Proceedings**

There are no material proceedings to which any director or officer, or any associate of any such director or officer, is a party that is adverse to our Company or any of our subsidiaries or has a material interest adverse to our Company or any of our subsidiaries. No director or executive officer has been a director or executive officer of any business which has filed a bankruptcy petition or had a bankruptcy petition filed against it during the past ten years. No director or executive officer has been convicted of a criminal offense or is the subject of a pending criminal proceeding during the past ten years. No director or executive officer has been the subject of any order, judgment or decree of any court permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities during the past ten years. No director or officer has been found by a court to have violated a federal or state securities or commodities law during the past ten years.

**Item 11. Executive Compensation.**

**2011 SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Gareb Shamus (1) Former Chief Executive Officer and President	2011	\$ 76,066	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 76,066
	2010	\$ 76,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 299,235	\$ 376,035
Terry Fields (2) Former Chief Financial Officer	2011	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,827	\$ 1,827
	2010	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	2009	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Michael Mathews (3) Former Executive Chairman	2011	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

- (1) Mr. Shamus was appointed on December 7, 2010, and therefore did not have any relevant compensation to report for the fiscal year ended December 31, 2009. Mr. Shamus resigned from his respective executive officer and director positions on December 1, 2011. On December 31, 2010, the Company determined that the outstanding loan and interest in the amount of \$299,235 to Wizard Entertainment, was uncollectable. Because Wizard Entertainment is controlled by Gareb Shamus, the Company determined that balance should be considered compensation. The Company recorded \$299,235 to compensation expense.
- (2) Mr. Fields resigned from his position as Chief Financial Officer and as a member of the Company's board of directors on January 4, 2011.
- (3) Mr. Mathews assumed the role of the Company's Executive Chairman on December 1, 2011. On March 19, 2012, Mr. Mathews resigned as the Company's Executive Chairman in order to return to his role as the Company's Chairman of the Board. Mr. Mathews was compensated through his consulting agreement as described below.

**Employment Agreement with Gareb Shamus**

The Company entered into an employment agreement, effective May 25, 2011 (the "Employment Agreement"), with Mr. Gareb Shamus, pursuant to which he was to serve as the Company's Chief Executive Officer. The term of the employment was for a period of three (3) years and automatically renewed for additional one (1) year periods unless either Mr. Shamus or the Company gave written notice of non-renewal to the other party no later than sixty (60) days prior to the expiration of the then current term.

The Employment Agreement provided for an annual base salary of \$140,000 (the "Base Salary"), subject to an annual increase of at least ten percent (10%) per annum, and may not be decreased. In addition to the Base Salary, Mr. Shamus was to receive an annual bonus of up to one hundred percent (100%) of his then-current Base Salary (to be paid 50% in cash and 50% in restricted stock) based upon the achievement of certain performance targets to be agreed upon by Mr. Shamus and a majority of the Board (the "Bonus Target"). Notwithstanding the foregoing, in the event that the performance of the Company business for any fiscal year is greater than seventy-five percent (75%), but less than one hundred percent (100%), of the applicable Bonus Target, Mr. Shamus was entitled to a percentage of the annual bonus as determined in the Employment Agreement. In the event Mr. Shamus and the Board are unable to agree to a mutually acceptable Bonus Target, Mr. Shamus was to receive an annual bonus of not less than fifteen percent (15%) of the Base Salary, all of which could have been paid in restricted stock at Mr. Shamus' sole discretion.

Pursuant to a letter of resignation dated December 1, 2011, Mr. Gareb Shamus resigned his positions as President, Chief Executive Officer and Director of the Company. Pursuant to the Employment Agreement, upon Mr. Shamus' resignation, in addition to the reimbursement of documented, unreimbursed expenses incurred prior to such date, Mr. Shamus was entitled to the following severance benefits: accrued and unpaid Base Salary and vacation pay through the date of termination, less withholding of applicable taxes. Mr. Shamus shall have any conversion rights available under the Corporation's Benefit Plans and as otherwise provided by law, including the Comprehensive Omnibus Budget Reconciliation Act. As of December 31, 2011, the Company owed Mr. Shamus a total of \$61,840.23 in back due salary (the "Shamus Back Salary"). On or about January 15, 2012, the Company and Mr. Shamus verbally agreed that the Shamus Back Salary would be repaid in cash at a rate of \$10,000 per month until there is a zero balance. As of April 13, 2012, the outstanding Shamus Back Salary equals \$31,381.19.

### Consulting Agreements

#### Mike Mathews

On March 23, 2011, the Company entered into a consulting agreement (the "Mathews Consulting Agreement") with Mr. Mathews, the Company's Chairman, pursuant to which Mr. Mathews will, among other things, develop a digital platform for the Company and establish digital planning systems that will include all forms of digital media and social, search, content, and video applications. The term of the Mathews Consulting Agreement is for a four (4) year period. As compensation for his services, Mr. Mathews shall receive a total of 1,000,000 shares of the Company's common stock, with the first 250,000 shares issued on March 23, 2011. As of April, 13, 2012, Mr. Mathews has received 500,000 shares under the Mathews Consulting Agreement.

#### CA Concepts

On September 1, 2011, the Company entered into a verbal agreement with California Concepts, Inc. ("Concepts"), to provide consulting services to the Company. John Macaluso, the Company's Chief Executive Officer, is the chief executive officer of Concepts. Pursuant to the terms of the consulting agreement, Concepts was to receive \$10,000 per month for the consulting services. On February 7, 2012, the Company entered into a formal written agreement, documenting the terms of the previous verbal agreement. On March 19, 2012, in conjunction with Mr. Macaluso's appointment as the Company's Chief Executive Officer, the consulting agreement with Concepts was terminated. Concepts received \$40,000 for services rendered during the fiscal year ended December 31, 2011. For the period from January 1, 2012, until March 19, 2012, Concepts received a total of \$25,384.79 for services rendered.

### Outstanding Equity Awards

Name (a)	2011 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END OPTION AWARDS					STOCK AWARDS				Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#) (j)
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (d)	Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)		
Gareb Shamus (1) Former Chief Executive Officer and President	-	-	-	-	-	-	-	-	-	-
Terry Fields (2) Former Chief Financial Officer	-	-	-	-	-	-	-	-	-	-
Michael Mathews (3) Former Executive Chairman	-	-	-	-	-	750,000(4)	0.40(5)	-	-	-

(1) Mr. Shamus resigned from his respective executive officer positions on December 1, 2011. None of Mr. Shamus' equity awards had vested at the time of his resignation and pursuant to the terms of his employment agreement, such awards were forfeited upon his resignation.

(2) Mr. Fields resigned from his position as Chief Financial Officer on January 4, 2011.

(3) Mr. Mathews assumed the role of the Company's Executive Chairman on December 1, 2011. On March 19, 2012, Mr. Mathews resigned as the Company's Executive Chairman in order to return to his role as the Company's Chairman of the Board.

(4) These restricted stock award shares were issued to Mr. Mathews for his services as the Chairman of the Board.

(5) The Company does not currently have a discernible market value for its common stock. This amount was calculated based on the Company's past fiscal performance and the price of the Company's recent financing transactions.

### Director Compensation

The following summary compensation table sets forth all compensation awarded to, earned by, or paid to the named directors by us during the year ended December 31, 2011.

Name And Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus (\$) (d)	Stock Awards (\$) (e)	Option Awards (\$) (f)	Non-Equity Incentive Plan Compensation (\$) (g)	All Other Compensation (\$) (h)	Total (\$) (i)
Mike Mathews <i>Chairman</i>	2011	\$	\$	\$	\$	\$	\$ 10,000	\$ 10,000
John Macaluso <i>Director</i>	2011	\$	\$	\$	\$ 8,076	\$	\$	\$ 8,076
Greg Stess <i>Director</i>	2011	\$	\$	\$	\$ 8,147	\$	\$	\$ 8,147
John Maatta <i>Director</i>	2011	\$	\$	\$	\$ 7,651	\$	\$	\$ 7,651
Vadim Mats <i>Director</i>	2011	\$	\$	\$ 20,000	\$ 8,147	\$	\$	\$ 28,147
Careb Shamus <i>Former Director (1)</i>	2011	\$	\$	\$	\$	\$	\$	\$

(1) Mr. Shamus resigned as a director on December 1, 2011.

### Director Agreements

The Company has entered into director agreements with each of its directors. Each director agreement commences on the date that the respective director was appointed a member of the Board and continues through the Company's next annual stockholders' meeting, unless automatically renewed at the option of the Board on such date that such director is re-elected to the Board. Pursuant to the director agreements entered into with our directors other than Mr. Mathews and Mr. Mats, each director is granted a non-qualified option to purchase up to 150,000 shares of the Company's common stock. Mr. Mats' director agreement provides for a quarterly issuance of 10,000 shares of restricted common stock. Mr. Mats was not granted non-qualified options to purchase the Company's common stock. Mr. Mathews' director agreement provides for a quarterly stipend of twenty thousand dollars (\$20,000). Other than an initial \$10,000 payment, Mr. Mathews waived the remainder of this stipend during the year ended December 31, 2011.

In conjunction with the director agreements, we entered into an indemnification agreement with each director that is effective during the term that such director serves as a member of the Board until six years thereafter. The indemnification agreement indemnifies the director to the fullest extent permitted under Delaware law for any claims arising out of, or resulting from, among other things, (i) any actual, alleged or suspected act or failure to act as a director or agent of the Company and (ii) any actual, alleged or suspected act or failure to act in respect of any business, transaction, communication, filing, disclosure or other activity of the Company. Further, the director is indemnified for any losses pertaining to such claims, provided, however, that the losses not include expenses incurred by the director in respect of any claim as which such director shall have been adjudged liable to the Company, unless the Delaware Chancery Court rules otherwise.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

Our authorized capital stock consists of 100,000,000 shares, of which 80,000,000 are for shares of common stock, par value \$0.0001 per share, and 20,000,000 are for shares of preferred stock, par value \$0.0001 per share, of which 50,000 have been designated as Series A Cumulative Convertible Preferred Stock. As of April 13, 2012, there were 35,044,878 shares of our common stock issued and outstanding, all of which were fully paid, non-assessable and entitled to vote. Each share of our common stock entitles its holder to one vote on each matter submitted to the stockholders.

The following table sets forth information as of April 13, 2012, with respect to the beneficial ownership of our common stock by (i) each of our officers and directors, (ii) our officers and directors as a group and (iii) each person known by us to beneficially own five percent (5%) or more of our outstanding common stock. Unless otherwise specified, the address of each of the persons set forth below is in care of Wizard World, Inc., 1350 Avenue of the Americas, 2nd floor, New York, NY 10019.

<b>Title of Class</b>	<b>Name of Beneficial Owner (1)</b>	<b>Number of Shares</b>	<b>Percent of Class (2) (3)</b>
Common	Michael Mathews, Chairman	857,143(4)	2.45%
Common	Vadim Mats, Director	50,000(5)	*0%
Common	Greg Suess, Director	0(6)	*0%
Common	John Macaluso, Chief Executive Officer, Director	8,050,000(7)	22.97%
Common	John Maatta, Director	0(8)	*0%
Common	All officers and directors as a group (5 persons)	8,957,143	25.56%
Common	4 Brothers LLC (9)	3,351,250	9.56%
Common	It's All Normal LLC (10)	2,393,750	6.83%
Common	Pivot Media LLC (11)	3,830,000	10.93%
Common	Bristol Capital LLC (12)	2,172,759(13)	6.20%
Common	Bristol Investment Fund Ltd. (14)	2,951,845(15)	8.42%
Common	Robert Knie	2,400,000(16)	6.85%
Common	The David Rosenberg Irrevocable Trust (17)	2,150,000	6.13%
Common	Eric Weisblum	1,950,000	5.56%
Common	Gem Funding LLC (18)	0(19)	*0%
Common	All officers, directors and 5% holders as a group (13 persons)	30,156,747	86.05%

\* denotes less than 1%

- (1) Beneficial ownership generally includes voting or investment power with respect to securities. Unless otherwise indicated, each of the beneficial owners listed above has direct ownership of and sole voting power and investment power with respect to the securities. Beneficial ownership is determined in accordance with Rule 13d-3(d)(1) under the Exchange Act and includes securities for which the beneficial owner has the right to acquire beneficial ownership within 60 days.
- (2) Figures may not round up due to rounding of percentages.
- (3) Based on 35,044,878 shares of common stock issued and outstanding as of April 13, 2012.
- (4) Includes 500,000 shares issued in accordance with the Consulting Agreement, dated March 23, 2011, with the Company, pursuant to which Mr. Mathews is to receive an aggregate of 1,000,000 shares of common stock, payable in equal installments over a period of four years. This total also includes 357,143 shares of common stock held in the name of the Michael Mathews 2011 Children's GRAT, to which Mr. Mathews is not the beneficiary nor the trustee.
- (5) This total does not include shares issuable upon exercise of an option for 150,000 shares of common stock, of which approximately 45,000 have vested.
- (6) Does not include (i) shares issuable upon exercise of an option for 150,000 shares of common stock, of which approximately 45,000 have vested; (ii) 62,500 shares of common stock underlying Series A Preferred Stock; and warrants to purchase 18,750 shares of common stock at an exercise price of \$0.40.
- (7) Does not include (i) shares issuable upon exercise of an option for 150,000 shares of common stock, of which approximately 45,000 have vested (ii) shares issuable upon exercise of an option for 2,750,000 shares of common stock, of which 0 have vested; (iii) 250,000 shares of common stock underlying Series A Preferred Stock; (iv) warrants to purchase 75,000 shares of common stock at an exercise price of \$0.40; and (v) warrants to purchase 1,000,000 shares of common stock at an exercise price of \$0.40.
- (8) Does not include shares issuable upon exercise of an option for 150,000 shares of common stock, of which approximately 45,000 have vested.
- (9) 4 Brothers LLC is organized and existing under the laws of the State of Delaware. Gareb Shamus is the managing member of 4 Brothers LLC, and, acting alone, has voting and dispositive power over the shares beneficially owned by 4 Brothers LLC.
- (10) It's All Normal LLC is organized and existing under the laws of the State of Delaware. Gareb Shamus is the managing member of It's All Normal LLC, and, acting alone, has voting and dispositive power over the shares beneficially owned by It's All Normal LLC.
- (11) Pivot Media LLC is organized and existing under the laws of the State of Delaware. Gareb Shamus is the managing member of Pivot Media LLC, and, acting alone, has voting and dispositive power over the shares beneficially owned by Pivot Media LLC.
- (12) Bristol Capital LLC is organized and existing under the laws of the State of Delaware. Paul Kessler is the managing member of Bristol Capital LLC, and, acting alone, has voting and dispositive power over the shares beneficially owned by Bristol Capital LLC.
- (13) This total does not include 750,000 options to purchase shares of the Company's common stock at an exercise price of \$0.40 per share.
- (14) Bristol Investment Fund Ltd., a Cayman Islands Exempted Company. Paul Kessler is the managing member of Bristol Investment Fund Ltd., and, acting alone, has voting and dispositive power over the shares beneficially owned by Bristol Investment Fund Ltd.



- (15) Does not include (i) 625,000 shares of common stock underlying Series A Preferred Stock and (ii) warrants to purchase 187,500 shares of common stock at an exercise price of \$0.40.
- (16) This total does not include (i) 100,000 shares underlying a convertible promissory note in the principal amount of \$40,000 (ii) 50,000 warrants at an exercise price of \$0.40; and (iii) 750,000 options to purchase shares of the Company's common stock at an exercise price of \$0.40.
- (17) The beneficiary of the trust is Natalie Schlossberg and the trustee is Mitch Schlossberg, the son of Natalie Schlossberg.
- (18) Gem Funding LLC is organized and existing under the laws of the State of Delaware. Corie Weisblum is the managing member of Gem Funding LLC, and, acting alone, has voting and dispositive power over the shares beneficially owned by Gem Funding LLC.
- (19) This total does not include warrants to purchase 2,000,000 shares of common stock at an exercise price of \$0.40 per share.

#### **Stock Option Issuances Under the 2011 Incentive Compensation and Award Plan**

##### *Option Grants*

On May 9, 2011, as subsequently amended on September 14, 2011 and April 11, 2012, we adopted the 2011 Incentive Stock and Award Plan, which was authorized and approved by the Board, and have granted to all directors (other than our Executive Chairman Michael Mathews, who received restricted stock awards) options to purchase our common stock pursuant to the terms of their employment, consulting and/or director agreements.

In conjunction with the director agreements and indemnification agreements described above, we entered into a Non-qualified Stock Option Agreement ("Stock Option Agreement") with each director, pursuant to which the director was granted a non-qualified stock purchase option (the "Non-qualified Option") to purchase up to an aggregate of one hundred fifty thousand (150,000) shares of our common stock, subject to the terms and conditions of the Plan. The exercise price for the Non-qualified Option is the closing price of the Company's common stock on the execution date of the director agreement. The Non-qualified Option is exercisable for a period of five years and vests in equal amounts over a period of three (3) years at the rate of twelve thousand five hundred (12,500) shares per fiscal quarter at the end of such quarter, and pro-rated for the number of days the director served on the Board during such fiscal quarter. Notwithstanding the foregoing, if the director ceases to be a member of Board at any time during the three (3)-year vesting period for any reason (such as resignation, withdrawal, death, disability or any other reason), then any un-vested portion of the Non-qualified Option shall be irrefutably forfeited.

##### *Restricted Stock Awards*

On March 23, 2011, we entered into the Consulting Agreement with our Chairman Michael Mathews, pursuant to which Mr. Mathews will, among other things, develop a digital platform for the Company and establish digital planning systems that will include all forms of digital media and social, search, content, and video applications. The term of the Consulting Agreement is for a four (4) year period. As compensation for his services, Mr. Mathews received, with the first issuance of 250,000 shares occurring on March 23, 2011, one million (1,000,000) restricted shares of the Company's common stock, issuable in four yearly installments. Mr. Mathews has received 500,000 shares under the Consulting Agreement as of the date hereof.

On January 14, 2011, we entered into a director agreement with Vadim Mats. The term of the Agreement is for a one year. As compensation for his services, Mr. Mats shall receive at the end of every fiscal quarter during the Directorship Term ten thousand (10,000) shares of the Company's restricted common stock, par value \$0.0001 per share. For any period during the term that Mr. Mats does not serve a full quarter, the amount of shares of common stock issued shall be pro-rated based on the number of days during such quarter that the Mr. Mats was a member of the Company's Board of Directors. On April 11, 2012, Mr. Mats waived his right to receive the stock award granted to him under his director agreement going forward.

## DESCRIPTION OF SECURITIES

### General

Our authorized capital stock consists of 100,000,000 shares, of which 80,000,000 shares are common stock, par value \$0.0001 per share and 20,000,000 are for shares of preferred stock, par value \$0.0001 per share, of which 50,000 have been designated as Series A Cumulative Convertible Preferred Stock ("Series A Preferred Stock").

### Common Stock

As of April 13, 2012, there were 35,044,878 shares of our common stock issued and outstanding held by 18 beneficial owners or record.

#### *Voting Rights*

Each share of stock entitles the holder to one vote for each share on all matters submitted to a stockholder vote. Directors are elected by a plurality of the votes of the shares present in person or represented by proxy at an annual shareholders' meeting and entitled to vote on the election of directors. Any other action shall be authorized by a majority of the votes cast, unless otherwise provided under the Delaware General Corporation Law. Holders of our stock representing a majority of the voting power of our capital stock issued, outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of our stockholders.

#### *Dividend Rights*

Holders of our common stock are entitled to share in all dividends that our board of directors, in its discretion, declares from legally available funds, but only after we have satisfied our dividend obligations to the holders of our Series A Preferred Stock.

#### *Liquidation Rights*

In the event of a liquidation, dissolution or winding up, each outstanding share entitles its holder to participate pro rata in all assets that are legally available for distribution and remain after (i) payment of liabilities and (ii) payment in full of all amounts due to the holders of the Series A Preferred Stock (on an as converted basis).

#### *Conversion and Redemption Rights*

Holders of our common stock have no pre-emptive rights, no conversion rights and there are no redemption provisions applicable to our common stock.

### Series A Cumulative Convertible Preferred Stock

As of April 13, 2012, there were approximately 23,763 shares of our Series A Preferred Stock issued and outstanding held by approximately 30 shareholders of record. Each share of our Series A Preferred Stock has a stated value equal to \$100.00 (the "Stated Value").

#### *Voting Rights*

The holders of our Series A Preferred Stock do not vote together with the holders of our common stock on an as converted basis. The vote of the holders of our Series A Preferred Stock is required, however, to (i) amend our certificate of incorporation or bylaws in a way that would be adverse to the holders of our Series A Preferred Stock, (ii) redeem or repurchase our stock (other than with respect to the Series A Preferred Stock), (iii) effect a liquidation event, (iv) declare or pay dividends (other than on the Series A Preferred Stock), and (v) issue any securities in parity or senior to the rights of the Series A Preferred Stock.

### *Dividends*

The holders of our Series A Preferred Stock are entitled to receive preferential dividends at the rate of 8% per share per annum of the Stated Value out of any funds legally available, and before any dividend or other distribution will be paid or declared and set apart for payment on any shares of our common stock. Upon the occurrence of an event of default, the dividend rate will increase to 15% per annum on the Stated Value. The dividends compound annually and are fully cumulative, accumulate from the date of original issuance of the Series A Preferred Stock, and are payable annually on the last day of each calendar year, in arrears, (i) in cash; (ii) at our option, in additional shares of Series A Preferred Stock valued at the Stated Value in an amount equal to 150% of the cash dividend otherwise payable; or (iii) at our option, a combination of cash and additional shares of Series A Preferred Stock.

### *Liquidation*

Upon the occurrence of a "liquidation event", the holders of our Series A Preferred Stock are entitled to receive, before any payment or distribution is made on any shares of our common stock, out of the assets available for distribution to our stockholders, an amount equal to two (2) times the Stated Value and all accrued and unpaid dividends. If the assets available are insufficient to pay the holders of our Series A Preferred Stock in full, then the assets will be distributed pro rata among the holders of our Series A Preferred Stock.

A "liquidation event" occurs in the event of (i) our liquidation, dissolution or winding-up, whether voluntary or involuntary, (ii) (A) our purchase or redemption of any shares of any class of our stock or (B) a merger or consolidation with or into any entity, unless, among other things, the holders of our Series A Preferred Stock receive securities of the surviving corporation having substantially similar rights and our stockholders immediately prior to such transaction are holders of at least a majority of the voting securities of the surviving entity.

### *Redemption*

Upon (i) the occurrence of an event of default, (ii) a "change in control" or (iii) our liquidation, dissolution or winding up, and if the holder of the Series A Preferred Stock so elects, we must pay a sum of money determined by multiplying the then current purchase price of the outstanding Series A Preferred Stock by 110%, plus accrued but unpaid dividends, no later than thirty (30) business days after request for redemption is made. "Change in Control" means (i) our Company no longer having a class of shares publicly traded, listed or quoted, (ii) our becoming a subsidiary of another entity, (iii) a majority of our board of directors as of the Closing Date no longer serving as our directors of the Corporation, and (iv) the sale, lease or transfer of substantially all of our assets or the assets of our subsidiary.

### *Conversion*

Each holder of our Series A Preferred Stock has the right at any time after the issuance of Series A Preferred Stock to convert the shares at the Stated Value and accrued but unpaid declared dividends into shares of our common stock at a conversion rate of \$0.40 per share.

Except under certain circumstances (such as the issuance of our common stock pursuant to a stock option plan), if we issue shares of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, for a purchase price, conversion price or exercise price that is less than the then current conversion price of our Series A Preferred Stock, then the conversion price of our Series A Preferred Stock will be reduced to such lower price.

The conversion price for our Series A Preferred Stock is further adjusted in the event of: (i) a declaration of any dividend or distribution on our common stock, (ii) stock split or (iii) reclassification of our common stock, proportionately so that the holders of our Series A Preferred Stock are entitled receive the kind and number of shares or other securities to which they would have owned or have been entitled to receive after the happening of any of such events had such shares of our Series A Preferred Stock been converted immediately prior to the happening of such event.

If we merge with or into any other corporation where we are not the surviving entity, then unless the right to convert shares of our Series A Preferred Stock is terminated as part of such merger, then, if permitted under applicable law, the holder of our Series A Preferred Stock will have the right to convert each of their shares of Series A Preferred Stock into the same kind and amount of shares of stock receivable upon the merger. A similar provision applies to the sale of all or substantially all of our assets.

If a holder of our Series A Preferred Stock notifies us of such holder's election to convert and we do not deliver the shares of common stock issuable upon such conversion, and the holder has to buy shares of our common stock on the open market because of their obligation to deliver shares of common stock, then we will pay such holder the difference between the price paid on the open market and the Stated Value. We will also pay interest at the annual rate of 15% for each day that we are late as well as \$100 per business day for each \$10,000 of Stated Value and dividend which is not timely delivered.

Neither we nor the holder of our Series A Preferred may convert any amount that would result in the holder having a beneficial ownership of our common stock which would be in excess of the sum of (i) the number of shares of common stock beneficially owned by the holder and its affiliates on the conversion date and (ii) the number of shares of our common stock issuable upon the conversion, which would result in the aggregate beneficial ownership by such holder and its affiliates of more than 4.99% of the outstanding shares of our common stock. The holder of our Series A Preferred Stock may waive the conversion limitation in whole or in part upon and effective after sixty one (61) days' prior written notice to our Company.

#### **Series A Common Stock Purchase Warrants**

Our Series A Common Stock Purchase Warrants (the "Warrants") have a term of five years after their issuance date and an exercise price of \$0.60 per share. As of April 13, 2012, we have warrants outstanding that are exercisable for an aggregate of up to 5,812,274 shares of our common stock. The exercise price of all Warrants issued prior to December 6, 2011, has been re-priced to \$0.40 per share.

The warrant holder may pay the exercise price in cash or through a cashless exercise if the fair market value of our common stock is greater than the current exercise price.

If we issue common stock, except in the event of certain circumstances (such as the issuance of common stock pursuant to a stock option plan), for a consideration less than the exercise price then in effect, then the exercise price will be reduced to the lower exercise price. Upon any reduction of the exercise price, the number of shares of our common stock that the warrant holder is entitled to receive upon exercise will also be adjusted.

If, at any time while the Warrants are outstanding, (i) we merge or consolidate with or into another entity, (ii) we sell all or substantially all of our assets, (iii) we effect a tender offer or exchange offer, (iv) we consummate a stock purchase agreement or other business combination with another person or entity that results in such person or entity acquiring more than 50% of our outstanding shares of common stock, (v) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 50% or more of our common stock in the aggregate or (vi) we effect any reclassification of our common stock or any share exchange where our common stock is converted into or exchanged for other securities, cash or property, *then* the warrant holder will have the right to receive, for each share of common stock issuable upon exercise of the Warrant, (a) the number of shares of common stock of the successor or acquiring corporation or of our Company if we are the surviving corporation, and any additional consideration receivable by the warrant holder of the number of shares of common stock for which the Warrant is exercisable immediately prior to such event or (b) under certain transactions (such as where the consideration paid to holders of our common stock consists solely of cash), cash equal to the Black-Scholes value. To the extent necessary to effectuate the above, any successor or surviving entity will issue to the warrant holder a new warrant evidencing the warrant holder's right to exercise such warrant as described above.

If a warrant holder notifies us of such holder's election to exercise and we do not deliver the shares of common stock issuable upon such exercise, and the warrant holder has to buy shares of our common stock on the open market because of their obligation to deliver shares of common stock, then we will pay such holder the difference between the price paid on the open market and the Stated Value. We will also pay interest at the annual rate of 15% for each day that we are late in delivering shares of our common stock.

The warrant holder cannot exercise any amount that would result in the holder having a beneficial ownership of our common stock which would be in excess of the sum of (i) the number of shares of common stock beneficially owned by the holder and its affiliates on the exercise date and (ii) the number of shares of our common stock issuable upon exercise, which would result in the aggregate beneficial ownership by such holder and its affiliates of more than 4.99% of the outstanding shares of our common stock. The warrant holder may waive the exercise limitation in whole or in part upon and effective after sixty one (61) days' prior written notice to our Company.

#### **Non-Qualified Stock Options**

Our Non-qualified Stock Options are issued pursuant to our Plan. We have issued Non-qualified Stock Options to each of our directors (other than our Chairman Michael Mathews, who received restricted stock awards), pursuant to which each director may purchase up to an aggregate of one hundred fifty thousand (150,000) shares of our Common Stock. The Non-qualified Stock Options vests quarterly over a three (3) year period, subject to the optionee continuing to be a member of our board of directors on each applicable vesting date, and remains exercisable until 5:30 p.m. New York time on the date that is the fifth (5th) year anniversary of the date of grant. All or any part of the vested but unexercised portion of the Non-qualified Stock Option is subject to forfeiture under certain circumstances, such as in the event of a breach of insider trading rules or obligations of confidentiality, in the event that the optionee or such optionee's affiliates competes with our Company or solicits our employees or customers, and in the event of death, disability or retirement.

#### **Convertible Promissory Notes**

Our convertible promissory notes (the "Convertible Notes") have a term of 4 months, and an annual interest rate of 14% and a default interest rate of 18% per annum, payable on the maturity date of the Convertible Notes. The Convertible Notes are convertible at \$0.40 per share (the "Conversion Price"). For as long as the Convertible Notes are outstanding, in the event that we issue securities prior to the full conversion or payment of the Convertible Note for consideration that is less than the Conversion Price, or issue securities with a conversion or exercise price lower than the Conversion Price, then the Conversion Price is reduced to such price. The Convertible Notes may not be prepaid, converted, redeemed or called by the Company without the consent of the noteholder. The notes are currently in default.

#### **Anti-Takeover Provisions**

Our charter and bylaws contain provisions that may make it more difficult for a third party to acquire or may discourage acquisition bids for us. Our Board may, without action of our stockholders, issue authorized but unissued shares of preferred stock. The existence of unissued preferred stock may enable the Board, without further action by the stockholders, to issue such stock to persons friendly to current management or to issue such stock with terms that could render more difficult or discourage an attempt to obtain control of us, thereby protecting the continuity of our management. Our shares of preferred stock could therefore be issued quickly with terms that could delay, defer, or prevent a change in control of us, or make removal of management more difficult.

#### **Item 13. Certain Relationships and Related Transactions.**

We present all possible transactions between us and our officers, directors and 5% stockholders, and our affiliates, to our Board for their consideration and approval. Any such transaction will require approval by a majority of the disinterested directors and such transactions will be on terms no less favorable than those available to disinterested third parties. During their year ended December 31, 2011, the Company had the following transactions with related persons reportable under Item 404 of Regulation S-K:

On May 31, 2011, the Company entered into an agreement with Toywiz, Inc. ("Toywiz"), a company run by Kenneth Shamus, brother of the Company's former Chief Executive Officer Gareb Shamus, to monetize the Toywiz website. Under the terms of this agreement, Toywiz is paid 50% of the advertising revenue attributable to the Toywiz site, with a minimum guarantee of \$5,000.00 per month.

In June 2011, the Company signed up with interclick in order to monetize the Toywiz and Wizard World websites. Prior to Yahoo!'s acquisition of interclick, Michael Mathews, the Company's Chairman, was a member of interclick's Board of Directors and a shareholder. During the year ended December 31, 2011, a total of \$38,702.07 in ad revenue was generated from the two websites.

On June 25, 2011, the Company entered into a \$250,000.00 marketing agreement with interclick, to provide online marketing services to the Company. This agreement was subsequently renegotiated down to \$125,000, and was later terminated.

On September 1, 2011, the Company entered into a verbal agreement with California Concepts, Inc. ("Concepts"), to provide consulting services to the Company. John Macaluso, the Company's Chief Executive Officer, is the chief executive officer of Concepts. Pursuant to the terms of the consulting agreement, Concepts was to receive \$10,000 per month for the consulting services. On February 7, 2012, the Company entered into a formal written agreement, documenting the terms of the previous verbal agreement. On March 19, 2012, in conjunction with Mr. Macaluso's appointment as the Company's Chief Executive Officer, the consulting agreement with Concepts was terminated. Concepts received \$40,000 for services rendered during the fiscal year ended December 31, 2011. For the period from January 1, 2012, until March 19, 2012, Concepts received a total of \$25,384.79 for services rendered.

#### **Item 14. Principal Accountant Fees and Services.**

##### **Audit Fees**

(a) The aggregate fees billed by Li & Company, P.C. for the audit of the Company's financial statements for the fiscal years ended December 31, 2011 and 2010, were \$45,000 and 30,000, respectively.

##### **Audit Related Fees**

(b) Li & Company, P.C. did not bill the Company any amounts for assurance and related services that were related to its audit or review of the Company's financial statements during the fiscal years ended December 31, 2011 and 2010, respectively.

##### **Tax Fees**

(c) The aggregate fees billed by Li & Company, P.C. for tax compliance, advice and planning were \$0 for the fiscal year ended December 31, 2011 and \$0 for the fiscal year ended December 31, 2010.

##### **All Other Fees**

(d) Li & Company, P.C. did not bill the Company for any products and services other than the foregoing during the fiscal years ended December 31, 2011 and 2010, respectively.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules.

Exhibit No.	Description
2.1	Share Purchase and Share Exchange Agreement, dated November 5, 2010, by and among GoEnergy, Inc., Strato Malamas, an individual and the majority stockholder of GoEnergy, Inc., Kick the Can Corp., a Nevada corporation, Kicking the Can, L.L.C., a Delaware limited liability company and the majority shareholder of Kick the Can Corp., and certain shareholders of Kick the Can Corp. that are signatories thereto (as filed as Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the SEC on November 16, 2010).
3.1	Certificate of Incorporation of GoEnergy, Inc. (as filed as Exhibit 1.1 to the Company's Registration Statement on Form SB-2, filed with the SEC on March 25, 2003).
3.2	Bylaws (as filed as Exhibit 2.1 to the Company's Registration Statement on Form SB-2, filed with the SEC on March 25, 2003).
3.3	Certificate of Amendment to the Certificate of Incorporation of GoEnergy, Inc., dated December 6, 2010 (as filed as Exhibit 3.3 to the Company's Current Report on Form 8-K, filed with the SEC on December 13, 2010).
3.4	Certificate of Correction, dated December 8, 2010 (as filed as Exhibit 3.4 to the Company's Current Report on Form 8-K, filed with the SEC on December 13, 2010).
3.5	Second Certificate of Correction filed January 20, 2011 (as filed as Exhibit 3.5 to the Company's Current Report on Form 8-K, filed with the SEC on January 25, 2011).
3.6	Certificate to set forth Designations, Voting Powers, Preferences, Limitations, Restrictions, and Relative Rights of Series A Cumulative Convertible Preferred Stock, \$0.0001 par value per share (as filed as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on December 13, 2010).
3.7	Certificate of Amendment to Certificate to set forth Designations, Voting Powers, Preferences, Limitations, Restrictions, and Relative Rights of Series A Cumulative Convertible Preferred Stock, \$0.0001 par value per share (as filed as Exhibit 4.3 to the Company's Current Report on Form 8-K, filed with the SEC on April 25, 2011).
3.8	Certificate of Amendment to Certificate to set forth Designations, Voting Powers, Preferences, Limitations, Restrictions, and Relative Rights of Series A Cumulative Convertible Preferred Stock, \$0.0001 par value per share (as filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 30, 2012).
4.1	Form of 2011 Series A Common Stock Purchase Warrant (as filed as Exhibit 4.2 to the Company's Current Report on Form 8-K, filed with the SEC on April 25, 2011).
4.2	Form of Convertible Promissory Note, dated August 19, 2011 (as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on August 30, 2011).
10.1	Director Agreement, dated January 18, 2011, by and between GoEnergy, Inc. and Vadim Mats (as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on January 18, 2011).

- 10.2 Director Agreement, dated March 23, 2011, by and between Wizard World, Inc. and Michael Mathews (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 25, 2011).
- 10.3 Consultant Agreement, dated March 23, 2011, by and between Wizard World, Inc. and Michael Mathews (as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on March 25, 2011).
- 10.4 Form of 2011 Series A Subscription Agreement (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on April 25, 2011).
- 10.5 Director Agreement, dated May 9, 2011, by between Wizard World, Inc. and Greg Suess (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 9, 2011).
- 10.6 2011 Stock Incentive and Award Plan (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 12, 2011).
- 10.7 Amendment to the 2011 Incentive Stock and Award Plan (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 15, 2011).
- 10.8 2011 Amended and Restated Stock Incentive and Award Plan. \*
- 10.9 Form of Non-Qualified Stock Option Agreement (as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on May 12, 2011).
- 10.10 Director Agreement, dated May 13, 2011, by and between Wizard World, Inc. and John Macaluso. \*
- 10.11 Director Agreement, dated May 25, 2011, by and between Wizard World, Inc. and John Maatta.\*
- 10.12 Employment Agreement, dated May 25, 2011, by and between Wizard World, Inc. and Gareb Shamus (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 31, 2011).
- 10.13 Form of Subscription Agreement, dated August 19, 2011. \*
- 10.14 Office Service Agreement, dated January 18, 2011, by and between Kick the Can Corp. and NYC Office Suites (as filed as Exhibit 10.11 to the Company's Current Report on Form 8-K, filed with the SEC on September 13, 2011).
- 10.15 Internet Domain Name Assignment Agreement, dated January 2011, by and between Gareb Shamus Enterprises, Inc. and Kick the Can Corp. (as filed as Exhibit 10.12 to the Company's Current Report on Form 8-K, filed with the SEC on September 13, 2011).
- 10.16 Mid-Ohio Acquisition Agreement, dated November 13, 2010, by and between Kicking the Can LLC and GCX Holdings LLC (as filed as Exhibit 10.15 to the Company's Current Report on Form 8-K/A, filed with the SEC on November 16, 2011).
- 10.17 Form of Senior Convertible Debenture, dated December 6, 2011. \*
- 10.18 Subscription Agreement, dated December 21, 2011, by and between the Company and the Michael Mathews 2011 Children's GRAT. \*
- 10.19 Consultant Agreement, dated March 23, 2011, between Wizard World, Inc. and Michael Mathews (as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on March 25, 2011).
- 31.1 Certification by the Principal Executive Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)). \*



- 31.2 Certification by the Principal Financial Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).  
\*
- 32.1 Certification by the Principal Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. \*
- 32.2 Certification by the Principal Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. \*

\* filed herewith

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**WIZARD WORLD, INC.**

Date: April 16, 2012

By: /s/ John Macaluso  
Name: John Macaluso  
Title: Chief Executive Officer  
(Principal Executive Officer)  
(Principal Financial Officer)  
(Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Michael Mathews</u> Michael Mathews	Chairman of the Board	April 16, 2012
<u>/s/ John Macaluso</u> John Macaluso	Chief Executive Officer, Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer, Director	April 16, 2012
<u>/s/ John Maatta</u> John Maatta	Director	April 16, 2012
<u>/s/ Vadim Mats</u> Vadim Mats	Director	April 16, 2012
<u>/s/ Greg Suess</u> Greg Suess	Director	April 16, 2012

WIZARD WORLD, INC.

December 31, 2011 and 2010

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholder of  
Wizard World, Inc.  
New York, New York

We have audited the accompanying consolidated balance sheets of Wizard World, Inc., (the "Company") as of December 31, 2011 and 2010 and the related consolidated statements of operations, stockholders' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2011 and 2010 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company had an accumulated deficit at December 31, 2010 and had a net loss and net cash used in operating activities for the year then ended. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/Li & Company, PC  
Li & Company, PC

Skillman, New Jersey  
April 16, 2012

**Wizard World, Inc.**  
**Consolidated Balance Sheets**

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<b><u>Assets</u></b>		
<b>Current Assets</b>		
Cash	\$ 422,135	\$ 542,564
Accounts receivable, net	54,202	19,127
Prepaid expenses	164,135	95,306
Debt issuance costs, net	29,500	-
<b>Total Current Assets</b>	<b>669,972</b>	<b>656,997</b>
<b>Property and equipment, net</b>	<b>8,048</b>	<b>6,807</b>
<b>Other Asset</b>	<b>13,375</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 691,395</b>	<b>\$ 663,804</b>
<b><u>Liabilities and Stockholders' Deficit</u></b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 1,214,603	\$ 508,852
Accrued dividend	116,694	5,348
Unearned convention revenue	169,354	75,653
Notes payable - related party	-	74,983
Convertible promissory notes, net	633,146	-
Derivative liability	1,946,669	2,260,571
<b>Total Current Liabilities</b>	<b>4,080,466</b>	<b>2,925,407</b>
<b>Total Liabilities</b>	<b>4,080,466</b>	<b>2,925,407</b>
<b>Stockholders' Deficit</b>		
Series A, convertible preferred stock, \$0.0001 par value; 50,000 shares authorized, 1,550,968 and 975,968 shares issued and outstanding, respectively	155	98
Common Stock, \$0.0001 par value; 200,000,000 shares authorized, 35,044,878 and 34,687,735 shares issued and outstanding, respectively	3,505	3,469
Additional paid-in capital	2,344,593	849,596
Accumulated deficit	(5,737,324)	(3,114,765)
<b>Total Stockholders' Deficit</b>	<b>(3,389,071)</b>	<b>(2,261,602)</b>
<b>Total Liabilities and Stockholders' Deficit</b>	<b>\$ 691,395</b>	<b>\$ 663,804</b>

See accompanying notes to financial statements

**Wizard World, Inc.**  
**Consolidated Statements of Operations**

	<b>For the Year Ended</b>	
	<b>December 31, 2011</b>	<b>December 31, 2010</b>
<b>Convention revenue</b>	\$ 3,782,124	\$ 3,000,814
<b>Cost of revenue</b>	2,831,211	2,158,613
<b>Gross profit</b>	950,913	842,201
<b>Operating expenses</b>		
Compensation	872,891	461,478
Consulting fees	1,462,165	-
Web development fees	815,039	-
General and administrative	958,120	721,532
<b>Total operating expenses</b>	4,108,215	1,183,010
<b>Loss from operations</b>	(3,157,302)	(340,809)
<b>Other income (expenses)</b>		
Interest income	1,228	-
Interest expense	(331,031)	(2,738)
Bad debt recovery	199,019	-
Change in fair value of derivative liabilities	1,278,848	(1,284,643)
<b>Total other income (expense)</b>	1,148,064	(1,287,381)
<b>Loss before income tax provision</b>	(2,009,238)	(1,628,190)
<b>Income Tax Provision</b>	-	-
<b>Net loss</b>	\$ (2,009,238)	\$ (1,628,190)
<b>Deemed dividend on Series A Convertible Preferred Stock</b>	(111,346)	(5,348)
<b>Net loss attributable to common stockholders</b>	\$ (2,120,584)	\$ (1,633,538)
<b>Net loss per common share attributable to common stockholders - basic and diluted</b>	\$ (0.06)	\$ (0.08)
<b>Weighted average common shares outstanding</b>		
<b>- basic and diluted</b>	34,697,520	21,358,392

See accompanying notes to financial statements

**WIZARD WORLD, INC.**  
**Consolidated Statement of Stockholders' Deficit**  
**Years Ended December 31, 2011 and 2010**

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance - December 31, 2009	-	-	19,125,000	1,912	(1,911)	(505,300)	(505,299)
Issuance of shares and warrants for cash			13,802,576	1,381	1,353		2,734
Issuance of preferred stock and warrants for cash less costs of \$125,500	975,968	98			850,330		850,428
Direct expense to accumulated deficit for derivative liability						(975,927)	(975,927)
Deemed dividend						(5,348)	(5,348)
Issuance of shares in recapitalization			1,760,159	176	(176)		-
Net loss						(1,628,190)	(1,628,190)
Balance - December 31, 2010	975,968	98	34,687,735	3,469	849,596	(3,114,765)	(2,261,602)
Share-based compensation					700,090		700,090
Issuance of stock for cash			357,143	36	249,964		250,000
Issuance of preferred stock and warrants for cash net of costs of \$30,000	575,000	57			544,943		545,000
Direct expense to accumulated deficit for derivative liability						(501,975)	(501,975)
Deemed dividend						(111,346)	(111,346)
Net loss						(2,009,238)	(2,009,238)
Balance - December 31, 2011	<u>1,550,968</u>	<u>\$ 155</u>	<u>35,044,878</u>	<u>\$ 3,505</u>	<u>\$ 2,344,593</u>	<u>\$ (5,737,324)</u>	<u>\$ (3,389,071)</u>

See accompanying notes to financial statements

**Wizard World, Inc.**  
**Consolidated Statements of Cash Flows**

	<b>For the Year Ended</b>	
	<b>December 31, 2011</b>	<b>December 31, 2010</b>
<b>Cash Flows From Operating Activities:</b>		
Net loss	\$ (2,009,238)	\$ (1,628,190)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt	9,075	-
Depreciation	2,750	6,812
Change in fair value of derivative liabilities	(1,278,848)	1,284,643
Amortization of debt issuance costs	12,500	-
Accretion of debt discount	318,018	-
Share based payments	700,090	-
Changes in operating assets and liabilities:		
Accounts receivable	(44,150)	(3,547)
Prepaid expenses and other long term asset	(82,204)	(71,673)
Accounts payable and accrued liabilities	705,751	63,376
Unearned convention revenue	93,701	(1,958)
<b>Net Cash Used In Operating Activities</b>	<b>(1,572,555)</b>	<b>(350,537)</b>
<b>Cash Flows From Investing Activities:</b>		
Purchases of property and equipment	(3,991)	(3,577)
<b>Net Cash Used In Investing Activities</b>	<b>(3,991)</b>	<b>(3,577)</b>
<b>Cash Flows From Financing Activities:</b>		
Cash overdraft		
Payment of debt issuance costs	(42,000)	-
Proceeds from the issuance of convertible preferred stock	575,000	975,928
Payment of stock issuance costs	(30,000)	(125,500)
Proceeds from the issuance of stock and warrants	250,000	2,734
Proceeds from issuance of convertible notes and warrants	778,100	-
Net proceeds (repayment) of related party - notes payable	(74,983)	41,152
<b>Net Cash Provided By Financing Activities</b>	<b>1,456,117</b>	<b>894,314</b>
<b>Net change in cash</b>	<b>(120,429)</b>	<b>540,200</b>
Cash at beginning of year	542,564	2,364
<b>Cash at end of year</b>	<b>\$ 422,135</b>	<b>\$ 542,564</b>
<b><u>Supplemental disclosures of cash flow information:</u></b>		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -
<b><u>Supplemental disclosure of non-cash investing and financing activities:</u></b>		
Direct expense to retained earnings for derivative liability	\$ 501,975	\$ 975,928
Debt discount recorded on convertible debt accounted for as a derivative liability	\$ 462,971	\$ -
Deemed dividend	\$ 111,346	\$ 5,348

See accompanying notes to financial statements



**Note 1 - Organization and Operations**

Wizard World, Inc. (Formerly Goenergy, Inc.)

Wizard World, Inc., formerly Goenergy, Inc. (“Wizard World” or the “Company”) was incorporated on May 2, 2001, under the laws of the State of Delaware.

Kick the Can Corp.

Kick The Can Corp. was incorporated on September 20, 2010, under the laws of the State of Delaware.

Kicking the Can, L.L.C.

Kicking The Can, L.L.C. was formed on April 17, 2009, under the laws of the State of Delaware.

Wizard Conventions, Inc.

Wizard Conventions, Inc. was incorporated on February 28, 1997, under the laws of the State of Delaware. The Company is a producer of pop culture and live multimedia conventions across North America that provides a social networking and entertainment venue for popular fiction enthusiasts of movies, TV shows, video games, technology, toys, social networking/gaming platforms, comic books and graphic novels.

Acquisition of Kick the Can Corp./ Wizard Conventions, Inc.

On December 7, 2010, the Company entered into and consummated a share exchange agreement with successor, Kick the Can Corp (“KTC Corp.”) and its predecessors Wizard Conventions, Inc. and Kicking The Can, L.L.C. (“Conventions”). Pursuant to the Exchange Agreement, the Company issued 32,927,596 shares of its common stock to the KTC Corp. shareholders in exchange for 100% of the issued and outstanding shares of KTC Corp. The transaction has been treated as a reverse acquisition with KTC Corp. deemed the accounting acquirer and the Company deemed the accounting acquiree under the purchase method of accounting in accordance with section 805-10-55 of the FASB Accounting Standards Codification. The reverse merger is deemed a capital transaction and the net assets of KTC Corp. (the accounting acquirer) are carried forward to the Company (the legal acquirer and the reporting entity) at their carrying value before the combination. The acquisition process utilizes the capital structure of the Company and the assets and liabilities of KTC Corp. which are recorded at historical cost. The equity of the Company is the historical equity of KTC Corp. retroactively restated to reflect the number of shares issued by the Company in the transaction. Because of the predecessor/successor relationship between the Company and KTC Corp., Conventions ultimately became the accounting acquirer.

**Note 2 - Summary of Significant Accounting Policies**

Basis of Presentation

The Company’s consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Principles of Consolidation

The consolidated financial statements include all accounts of the entities as of the reporting period ending date(s) and for the reporting period(s) as follows:

Entity	Reporting period ending date(s) and reporting period(s)
The Company	As of December 31, 2010 and 2009 and for the years then ended
KTC Corp.	As of December 31, 2011 and 2010 and for the years then ended
Kicking the Can L.L.C.	As of December 31, 2011 and 2010 and for the years then ended
Wizard Conventions, Inc.	As of December 31, 2011 and 2010 and for the years then ended

All inter-company balances and transactions have been eliminated.

#### Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The Company's significant estimates and assumptions include the fair value of financial instruments; allowance for doubtful accounts; the carrying value, recoverability and impairment, if any, of long-lived assets, including the values assigned to property and equipment, income tax rate, income tax provision, deferred tax assets allowance of deferred tax assets and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

#### Fair Value of Financial Instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amount of the Company's financial assets and liabilities, such as cash, accounts receivable, prepaid expenses, accounts payable and accrued expenses approximate their fair value because of the short maturity of those instruments. The Company's convertible preferred stock and warrants approximate the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at December 31, 2011 and 2010.

The Company uses Level 3 of the fair value hierarchy to measure the fair value of the derivative liabilities and revalues its derivative warrant liability at every reporting period and recognizes gains or losses in the consolidated statements of operations and comprehensive income (loss) that are attributable to the change in the fair value of the derivative warrant liability.

Transactions involving related parties cannot be presumed to be carried out on an arms-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arms-length transactions unless such representations can be substantiated.

It is not, however, practical to determine the fair value of advances from significant stockholder and lease arrangement with the significant stockholder due to their related party nature.

Fair Value of Financial Assets and Liabilities Measured on a Recurring Basis

Level 3 Financial Liabilities – Derivative conversion features and warrant liabilities

Financial assets and liabilities measured at fair value on a recurring basis are summarized below and disclosed on the consolidated balance sheets as of December 31, 2011:

	<u>Carrying Value</u>	<u>Level 1</u>	<u>Fair Value Measurement Using</u>		<u>Total</u>
			<u>Level 2</u>	<u>Level 3</u>	
Derivative conversion features and warrant liabilities	\$ 1,946,669	\$ -	\$ -	\$ 1,946,669	\$ 1,946,669

Financial assets and liabilities measured at fair value on a recurring basis are summarized below and disclosed on the consolidated balance sheets as of December 31, 2010:

	<u>Carrying Value</u>	<u>Level 1</u>	<u>Fair Value Measurement Using</u>		<u>Total</u>
			<u>Level 2</u>	<u>Level 3</u>	
Derivative conversion features and warrant liabilities	\$ 2,260,571	\$ -	\$ -	\$ 2,260,571	\$ 2,260,571

The table below provides a summary of the changes in fair value, including net transfers in and/or out, of all financial assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended December 31, 2011:

	<u>Fair Value Measurement Using Level 3</u>	
	<u>Inputs</u>	
	<u>Derivative Liabilities</u>	<u>Total</u>
Balance, December 31, 2010	\$ 2,260,571	\$ 2,260,571
Total gains or losses (realized/unrealized) included in net loss	(1,278,848)	(1,278,848)
Purchases, issuances and settlements	964,946	964,946
Transfers in and/or out of Level 3	-	-
Balance, December 31, 2011	\$ 1,946,669	\$ 1,946,669

During the year ended December 30, 2011 and 2010, the company recorded the value of the derivative liability associated with the features embedded in the Series A Cumulative Convertible Preferred Stock directly to retained earnings, similar to a deemed dividend.

Carrying Value, Recoverability and Impairment of Long-Lived Assets

The Company has adopted paragraph 360-10-35-17 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, which include property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company considers the following to be some examples of important indicators that may trigger an impairment review: (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company's overall strategy with respect to the manner or use of the acquired assets or changes in the Company's overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; and (v) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

The impairment charges, if any, are included in operating expenses in the accompanying statements of operations.

#### Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

#### Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount, net of an allowance for doubtful accounts. The Company follows paragraph 310-10-50-9 of the FASB Accounting Standards Codification to estimate the allowance for doubtful accounts. The Company performs on-going credit evaluations of its customers and adjusts credit limits based upon payment history and the customer's current credit worthiness, as determined by the review of their current credit information; and determines the allowance for doubtful accounts based on historical write-off experience, customer specific facts and economic conditions.

Outstanding account balances are reviewed individually for collectability. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. Bad debt expense is included in general and administrative expenses, if any. Pursuant to paragraph 310-10-50-2 of the FASB Accounting Standards Codification account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company has adopted paragraph 310-10-50-6 of the FASB Accounting Standards Codification and determine when receivables are past due or delinquent based on how recently payments have been received.

The Company does not have any off-balance-sheet credit exposure to its customers.

#### Property and Equipment

Property and equipment is recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of property and equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful life of three (3) to five (5) years. Upon sale or retirement of furniture and equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

#### Derivative Instruments

The Company evaluates its convertible debt, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with Paragraph 810-10-05-4 of the Codification and Paragraph 815-40-25 of the Codification. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the consolidated statements of operations as other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the balance sheet date.

#### Related Parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include a. affiliates of the Company; b. entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

#### Commitments and Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

### Revenue Recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

Unearned convention revenue is deposits received for conventions that have not yet taken place, which are fully or partially refundable depending upon the terms and conditions of the agreements.

### Stock-Based Compensation for Obtaining Employee Services

The Company accounts for its stock based compensation in which the Company obtains employee services in share-based payment transactions under the recognition and measurement principles of the fair value recognition provisions of section 718-10-30 of the FASB Accounting Standards Codification. Pursuant to paragraph 718-10-30-6 of the FASB Accounting Standards Codification, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur.

The fair value of options and similar instruments is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

- Expected term of share options and similar instruments: The expected life of options and similar instruments represents the period of time the option and/or warrant are expected to be outstanding. Pursuant to Paragraph 718-10-50-2 of the FASB Accounting Standards Codification the expected term of share options and similar instruments represents the period of time the options and similar instruments are expected to be outstanding taking into consideration of the contractual term of the instruments and employees' expected exercise and post-vesting employment termination behavior into the fair value (or calculated value) of the instruments. The Company uses historical data to estimate employee termination behavior. The contractual term of share options or similar instruments is used as expected term of share options or similar instruments for the Company if it is a newly formed corporation.
- Expected volatility of the entity's shares and the method used to estimate it. An entity that uses a method that employs different volatilities during the contractual term shall disclose the range of expected volatilities used and the weighted-average expected volatility. A thinly-traded or nonpublic entity that uses the calculated value method shall disclose the reasons why it is not practicable for the Company to estimate the expected volatility of its share price, the appropriate industry sector index that it has selected, the reasons for selecting that particular index, and how it has calculated historical volatility using that index. The Company uses the average historical volatility of the comparable companies over the expected contractual life of the share options or similar instruments as its expected volatility. If shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.
- Expected annual rate of quarterly dividends. An entity that uses a method that employs different dividend rates during the contractual term shall disclose the range of expected dividends used and the weighted-average expected dividends. The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the expected contractual life of the option and similar instruments.
- Risk-free rate(s). An entity that uses a method that employs different risk-free rates shall disclose the range of risk-free rates used. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the contractual life of the option and similar instruments.

The Company's policy is to recognize compensation cost for awards with only service conditions and a graded vesting schedule on a straight-line basis over the requisite service period for the entire award.

### Income Tax Provision

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25"). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures.

The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying consolidated balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its consolidated balance sheets and provides valuation allowances as management deems necessary.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

### Uncertain Tax Positions

The Company did not take any uncertain tax positions and had no adjustments to its income tax liabilities or benefits pursuant to the provisions of Section 740-10-25 during the years ended December 31, 2011 and 2010.

### Net Income (Loss) per Common Share

Net loss per common share is computed pursuant to Section 260-10-45 of the Codification. Basic net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through convertible debt, stock options or warrants.

The following table shows the potentially outstanding dilutive common shares excluded from the diluted net loss per share calculation for the years ended December 31, 2011 and 2010 as they were anti-dilutive:

	December 31, 2011	December 31, 2010
Convertible preferred stock	3,877,500	2,400,000
Convertible notes	1,945,373	-
Stock purchase warrants	5,000,000	2,000,000
Stock options	450,000	-
Warrants issued with the convertible preferred stock and notes	1,464,588	688,892
Warrants issued with convertible promissory notes	566,436	-
Total	<u>13,303,897</u>	<u>5,088,892</u>

### Cash Flows Reporting

The Company adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method ("Indirect method") as defined by paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments

### Subsequent Events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

### Recently Issued Accounting Pronouncements

#### FASB Accounting Standards Update No. 2011-05

In June 2011, the FASB issued the FASB Accounting Standards Update No. 2011-05 “*Comprehensive Income*” (“ASU 2011-05”), which was the result of a joint project with the IASB and amends the guidance in ASC 220, *Comprehensive Income*, by eliminating the option to present components of other comprehensive income (OCI) in the statement of stockholders’ equity. Instead, the new guidance now gives entities the option to present all non-owner changes in stockholders’ equity either as a single continuous statement of comprehensive income or as two separate but consecutive statements. Regardless of whether an entity chooses to present comprehensive income in a single continuous statement or in two separate but consecutive statements, the amendments require entities to present all reclassification adjustments from OCI to net income on the face of the statement of comprehensive income.

The amendments in this Update should be applied retrospectively and are effective for public entity for fiscal years, and interim periods within those years, beginning after December 15, 2011.

#### FASB Accounting Standards Update No. 2011-08

In September 2011, the FASB issued the FASB Accounting Standards Update No. 2011-08 “*Intangibles—Goodwill and Other: Testing Goodwill for Impairment*” (“ASU 2011-08”). This Update is to simplify how public and nonpublic entities test goodwill for impairment. The amendments permit an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350. Under the amendments in this Update, an entity is not required to calculate the fair value of a reporting unit unless the entity determines that it is more likely than not that its fair value is less than its carrying amount.

The guidance is effective for interim and annual periods beginning on or after December 15, 2011. Early adoption is permitted.

#### FASB Accounting Standards Update No. 2011-10

In December 2011, the FASB issued the FASB Accounting Standards Update No. 2011-10 “*Property, Plant and Equipment: Derecognition of in Substance Real Estate—a Scope Clarification*” (“ASU 2011-09”). This Update is to resolve the diversity in practice as to how financial statements have been reflecting circumstances when parent company reporting entities cease to have controlling financial interests in subsidiaries that are in substance real estate, where the situation arises as a result of default on nonrecourse debt of the subsidiaries.

The amended guidance is effective for annual reporting periods ending after June 15, 2012 for public entities. Early adoption is permitted.

#### FASB Accounting Standards Update No. 2011-11

In December 2011, the FASB issued the FASB Accounting Standards Update No. 2011-11 “*Balance Sheet: Disclosures about Offsetting Assets and Liabilities*” (“ASU 2011-11”). This Update requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The objective of this disclosure is to facilitate comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS.

The amended guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods.



FASB Accounting Standards Update No. 2011-12

In December 2011, the FASB issued the FASB Accounting Standards Update No. 2011-12 “*Comprehensive Income: Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05*” (“ASU 2011-12”). This Update is a deferral of the effective date pertaining to reclassification adjustments out of accumulated other comprehensive income in ASU 2011-05. FASB is to going to reassess the costs and benefits of those provisions in ASU 2011-05 related to reclassifications out of accumulated other comprehensive income. Due to the time required to properly make such a reassessment and to evaluate alternative presentation formats, the FASB decided that it is necessary to reinstate the requirements for the presentation of reclassifications out of accumulated other comprehensive income that were in place before the issuance of Update 2011-05.

All other requirements in Update 2011-05 are not affected by this Update, including the requirement to report comprehensive income either in a single continuous financial statement or in two separate but consecutive financial statements. Public entities should apply these requirements for fiscal years, and interim periods within those years, beginning after December 15, 2011.

Other Recently Issued, but Not Yet Effective Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

**Note 3 – Going Concern**

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As reflected in the accompanying consolidated financial statements, the Company had an accumulated deficit at December 31, 2011, and had a net loss and net cash used in operating activities for the year then ended, respectively. These factors raise substantial doubt about the Company’s ability to continue as a going concern.

The Company’s cash position may not be significant enough to support the Company’s daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company’s ability to further implement its business plan and generate revenues.

The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

**Note 4 – Property and Equipment**

Property and equipment consisted of the following at December 31, 2011 and 2010:

	<u>December 31, 2011</u>	<u>December 31, 2010</u>	<u>Estimated Useful Life</u>
Furniture and fixtures	-	47,844	5 years
Computer Equipment	10,206	70,662	3 years
	<u>10,206</u>	<u>118,506</u>	
Less: Accumulated depreciation	<u>(2,158)</u>	<u>(111,699)</u>	
	<u>\$ 8,048</u>	<u>\$ 6,807</u>	

### Depreciation Expense

Depreciation expense for the years ended December 31, 2011 and 2010 was \$2,750 and \$6,812, respectively. During the year ended December 31, 2011, the company abandoned certain assets when the company moved offices.

### **Note 5 - Notes Payable – Related Party**

The Company had notes payable to a related party. The notes were secured by all assets of the Company, non-interest bearing and due on demand.

Notes payable – related party at December 31, 2011 and 2010, consisted of the following:

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Notes payable	\$ -	\$ 74,983
	<u>\$ -</u>	<u>\$ 74,983</u>

### **Note 6 – Convertible Promissory Notes**

On August 19, 2011, Wizard World entered into stock subscription agreements with certain investors in connection with an offering of up to \$455,000 principal amount of Convertible Promissory Notes, with \$453,100 being issued. The Notes accrue interest at an annual rate of 14% and are due four months from the issuance date. The Notes are convertible at \$0.60 per share price. These notes are currently in default.

In conjunction with the Notes, each investor was granted a Series A Common Stock Purchase Warrant exercisable for one share of common stock of the Company for each \$2.00 of investment. The Warrants have a five year term and are exercisable at \$.60 per share, which may be paid via a cashless exercise.

On December 6, 2011, Wizard World entered into stock subscription agreements with accredited investors, for the issuance and sale of an aggregate of \$325,000 in Senior Convertible Debentures. The Debentures bear interest at six percent (6%) per annum maturing February 28, 2012. The notes, at issuance, gave rise to a debt discount of \$206,375 which is being amortized over the lives of the notes. The unamortized balance at December 31, 2011 was \$144,954.

On March 30, 2012, the December 6, 2011 Debentures converted into shares of the Company's Series A Cumulative Convertible Preferred Stock, par value \$0.0001, at \$0.40 per shares.

### **Note 7 - Commitments and Contingencies**

#### Employment and Director Agreements

##### Gareb Shamus Agreement

On May 25, 2011, Wizard World, Inc. entered into an employment agreement with Mr. Gareb Shamus, President and CEO of the Company.

On May 25, 2011, the Company also entered into a Director Agreement with Mr. Shamus. The term of the Director Agreement commences on May 25, 2011 and continues through the Company's next annual stockholders' meeting. However, the Director Agreement may, at the option of the Board, be automatically renewed on such date that Mr. Shamus is re-elected to the Board.

For Mr. Shamus' service on the Board, he received, upon execution of the Director Agreement, and in accordance with a Non-Qualified Stock Option Agreement, entered into as of May 25, 2011, by and between the Company and Mr. Shamus, a non-qualified stock option to purchase up to one hundred and fifty thousand (150,000) shares of the Company's common stock, par value \$.0001 per share, at an exercise price per share equal to the closing price of the Company's common stock on the execution date of the Director Agreement. The option is exercisable for a period of five years and vests 33% annually over a period of three (3) years, pro-rated for the number of days Mr. Shamus served on the Board.

On December 1, 2011, Mr. Gareb Shamus resigned his positions as President, Chief Executive Officer and Director of the Company.

John D. Maatta Agreement

On May 25, 2011, Wizard World entered into a Director Agreement with Mr. John D. Maatta in connection with his appointment to the Board of Directors of the Company. The term of the Director Agreement commences on May 25, 2011 and continues through the Company's next annual stockholders' meeting. However, the Director Agreement may, at the option of the Board, be automatically renewed on such date that Mr. Maatta is re-elected to the Board.

Mr. Maatta received, upon execution of the Director Agreement and pursuant to a Non-Qualified Stock Option Agreement, entered into as of May 25, 2011, by and between the Company and Mr. Maatta, a non-qualified stock option to purchase up to one hundred and fifty thousand (150,000) shares of the Company's common stock, par value \$.0001 per share, at an exercise price per share equal to the closing price of the Company's common stock on the execution date of the Director Agreement. The option is exercisable for a period of five years and vests in equal amounts over a period of three (3) years at the rate of twelve thousand five hundred (12,500) shares per fiscal quarter at the end of such quarter, commencing in the quarter ending July 31, 2011, and pro-rated for the number of days Mr. Maatta served on the Board during such fiscal quarter. Notwithstanding the foregoing, if Mr. Maatta ceases to be a member of the Board at any time during the three (3)-year vesting period for any reason (such as resignation, withdrawal, death, disability or any other reason), then any un-vested options shall be irrefutably forfeited.

John D. Macaluso Agreement

On May 13, 2011, Wizard World entered into a Director Agreement with Mr. John Macaluso in connection with his appointment to the Board of Directors of the Company. The term of the Director Agreement is from May 13, 2011 through the Company's next annual stockholders' meeting. The Director Agreement may, at the option of the Board, be automatically renewed on such date that Mr. Macaluso is re-elected to the Board.

Mr. Macaluso received, upon execution of the Director Agreement and pursuant to a Non-Qualified Stock Option Agreement, entered into as of May 13, 2011, by and between the Company and Mr. Macaluso, a non-qualified stock option to purchase up to one hundred and fifty thousand (150,000) shares of the Company's common stock, par value \$.0001 per share, at an exercise price per share equal to the closing price of the Company's common stock on the execution date of the Director Agreement. The option is exercisable for a period of five years and vests in equal amounts over a period of three (3) years at the rate of twelve thousand five hundred (12,500) shares per fiscal quarter at the end of such quarter, commencing in the quarter ending July 31, 2011, and pro-rated for the number of days Mr. Macaluso served on the Board during such fiscal quarter. Notwithstanding the foregoing, if Mr. Macaluso ceases to be a member of Board at any time during the three (3) year vesting period for any reason (such as resignation, withdrawal, death, disability or any other reason), then any un-vested options shall be irrefutably forfeited.

Greg Suess Agreement

On May 9, 2011, Wizard World entered into a Director Agreement, made as of May 9, 2011, with Mr. Greg Suess in connection with his appointment to the Board of Directors of the Company. The term of the Director Agreement is from May 9, 2011 through the Company's next annual stockholders' meeting. The Director Agreement may, at the option of the Board, be automatically renewed on such date that Mr. Suess is re-elected to the Board.

Mr. Suess received, upon execution of the Director Agreement, a non-qualified stock option to purchase up to one hundred and fifty thousand (150,000) shares of the Company's common stock at an exercise price per share equal to the closing price of the Company's common stock on the execution date of the Director Agreement. The option is exercisable for a period of five years and vests in equal amounts over a period of three (3) years at the rate of twelve thousand five hundred (12,500) shares per fiscal quarter at the end of such quarter, commencing in the quarter ending July 31, 2011, and pro-rated for the number of days Mr. Suess served on the Board during the fiscal quarter. Notwithstanding the foregoing, if Mr. Suess ceases to be a member of the Board at any time during the three (3) year vesting period for any reason (such as resignation, withdrawal, death, disability or any other reason), then any un-vested options shall be irrefutably forfeited.

**Note 8 – Stockholders' Deficit**

Series A Cumulative Convertible Preferred Stock

Immediately after the Share Exchange, the Company entered into subscription agreements with certain subscribers for the issuance and sale of (i) of \$975,928 in Series A Cumulative Convertible Preferred Stock with the rights and preferences set forth in the Certificate of Designation, convertible into shares of common stock at \$0.40 per share; and (ii) Warrants to purchase shares of the Company's common stock.

The Company paid \$125,500 in stock issuance costs to complete the convertible preferred stock and warrant raise.

On April 18, 2011, the Company entered into subscription agreements with certain subscribers for the issuance and sale of (i) \$575,000 in Series A Cumulative Convertible Preferred Stock with the rights and preferences set forth in the Certificate of Designation, convertible into shares of common stock at \$0.40 at per share; and (ii) Warrants to purchase shares of the Company's common stock.

The Company paid \$30,000 in stock issuance costs to complete the convertible preferred stock and warrant raise.

#### Common Stock

On December 17, 2010, the Company entered into a financial reporting services agreement with Brio Financial Group ("Brio") expiring December 31, 2011. Pursuant to the agreement the Company is required to pay the firm \$4,500 per month. In addition, a retainer of \$8,000 is included in prepaid expenses as of December 31, 2010 and was expensed during the year ended December 31, 2011. The Company also agreed to issue Brio 30,000 shares of restricted common stock per quarter payable at the end of each quarter. 30,000 shares per quarter for the years ended December 31, 2010 and for the year ended December 31, 2011 were valued at \$0.40 - \$0.60 per share, or \$72,000 in the aggregate, and recorded as consulting expense for the year ended December 31, 2011. The common stock has not yet been issued and the liability is included in accounts payable and accrued liabilities.

On January 14, 2011, the directors of the Company approved by unanimous written consent and the stockholders of the Company holding a majority in interest of the Company's voting equity approved by written consent the appointment of Mr. Vadim Mats as a member of the Board of Directors of the Company, effective as of January 14, 2011. Mr. Mats earns 10,000 shares of the company's common stock quarterly. As of December 31, 2011, the Company is yet to issue Mr. Mats 40,000 shares of common stock. The Company has valued the issuance and has recorded and accrual of \$20,000.

On February 1, 2011, the Company entered into an engagement letter with Lucosky Brookman ("Lucbro") to provide legal services with respect to certain securities work. Pursuant to the agreement the Company is required to pay the firm \$4,000 per month along with 5,000 shares of the Company's common stock. The Company also agreed to issue Lucbro 150,000 shares of restricted common upon execution of the agreement. The 205,000 shares for the year ended December 31, 2011 were valued at \$0.40 - \$0.60 per share, or \$88,000 in the aggregate, and recorded as consulting expense for the year ended December 31, 2011. The common stock has not yet been issued and the liability is included in accounts payable and accrued liabilities.

On March 23, 2011, Wizard World entered into a Director Agreement with Michael Mathews, pursuant to which Mr. Mathews was appointed Chairman of the Company's board of directors. The term of the Director Agreement is from March 23, 2011 through the Company's next annual stockholders' meeting. The Director Agreement may, at the option of the Board, be automatically renewed on such date that Mr. Mathews is re-elected to the Board. Under the Director Agreement, Mr. Mathews shall be paid a quarterly stipend of twenty thousand dollars (\$20,000). Mr. Mathews has waived this stipend for the calendar year ended December 31, 2011.

On March 23, 2011, the Company entered into a Consulting Agreement with Mr. Mathews pursuant to which Mr. Mathews will, among other things, develop a digital platform for the Company and establish digital planning systems that will include all forms of digital media and social, search, content, and video applications. The term of the Consulting Agreement is for a four (4) year period. As compensation for his services, Mr. Mathews shall receive, with the first issuance of 250,000 shares occurring on March 23, 2011, one million (1,000,000) restricted shares of the Company's common stock, issuable in four yearly installments. As of December 31, 2011, the Company is yet to issue Mr. Mathews 437,500 shares of common stock per the vesting arrangement. The Company has valued the issuance and has recorded and accrual of \$200,000.

On March 23, 2011, the Company entered into a Consulting Agreement with Brad Powers pursuant to which Mr. Powers will, among other things, develop a digital platform for the Company and establish digital planning systems that will include all forms of digital media and social, search, content, and video applications. The term of the Consulting Agreement is for a four (4) year period. As compensation for his services, Mr. Powers shall receive 62,500 shares of restricted Company common stock upon execution of the agreement and an additional 62,500 restricted shares of the Company's common stock, issuable in annual installments on the anniversary of the execution of the agreement. The 109,375 shares for the year ended December 31, 2011 were valued at \$0.40 - \$0.60 per share, or \$50,000 in the aggregate, and recorded as consulting expense for the year ended December 31, 2011. The common stock has not yet been issued and the liability is included in accounts payable and accrued liabilities.

On December 21, 2011, Wizard World, entered into a stock subscription agreement with one investor, the Michael Mathews 2011 Children's GRAT (the "Trust"). Michael Mathews is the Company's Executive Chairman. Pursuant to the terms of the Agreement, the Company issued 357,143 shares of the Company's common stock, par value \$0.001 per share, at \$0.70 per share, for a total subscription price of \$250,000.

#### Warrants

On January 3, 2011, the Company entered into an agreement with a consultant to assist the Company in general corporate activities, including, but not limited to, strategic planning; management and business operations; introductions to further the Company's business goals; provide advice and services related to the Company's growth initiatives; and any other consulting or advisory services which the Company reasonably requests that Consultant provide to the Company. The Term is for six months and the consultant was compensated with 1,000,000 stock purchase warrants with a maturity of 5 years and an exercise price of \$0.40 per share. As of December 31, 2011, the Company expensed \$222,761 to consulting expense for this issuance.

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The following is a summary of the Company's warrant activity:

	Warrants	Weighted Average Exercise Price
Outstanding – December 31, 2010	2,688,892	\$ 0.40
Exercisable – December 31, 2010	2,688,892	\$ 0.40
Granted	4,342,132	\$ 0.40
Exercised	-	\$ -
Forfeited/Cancelled	-	\$ -
Outstanding – December 31, 2011	7,031,024	\$ 0.40
Exercisable – December 31, 2011	7,031,024	\$ 0.40

#### Warrants Outstanding

Range of exercise price	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price
\$ 0.40	7,031,024	4.42	\$ 0.40

#### Warrants Exercisable

Number Exercisable	Weighted Average Exercise Price
7,031,024	\$ 0.40

At December 31, 2011 and 2010 the total intrinsic value of warrants outstanding and exercisable was \$0 and \$0, respectively.

#### Equity Incentive Plan

On May 9, 2011, the Board of Directors of Wizard World approved, authorized and adopted (subject to stockholder approval) the 2011 Incentive Stock and Award Plan (the "Plan"). The Plan provides for the issuance of up to 3,000,000 shares of common stock, par value \$0.0001 per share, of the Company through the grant of non-qualified options (the "Non-qualified Options"), incentive options (the "Incentive Options" and together with the Non-qualified Options, the "Options") and restricted stock (the "Restricted Stock") to directors, officers, consultants, attorneys, advisors and employees.

The 2011 Award Plan shall be administered by a committee consisting of two or more independent, non-employee and outside directors (the "Committee"). In the absence of such a Committee, the Board of the Company shall administer the Plan.

Each Option shall contain the following material terms:

(i) the exercise price, which shall be determined by the Committee at the time of grant, shall not be less than 100% of the Fair Market Value (defined as the closing price on the final trading day immediately prior to the grant on the principal exchange or quotation system on which the common stock is listed or quoted, as applicable) of the common stock of the Company, *provided* that if the recipient of the Option owns more than ten percent (10%) of the total combined voting power of the Company, the exercise price shall be at least 110% of the Fair Market Value;

(ii) the term of each Option shall be fixed by the Committee, *provided* that such Option shall not be exercisable more than five (5) years after the date such Option is granted, and *provided further* that with respect to an Incentive Option, if the recipient owns more than ten percent (10%) of the total combined voting power of the Company, the Incentive Option shall not be exercisable more than five (5) years after the date such Incentive Option is granted;

(iii) subject to acceleration in the event of a Change of Control of the Company (as further described in the Plan), the period during which the Options vest shall be designated by the Committee or, in the absence of any Option vesting periods designated by the Committee at the time of grant, shall vest and become exercisable in equal amounts on each fiscal quarter of the Company through the four (4) year anniversary of the date on which the Option was granted;

(iv) no Option is transferable and each is exercisable only by the recipient of such Option except in the event of the death of the recipient; and

(v) with respect to Incentive Options, the aggregate Fair Market Value of common stock exercisable for the first time during any calendar year shall not exceed \$100,000.

Each award of Restricted Stock is subject to the following material terms:

(i) no rights to an award of Restricted Stock is granted to the intended recipient of Restricted Stock unless and until the grant of Restricted Stock is accepted within the period prescribed by the Committee;

(ii) Restricted Stock shall not be delivered until they are free of any restrictions specified by the Committee at the time of grant;

(iii) recipients of Restricted Stock have the rights of a stockholder of the Company as of the date of the grant of the Restricted Stock;

(iv) shares of Restricted Stock are forfeitable until the terms of the Restricted Stock grant have been satisfied or the employment with the Company is terminated; and

(v) the Restricted Stock is not transferable until the date on which the Committee has specified such restrictions have lapsed.

#### **Note 9 – Income Tax Provision**

##### Deferred Tax Assets

At December 31, 2011, the Company has available for federal income tax purposes a net operating loss ("NOL") carry-forwards of approximately \$1,237,000 that may be used to offset future taxable income through the fiscal year ending December 31, 2030. No tax benefit has been reported with respect to these net operating loss carry-forwards in the accompanying consolidated financial statements since the Company believes that the realization of its net deferred tax asset of approximately \$420,000 was not considered more likely than not and accordingly, the potential tax benefits of the net loss carry-forwards are fully offset by a valuation allowance of \$420,000.

Deferred tax assets consist primarily of the tax effect of NOL carry-forwards. The Company has provided a full valuation allowance on the deferred tax assets because of the uncertainty regarding its realizability. The valuation allowance increased approximately \$239,000 and \$9,000 for the years ended December 31, 2010 and 2009.

Components of deferred tax assets as of December 31, 2011 and 2010 are as follows:

	December 31, 2011	December 31, 2010
<b>Net deferred tax assets – Non-current:</b>		
Expected income tax benefit from NOL carry-forwards	\$ 420,000	\$ 181,000
Less valuation allowance	(420,000)	(181,000)
Deferred tax assets, net of valuation allowance	<u>\$ -</u>	<u>\$ -</u>

*Income Tax Provision in the Consolidated Statements of Operations*

A reconciliation of the federal statutory income tax rate and the effective income tax rate as a percentage of income before income taxes is as follows:

	Year Ended December 31, 2011	Year Ended December 31, 2010
Federal statutory income tax rate	34.0%	34.0%
Change in valuation allowance on net operating loss carry-forwards	(34.0)%	(34.0)%
Effective income tax rate	<u>0.0%</u>	<u>0.0%</u>

**Note 10 – Subsequent Events**

The Company has evaluated all events that occurred after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The Management of the Company determined that there were certain reportable subsequent events to be disclosed as follows:

On March 30, 2012, the Company closed on a first round of financing related to an offering of up to \$2,000,000 of the Company's Series A Cumulative Convertible Preferred Stock, by entering into subscription agreements with ten (10) accredited investors for the issuance and sale of (i) an aggregate of \$825,000 in Series A Preferred and (ii) Series A Common Stock Purchase Warrants, on the basis of one warrant for every \$2.00 of investment.

In connection with the Closing, and pursuant to mandatory conversion feature of those certain Senior Convertible Debentures in the aggregate amount of \$325,000, issued on December 6, 2011, the Debentures were mandatorily converted (into shares of Series A Preferred and Warrants upon the same terms of the Offering. A total of 3,250 shares of Series A Preferred and 162,500 Warrants were issued by the Company to the Debenture Investors pursuant to the Mandatory Conversion.

WIZARD WORLD, INC.

AMENDED AND RESTATED 2011 INCENTIVE STOCK AND AWARD PLAN

1. Purpose of the Plan.

(a) This 2011 Incentive Stock and Award Plan (the “Plan”) is intended as an incentive to retain in the employ of and as directors, officers, consultants, attorneys, advisors and employees to Wizard World, Inc., a Delaware corporation (the “Company”), and any Subsidiary of the Company, within the meaning of Section 424(f) of the United States Internal Revenue Code of 1986, as amended (the “Code”), persons of training, experience and ability, to attract new directors, officers, consultants, attorneys, advisors and employees whose services are considered valuable, to encourage the sense of proprietorship and to stimulate the active interest of such persons in the development and financial success of the Company and its Subsidiaries.

(b) It is further intended that certain options granted pursuant to the Plan shall constitute incentive stock options within the meaning of Section 422 of the Code (the “Incentive Options”) while certain other options granted pursuant to the Plan shall be nonqualified stock options (the “Nonqualified Options”). Incentive Options and Nonqualified Options are hereinafter referred to collectively as “Options.”

(c) The Company intends that the Plan meet the requirements of Rule 16b-3 (“Rule 16b-3”) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and that transactions of the type specified in subparagraphs (c) to (f) inclusive of Rule 16b-3 by officers and directors of the Company pursuant to the Plan will be exempt from the operation of Section 16(b) of the Exchange Act. Further, the Plan is intended to satisfy the performance-based compensation exception to the limitation on the Company’s tax deductions imposed by Section 162(m) of the Code with respect to those Options for which qualification for such exception is intended. In all cases, the terms, provisions, conditions and limitations of the Plan shall be construed and interpreted consistent with the Company’s intent as stated in this Section 1.

2. Administration of the Plan.

(a) The Board of Directors of the Company (the “Board”) shall appoint and maintain as administrator of the Plan a Committee (the “Committee”) consisting of two or more directors who are (i) “Independent Directors” (as such term is defined under the rules of the NASDAQ Stock Market), (ii) “Non-Employee Directors” (as such term is defined in Rule 16b-3) and (iii) “Outside Directors” (as such term is defined in Section 162(m) of the Code), which shall serve at the pleasure of the Board. The Committee, subject to Sections 3, 5 and 6 hereof, shall have full power and authority to designate recipients of Options and restricted stock (“Restricted Stock”) and to determine the terms and conditions of the respective Option and Restricted Stock agreements (which need not be identical) and to interpret the provisions and supervise the administration of the Plan. The Committee shall have the authority, without limitation, to designate which Options granted under the Plan shall be Incentive Options and which shall be Nonqualified Options. To the extent any Option does not qualify as an Incentive Option, it shall constitute a separate Nonqualified Option.



(b) Subject to the provisions of the Plan, the Committee shall interpret the Plan and all Options and Restricted Stock granted under the Plan, shall make such rules as it deems necessary for the proper administration of the Plan, shall make all other determinations necessary or advisable for the administration of the Plan, and shall correct any defects or supply any omission or reconcile any inconsistency in the Plan or in any Options or Restricted Stock granted under the Plan in the manner and to the extent that the Committee deems desirable to carry into effect the Plan or any Options or Restricted Stock. The act or determination of a majority of the Committee shall be the act or determination of the Committee and any decision reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made by a majority of the Committee at a meeting duly held for such purpose. Subject to the provisions of the Plan, any action taken or determination made by the Committee pursuant to this and the other Sections of the Plan shall be conclusive on all parties.

(c) In the event that for any reason the Committee is unable to act or if the Committee at the time of any grant, award or other acquisition under the Plan does not consist of two or more Non-Employee Directors, or if there shall be no such Committee, or if the Board otherwise determines to administer the Plan, then the Plan shall be administered by the Board, and references herein to the Committee (except in the proviso to this sentence) shall be deemed to be references to the Board, and any such grant, award or other acquisition may be approved or ratified in any other manner contemplated by subparagraph (d) of Rule 16b-3; provided, however, that grants to the Company's Chief Executive Officer or to any of the Company's other four most highly compensated officers that are intended to qualify as performance-based compensation under Section 162(m) of the Code may only be granted by the Committee.

### 3. Designation of Optionees and Grantees.

(a) The persons eligible for participation in the Plan as recipients of Options (the "Optionees") or Restricted Stock (the "Grantees" and together with Optionees, the "Participants") shall include directors, officers and employees of, and consultants, attorneys and advisors to, the Company or any Subsidiary; provided that Incentive Options may only be granted to employees of the Company and any Subsidiary. In selecting Participants, and in determining the number of shares to be covered by each Option or award of Restricted Stock granted to Participants, the Committee may consider any factors it deems relevant, including, without limitation, the office or position held by the Participant or the Participant's relationship to the Company, the Participant's degree of responsibility for and contribution to the growth and success of the Company or any Subsidiary, the Participant's length of service, promotions and potential. A Participant who has been granted an Option or Restricted Stock hereunder may be granted an additional Option or Options, or Restricted Stock if the Committee shall so determine.

(b) In the absence of any date specified for grant, the Committee's grant of Options or award of Restricted Stock shall be deemed to have been made effective on the first business day of each March, June, September or December of any calendar year, or on such other pre-determined dates as maybe set by the Committee (the "Pre-Determined Grant Dates"). Notwithstanding the foregoing, the Committee may grant Options or award restricted Stock to any employee, officer, director, consultant, attorney or advisor to the Company as an inducement to such person, in consideration for such person to enter into any agreement or to provide to the Company, for prior services rendered, or for any other reason determined by the Committee for award, in its sole discretion other than on a Pre-Determined Grant Date.

4. **Stock Reserved for the Plan.** Subject to adjustment as provided in Section 8 hereof, a total of five million (5,000,000) shares of the Company's common stock, par value \$0.0001 per share (the "Stock"), shall be subject to the Plan. The maximum number of shares of Stock that may be subject to Options shall conform to any requirements applicable to performance-based compensation under Section 162(m) of the Code, if qualification as performance-based compensation under Section 162(m) of the Code is intended. The shares of Stock subject to the Plan shall consist of unissued shares, treasury shares or previously issued shares held by any Subsidiary of the Company, and such amount of shares of Stock shall be and is hereby reserved for such purpose. Any of such shares of Stock that may remain unsold and that are not subject to outstanding Options at the termination of the Plan shall cease to be reserved for the purposes of the Plan, but until termination of the Plan the Company shall at all times reserve a sufficient number of shares of Stock to meet the requirements of the Plan. Should any Option or Restricted Stock expire or be canceled prior to its exercise or vesting in full or should the number of shares of Stock to be delivered upon the exercise or vesting in full of any Option or Restricted Stock be reduced for any reason, the shares of Stock theretofore subject to such Option or Restricted Stock may be subject to future Options or Restricted Stock under the Plan, except where such reissuance is inconsistent with the provisions of Section 162(m) of the Code where qualification as performance-based compensation under Section 162(m) of the Code is intended.

5. **Terms and Conditions of Options.** Options granted under the Plan shall be subject to the following conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(a) **Option Price.** The purchase price of each share of Stock purchasable under an Incentive Option shall be determined by the Committee at the time of grant, but shall not be less than 100% of the Fair Market Value (as defined below) of such share of Stock on the date the Option is granted; provided, however, that with respect to an Optionee who, at the time such Incentive Option is granted, owns (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or of any Subsidiary, the purchase price per share of Stock shall be at least 110% of the Fair Market Value per share of Stock on the date of grant. The purchase price of each share of Stock purchasable under a Nonqualified Option shall be at least 100% of the Fair Market Value of such share of Stock on the date the Option is granted, *unless* the Committee, in its sole and absolute discretion, determines to set the purchase price of such Nonqualified Option below Fair Market Value. The exercise price for each Option shall be subject to adjustment as provided in Section 8 below. "Fair Market Value" means:

- (i) the closing price on the final trading day immediately prior to the grant of the Stock on (x) the principal securities exchange on which shares of Stock are listed (if the shares of Stock are so listed) or (y) on the NASDAQ Stock Market, OTC Markets or OTC Bulletin Board (if the shares of Stock are regularly listed or quoted on the NASDAQ Stock Market, OTC Markets or OTC Bulletin Board, as the case may be); or

- (ii) if not so listed or quoted, as applicable, the mean between the closing bid and asked prices of publicly traded shares of Stock in the over the counter market on the final trading day immediately prior to the grant of the Stock; or
- (iii) if such bid and asked prices shall not be available, as reported by any nationally recognized quotation service selected by the Company on the final trading day immediately prior to the grant of the Stock. Anything in this Section 5(a) to the contrary notwithstanding, in no event shall the purchase price of a share of Stock be less than the minimum price permitted under the rules and policies of any national securities exchange on which the shares of Stock are listed, as applicable;”

(b) Option Term. The term of each Option shall be fixed by the Committee, but no Option shall be exercisable more than five (5) years after the date such Option is granted and in the case of an Incentive Option granted to an Optionee who, at the time such Incentive Option is granted, owns (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or of any Subsidiary, no such Incentive Option shall be exercisable more than five years after the date such Incentive Option is granted; and

(c) Exercisability.

- (i) Subject to Section 5(j) hereof, Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at the time of grant; provided, however, that in the absence of any Option vesting periods designated by the Committee at the time of grant, Options shall vest and become exercisable in equal amounts on each fiscal quarter of the Company through the four (4) year anniversary of the date of grant; and provided further that no Options shall be exercisable until such time as any vesting limitation required by Section 16 of the Exchange Act, and related rules, shall be satisfied if such limitation shall be required for continued validity of the exemption provided under Rule 16b-3(d)(3).
- (ii) Upon the occurrence of a Change in Control (as hereinafter defined), the Committee may accelerate the vesting and exercisability of outstanding Options, in whole or in part, as determined by the Committee in its sole discretion. In its sole discretion, the Committee may also determine that, upon the occurrence of a Change in Control, each outstanding Option shall terminate within a specified number of days after notice to the Optionee thereunder, and each such Optionee shall receive, with respect to each share of Company Stock subject to such Option, an amount equal to the excess of the Fair Market Value of such shares immediately prior to such Change in Control over the exercise price per share of such Option; such amount shall be payable in cash, in one or more kinds of property (including the property, if any, payable in the transaction) or a combination thereof, as the Committee shall determine in its sole discretion.
- (iii) For purposes of the Plan, unless otherwise defined in an employment agreement between the Company and the relevant Optionee, a “Change in Control” shall be deemed to have occurred if:

- (A) a tender offer (or series of related offers) shall be made and consummated for the ownership of fifty percent (50%) or more of the outstanding voting securities of the Company, unless as a result of such tender offer more than fifty percent (50%) of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to the commencement of such offer), any employee benefit plan of the Company or its Subsidiaries, and their affiliates;
  - (B) the Company shall be merged or consolidated with another corporation, unless as a result of such merger or consolidation more than fifty percent (50%) of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to such transaction), any employee benefit plan of the Company or its Subsidiaries, and their affiliates;
  - (C) the Company shall sell substantially all of its assets to another corporation that is not wholly owned by the Company, unless as a result of such sale more than fifty percent (50%) of such assets shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to such transaction), any employee benefit plan of the Company or its Subsidiaries and their affiliates; or
  - (D) a Person (as defined below) shall acquire fifty percent (50%) or more of the outstanding voting securities of the Company (whether directly, indirectly, beneficially or of record), unless as a result of such acquisition more than fifty percent (50%) of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to the first acquisition of such securities by such Person), any employee benefit plan of the Company or its Subsidiaries, and their affiliates.
- (iv) Notwithstanding Section 5(c)(iii) above, if Change of Control is defined in an employment agreement between the Company and the relevant Optionee, then, with respect to such Optionee, Change of Control shall have the meaning ascribed to it in such employment agreement.
- (v) For purposes of this Section 5(c), ownership of voting securities shall take into account and shall include ownership as determined by applying the provisions of Rule 13d-3(d)(1)(i) (as in effect on the date hereof) under the Exchange Act. In addition, for such purposes, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof; provided, however, that a Person shall not include (A) the Company or any of its Subsidiaries; (B) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Subsidiaries; (C) an underwriter temporarily holding securities pursuant to an offering of such securities; or (D) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportion as their ownership of stock of the Company.

(d) Method of Exercise. Options to the extent then exercisable may be exercised in whole or in part at any time during the option period, by giving written notice to the Company specifying the number of shares of Stock to be purchased, accompanied by payment in full of the purchase price, in cash, or by check or such other instrument as may be acceptable to the Committee. As determined by the Committee, in its sole discretion, at or after grant, payment in full or in part may be made at the election of the Optionee (i) in the form of Stock owned by the Optionee (based on the Fair Market Value of the Stock which is not the subject of any pledge or security interest, (ii) in the form of shares of Stock withheld by the Company from the shares of Stock otherwise to be received with such withheld shares of Stock having a Fair Market Value equal to the exercise price of the Option, or (iii) by a combination of the foregoing, such Fair Market Value determined by applying the principles set forth in Section 5(a), provided that the combined value of all cash and cash equivalents and the Fair Market Value of any shares surrendered to the Company is at least equal to such exercise price and except with respect to (ii) above, such method of payment will not cause a disqualifying disposition of all or a portion of the Stock received upon exercise of an Incentive Option. An Optionee shall have the right to dividends and other rights of a stockholder with respect to shares of Stock purchased upon exercise of an Option at such time as the Optionee (i) has given written notice of exercise and has paid in full for such shares, and (ii) has satisfied such conditions that may be imposed by the Company with respect to the withholding of taxes.

(e) Non-transferability of Options. Options are not transferable and may be exercised solely by the Optionee during his lifetime or after his death by the person or persons entitled thereto under his will or the laws of descent and distribution. The Committee, in its sole discretion, may permit a transfer of a Nonqualified Option to (i) a trust for the benefit of the Optionee, (ii) a member of the Optionee's immediate family (or a trust for his or her benefit) or (iii) pursuant to a domestic relations order. Any attempt to transfer, assign, pledge or otherwise dispose of, or to subject to execution, attachment or similar process, any Option contrary to the provisions hereof shall be void and ineffective and shall give no right to the purported transferee.

(f) Termination by Death. Unless otherwise determined by the Committee, if any Optionee's employment with or service to the Company or any Subsidiary terminates by reason of death, the Option may thereafter be exercised, to the extent then exercisable (or on such accelerated basis as the Committee shall determine at or after grant), by the legal representative of the estate or by the legatee of the Optionee under the will of the Optionee, for a period of one (1) year after the date of such death (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof) or until the expiration of the stated term of such Option as provided under the Plan, whichever period is shorter.

(g) Termination by Reason of Disability. Unless otherwise determined by the Committee, if any Optionee's employment with or service to the Company or any Subsidiary terminates by reason of Disability (as defined below), then any Option held by such Optionee may thereafter be exercised, to the extent it was exercisable at the time of termination due to Disability (or on such accelerated basis as the Committee shall determine at or after grant), but may not be exercised after ninety (90) days after the date of such termination of employment or service (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof) or the expiration of the stated term of such Option, whichever period is shorter; provided, however, that, if the Optionee dies within such ninety (90) day period, any unexercised Option held by such Optionee shall thereafter be exercisable to the extent to which it was exercisable at the time of death for a period of one (1) year after the date of such death (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof) or for the stated term of such Option, whichever period is shorter. "Disability" shall mean an Optionee's total and permanent disability; provided, that if Disability is defined in an employment agreement between the Company and the relevant Optionee, then, with respect to such Optionee, Disability shall have the meaning ascribed to it in such employment agreement.

(h) Termination by Reason of Retirement.

- (i) Unless otherwise determined by the Committee, if any Optionee's employment with or service to the Company or any Subsidiary terminates by reason of Normal or Early Retirement (as such terms are defined below), any Option held by such Optionee may thereafter be exercised to the extent it was exercisable at the time of such Retirement (or on such accelerated basis as the Committee shall determine at or after grant), but may not be exercised after ninety (90) days after the date of such termination of employment or service (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof) or the expiration of the stated term of such Option, whichever date is earlier; provided, however, that, if the Optionee dies within such ninety (90) day period, any unexercised Option held by such Optionee shall thereafter be exercisable, to the extent to which it was exercisable at the time of death, for a period of one (1) year after the date of such death (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof) or for the stated term of such Option, whichever period is shorter.
- (ii) For purposes of this paragraph (h), "Normal Retirement" shall mean retirement from active employment with the Company or any Subsidiary on or after the normal retirement date specified in the applicable Company or Subsidiary pension plan or if no such pension plan, age 65, and "Early Retirement" shall mean retirement from active employment with the Company or any Subsidiary pursuant to the early retirement provisions of the applicable Company or Subsidiary pension plan or if no such pension plan, age 55.

(i) Other Terminations. Unless otherwise determined by the Committee upon grant, if any Optionee's employment with or service to the Company or any Subsidiary is terminated by such Optionee for any reason other than death, Disability, Normal or Early Retirement or Good Reason (as defined below), the Option shall thereupon terminate, except that the portion of any Option that was exercisable on the date of such termination of employment or service may be exercised for the lesser of ninety (90) days after the date of termination (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof) or the balance of such Option's term, whichever period is shorter. The transfer of an Optionee from the employ of or service to the Company to the employ of or service to a Subsidiary, or vice versa, or from one Subsidiary to another, shall not be deemed to constitute a termination of employment or service for purposes of the Plan.

- (i) In the event that the Optionee's employment or service with the Company or any Subsidiary is terminated by the Company or such Subsidiary for Cause (as defined below) any unexercised portion of any Option shall immediately terminate in its entirety. For purposes hereof, unless otherwise defined in an employment agreement between the Company and the relevant Optionee, "Cause" shall exist upon a good-faith determination by the Board, following a hearing before the Board at which an Optionee was represented by counsel and given an opportunity to be heard, that such Optionee has been accused of fraud, dishonesty or act detrimental to the interests of the Company or any Subsidiary of the Company or that such Optionee has been accused of or convicted of an act of willful and material embezzlement or fraud against the Company or any Subsidiary of the Company or of a felony under any state or federal statute; provided, however, that it is specifically understood that Cause shall not include any act of commission or omission in the good faith exercise of such Optionee's business judgment as a director, officer or employee of the Company, as the case may be, or upon the advice of counsel to the Company. Notwithstanding the foregoing, if Cause is defined in an employment agreement between the Company and the relevant Optionee, then, with respect to such Optionee, Cause shall have the meaning ascribed to it in such employment agreement.
- (ii) In the event that an Optionee is removed as a director, officer or employee by the Company at any time other than for Cause or resigns as a director, officer or employee for Good Reason, the Option granted to such Optionee may be exercised by the Optionee, to the extent the Option was exercisable on the date such Optionee ceases to be a director, officer or employee. Such Option may be exercised at any time within one (1) year after the date the Optionee ceases to be a director, officer or employee (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof), or the date on which the Option otherwise expires by its terms; whichever period is shorter, at which time the Option shall terminate; provided, however, if the Optionee dies before the Options terminate and are no longer exercisable, the terms and provisions of Section 5(f) shall control. For purposes of this Section 5(i), and unless otherwise defined in an employment agreement between the Company and the relevant Optionee, "Good Reason" shall exist upon the occurrence of the following:
- (A) the assignment to Optionee of any duties inconsistent with the position in the Company that Optionee held immediately prior to the assignment;
  - (B) a Change of Control resulting in a significant adverse alteration in the status or conditions of Optionee's participation with the Company or other nature of Optionee's responsibilities from those in effect prior to such Change of Control, including any significant alteration in Optionee's responsibilities immediately prior to such Change in Control; or
  - (C) the failure by the Company to continue to provide Optionee with benefits substantially similar to those enjoyed by Optionee prior to such failure.
- (iii) Notwithstanding the foregoing, if Good Reason is defined in an employment agreement between the Company and the relevant Optionee, then, with respect to such Optionee, Good Reason shall have the meaning ascribed to it in such employment agreement.

(j) Limit on Value of Incentive Option. The aggregate Fair Market Value, determined as of the date the Incentive Option is granted, of Stock for which Incentive Options are exercisable for the first time by any Optionee during any calendar year under the Plan (and/or any other stock option plans of the Company or any Subsidiary) shall not exceed \$100,000.

6. **Terms and Conditions of Restricted Stock.** Restricted Stock may be granted under this Plan aside from, or in association with, any other award and shall be subject to the following conditions and shall contain such additional terms and conditions (including provisions relating to the acceleration of vesting of Restricted Stock upon a Change of Control), not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(a) Grantee rights. A Grantee shall have no rights to an award of Restricted Stock unless and until Grantee accepts the award within the period prescribed by the Committee and, if the Committee shall deem desirable, makes payment to the Company in cash, or by check or such other instrument as may be acceptable to the Committee. After acceptance and issuance of a certificate or certificates, as provided for below, the Grantee shall have the rights of a stockholder with respect to Restricted Stock subject to the non-transferability and forfeiture restrictions described in Section 6(d) below;

(b) Issuance of Certificates. The Company shall issue in the Grantee's name a certificate or certificates for the shares of Common Stock associated with the award promptly after the Grantee accepts such award;

(c) Delivery of Certificates. Unless otherwise provided, any certificate or certificates issued evidencing shares of Restricted Stock shall not be delivered to the Grantee until such shares are free of any restrictions specified by the Committee at the time of grant;

(d) Forfeitability, Non-transferability of Restricted Stock. Shares of Restricted Stock are forfeitable until the terms of the Restricted Stock grant have been satisfied. Shares of Restricted Stock are not transferable until the date on which the Committee has specified such restrictions have lapsed. Unless otherwise provided by the Committee at or after grant, distributions in the form of dividends or otherwise of additional shares or property in respect of shares of Restricted Stock shall be subject to the same restrictions as such shares of Restricted Stock;

(e) Change of Control. Upon the occurrence of a Change in Control as defined in Section 5(c) above, the Committee may accelerate the vesting of outstanding Restricted Stock, in whole or in part, as determined by the Committee in its sole discretion; or

(f) Termination of Employment. Unless otherwise determined by the Committee at or after grant, in the event the Grantee ceases to be an employee or otherwise associated with the Company for any other reason, all shares of Restricted Stock theretofore awarded to him which are still subject to restrictions shall be forfeited and the Company shall have the right to complete the blank stock power. The Committee may provide (on or after grant) that restrictions or forfeiture conditions relating to shares of Restricted Stock will be waived in whole or in part in the event of termination resulting from specified causes, and the Committee may in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Stock.



7. **Term of Plan.** No Option or award of Restricted Stock shall be granted pursuant to the Plan on or after the date which is five (5) years from the effective date of the Plan, but Options and awards of Restricted Stock theretofore granted may extend beyond that date.

8. **Capital Change of the Company.**

(a) In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, or other change in corporate structure affecting the Stock, the Committee shall make an appropriate and equitable adjustment in the number and kind of shares reserved for issuance under the Plan and in the number and option price of shares subject to outstanding Options granted under the Plan, to the end that after such event each Optionee's proportionate interest shall be maintained (to the extent possible) as immediately before the occurrence of such event. The Committee shall, to the extent feasible, make such other adjustments as may be required under the tax laws so that any Incentive Options previously granted shall not be deemed modified within the meaning of Section 424(h) of the Code. Appropriate adjustments shall also be made in the case of outstanding Restricted Stock granted under the Plan.

(b) The adjustments described above will be made only to the extent consistent with continued qualification of the Option under Section 422 of the Code (in the case of an Incentive Option) and Section 409A of the Code.

9. **Purchase for Investment/Conditions.** Unless the Options and shares covered by the Plan have been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the Company has determined that such registration is unnecessary, each person exercising or receiving Options or Restricted Stock under the Plan may be required by the Company to give a representation in writing that such person is acquiring the securities for such person's own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof. The Committee may impose any additional or further restrictions on awards of Options or Restricted Stock as shall be determined by the Committee at the time of award.

10. **Taxes.**

(a) The Company may make such provisions as it may deem appropriate, consistent with applicable law, in connection with any Options or Restricted Stock granted under the Plan with respect to the withholding of any taxes (including income or employment taxes) or any other tax matters.

(b) If any Grantee, in connection with the acquisition of Restricted Stock, makes the election permitted under Section 83(b) of the Code (that is, an election to include in gross income in the year of transfer the amounts specified in Section 83(b)), such Grantee shall notify the Company of the election with the Internal Revenue Service pursuant to regulations issued under the authority of Code Section 83(b).

(c) If any Grantee shall make any disposition of shares of Stock issued pursuant to the exercise of an Incentive Option under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions), such Grantee shall notify the Company of such disposition within ten (10) days thereof.

11. **Effective Date of Plan.** The Plan shall be effective on May 9, 2011; provided, however, that if, and only if, certain options are intended to qualify as Incentive Stock Options, the Plan must subsequently be approved by majority vote of the Company's stockholders no later than May 9, 2012, and further, that in the event certain Option grants hereunder are intended to qualify as performance-based compensation within the meaning of Section 162(m) of the Code, the requirements as to stockholder approval set forth in Section 162(m) of the Code are satisfied.

12. **Amendment and Termination.**

(a) The Board may amend, suspend, or terminate the Plan, except that no amendment shall be made that would impair the rights of any Participant under any Option or Restricted Stock theretofore granted without the Participant's consent, and except that no amendment shall be made which, without the approval of the stockholders of the Company, would:

- (i) materially increase the number of shares that may be issued under the Plan, except as is provided in Section 8;
- (ii) materially increase the benefits accruing to the Participants under the Plan;
- (iii) materially modify the requirements as to eligibility for participation in the Plan;
- (iv) decrease the exercise price of an Incentive Option to less than 100% of the Fair Market Value per share of Stock on the date of grant thereof or the exercise price of a Nonqualified Option to less than 100% of the Fair Market Value per share of Stock on the date of grant thereof;
- (v) extend the term of any Option beyond that provided for in Section 5(b); or
- (vi) except as otherwise provided in Sections 5(d) and 8 hereof, reduce the exercise price of outstanding Options or effect repricing through cancellations and re-grants of new Options.

(b) Subject to the forgoing, the Committee may amend the terms of any Option theretofore granted, prospectively or retrospectively, but no such amendment shall impair the rights of any Optionee without the Optionee's consent.

(c) It is the intention of the Board that the Plan comply strictly with the provisions of Section 409A of the Code and Treasury Regulations and other Internal Revenue Service guidance promulgated thereunder (the "Section 409A Rules") and the Committee shall exercise its discretion in granting awards hereunder (and the terms of such awards), accordingly. The Plan and any grant of an award hereunder may be amended from time to time (without, in the case of an award, the consent of the Participant) as may be necessary or appropriate to comply with the Section 409A Rules.

13. **Government Regulations.** The Plan, and the grant and exercise of Options or Restricted Stock hereunder, and the obligation of the Company to sell and deliver shares under such Options and Restricted Stock shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies, national securities exchanges and interdealer quotation systems as may be required.

14. **General Provisions.**

(a) Certificates. All certificates for shares of Stock delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, or other securities commission having jurisdiction, any applicable Federal or state securities law, any stock exchange or interdealer quotation system upon which the Stock is then listed or traded and the Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.

(b) Employment Matters. Neither the adoption of the Plan nor any grant or award under the Plan shall confer upon any Participant who is an employee of the Company or any Subsidiary any right to continued employment or, in the case of a Participant who is a director, continued service as a director, with the Company or a Subsidiary, as the case may be, nor shall it interfere in any way with the right of the Company or any Subsidiary to terminate the employment of any of its employees, the service of any of its directors or the retention of any of its consultants, attorneys or advisors at any time.

(c) Limitation of Liability. No member of the Committee, or any officer or employee of the Company acting on behalf of the Committee, shall be personally liable for any action, determination or interpretation taken or made in good faith with respect to the Plan, and all members of the Committee and each and any officer or employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

(d) Registration of Stock. Notwithstanding any other provision in the Plan, no Option may be exercised unless and until the Stock to be issued upon the exercise thereof has been registered under the Securities Act and applicable state securities laws, or are, in the opinion of counsel to the Company, exempt from such registration in the United States. The Company shall not be under any obligation to register under applicable federal or state securities laws any Stock to be issued upon the exercise of an Option granted hereunder in order to permit the exercise of an Option and the issuance and sale of the Stock subject to such Option, although the Company may in its sole discretion register such Stock at such time as the Company shall determine. If the Company chooses to comply with such an exemption from registration, the Stock issued under the Plan may, at the direction of the Committee, bear an appropriate restrictive legend restricting the transfer or pledge of the Stock represented thereby, and the Committee may also give appropriate stop transfer instructions with respect to such Stock to the Company's transfer agent.

(e) Transferability in accordance with SEC Release No. 33-7646 entitled "Registration of Securities on Form S-8," as effective April 7, 1999. Notwithstanding anything to the contrary as may be contained in this Plan regarding rights as to transferability or lack thereof, all options granted hereunder may and shall be transferable to the extent permitted in accordance with SEC Release No. 33-7646 entitled "Registration of Securities on Form S-8," as effective April 7, 1999, and in particular in accordance with that portion of such Release which expands Form S-8 to include stock option exercised by family members so that the rules governing the use of Form S-8 (i) do not impede legitimate intra-family transfer of options and (ii) may facilitate transfer for estate planning purposes, all as more specifically defined in Article III, Sections A and B thereto, the contents of which are herewith incorporated by reference.

15. **Non-Uniform Determinations.** The Committee's determinations under the Plan, including, without limitation, (i) the determination of the Participants to receive awards, (ii) the form, amount and timing of such awards, (iii) the terms and provisions of such awards and (iv) the agreements evidencing the same, need not be uniform and may be made by it selectively among Participants who receive, or who are eligible to receive, awards under the Plan, whether or not such Participants are similarly situated.

16. **Governing Law.** The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the internal laws of the State of Delaware, without giving effect to principles of conflicts of laws, and applicable federal law.

## DIRECTOR AGREEMENT

This DIRECTOR AGREEMENT is made as of the 13th day of May, 2011 (the "Agreement") by and between Wizard World, Inc., a Delaware corporation (the "Company"), and John Macaluso, an individual with an address 1240 5<sup>th</sup> Street, Manhattan Beach, CA 91403 (the "Director").

WHEREAS, the Company appointed the Director on May 13th, 2011 and desires to enter into an agreement with the Director with respect to such appointment; and

WHEREAS, the Director is willing to accept such appointment and to serve the Company on the terms set forth herein and in accordance with the provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Position. Subject to the terms and provisions of this Agreement, the Company shall cause the Director to be appointed, and the Director hereby agrees to serve the Company in such position upon the terms and conditions hereinafter set forth, provided, however, that the Director's continued service on the Board of Directors of the Company (the "Board") after the initial one-year term on the Board shall be subject to any necessary approval by the Company's stockholders.

2. Duties. (a) During the Directorship Term (as defined herein), the Director make reasonable business efforts to attend all Board meetings, serve on appropriate subcommittees as reasonably requested by the Board, make himself available to the Company at mutually convenient times and places, attend external meetings and presentations, as appropriate and convenient, and perform such duties, services and responsibilities, and have the authority commensurate to such position.

(b) The Director will use his best efforts to promote the interests of the Company. The Company recognizes that the Director (i) is or may become a full-time executive employee of another entity and that his responsibilities to such entity must have priority and (ii) sits or may sit on the board of directors of other entities. Notwithstanding the same, the Director will use reasonable business efforts to coordinate his respective commitments so as to fulfill his obligations to the Company and, in any event, will fulfill his legal obligations as a Director. Other than as set forth above, the Director will not, without the prior notification to the Board, engage in any other business activity which could materially interfere with the performance of his duties, services and responsibilities hereunder or which is in violation of the reasonable policies established from time to time by the Company, provided that the foregoing shall in no way limit his activities on behalf of (i) any current employer and its affiliates or (ii) the board of directors of any entities on which he currently sits. At such time as the Board receives such notification, the Board may require the resignation of the Director if it determines that such business activity does in fact materially interfere with the performance of the Director's duties, services and responsibilities hereunder.

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3. Compensation.

(a) Stock Option. The Director shall receive, upon execution of this Agreement, a non-qualified stock option to purchase up to one hundred and fifty thousand (150,000) shares of the Company's common stock at an exercise price per share equal to the closing price of the Company's common stock on the execution date of this Agreement. Such option shall be exercisable for a period of five years. The option shall vest in equal amounts over a period of three (3) years at the rate of twelve thousand five hundred (12,500) shares per fiscal quarter at the end of such quarter, commencing in the quarter in which the Director enters into this Agreement, and pro-rated for the number of days the Director serves on the Board during the fiscal quarter. Notwithstanding the foregoing, if the Director ceases to be a member of Board at any time during the three (3) year vesting period for any reason (such as resignation, withdrawal, death, disability or any other reason), then any un-vested options shall be irrefutably forfeited.

(b) Independent Contractor. The Director's status during the Directorship Term shall be that of an independent contractor and not, for any purpose, that of an employee or agent with authority to bind the Company in any respect. All payments and other consideration made or provided to the Director under this Section 3 shall be made or provided without withholding or deduction of any kind, and the Director shall assume sole responsibility for discharging all tax or other obligations associated therewith.

(c) Expense Reimbursements. During the Directorship Term, the Company shall reimburse the Director for all reasonable out-of-pocket expenses incurred by the Director in attending any in-person meetings, provided that the Director complies with the generally applicable policies, practices and procedures of the Company for submission of expense reports, receipts or similar documentation of such expenses. Any reimbursements for allocated expenses (as compared to out-of-pocket expenses of the Director) must be approved in advance by the Company.

4. Directorship Term. The "Directorship Term," as used in this Agreement, shall mean the period commencing on the date hereof and terminating on the earlier of the date of the next annual stockholders meeting and the earliest of the following to occur:

- (a) the death of the Director;
- (b) the termination of the Director from his membership on the Board by the mutual agreement of the Company and the Director;
- (c) the removal of the Director from the Board by the majority stockholders of the Company; and
- (d) the resignation by the Director from the Board.

5. Director's Representation and Acknowledgment. The Director represents to the Company that his execution and performance of this Agreement shall not be in violation of any agreement or obligation (whether or not written) that he may have with or to any person or entity, including without limitation, any prior or current employer. The Director hereby acknowledges and agrees that this Agreement (and any other agreement or obligation referred to herein) shall be an obligation solely of the Company, and the Director shall have no recourse whatsoever against any stockholder of the Company or any of their respective affiliates with regard to this Agreement.

6. Director Covenants.

(a) Unauthorized Disclosure. The Director agrees and understands that in the Director's position with the Company, the Director has been and will be exposed to and receive information relating to the confidential affairs of the Company, including, but not limited to, technical information, business and marketing plans, strategies, customer information, other information concerning the Company's products, promotions, development, financing, expansion plans, business policies and practices, and other forms of information considered by the Company to be confidential and in the nature of trade secrets. The Director agrees that during the Directorship Term and thereafter, the Director will keep such information confidential and will not disclose such information, either directly or indirectly, to any third person or entity without the prior written consent of the Company; provided, however, that (i) the Director shall have no such obligation to the extent such information is or becomes publicly known or generally known in the Company's industry other than as a result of the Director's breach of his obligations hereunder and (ii) the Director may, after giving prior notice to the Company to the extent practicable under the circumstances, disclose such information to the extent required by applicable laws or governmental regulations or judicial or regulatory process. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of the Directorship Term, the Director will promptly return to the Company and/or destroy at the Company's direction all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data, other product or document, and any summary or compilation of the foregoing, in whatever form, including, without limitation, in electronic form, which has been produced by, received by or otherwise submitted to the Director in the course or otherwise as a result of the Director's position with the Company during or prior to the Directorship Term, provided that the Company shall retain such materials and make them available to the Director if requested by him in connection with any litigation against the Director under circumstances in which (i) the Director demonstrates to the reasonable satisfaction of the Company that the materials are necessary to his defense in the litigation and (ii) the confidentiality of the materials is preserved to the reasonable satisfaction of the Company.

(b) Non-Solicitation. During the Directorship Term and for a period of three (3) years thereafter, the Director shall not interfere with the Company's relationship with, or endeavor to entice away from the Company, any person who, on the date of the termination of the Directorship Term and/or at any time during the one year period prior to the termination of the Directorship Term, was an employee or customer of the Company or otherwise had a material business relationship with the Company.

(c) Remedies. The Director agrees that any breach of the terms of this Section 6 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Director therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Director and/or any and all entities acting for and/or with the Director, without having to prove damages or paying a bond, in addition to any other remedies to which the Company may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, but not limited to, the recovery of damages from the Director. The Director acknowledges that the Company would not have entered into this Agreement had the Director not agreed to the provisions of this Section 6.

(d) The provisions of this Section 6 shall survive any termination of the Directorship Term, and the existence of any claim or cause of action by the Director against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements of this Section 6.

7. Indemnification. The Company agrees to indemnify the Director for his activities as a member of the Board as set forth in the Director and Officer Indemnification Agreement, a form of which is attached hereto as Exhibit A.

8. Non-Waiver of Rights. The failure to enforce at any time the provisions of this Agreement or to require at any time performance by the other party hereto of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect either the validity of this Agreement or any part hereof, or the right of either party hereto to enforce each and every provision in accordance with its terms. No waiver by either party hereto of any breach by the other party hereto of any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions at that time or at any prior or subsequent time.

9. Notices. Every notice relating to this Agreement shall be in writing and shall be given by personal delivery or by registered or certified mail, postage prepaid, return receipt requested; to:

If to the Company:

Wizard World, Inc.  
1350 Avenue of the Americas, 2nd Floor  
New York, NY 10019  
Attn: Gareb Shamus, President and CEO  
Telephone: (646) 380-2486  
Facsimile: (212) 707-8180



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

Lucosky Brookman LLP  
33 Wood Avenue South, 6th Floor  
Iselin, New Jersey 08830  
Attn: Joseph M. Lucosky, Esq.  
Telephone: (732) 395-4400  
Facsimile: (732) 395-4401

If to the Director:

1240 5<sup>th</sup> Street  
Manhattan Beach, CA 91403  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

Either of the parties hereto may change their address for purposes of notice hereunder by giving notice in writing to such other party pursuant to this Section 9.

10. Binding Effect/Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, personal representatives, estates, successors (including, without limitation, by way of merger) and assigns. Notwithstanding the provisions of the immediately preceding sentence, neither the Director nor the Company shall assign all or any portion of this Agreement without the prior written consent of the other party.

11. Entire Agreement. This Agreement (together with the other agreements referred to herein) sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, written or oral, between them as to such subject matter.

12. Severability. If any provision of this Agreement, or any application thereof to any circumstances, is invalid, in whole or in part, such provision or application shall to that extent be severable and shall not affect other provisions or applications of this Agreement.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to the principles of conflict of laws. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in any court in the State of New York and the parties hereto hereby consent to the jurisdiction of such courts in any such action or proceeding; provided, however, that neither party shall commence any such action or proceeding unless prior thereto the parties have in good faith attempted to resolve the claim, dispute or cause of action which is the subject of such action or proceeding through mediation by an independent third party.

14. Legal Fees. The parties hereto agree that the non-prevailing party in any dispute, claim, action or proceeding between the parties hereto arising out of or relating to the terms and conditions of this Agreement or any provision thereof (a "Dispute"), shall reimburse the prevailing party for reasonable attorney's fees and expenses incurred by the prevailing party in connection with such Dispute; provided, however, that the Director shall only be required to reimburse the Company for its fees and expenses incurred in connection with a Dispute if the Director's position in such Dispute was found by the court, arbitrator or other person or entity presiding over such Dispute to be frivolous or advanced not in good faith.

15. Modifications. Neither this Agreement nor any provision hereof may be modified, altered, amended or waived except by an instrument in writing duly signed by the party to be charged.

16. Tense and Headings. Whenever any words used herein are in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply. The headings contained herein are solely for the purposes of reference, are not part of this Agreement and shall not in any way affect the meaning or interpretation of this Agreement.

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

*[-Signature Page Follows-]*

IN WITNESS WHEREOF, the Company has caused this Director Agreement to be executed by authority of its Board of Directors, and the Director has hereunto set his hand, on the day and year first above written.

**WIZARD WORLD, INC.**

By: /s/ Gareb Shamus  
Name: Gareb Shamus  
Title: President and Chief Executive Officer

**DIRECTOR**

/s/ John Macaluso  
John Macaluso

[Signature page to Director Agreement]

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EXHIBIT A

FORM OF DIRECTOR AND OFFICER INDEMNIFICATION AGREEMENT

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WIZARD WORLD, INC.

FORM OF DIRECTOR AND OFFICER INDEMNIFICATION AGREEMENT

This Director and Officer Indemnification Agreement, dated as of \_\_\_\_\_ (the "*Agreement*"), is made by and between Wizard World, Inc., a Delaware corporation (the "*Company*"), and \_\_\_\_\_ (the "*Indemnitee*").

RECITALS:

A. Section 141 of the Delaware General Corporation Law provides that the business and affairs of a corporation shall be managed by or under the direction of its board of directors.

B. By virtue of the managerial prerogatives vested in the directors and officers of a Delaware corporation, directors and officers act as fiduciaries of the corporation and its stockholders.

C. It is critically important to the Company and its stockholders that the Company be able to attract and retain the most capable persons reasonably available to serve as directors and officers of the Company.

D. In recognition of the need for corporations to be able to induce capable and responsible persons to accept positions in corporate management, Delaware law authorizes (and in some instances requires) corporations to indemnify their directors and officers, and further authorizes corporations to purchase and maintain insurance for the benefit of their directors and officers.

E. The Delaware courts have recognized that indemnification by a corporation serves the dual policies of (1) allowing corporate officials to resist unjustified lawsuits, secure in the knowledge that, if vindicated, the corporation will bear the expense of litigation, and (2) encouraging capable women and men to serve as corporate directors and officers, secure in the knowledge that the corporation will absorb the costs of defending their honesty and integrity.

F. The number of lawsuits challenging the judgment and actions of directors and officers of Delaware corporations, the costs of defending those lawsuits and the threat to personal assets have all materially increased over the past several years, chilling the willingness of capable women and men to undertake the responsibilities imposed on corporate directors and officers.

G. Recent federal legislation and rules adopted by the Securities and Exchange Commission and the national securities exchanges have exposed such directors and officers to new and substantially broadened civil liabilities.

H. Under Delaware law, a director's or officer's right to be reimbursed for the costs of defense of criminal actions, whether such claims are asserted under state or federal law, does not depend upon the merits of the claims asserted against the director or officer and is separate and distinct from any right to indemnification the director may be able to establish.

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I. Indemnitee is, or will be, a director and/or officer of the Company and his or her willingness to serve in such capacity is predicated, in substantial part, upon the Company's willingness to indemnify him or her in accordance with the principles reflected above, to the fullest extent permitted by the laws of the State of Delaware, and upon the other undertakings set forth in this Agreement.

J. In recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee's service as a director and/or officer of the Company and to enhance Indemnitee's ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company's certificate of incorporation or bylaws (collectively, the "**Constituent Documents**"), any change in the composition of the Company's Board of Directors (the "**Board**") or any change-in-control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification and advancement of Expenses to Indemnitee on the terms, and subject to the conditions, set forth in this Agreement.

K. In light of the considerations referred to in the preceding recitals, it is the Company's intention and desire that the provisions of this Agreement be construed liberally, subject to their express terms, to maximize the protections to be provided to Indemnitee hereunder.

#### AGREEMENT:

NOW, THEREFORE, the parties hereby agree as follows:

1. Certain Definitions. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

(a) "**Change in Control**" shall have occurred at such time, if any, as Incumbent Directors cease for any reason to constitute a majority of Directors. For purposes of this Section 1(a), "**Incumbent Directors**" means the individuals who, as of the date hereof, are Directors of the Company and any individual becoming a Director subsequent to the date hereof whose election, nomination for election by the Company's stockholders, or appointment, was approved by a vote of at least a majority of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination); *provided, however*, that an individual shall not be an Incumbent Director if such individual's election or appointment to the Board occurs as a result of an actual or threatened election contest (as described in Rule 14a-12(c) of the Securities Exchange Act of 1934, as amended) with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(b) "**Claim**" means (i) any threatened, asserted, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to federal, state or other law; and (ii) any inquiry or investigation, whether made, instituted or conducted by the Company or any other Person, including, without limitation, any federal, state or other governmental entity, that Indemnitee reasonably determines might lead to the institution of any such claim, demand, action, suit or proceeding. For the avoidance of doubt, the Company intends indemnity to be provided hereunder in respect of acts or failure to act prior to, on or after the date hereof.

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(c) **"Controlled Affiliate"** means any corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, that is directly or indirectly controlled by the Company. For purposes of this definition, **"control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity or enterprise, whether through the ownership of voting securities, through other voting rights, by contract or otherwise; *provided* that direct or indirect beneficial ownership of capital stock or other interests in an entity or enterprise entitling the holder to cast 15% or more of the total number of votes generally entitled to be cast in the election of directors (or persons performing comparable functions) of such entity or enterprise shall be deemed to constitute control for purposes of this definition.

(d) **"Disinterested Director"** means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee.

(e) **"Expenses"** means reasonable attorneys' and experts' fees and expenses and all other costs and expenses paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to investigate, defend, be a witness in or participate in (including on appeal), any Claim.

(f) **"Indemnifiable Claim"** means any Claim based upon, arising out of or resulting from (i) any actual, alleged or suspected act or failure to act by Indemnitee in his or her capacity as a director, officer, employee or agent of the Company or as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, as to which Indemnitee is or was serving at the request of the Company, (ii) any actual, alleged or suspected act or failure to act by Indemnitee in respect of any business, transaction, communication, filing, disclosure or other activity of the Company or any other entity or enterprise referred to in clause (i) of this sentence, or (iii) Indemnitee's status as a current or former director, officer, employee or agent of the Company or as a current or former director, officer, employee, member, manager, trustee or agent of the Company or any other entity or enterprise referred to in clause (i) of this sentence or any actual, alleged or suspected act or failure to act by Indemnitee in connection with any obligation or restriction imposed upon Indemnitee by reason of such status. In addition to any service at the actual request of the Company, for purposes of this Agreement, Indemnitee shall be deemed to be serving or to have served at the request of the Company as a director, officer, employee, member, manager, trustee or agent of another entity or enterprise if Indemnitee is or was serving as a director, officer, employee, member, manager, agent, trustee or other fiduciary of such entity or enterprise and (i) such entity or enterprise is or at the time of such service was a Controlled Affiliate, (ii) such entity or enterprise is or at the time of such service was an employee benefit plan (or related trust) sponsored or maintained by the Company or a Controlled Affiliate, or (iii) the Company or a Controlled Affiliate (by action of the Board, any committee thereof or the Company's Chief Executive Officer ("CEO") (other than as the CEO him or herself)) caused or authorized Indemnitee to be nominated, elected, appointed, designated, employed, engaged or selected to serve in such capacity.

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(g) "**Indemnifiable Losses**" means any and all Losses relating to, arising out of or resulting from any Indemnifiable Claim; *provided, however*, that Indemnifiable Losses shall not include Expenses incurred by Indemnitee in respect of any Indemnifiable Claim (or any matter or issue therein) as to which Indemnitee shall have been adjudged liable to the Company, unless and only to the extent that the Delaware Court of Chancery or the court in which such Indemnifiable Claim was brought shall have determined upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such Expenses as the court shall deem proper.

(h) "**Independent Counsel**" means a nationally recognized law firm, or a member of a nationally recognized law firm, that is experienced in matters of Delaware corporate law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company (or any subsidiary) or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements) or (ii) any other named (or, as to a threatened matter, reasonably likely to be named) party to the Indemnifiable Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(i) "**Losses**" means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other) and amounts paid or payable in settlement, including, without limitation, all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing.

(j) "**Person**" means any individual, entity or group, within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended.

(k) "**Standard of Conduct**" means the standard for conduct by Indemnitee that is a condition precedent to indemnification of Indemnitee hereunder against Indemnifiable Losses relating to, arising out of or resulting from an Indemnifiable Claim. The Standard of Conduct is (i) good faith and a reasonable belief by Indemnitee that his action was in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, that Indemnitee had no reasonable cause to believe that his conduct was unlawful, or (ii) any other applicable standard of conduct that may hereafter be substituted under Section 145(a) or (b) of the Delaware General Corporation Law or any successor to such provision(s).

2. **Indemnification Obligation.** Subject only to Section 7 and to the proviso in this Section, the Company shall indemnify, defend and hold harmless Indemnitee, to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Indemnifiable Claims and Indemnifiable Losses; *provided, however*, that, except as provided in Section 5, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with (i) any Claim initiated by Indemnitee against the Company or any director or officer of the Company unless the Company has joined in or consented to the initiation of such Claim or the Claim relates to or arises from the enforcement or prosecution of a right to indemnification under this Agreement, or (ii) the purchase and sale by Indemnitee of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended. Nothing herein is intended to limit the scope of permitted indemnification to Indemnitee under the laws of the State of Delaware

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3. Advancement of Expenses. Indemnitee shall have the right to advancement by the Company prior to the final disposition of any Indemnifiable Claim of any and all actual and reasonable Expenses relating to, arising out of or resulting from any Indemnifiable Claim paid or incurred by Indemnitee. Without limiting the generality or effect of any other provision hereof, Indemnitee's right to such advancement is not subject to the satisfaction of any Standard of Conduct. Without limiting the generality or effect of the foregoing, within five business days after any request by Indemnitee that is accompanied by supporting documentation for specific reasonable Expenses to be reimbursed or advanced, the Company shall, in accordance with such request (but without duplication), (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses; *provided* that Indemnitee shall repay, without interest, any amounts actually advanced to Indemnitee that, at the final disposition of the Indemnifiable Claim to which the advance related, were in excess of amounts paid or payable by Indemnitee in respect of Expenses relating to, arising out of or resulting from such Indemnifiable Claim. In connection with any such payment, advancement or reimbursement, at the request of the Company, Indemnitee shall execute and deliver to the Company an undertaking, which need not be secured and shall be accepted without reference to Indemnitee's ability to repay the Expenses, by or on behalf of the Indemnitee, to repay any amounts paid, advanced or reimbursed by the Company in respect of Expenses relating to, arising out of or resulting from any Indemnifiable Claim in respect of which it shall have been determined, following the final disposition of such Indemnifiable Claim and in accordance with Section 7, that Indemnitee is not entitled to indemnification hereunder.

4. Indemnification for Additional Expenses. Without limiting the generality or effect of the foregoing, the Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request accompanied by supporting documentation for specific Expenses to be reimbursed or advanced, any and all actual and reasonable Expenses paid or incurred by Indemnitee in connection with any Claim made, instituted or conducted by Indemnitee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Indemnifiable Claims, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company; *provided, however*, if it is ultimately determined that the Indemnitee is not entitled to such indemnification, reimbursement, advance or insurance recovery, as the case may be, then the Indemnitee shall be obligated to repay any such Expenses to the Company; *provided further*, that, regardless in each case of whether Indemnitee ultimately is determined to be entitled to such indemnification, reimbursement, advance or insurance recovery, as the case may be, Indemnitee shall return, without interest, any such advance of Expenses (or portion thereof) which remains unspent at the final disposition of the Claim to which the advance related.

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5. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Indemnifiable Loss but not for the entire amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

6. Procedure for Notification. To obtain indemnification under this Agreement in respect of an Indemnifiable Claim or Indemnifiable Loss, Indemnitee shall submit to the Company a written request therefore, including a brief description (based upon information then available to Indemnitee) of such Indemnifiable Claim or Indemnifiable Loss. If, at the time of the receipt of such request, the Company has directors' and officers' liability insurance in effect under which coverage for such Indemnifiable Claim or Indemnifiable Loss is potentially available, the Company shall give prompt written notice of such Indemnifiable Claim or Indemnifiable Loss to the applicable insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all Indemnifiable Claims and Indemnifiable Losses in accordance with the terms of such policies. The Company shall provide to Indemnitee a copy of such notice delivered to the applicable insurers, substantially concurrently with the delivery thereof by the Company. The failure by Indemnitee to timely notify the Company of any Indemnifiable Claim or Indemnifiable Loss shall not relieve the Company from any liability hereunder unless, and only to the extent that, the Company did not otherwise learn of such Indemnifiable Claim or Indemnifiable Loss and to the extent that such failure results in forfeiture by the Company of substantial defenses, rights or insurance coverage.

7. Determination of Right to Indemnification.

(a) To the extent that Indemnitee shall have been successful on the merits or otherwise in defense of any Indemnifiable Claim or any portion thereof or in defense of any issue or matter therein, including, without limitation, dismissal without prejudice, Indemnitee shall be indemnified against all Indemnifiable Losses relating to, arising out of or resulting from such Indemnifiable Claim in accordance with Section 2 and no Standard of Conduct Determination (as defined in Section 7(b)) shall be required.

(b) To the extent that the provisions of Section 7(a) are inapplicable to an Indemnifiable Claim that shall have been finally disposed of, any determination required to be made under the laws of the State of Delaware as to whether Indemnitee has satisfied the applicable Standard of Conduct (a "**Standard of Conduct Determination**") shall be made as follows: (i) if a Change in Control shall not have occurred, or if a Change in Control shall have occurred but Indemnitee shall have requested that the Standard of Conduct Determination be made pursuant to this clause (i), (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) if such Disinterested Directors so direct, by a majority vote of a committee of Disinterested Directors designated by a majority vote of all Disinterested Directors, or (C) if there are no such Disinterested Directors, or if a majority of the Disinterested Directors so direct, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee; and (ii) if a Change in Control shall have occurred and Indemnitee shall not have requested that the Standard of Conduct Determination be made pursuant to clause (i) above, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee.

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(c) If (i) Indemnitee shall be entitled to indemnification hereunder against any Indemnifiable Losses pursuant to Section 7(a), (ii) no determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law is a legally required condition precedent to indemnification of Indemnitee hereunder against any Indemnifiable Losses, or (iii) Indemnitee has been determined or deemed pursuant to Section 7(b) to have satisfied the applicable Standard of Conduct, then the Company shall pay to Indemnitee, within five business days after the later of (x) the Notification Date in respect of the Indemnifiable Claim or portion thereof to which such Indemnifiable Losses are related, out of which such Indemnifiable Losses arose or from which such Indemnifiable Losses resulted, and (y) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) above shall have been satisfied, an amount equal to the amount of such Indemnifiable Losses. Nothing herein is intended to mean or imply that the Company is intending to use Section 145(f) of the Delaware General Corporation Law to dispense with a requirement that Indemnitee meet the applicable Standard of Conduct where it is otherwise required by such statute.

(d) If a Standard of Conduct Determination is required to be, but has not been, made by Independent Counsel pursuant to Section 7(b)(i), the Independent Counsel shall be selected by the Board or a committee of the Board, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is required to be, or to have been, made by Independent Counsel pursuant to Section 7(b)(ii), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within five business days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; *provided, however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of "Independent Counsel" in Section 1(h), and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the Person so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences and clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 7(d) to make the Standard of Conduct Determination shall have been selected within 30 calendar days after the Company gives its initial notice pursuant to the first sentence of this Section 7(d) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 7(d), as the case may be, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person or firm selected by the Court or by such other person as the Court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the actual and reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel's determination pursuant to Section 7(b).

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8. Cooperation. Indemnitee shall cooperate with reasonable requests of the Company in connection with any Indemnifiable Claim and any individual or firm making such Standard of Conduct Determination, including providing to such Person documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to defend the Indemnifiable Claim or make any Standard of Conduct Determination without incurring any unreimbursed cost in connection therewith. The Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request accompanied by supporting documentation for specific costs and expenses to be reimbursed or advanced, any and all costs and expenses (including attorneys' and experts' fees and expenses) actually and reasonably incurred by Indemnitee in so cooperating with the Person defending the Indemnifiable Claim or making such Standard of Conduct Determination.

9. Presumption of Entitlement. Notwithstanding any other provision hereof, in making any Standard of Conduct Determination, the Person making such determination shall presume that Indemnitee has satisfied the applicable Standard of Conduct.

10. No Other Presumption. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any applicable Standard of Conduct or that indemnification hereunder is otherwise not permitted.

11. Non-Exclusivity. The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Constituent Documents, or the substantive laws of the Company's jurisdiction of incorporation, any other contract or otherwise (collectively, "**Other Indemnity Provisions**"); *provided, however*, that (a) to the extent that Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will without further action be deemed to have such greater right hereunder, and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company may not, without the consent of Indemnitee, adopt any amendment to any of the Constituent Documents the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under this Agreement.

12. Liability Insurance and Funding. For the duration of Indemnitee's service as a director and/or officer of the Company and for a reasonable period of time thereafter, which such period shall be determined by the Company in its sole discretion, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to cause to be maintained in effect policies of directors' and officers' liability insurance providing coverage for directors and/or officers of the Company, and, if applicable, that is substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. Upon reasonable request, the Company shall provide Indemnitee or his or her counsel with a copy of all directors' and officers' liability insurance applications, binders, policies, declarations, endorsements and other related materials. In all policies of directors' and officers' liability insurance obtained by the Company, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits, subject to the same limitations, as are accorded to the Company's directors and officers most favorably insured by such policy. Notwithstanding the foregoing, (i) the Company may, but shall not be required to, create a trust fund, grant a security interest or use other means, including, without limitation, a letter of credit, to ensure the payment of such amounts as may be necessary to satisfy its obligations to indemnify and advance expenses pursuant to this Agreement and (ii) in renewing or seeking to renew any insurance hereunder, the Company will not be required to expend more than 2.0 times the premium amount of the immediately preceding policy period (equitably adjusted if necessary to reflect differences in policy periods).

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13. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other Persons (other than Indemnitee's successors), including any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(f). Indemnitee shall execute all papers reasonably required to evidence such rights (all of Indemnitee's reasonable Expenses, including reasonable attorneys' fees and charges, related thereto to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

14. No Duplication of Payments.

(a) The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Indemnifiable Losses to the extent Indemnitee has otherwise already actually received payment (net of Expenses incurred in connection therewith) under any insurance policy, the Constituent Documents and Other Indemnity Provisions or otherwise (including from any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(f)) in respect of such Indemnifiable Losses otherwise indemnifiable hereunder.

(b) Notwithstanding anything to the contrary contained in Section 14(a) above, the Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more venture capital funds, the general partners, managing members or other control persons and/or any affiliated management companies of such venture capital funds, and certain of its or their affiliates (collectively, the "Fund Indemnitors"). The Company hereby agrees that in connection with any Indemnifiable Claim, (i) it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Company's Constituent Documents (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors, and, (iii) it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 14(b).

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15. Defense of Claims. Subject to the provisions of applicable policies of directors' and officers' liability insurance, if any, the Company shall be entitled to participate in the defense of any Indemnifiable Claim or to assume or lead the defense thereof with counsel reasonably satisfactory to the Indemnitee; *provided* that if Indemnitee determines, after consultation with counsel selected by Indemnitee, that (a) the use of counsel chosen by the Company to represent Indemnitee would present such counsel with an actual or potential conflict, (b) the named parties in any such Indemnifiable Claim (including any impleaded parties) include both the Company and Indemnitee and Indemnitee shall conclude that there may be one or more legal defenses available to him or her that are different from or in addition to those available to the Company, (c) any such representation by such counsel would be precluded under the applicable standards of professional conduct then prevailing, or (d) Indemnitee has interests in the claim or underlying subject matter that are different from or in addition to those of other Persons against whom the Claim has been made or might reasonably be expected to be made, then Indemnitee shall be entitled to retain separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any particular Indemnifiable Claim for all indemnitees in Indemnitee's circumstances) at the Company's expense. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Indemnifiable Claim effected without the Company's prior written consent. The Company shall not, without the prior written consent of the Indemnitee, effect any settlement of any threatened or pending Indemnifiable Claim which the Indemnitee is or could have been a party unless such settlement solely involves the payment of money and includes a complete and unconditional release of the Indemnitee from all liability on any claims that are the subject matter of such Indemnifiable Claim. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement; *provided* that Indemnitee may withhold consent to any settlement that does not provide a complete and unconditional release of Indemnitee.

16. Mutual Acknowledgment. Both the Company and the Indemnitee acknowledge that in certain instances, Federal law or applicable public policy may prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. Indemnitee understands and acknowledges that the Company may be required in the future to undertake to the Securities and Exchange Commission to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee and, in that event, the Indemnitee's rights and the Company's obligations hereunder shall be subject to that determination.

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17. Successors and Binding Agreement.

(a) This Agreement shall be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any Person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for purposes of this Agreement), but shall not otherwise be assignable or delegatable by the Company.

(b) This Agreement shall inure to the benefit of and be enforceable by the Indemnitee's personal or legal representatives, executors, administrators, heirs, distributees, legatees and other successors.

(c) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 17(a) and 17(b). Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder shall not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by the Indemnitee's will or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Section 17(c), the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

18. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder must be in writing and shall be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or one business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) and to Indemnitee at the applicable address shown on the signature page hereto, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

19. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the Chancery Court of the State of Delaware for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement, waive all procedural objections to suit in that jurisdiction, including, without limitation, objections as to venue or inconvenience, agree that service in any such action may be made by notice given in accordance with Section 18 and also agree that any action instituted under this Agreement shall be brought only in the Chancery Court of the State of Delaware.

20. Validity. If any provision of this Agreement or the application of any provision hereof to any Person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other Person or circumstance shall not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent, and only to the extent, necessary to make it enforceable, valid or legal. In the event that any court or other adjudicative body shall decline to reform any provision of this Agreement held to be invalid, unenforceable or otherwise illegal as contemplated by the immediately preceding sentence, the parties thereto shall take all such action as may be necessary or appropriate to replace the provision so held to be invalid, unenforceable or otherwise illegal with one or more alternative provisions that effectuate the purpose and intent of the original provisions of this Agreement as fully as possible without being invalid, unenforceable or otherwise illegal.

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21. Miscellaneous. No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing signed by Indemnitee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that is not set forth expressly in this Agreement.

22. Certain Interpretive Matters. Unless the context of this Agreement otherwise requires, (1) "it" or "its" or words of any gender include each other gender, (2) words using the singular or plural number also include the plural or singular number, respectively, (3) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (4) the terms "Article," "Section," "Annex" or "Exhibit" refer to the specified Article, Section, Annex or Exhibit of or to this Agreement, (5) the terms "include," "includes" and "including" will be deemed to be followed by the words "without limitation" (whether or not so expressed), and (6) the word "or" is disjunctive but not exclusive. Whenever this Agreement refers to a number of days, such number will refer to calendar days unless business days are specified and whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time or by a particular date that ends or occurs on a non-business day, then such period or date will be extended until the immediately following business day. As used herein, "**business day**" means any day other than Saturday, Sunday or a United States federal holiday.

23. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties hereto with respect to the subject matter of this Agreement. Any prior agreements or understandings between the parties hereto with respect to indemnification are hereby terminated and of no further force or effect. This Agreement is not the exclusive means of securing indemnification rights of Indemnitee and is in addition to any rights Indemnitee may have under any Constituent Documents.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together shall constitute one and the same agreement.

25. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) six years after the date that the Indemnitee shall have ceased to serve as a director, officer, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which the Indemnitee served at the request of the Company; (b) the expiration of the applicable statutes of limitations pertaining to any and all potential proceedings covered by the indemnification provided for herein; or (c) the final termination of all pending proceedings in respect of which the Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by the Indemnitee pursuant to this Agreement relating thereto.

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IN WITNESS WHEREOF, Indemnitee has executed and the Company has caused its duly authorized representative to execute this Agreement as of the date first above written.

Wizard World, Inc.

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

INDEMNITEE:  
\_\_\_\_\_

Name:  
Address:

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## DIRECTOR AGREEMENT

This DIRECTOR AGREEMENT is made as of the 25th day of May, 2011 (the "Agreement") by and between Wizard World, Inc., a Delaware corporation (the "Company"), and John Maatta, an individual with an address 15266 Valley Vista Blvd., Sherman Oaks, CA 91403 (the "Director").

WHEREAS, the Company appointed the Director on May 25th, 2011 and desires to enter into an agreement with the Director with respect to such appointment; and

WHEREAS, the Director is willing to accept such appointment and to serve the Company on the terms set forth herein and in accordance with the provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Position. Subject to the terms and provisions of this Agreement, the Company shall cause the Director to be appointed, and the Director hereby agrees to serve the Company in such position upon the terms and conditions hereinafter set forth, provided, however, that the Director's continued service on the Board of Directors of the Company (the "Board") after the initial one-year term on the Board shall be subject to any necessary approval by the Company's stockholders.

2. Duties. (a) During the Directorship Term (as defined herein), the Director make reasonable business efforts to attend all Board meetings, serve on appropriate subcommittees as reasonably requested by the Board, make himself available to the Company at mutually convenient times and places, attend external meetings and presentations, as appropriate and convenient, and perform such duties, services and responsibilities, and have the authority commensurate to such position.

(b) The Director will use his best efforts to promote the interests of the Company. The Company recognizes that the Director (i) is or may become a full-time executive employee of another entity and that his responsibilities to such entity must have priority and (ii) sits or may sit on the board of directors of other entities. Notwithstanding the same, the Director will use reasonable business efforts to coordinate his respective commitments so as to fulfill his obligations to the Company and, in any event, will fulfill his legal obligations as a Director. Other than as set forth above, the Director will not, without the prior notification to the Board, engage in any other business activity which could materially interfere with the performance of his duties, services and responsibilities hereunder or which is in violation of the reasonable policies established from time to time by the Company, provided that the foregoing shall in no way limit his activities on behalf of (i) any current employer and its affiliates or (ii) the board of directors of any entities on which he currently sits. At such time as the Board receives such notification, the Board may require the resignation of the Director if it determines that such business activity does in fact materially interfere with the performance of the Director's duties, services and responsibilities hereunder.

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3. Compensation.

(a) Stock Option. The Director shall receive, upon execution of this Agreement, a non-qualified stock option to purchase up to one hundred and fifty thousand (150,000) shares of the Company's common stock at an exercise price per share equal to the closing price of the Company's common stock on the execution date of this Agreement. Such option shall be exercisable for a period of five years. The option shall vest in equal amounts over a period of three (3) years at the rate of twelve thousand five hundred (12,500) shares per fiscal quarter at the end of such quarter, commencing in the quarter in which the Director enters into this Agreement, and pro-rated for the number of days the Director serves on the Board during the fiscal quarter. Notwithstanding the foregoing, if the Director ceases to be a member of Board at any time during the three (3) year vesting period for any reason (such as resignation, withdrawal, death, disability or any other reason), then any un-vested options shall be irrefutably forfeited.

(b) Independent Contractor. The Director's status during the Directorship Term shall be that of an independent contractor and not, for any purpose, that of an employee or agent with authority to bind the Company in any respect. All payments and other consideration made or provided to the Director under this Section 3 shall be made or provided without withholding or deduction of any kind, and the Director shall assume sole responsibility for discharging all tax or other obligations associated therewith.

(c) Expense Reimbursements. During the Directorship Term, the Company shall reimburse the Director for all reasonable out-of-pocket expenses incurred by the Director in attending any in-person meetings, provided that the Director complies with the generally applicable policies, practices and procedures of the Company for submission of expense reports, receipts or similar documentation of such expenses. Any reimbursements for allocated expenses (as compared to out-of-pocket expenses of the Director) must be approved in advance by the Company.

4. Directorship Term. The "Directorship Term," as used in this Agreement, shall mean the period commencing on the date hereof and terminating on the earlier of the date of the next annual stockholders meeting and the earliest of the following to occur:

- (a) the death of the Director;
- (b) the termination of the Director from his membership on the Board by the mutual agreement of the Company and the Director;
- (c) the removal of the Director from the Board by the majority stockholders of the Company; and
- (d) the resignation by the Director from the Board.

5. Director's Representation and Acknowledgment. The Director represents to the Company that his execution and performance of this Agreement shall not be in violation of any agreement or obligation (whether or not written) that he may have with or to any person or entity, including without limitation, any prior or current employer. The Director hereby acknowledges and agrees that this Agreement (and any other agreement or obligation referred to herein) shall be an obligation solely of the Company, and the Director shall have no recourse whatsoever against any stockholder of the Company or any of their respective affiliates with regard to this Agreement.

6. Director Covenants.

(a) Unauthorized Disclosure. The Director agrees and understands that in the Director's position with the Company, the Director has been and will be exposed to and receive information relating to the confidential affairs of the Company, including, but not limited to, technical information, business and marketing plans, strategies, customer information, other information concerning the Company's products, promotions, development, financing, expansion plans, business policies and practices, and other forms of information considered by the Company to be confidential and in the nature of trade secrets. The Director agrees that during the Directorship Term and thereafter, the Director will keep such information confidential and will not disclose such information, either directly or indirectly, to any third person or entity without the prior written consent of the Company; provided, however, that (i) the Director shall have no such obligation to the extent such information is or becomes publicly known or generally known in the Company's industry other than as a result of the Director's breach of his obligations hereunder and (ii) the Director may, after giving prior notice to the Company to the extent practicable under the circumstances, disclose such information to the extent required by applicable laws or governmental regulations or judicial or regulatory process. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of the Directorship Term, the Director will promptly return to the Company and/or destroy at the Company's direction all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data, other product or document, and any summary or compilation of the foregoing, in whatever form, including, without limitation, in electronic form, which has been produced by, received by or otherwise submitted to the Director in the course or otherwise as a result of the Director's position with the Company during or prior to the Directorship Term, provided that the Company shall retain such materials and make them available to the Director if requested by him in connection with any litigation against the Director under circumstances in which (i) the Director demonstrates to the reasonable satisfaction of the Company that the materials are necessary to his defense in the litigation and (ii) the confidentiality of the materials is preserved to the reasonable satisfaction of the Company.

(b) Non-Solicitation. During the Directorship Term and for a period of three (3) years thereafter, the Director shall not interfere with the Company's relationship with, or endeavor to entice away from the Company, any person who, on the date of the termination of the Directorship Term and/or at any time during the one year period prior to the termination of the Directorship Term, was an employee or customer of the Company or otherwise had a material business relationship with the Company.

(c) Remedies. The Director agrees that any breach of the terms of this Section 6 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Director therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Director and/or any and all entities acting for and/or with the Director, without having to prove damages or paying a bond, in addition to any other remedies to which the Company may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, but not limited to, the recovery of damages from the Director. The Director acknowledges that the Company would not have entered into this Agreement had the Director not agreed to the provisions of this Section 6.

(d) The provisions of this Section 6 shall survive any termination of the Directorship Term, and the existence of any claim or cause of action by the Director against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements of this Section 6.

7. Indemnification. The Company agrees to indemnify the Director for his activities as a member of the Board as set forth in the Director and Officer Indemnification Agreement attached hereto as Exhibit A.

8. Non-Waiver of Rights. The failure to enforce at any time the provisions of this Agreement or to require at any time performance by the other party hereto of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect either the validity of this Agreement or any part hereof, or the right of either party hereto to enforce each and every provision in accordance with its terms. No waiver by either party hereto of any breach by the other party hereto of any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions at that time or at any prior or subsequent time.

9. Notices. Every notice relating to this Agreement shall be in writing and shall be given by personal delivery or by registered or certified mail, postage prepaid, return receipt requested; to:

If to the Company:

Wizard World, Inc.  
1350 Avenue of the Americas, 2nd Floor  
New York, NY 10019  
Attn: Gareb Shamus, President and CEO  
Telephone: (646) 380-2486  
Facsimile: (212) 707-8180

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

Lucosky Brookman LLP  
33 Wood Avenue South, 6th Floor  
Iselin, New Jersey 08830  
Attn: Joseph M. Lucosky, Esq.  
Telephone: (732) 395-4400  
Facsimile: (732) 395-4401

If to the Director:

15266 Valley Vista Blvd.  
Sherman Oaks, CA 91403  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

Either of the parties hereto may change their address for purposes of notice hereunder by giving notice in writing to such other party pursuant to this Section 9.

10. Binding Effect/Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, personal representatives, estates, successors (including, without limitation, by way of merger) and assigns. Notwithstanding the provisions of the immediately preceding sentence, neither the Director nor the Company shall assign all or any portion of this Agreement without the prior written consent of the other party.

11. Entire Agreement. This Agreement (together with the other agreements referred to herein) sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, written or oral, between them as to such subject matter.

12. Severability. If any provision of this Agreement, or any application thereof to any circumstances, is invalid, in whole or in part, such provision or application shall to that extent be severable and shall not affect other provisions or applications of this Agreement.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to the principles of conflict of laws. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in any court in the State of New York and the parties hereto hereby consent to the jurisdiction of such courts in any such action or proceeding; provided, however, that neither party shall commence any such action or proceeding unless prior thereto the parties have in good faith attempted to resolve the claim, dispute or cause of action which is the subject of such action or proceeding through mediation by an independent third party.

14. Legal Fees. The parties hereto agree that the non-prevailing party in any dispute, claim, action or proceeding between the parties hereto arising out of or relating to the terms and conditions of this Agreement or any provision thereof (a "Dispute"), shall reimburse the prevailing party for reasonable attorney's fees and expenses incurred by the prevailing party in connection with such Dispute; provided, however, that the Director shall only be required to reimburse the Company for its fees and expenses incurred in connection with a Dispute if the Director's position in such Dispute was found by the court, arbitrator or other person or entity presiding over such Dispute to be frivolous or advanced not in good faith.

15. Modifications. Neither this Agreement nor any provision hereof may be modified, altered, amended or waived except by an instrument in writing duly signed by the party to be charged.

16. Tense and Headings. Whenever any words used herein are in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply. The headings contained herein are solely for the purposes of reference, are not part of this Agreement and shall not in any way affect the meaning or interpretation of this Agreement.

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

*[-Signature Page Follows-]*

IN WITNESS WHEREOF, the Company has caused this Director Agreement to be executed by authority of its Board of Directors, and the Director has hereunto set his hand, on the day and year first above written.

**WIZARD WORLD, INC.**

By: /s/ Gareb Shamus  
Name: Gareb Shamus  
Title: President and Chief Executive Officer

**DIRECTOR**

/s/ John Maatta  
John Maatta

[Signature page to Director Agreement]

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EXHIBIT A

FORM OF DIRECTOR AND OFFICER INDEMNIFICATION AGREEMENT

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WIZARD WORLD, INC.

FORM OF DIRECTOR AND OFFICER INDEMNIFICATION AGREEMENT

This Director and Officer Indemnification Agreement, dated as of \_\_\_\_\_ (the "*Agreement*"), is made by and between Wizard World, Inc., a Delaware corporation (the "*Company*"), and \_\_\_\_\_ (the "*Indemnitee*").

RECITALS:

A. Section 141 of the Delaware General Corporation Law provides that the business and affairs of a corporation shall be managed by or under the direction of its board of directors.

B. By virtue of the managerial prerogatives vested in the directors and officers of a Delaware corporation, directors and officers act as fiduciaries of the corporation and its stockholders.

C. It is critically important to the Company and its stockholders that the Company be able to attract and retain the most capable persons reasonably available to serve as directors and officers of the Company.

D. In recognition of the need for corporations to be able to induce capable and responsible persons to accept positions in corporate management, Delaware law authorizes (and in some instances requires) corporations to indemnify their directors and officers, and further authorizes corporations to purchase and maintain insurance for the benefit of their directors and officers.

E. The Delaware courts have recognized that indemnification by a corporation serves the dual policies of (1) allowing corporate officials to resist unjustified lawsuits, secure in the knowledge that, if vindicated, the corporation will bear the expense of litigation, and (2) encouraging capable women and men to serve as corporate directors and officers, secure in the knowledge that the corporation will absorb the costs of defending their honesty and integrity.

F. The number of lawsuits challenging the judgment and actions of directors and officers of Delaware corporations, the costs of defending those lawsuits and the threat to personal assets have all materially increased over the past several years, chilling the willingness of capable women and men to undertake the responsibilities imposed on corporate directors and officers.

G. Recent federal legislation and rules adopted by the Securities and Exchange Commission and the national securities exchanges have exposed such directors and officers to new and substantially broadened civil liabilities.

H. Under Delaware law, a director's or officer's right to be reimbursed for the costs of defense of criminal actions, whether such claims are asserted under state or federal law, does not depend upon the merits of the claims asserted against the director or officer and is separate and distinct from any right to indemnification the director may be able to establish.

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I. Indemnitee is, or will be, a director and/or officer of the Company and his or her willingness to serve in such capacity is predicated, in substantial part, upon the Company's willingness to indemnify him or her in accordance with the principles reflected above, to the fullest extent permitted by the laws of the State of Delaware, and upon the other undertakings set forth in this Agreement.

J. In recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee's service as a director and/or officer of the Company and to enhance Indemnitee's ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company's certificate of incorporation or bylaws (collectively, the "**Constituent Documents**"), any change in the composition of the Company's Board of Directors (the "**Board**") or any change-in-control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification and advancement of Expenses to Indemnitee on the terms, and subject to the conditions, set forth in this Agreement.

K. In light of the considerations referred to in the preceding recitals, it is the Company's intention and desire that the provisions of this Agreement be construed liberally, subject to their express terms, to maximize the protections to be provided to Indemnitee hereunder.

#### AGREEMENT:

NOW, THEREFORE, the parties hereby agree as follows:

1. Certain Definitions. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

(a) "**Change in Control**" shall have occurred at such time, if any, as Incumbent Directors cease for any reason to constitute a majority of Directors. For purposes of this Section 1(a), "**Incumbent Directors**" means the individuals who, as of the date hereof, are Directors of the Company and any individual becoming a Director subsequent to the date hereof whose election, nomination for election by the Company's stockholders, or appointment, was approved by a vote of at least a majority of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination); *provided, however*, that an individual shall not be an Incumbent Director if such individual's election or appointment to the Board occurs as a result of an actual or threatened election contest (as described in Rule 14a-12(c) of the Securities Exchange Act of 1934, as amended) with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(b) "**Claim**" means (i) any threatened, asserted, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to federal, state or other law; and (ii) any inquiry or investigation, whether made, instituted or conducted by the Company or any other Person, including, without limitation, any federal, state or other governmental entity, that Indemnitee reasonably determines might lead to the institution of any such claim, demand, action, suit or proceeding. For the avoidance of doubt, the Company intends indemnity to be provided hereunder in respect of acts or failure to act prior to, on or after the date hereof.

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(c) **"Controlled Affiliate"** means any corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, that is directly or indirectly controlled by the Company. For purposes of this definition, **"control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity or enterprise, whether through the ownership of voting securities, through other voting rights, by contract or otherwise; *provided* that direct or indirect beneficial ownership of capital stock or other interests in an entity or enterprise entitling the holder to cast 15% or more of the total number of votes generally entitled to be cast in the election of directors (or persons performing comparable functions) of such entity or enterprise shall be deemed to constitute control for purposes of this definition.

(d) **"Disinterested Director"** means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee.

(e) **"Expenses"** means reasonable attorneys' and experts' fees and expenses and all other costs and expenses paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to investigate, defend, be a witness in or participate in (including on appeal), any Claim.

(f) **"Indemnifiable Claim"** means any Claim based upon, arising out of or resulting from (i) any actual, alleged or suspected act or failure to act by Indemnitee in his or her capacity as a director, officer, employee or agent of the Company or as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, as to which Indemnitee is or was serving at the request of the Company, (ii) any actual, alleged or suspected act or failure to act by Indemnitee in respect of any business, transaction, communication, filing, disclosure or other activity of the Company or any other entity or enterprise referred to in clause (i) of this sentence, or (iii) Indemnitee's status as a current or former director, officer, employee or agent of the Company or as a current or former director, officer, employee, member, manager, trustee or agent of the Company or any other entity or enterprise referred to in clause (i) of this sentence or any actual, alleged or suspected act or failure to act by Indemnitee in connection with any obligation or restriction imposed upon Indemnitee by reason of such status. In addition to any service at the actual request of the Company, for purposes of this Agreement, Indemnitee shall be deemed to be serving or to have served at the request of the Company as a director, officer, employee, member, manager, trustee or agent of another entity or enterprise if Indemnitee is or was serving as a director, officer, employee, member, manager, agent, trustee or other fiduciary of such entity or enterprise and (i) such entity or enterprise is or at the time of such service was a Controlled Affiliate, (ii) such entity or enterprise is or at the time of such service was an employee benefit plan (or related trust) sponsored or maintained by the Company or a Controlled Affiliate, or (iii) the Company or a Controlled Affiliate (by action of the Board, any committee thereof or the Company's Chief Executive Officer ("CEO") (other than as the CEO him or herself)) caused or authorized Indemnitee to be nominated, elected, appointed, designated, employed, engaged or selected to serve in such capacity.

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(g) "**Indemnifiable Losses**" means any and all Losses relating to, arising out of or resulting from any Indemnifiable Claim; *provided, however*, that Indemnifiable Losses shall not include Expenses incurred by Indemnitee in respect of any Indemnifiable Claim (or any matter or issue therein) as to which Indemnitee shall have been adjudged liable to the Company, unless and only to the extent that the Delaware Court of Chancery or the court in which such Indemnifiable Claim was brought shall have determined upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such Expenses as the court shall deem proper.

(h) "**Independent Counsel**" means a nationally recognized law firm, or a member of a nationally recognized law firm, that is experienced in matters of Delaware corporate law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company (or any subsidiary) or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements) or (ii) any other named (or, as to a threatened matter, reasonably likely to be named) party to the Indemnifiable Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(i) "**Losses**" means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other) and amounts paid or payable in settlement, including, without limitation, all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing.

(j) "**Person**" means any individual, entity or group, within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended.

(k) "**Standard of Conduct**" means the standard for conduct by Indemnitee that is a condition precedent to indemnification of Indemnitee hereunder against Indemnifiable Losses relating to, arising out of or resulting from an Indemnifiable Claim. The Standard of Conduct is (i) good faith and a reasonable belief by Indemnitee that his action was in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, that Indemnitee had no reasonable cause to believe that his conduct was unlawful, or (ii) any other applicable standard of conduct that may hereafter be substituted under Section 145(a) or (b) of the Delaware General Corporation Law or any successor to such provision(s).

2. **Indemnification Obligation.** Subject only to Section 7 and to the proviso in this Section, the Company shall indemnify, defend and hold harmless Indemnitee, to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Indemnifiable Claims and Indemnifiable Losses; *provided, however*, that, except as provided in Section 5, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with (i) any Claim initiated by Indemnitee against the Company or any director or officer of the Company unless the Company has joined in or consented to the initiation of such Claim or the Claim relates to or arises from the enforcement or prosecution of a right to indemnification under this Agreement, or (ii) the purchase and sale by Indemnitee of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended. Nothing herein is intended to limit the scope of permitted indemnification to Indemnitee under the laws of the State of Delaware

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3. Advancement of Expenses. Indemnitee shall have the right to advancement by the Company prior to the final disposition of any Indemnifiable Claim of any and all actual and reasonable Expenses relating to, arising out of or resulting from any Indemnifiable Claim paid or incurred by Indemnitee. Without limiting the generality or effect of any other provision hereof, Indemnitee's right to such advancement is not subject to the satisfaction of any Standard of Conduct. Without limiting the generality or effect of the foregoing, within five business days after any request by Indemnitee that is accompanied by supporting documentation for specific reasonable Expenses to be reimbursed or advanced, the Company shall, in accordance with such request (but without duplication), (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses; *provided* that Indemnitee shall repay, without interest, any amounts actually advanced to Indemnitee that, at the final disposition of the Indemnifiable Claim to which the advance related, were in excess of amounts paid or payable by Indemnitee in respect of Expenses relating to, arising out of or resulting from such Indemnifiable Claim. In connection with any such payment, advancement or reimbursement, at the request of the Company, Indemnitee shall execute and deliver to the Company an undertaking, which need not be secured and shall be accepted without reference to Indemnitee's ability to repay the Expenses, by or on behalf of the Indemnitee, to repay any amounts paid, advanced or reimbursed by the Company in respect of Expenses relating to, arising out of or resulting from any Indemnifiable Claim in respect of which it shall have been determined, following the final disposition of such Indemnifiable Claim and in accordance with Section 7, that Indemnitee is not entitled to indemnification hereunder.

4. Indemnification for Additional Expenses. Without limiting the generality or effect of the foregoing, the Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request accompanied by supporting documentation for specific Expenses to be reimbursed or advanced, any and all actual and reasonable Expenses paid or incurred by Indemnitee in connection with any Claim made, instituted or conducted by Indemnitee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Indemnifiable Claims, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company; *provided, however*, if it is ultimately determined that the Indemnitee is not entitled to such indemnification, reimbursement, advance or insurance recovery, as the case may be, then the Indemnitee shall be obligated to repay any such Expenses to the Company; *provided further*, that, regardless in each case of whether Indemnitee ultimately is determined to be entitled to such indemnification, reimbursement, advance or insurance recovery, as the case may be, Indemnitee shall return, without interest, any such advance of Expenses (or portion thereof) which remains unspent at the final disposition of the Claim to which the advance related.

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5. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Indemnifiable Loss but not for the entire amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

6. Procedure for Notification. To obtain indemnification under this Agreement in respect of an Indemnifiable Claim or Indemnifiable Loss, Indemnitee shall submit to the Company a written request therefore, including a brief description (based upon information then available to Indemnitee) of such Indemnifiable Claim or Indemnifiable Loss. If, at the time of the receipt of such request, the Company has directors' and officers' liability insurance in effect under which coverage for such Indemnifiable Claim or Indemnifiable Loss is potentially available, the Company shall give prompt written notice of such Indemnifiable Claim or Indemnifiable Loss to the applicable insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all Indemnifiable Claims and Indemnifiable Losses in accordance with the terms of such policies. The Company shall provide to Indemnitee a copy of such notice delivered to the applicable insurers, substantially concurrently with the delivery thereof by the Company. The failure by Indemnitee to timely notify the Company of any Indemnifiable Claim or Indemnifiable Loss shall not relieve the Company from any liability hereunder unless, and only to the extent that, the Company did not otherwise learn of such Indemnifiable Claim or Indemnifiable Loss and to the extent that such failure results in forfeiture by the Company of substantial defenses, rights or insurance coverage.

7. Determination of Right to Indemnification.

(a) To the extent that Indemnitee shall have been successful on the merits or otherwise in defense of any Indemnifiable Claim or any portion thereof or in defense of any issue or matter therein, including, without limitation, dismissal without prejudice, Indemnitee shall be indemnified against all Indemnifiable Losses relating to, arising out of or resulting from such Indemnifiable Claim in accordance with Section 2 and no Standard of Conduct Determination (as defined in Section 7(b)) shall be required.

(b) To the extent that the provisions of Section 7(a) are inapplicable to an Indemnifiable Claim that shall have been finally disposed of, any determination required to be made under the laws of the State of Delaware as to whether Indemnitee has satisfied the applicable Standard of Conduct (a "**Standard of Conduct Determination**") shall be made as follows: (i) if a Change in Control shall not have occurred, or if a Change in Control shall have occurred but Indemnitee shall have requested that the Standard of Conduct Determination be made pursuant to this clause (i), (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) if such Disinterested Directors so direct, by a majority vote of a committee of Disinterested Directors designated by a majority vote of all Disinterested Directors, or (C) if there are no such Disinterested Directors, or if a majority of the Disinterested Directors so direct, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee; and (ii) if a Change in Control shall have occurred and Indemnitee shall not have requested that the Standard of Conduct Determination be made pursuant to clause (i) above, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee.

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(c) If (i) Indemnitee shall be entitled to indemnification hereunder against any Indemnifiable Losses pursuant to Section 7(a), (ii) no determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law is a legally required condition precedent to indemnification of Indemnitee hereunder against any Indemnifiable Losses, or (iii) Indemnitee has been determined or deemed pursuant to Section 7(b) to have satisfied the applicable Standard of Conduct, then the Company shall pay to Indemnitee, within five business days after the later of (x) the Notification Date in respect of the Indemnifiable Claim or portion thereof to which such Indemnifiable Losses are related, out of which such Indemnifiable Losses arose or from which such Indemnifiable Losses resulted, and (y) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) above shall have been satisfied, an amount equal to the amount of such Indemnifiable Losses. Nothing herein is intended to mean or imply that the Company is intending to use Section 145(f) of the Delaware General Corporation Law to dispense with a requirement that Indemnitee meet the applicable Standard of Conduct where it is otherwise required by such statute.

(d) If a Standard of Conduct Determination is required to be, but has not been, made by Independent Counsel pursuant to Section 7(b)(i), the Independent Counsel shall be selected by the Board or a committee of the Board, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is required to be, or to have been, made by Independent Counsel pursuant to Section 7(b)(ii), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within five business days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; *provided, however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of "Independent Counsel" in Section 1(h), and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the Person so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences and clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 7(d) to make the Standard of Conduct Determination shall have been selected within 30 calendar days after the Company gives its initial notice pursuant to the first sentence of this Section 7(d) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 7(d), as the case may be, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person or firm selected by the Court or by such other person as the Court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the actual and reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel's determination pursuant to Section 7(b).

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8. Cooperation. Indemnitee shall cooperate with reasonable requests of the Company in connection with any Indemnifiable Claim and any individual or firm making such Standard of Conduct Determination, including providing to such Person documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to defend the Indemnifiable Claim or make any Standard of Conduct Determination without incurring any unreimbursed cost in connection therewith. The Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request accompanied by supporting documentation for specific costs and expenses to be reimbursed or advanced, any and all costs and expenses (including attorneys' and experts' fees and expenses) actually and reasonably incurred by Indemnitee in so cooperating with the Person defending the Indemnifiable Claim or making such Standard of Conduct Determination.

9. Presumption of Entitlement. Notwithstanding any other provision hereof, in making any Standard of Conduct Determination, the Person making such determination shall presume that Indemnitee has satisfied the applicable Standard of Conduct.

10. No Other Presumption. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any applicable Standard of Conduct or that indemnification hereunder is otherwise not permitted.

11. Non-Exclusivity. The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Constituent Documents, or the substantive laws of the Company's jurisdiction of incorporation, any other contract or otherwise (collectively, "**Other Indemnity Provisions**"); *provided, however*, that (a) to the extent that Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will without further action be deemed to have such greater right hereunder, and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company may not, without the consent of Indemnitee, adopt any amendment to any of the Constituent Documents the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under this Agreement.

12. Liability Insurance and Funding. For the duration of Indemnitee's service as a director and/or officer of the Company and for a reasonable period of time thereafter, which such period shall be determined by the Company in its sole discretion, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to cause to be maintained in effect policies of directors' and officers' liability insurance providing coverage for directors and/or officers of the Company, and, if applicable, that is substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. Upon reasonable request, the Company shall provide Indemnitee or his or her counsel with a copy of all directors' and officers' liability insurance applications, binders, policies, declarations, endorsements and other related materials. In all policies of directors' and officers' liability insurance obtained by the Company, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits, subject to the same limitations, as are accorded to the Company's directors and officers most favorably insured by such policy. Notwithstanding the foregoing, (i) the Company may, but shall not be required to, create a trust fund, grant a security interest or use other means, including, without limitation, a letter of credit, to ensure the payment of such amounts as may be necessary to satisfy its obligations to indemnify and advance expenses pursuant to this Agreement and (ii) in renewing or seeking to renew any insurance hereunder, the Company will not be required to expend more than 2.0 times the premium amount of the immediately preceding policy period (equitably adjusted if necessary to reflect differences in policy periods).

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13. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other Persons (other than Indemnitee's successors), including any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(f). Indemnitee shall execute all papers reasonably required to evidence such rights (all of Indemnitee's reasonable Expenses, including reasonable attorneys' fees and charges, related thereto to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

14. No Duplication of Payments.

(a) The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Indemnifiable Losses to the extent Indemnitee has otherwise already actually received payment (net of Expenses incurred in connection therewith) under any insurance policy, the Constituent Documents and Other Indemnity Provisions or otherwise (including from any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(f)) in respect of such Indemnifiable Losses otherwise indemnifiable hereunder.

(b) Notwithstanding anything to the contrary contained in Section 14(a) above, the Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more venture capital funds, the general partners, managing members or other control persons and/or any affiliated management companies of such venture capital funds, and certain of its or their affiliates (collectively, the "Fund Indemnitors"). The Company hereby agrees that in connection with any Indemnifiable Claim, (i) it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Company's Constituent Documents (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors, and, (iii) it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 14(b).

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15. Defense of Claims. Subject to the provisions of applicable policies of directors' and officers' liability insurance, if any, the Company shall be entitled to participate in the defense of any Indemnifiable Claim or to assume or lead the defense thereof with counsel reasonably satisfactory to the Indemnitee; *provided* that if Indemnitee determines, after consultation with counsel selected by Indemnitee, that (a) the use of counsel chosen by the Company to represent Indemnitee would present such counsel with an actual or potential conflict, (b) the named parties in any such Indemnifiable Claim (including any impleaded parties) include both the Company and Indemnitee and Indemnitee shall conclude that there may be one or more legal defenses available to him or her that are different from or in addition to those available to the Company, (c) any such representation by such counsel would be precluded under the applicable standards of professional conduct then prevailing, or (d) Indemnitee has interests in the claim or underlying subject matter that are different from or in addition to those of other Persons against whom the Claim has been made or might reasonably be expected to be made, then Indemnitee shall be entitled to retain separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any particular Indemnifiable Claim for all indemnitees in Indemnitee's circumstances) at the Company's expense. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Indemnifiable Claim effected without the Company's prior written consent. The Company shall not, without the prior written consent of the Indemnitee, effect any settlement of any threatened or pending Indemnifiable Claim which the Indemnitee is or could have been a party unless such settlement solely involves the payment of money and includes a complete and unconditional release of the Indemnitee from all liability on any claims that are the subject matter of such Indemnifiable Claim. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement; *provided* that Indemnitee may withhold consent to any settlement that does not provide a complete and unconditional release of Indemnitee.

16. Mutual Acknowledgment. Both the Company and the Indemnitee acknowledge that in certain instances, Federal law or applicable public policy may prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. Indemnitee understands and acknowledges that the Company may be required in the future to undertake to the Securities and Exchange Commission to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee and, in that event, the Indemnitee's rights and the Company's obligations hereunder shall be subject to that determination.

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17. Successors and Binding Agreement.

(a) This Agreement shall be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any Person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for purposes of this Agreement), but shall not otherwise be assignable or delegatable by the Company.

(b) This Agreement shall inure to the benefit of and be enforceable by the Indemnitee's personal or legal representatives, executors, administrators, heirs, distributees, legatees and other successors.

(c) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 17(a) and 17(b). Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder shall not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by the Indemnitee's will or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Section 17(c), the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

18. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder must be in writing and shall be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or one business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) and to Indemnitee at the applicable address shown on the signature page hereto, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

19. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the Chancery Court of the State of Delaware for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement, waive all procedural objections to suit in that jurisdiction, including, without limitation, objections as to venue or inconvenience, agree that service in any such action may be made by notice given in accordance with Section 18 and also agree that any action instituted under this Agreement shall be brought only in the Chancery Court of the State of Delaware.

20. Validity. If any provision of this Agreement or the application of any provision hereof to any Person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other Person or circumstance shall not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent, and only to the extent, necessary to make it enforceable, valid or legal. In the event that any court or other adjudicative body shall decline to reform any provision of this Agreement held to be invalid, unenforceable or otherwise illegal as contemplated by the immediately preceding sentence, the parties thereto shall take all such action as may be necessary or appropriate to replace the provision so held to be invalid, unenforceable or otherwise illegal with one or more alternative provisions that effectuate the purpose and intent of the original provisions of this Agreement as fully as possible without being invalid, unenforceable or otherwise illegal.

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21. Miscellaneous. No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing signed by Indemnitee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that is not set forth expressly in this Agreement.

22. Certain Interpretive Matters. Unless the context of this Agreement otherwise requires, (1) "it" or "its" or words of any gender include each other gender, (2) words using the singular or plural number also include the plural or singular number, respectively, (3) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (4) the terms "Article," "Section," "Annex" or "Exhibit" refer to the specified Article, Section, Annex or Exhibit of or to this Agreement, (5) the terms "include," "includes" and "including" will be deemed to be followed by the words "without limitation" (whether or not so expressed), and (6) the word "or" is disjunctive but not exclusive. Whenever this Agreement refers to a number of days, such number will refer to calendar days unless business days are specified and whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time or by a particular date that ends or occurs on a non-business day, then such period or date will be extended until the immediately following business day. As used herein, "**business day**" means any day other than Saturday, Sunday or a United States federal holiday.

23. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties hereto with respect to the subject matter of this Agreement. Any prior agreements or understandings between the parties hereto with respect to indemnification are hereby terminated and of no further force or effect. This Agreement is not the exclusive means of securing indemnification rights of Indemnitee and is in addition to any rights Indemnitee may have under any Constituent Documents.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together shall constitute one and the same agreement.

25. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) six years after the date that the Indemnitee shall have ceased to serve as a director, officer, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which the Indemnitee served at the request of the Company; (b) the expiration of the applicable statutes of limitations pertaining to any and all potential proceedings covered by the indemnification provided for herein; or (c) the final termination of all pending proceedings in respect of which the Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by the Indemnitee pursuant to this Agreement relating thereto.

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IN WITNESS WHEREOF, Indemnitee has executed and the Company has caused its duly authorized representative to execute this Agreement as of the date first above written.

Wizard World, Inc.

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

INDEMNITEE:  
\_\_\_\_\_

Name:  
Address:

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**SUBSCRIPTION AGREEMENT**

**THIS SUBSCRIPTION AGREEMENT** (this "**Agreement**") is dated as of August \_\_\_, 2011 by and between Wizard World, Inc. (formerly GoEnergy, Inc.), a Delaware corporation (the "**Company**"), and the subscribers identified on **Schedule 1** hereto (collectively, the "**Subscribers**" and each, a "**Subscriber**").

**WHEREAS**, the Company and the Subscribers are executing and delivering this Agreement in reliance upon an exemption from securities registration afforded by the provisions of Section 4(2), Section 4(6) and/or Regulation D ("**Regulation D**"), as promulgated by the United States Securities and Exchange Commission (the "**Commission**") under the Securities Act of 1933, as amended (the "**1933 Act**");

**WHEREAS**, the parties hereto desire that, upon the terms and subject to the conditions contained herein, the Company shall issue and sell to the Subscribers, as provided herein, and the Subscribers, in the aggregate, shall purchase up to \$455,000 principal amount ("**Principal Amount**") of promissory notes of the Company that are convertible into shares of the Company's common stock, \$.0001 par value per share (the "**Common Stock**"), a form of which is annexed hereto as **Exhibit A** ("**Notes**"), and Series A common stock purchase warrants (the "**Warrants**") in the form attached hereto as **Exhibit B**, to purchase shares of Common Stock (the "**Warrant Shares**"), for any aggregate purchase price of up to \$455,000 ("**Purchase Price**") (the "**Offering**"). The Notes, shares of Common Stock issuable upon conversion of the Notes (the "**Shares**"), the Warrants and the Warrant Shares are collectively referred to herein as the "**Securities**"; and

**WHEREAS**, the Purchase Price shall be held in escrow by Grushko & Mittman, P.C., 515 Rockaway Avenue, Valley Stream, New York 11581 (the "**Escrow Agent**") pursuant to the terms of an Escrow Agreement to be executed by the parties hereto substantially in the form attached hereto as **Exhibit C** (the "**Escrow Agreement**").

**NOW, THEREFORE**, in consideration of the mutual covenants and other agreements contained in this Agreement, the Company and each of the Subscribers hereby agree as follows:

1. Closing.

( a ) Closing. Subject to the satisfaction or waiver of the terms and conditions of this Agreement, on the Closing Date (as defined herein) the Subscribers shall purchase, and the Company shall sell to such Subscribers in accordance with Schedule 1 hereto, the Notes and the Warrants as described in Section 2 below. The date the Escrow Agent releases the funds received from one or more Subscribers to the Company and releases the Escrow Documents (as defined in the Escrow Agreement) to the parties hereto in accordance with the provisions of the Escrow Agreement shall be the "**Closing Date**" with respect to such released funds and Escrow Documents, and such releases are referred to herein as the "**Closing**." The parties hereto may agree to have more than one Closing once funds are deposited into the escrow account, in which case the first Closing shall be referred to herein as the "**Initial Closing**".

(b) Time Effective Clauses. All time effective clauses not specifically related to an actual Closing Date shall be deemed to have commenced as of the Initial Closing Date, if more than one Closing, or the Closing Date, if only one Closing.

2. Notes and Series A Warrant.

( a ) Notes. On the Closing Date, each Subscriber shall purchase, and the Company shall sell to each such Subscriber, a Note in the principal amount designated on such Subscriber's signature page hereto for such Subscriber's Purchase Price indicated thereon.

(b) Series A Warrants. On the Closing Date, the Company shall issue and deliver the Warrants to the Subscribers as follows: (i) one Warrant shall be issued for every two Shares that would be issued upon the conversion of all or any part of the Note. The exercise price to acquire a Warrant Share upon exercise of a Warrant shall be \$0.60, subject to amendment as described in the Warrants. The Warrants shall be exercisable until five (5) years after the Closing Date.

3. Payment and Allocation of Purchase Price. In consideration of the issuance of the Note and Warrants on the Closing Date, each Subscriber shall pay to or for the benefit of the Company such Subscriber's Purchase Price, as set forth on the signature pages hereto. The number of Warrant Shares eligible for purchase by each such Subscriber is set forth on the signature pages hereto. The Purchase Price will be allocated among the components of the Notes and Warrants so that each component of same will be fully paid and non-assessable.

4. Subscriber Representations and Warranties. Each of the Subscribers, severally but not jointly, hereby represents and warrants to, and agrees with the Company that, with respect only to such Subscriber:

(a) Organization and Standing of Subscriber. If Subscriber is an entity, Subscriber is duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation. If the Subscriber is a natural person, Subscriber has the legal capacity and power to enter into the Transaction Documents (as defined herein).

(b) Authorization and Power. Such Subscriber has the requisite power and authority to enter into and perform this Agreement and the other Transaction Documents and to purchase the Notes and Warrants being sold to such Subscriber hereunder. The execution, delivery and performance of this Agreement and the other Transaction Documents by such Subscriber, and the consummation by such Subscriber of the transactions contemplated hereby and thereby, have been duly authorized by all necessary action, and no further consent or authorization of Subscriber or its board of directors, manager(s), trustee, stockholders, partners, members or beneficiaries, as applicable, is required. This Agreement and the other Transaction Documents have been duly authorized, executed and delivered by such Subscriber and constitutes, or shall constitute, when executed and delivered, a valid and binding obligation of such Subscriber, enforceable against Subscriber in accordance with the terms thereof.

(c) No Conflicts. The execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation by such Subscriber of the transactions contemplated hereby and thereby or relating hereto do not and will not (i) result in a violation of such Subscriber's charter documents, bylaws or other organizational documents, if applicable; (ii) conflict with nor constitute a default (or an event which with notice or lapse of time or both would become a default) under any agreement to which such Subscriber is a party; or (iii) result in a violation of any law, rule or regulation, or any order, judgment or decree of any court or governmental agency applicable to such Subscriber or its properties (except for such conflicts, defaults and violations as would not, individually or in the aggregate, have a Material Adverse Effect (as defined herein) on Subscriber). Such Subscriber is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for such Subscriber to execute, deliver or perform any of such Subscriber's obligations under this Agreement and the other Transaction Documents, nor to purchase the Securities in accordance with the terms hereof, *provided* that for purposes of the representation made in this sentence, such Subscriber is assuming and relying upon the accuracy of the relevant representations and agreements of the Company herein.



(d) Information on Company. Such Subscriber has been furnished with or has had access to the EDGAR Website of the Commission to the Company's filings made with the Commission through the tenth (10<sup>th</sup>) business day preceding the Closing Date (hereinafter collectively referred to as the "Reports"). Such Subscriber is not deemed to have any knowledge of any information not included in the Reports, unless such information is delivered in the manner described in the next sentence. In addition, such Subscriber may have received in writing from the Company such other information concerning its operations, financial condition and other matters as such Subscriber has requested in writing, identified thereon as OTHER WRITTEN INFORMATION (such other information is collectively, the "Other Written Information"), and considered all factors such Subscriber deems material in deciding on the advisability of investing in the Securities.

(e) Information on Subscriber. Such Subscriber is, and will be at the time of the issuance of the Notes, the conversion of the Notes, the issuance of the Warrants, and the exercise of the Warrants, an "accredited investor," as such term is defined in Regulation D promulgated by the Commission under the 1933 Act, is experienced in investments and business matters, has made investments of a speculative nature and has purchased securities of United States publicly-owned companies in private placements in the past and, with its representatives, has such knowledge and experience in financial, tax and other business matters as to enable such Subscriber to utilize the information made available by the Company to evaluate the merits and risks of, and to make an informed investment decision with respect to, the proposed purchase, which such Subscriber hereby agrees represents a speculative investment. Such Subscriber has the authority and is duly and legally qualified to purchase and own the Securities. Such Subscriber is able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof. The information set forth on Schedule 1 hereto regarding such Subscriber is accurate and complete.

(f) Purchase of Notes and Warrants. On the Closing Date, such Subscriber will purchase the Notes and Warrants as principal for its own account for investment only and not with a view toward, or for resale in connection with, the public sale or any distribution thereof.

(g) Compliance with Securities Act. Such Subscriber understands and agrees that the Securities have not been registered under the 1933 Act or any applicable state securities laws by reason of their issuance in a transaction that does not require registration under the 1933 Act (based in part on the accuracy of the representations and warranties of Subscriber contained herein), and that such Securities must be held indefinitely unless a subsequent disposition is registered under the 1933 Act or any applicable state securities laws or is exempt from such registration. In any event, and subject to compliance with applicable securities laws, Subscriber may enter into lawful hedging transactions in the course of hedging the position they assume and Subscriber may also enter into lawful short positions or other derivative transactions relating to the Securities, or interests in the Securities, and deliver the Securities, or interests in the Securities, to close out their short or other positions or otherwise settle other transactions, or loan or pledge the Securities, or interests in the Securities, to third parties who in turn may dispose of these Securities.

(h) Conversion Shares and Warrant Shares Legend. The Conversion Shares and Warrant Shares shall bear the following or similar legend:

**"THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER AND REASONABLY APPROVED BY THE COMPANY), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES."**

- (i) Notes and Warrants Legend. The Notes and Warrants shall bear the following legend:

**"NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE [CONVERTIBLE -OR- EXERCISABLE] HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER AND REASONABLY APPROVED BY THE COMPANY), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES."**

(j) Communication of Offer. The Offering was directly communicated to such Subscriber by the Company. At no time was such Subscriber presented with or solicited by any leaflet, newspaper or magazine article, radio or television advertisement, or any other form of general advertising or solicited or invited to attend a promotional meeting otherwise than in connection and concurrently with such communicated offer.

(k) Restricted Securities. Such Subscriber understands that the Securities have not been registered under the 1933 Act and such Subscriber shall not sell, offer to sell, assign, pledge, hypothecate or otherwise transfer any of the Securities unless pursuant to an effective registration statement under the 1933 Act, or unless an exemption from registration is available. Notwithstanding anything to the contrary contained in this Agreement, and subject to compliance with applicable securities laws, such Subscriber may transfer (without restriction and without the need for an opinion of counsel as permitted under applicable law) the Securities: (i) to such Subscriber's Affiliates (as defined below), *provided* that each such Affiliate is an "accredited investor;" as such term is defined in Regulation D promulgated by the Commission under the 1933 Act, and such Affiliate agrees in writing to be bound by the terms and conditions of this Agreement; (ii) to such Subscriber's Immediate Family (as defined below), *provided* the Immediate Family member agrees in writing to be bound by the terms and conditions of this Agreement; (iii) to an inter vivos or testamentary trust (or other entity) in which the Securities are to be passed to Subscriber's designated beneficiaries; or (iv) by will or by the laws of descent or distribution. For the purposes of this Agreement, an "Affiliate" of any person or entity means any other person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with such person or entity. Without limiting the foregoing, each Subsidiary (as defined herein) is an Affiliate of the Company. For purposes of this definition, "control" means the power to direct the management and policies of such person or entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. For purposes of this Agreement, "Immediate Family" means any child, stepchild, parent, stepparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law.

(l) No Governmental Review. Such Subscriber understands that no United States federal or state securities agency or any other governmental or state agency has passed on or made recommendations or endorsement of the Securities or the suitability of the investment in the Securities, nor have such authorities passed upon or endorsed the merits of the Offering.

(m) Independent Decision. The decision of such Subscriber to purchase Securities has been made by such Subscriber independently of any other Subscriber and independently of any information, materials, statements or opinions as to the business, affairs, operations, assets, properties, liabilities, results of operations, condition (financial or otherwise) or prospects of the Company which may have been made or given by any other Subscriber or by any agent or employee of any other Subscriber, and no Subscriber or any of its agents or employees shall have any liability to any other Subscriber (or any other Person) relating to or arising from any such information, materials, statements or opinions.

(n) Correctness of Representations. Subscriber represents that the foregoing representations and warranties are true and correct as of the date hereof and, unless Subscriber otherwise notifies the Company in writing prior to the Closing Date, shall be true and correct as of the Closing Date.

(o) Survival. The foregoing representations and warranties shall survive the Closing Date.

5. Company Representations and Warranties. Except as set forth in the Schedules hereto, the Company represents and warrants to, and agrees with each Subscriber that:

(a) Due Incorporation. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power to own its properties and to carry on its business as presently conducted. The Company is duly qualified as a foreign corporation to do business and is in good standing in each jurisdiction where the nature of the business conducted or property owned by it makes such qualification necessary, other than those jurisdictions in which the failure to so qualify would not have a Material Adverse Effect. For purposes of this Agreement, a "**Material Adverse Effect**" shall mean a material adverse effect on the financial condition, results of operations, prospects, properties or business of the Company and its Subsidiaries taken as a whole. For purposes of this Agreement, "**Subsidiary**" means, with respect to any entity at any date, any direct or indirect corporation, limited or general partnership, limited liability company, trust, estate, association, joint venture or other business entity of which (A) more than 30% of (i) the outstanding capital stock having (in the absence of contingencies) ordinary voting power to elect a majority of the board of directors or other managing body of such entity, (ii) in the case of a partnership or limited liability company, the interest in the capital or profits of such partnership or limited liability company or (iii) in the case of a trust, estate, association, joint venture or other entity, the beneficial interest in such trust, estate, association or other entity business is, at the time of determination, owned or controlled directly or indirectly through one or more intermediaries, by such entity, or (B) is under the actual control of the Company. As of the Closing Date, all of the Company's Subsidiaries and the Company's other ownership interests therein are set forth on Schedule 5(a). The Company represents that it owns all of the equity of the Subsidiaries and rights to receive equity of the Subsidiaries set forth on Schedule 5(a), free and clear of all liens, encumbrances and claims, except as set forth on Schedule 5(a). No person or entity other than the Company has the right to receive any equity interest in the Subsidiaries. Except as set forth on Schedule 5(a), the Company further represents that neither the Company nor the Subsidiaries have been known by any other names for the five (5) years preceding the date of this Agreement.

( b ) Outstanding Stock. All issued and outstanding shares of capital stock and equity interests in the Company have been duly authorized and validly issued and are fully paid and non-assessable.

( c ) Authority; Enforceability. This Agreement, the Notes, Warrants, the Escrow Agreement, and any other agreements delivered or required to be delivered together with or pursuant to this Agreement or in connection herewith (collectively, the " **Transaction Documents** ") have been duly authorized, executed and delivered by the Company and/or the Subsidiaries, as the case may be, and are valid and binding agreements of the Company and/or the Subsidiaries, as the case may be, enforceable 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 and to general principles of equity. The Company and/or the Subsidiaries, as the case may be, have full corporate power and authority necessary to enter into and deliver the Transaction Documents and to perform their obligations thereunder.

( d ) Capitalization and Additional Issuances. The authorized and outstanding capital stock of the Company on a fully diluted basis and the authorized and outstanding capital stock of the Subsidiaries and all outstanding rights to acquire or receive, directly or indirectly, any equity of the Company and/or the Subsidiaries as of the date of this Agreement and the Closing Date (not including the Securities) are set forth on Schedule 5(d). Except as set forth on Schedule 5(d), there are no options, warrants or rights to subscribe to securities, rights, understandings or obligations convertible into or exchangeable for or granting any right to subscribe for any shares of capital stock or other equity interest of the Company or any of the Subsidiaries. The only officer, director, employee and consultant stock option or stock incentive plan or similar plan currently in effect or contemplated by the Company is described on Schedule 5(d). There are no outstanding agreements or preemptive or similar rights affecting the Company's Common Stock or equity.

( e ) Consents. Except as described in Section 12(b) below, no consent, approval, authorization or order of any court, governmental agency or body or arbitrator having jurisdiction over the Company, the Subsidiaries or any of their Affiliates, any Principal Market (as defined herein) or the Company's stockholders is required for the execution by the Company of the Transaction Documents and compliance and performance by the Company and the Subsidiaries of their respective obligations under the Transaction Documents, including, without limitation, the issuance and sale of the Securities. The Transaction Documents and the Company's performance of its obligations thereunder have been unanimously approved by the Company's board of directors in accordance with the Company's Certificate of Incorporation and applicable law. Any such qualifications and filings will, in the case of qualifications, be effective upon Closing, and will, in the case of filings, be made within the time prescribed by law.

( f ) No Violation or Conflict. Conditioned upon the representations and warranties of Subscriber in Section 4 hereof being materially true and correct, neither the issuance nor the sale of the Securities nor the performance of the Company's obligations under this Agreement and the other Transaction Documents by the Company, will:

( i ) violate, conflict with, result in a breach of, or constitute a default (or an event which with the giving of notice or the lapse of time or both would be reasonably likely to constitute a default) under (A) the certificate of incorporation or bylaws of the Company, (B) to the Company's knowledge, any decree, judgment, order, law, treaty, rule, regulation or determination applicable to the Company of any court, governmental agency or body, or arbitrator having jurisdiction over the Company or over the properties or assets of the Company or any of its Affiliates, (C) the terms of any bond, debenture, note or any other evidence of indebtedness, or any agreement, stock option or other similar plan, indenture, lease, mortgage, deed of trust or other instrument to which the Company or any of its Affiliates is a party, by which the Company or any of its Affiliates is bound, or to which any of the properties of the Company or any of its Affiliates is subject or (D) the terms of any "lock-up" or similar provision of any underwriting or similar agreement to which the Company, or any of its Affiliates is a party, except the violation, conflict, breach or default of which would not have a Material Adverse Effect; or

(ii) result in the creation or imposition of any lien, charge or encumbrance upon the Securities or any of the assets of the Company or any of its Affiliates, except in favor of each Subscriber as described herein; or

(iii) except as set forth in **Schedule 5(f)** hereto, result in the activation of any anti-dilution rights or a reset or repricing of any debt, equity or security instrument of any creditor or equity holder of the Company, or the holder of the right to receive any debt, equity or security instrument of the Company, nor result in the acceleration of the due date of any obligation of the Company; or

(iv) except as set forth in **Schedule 5(f)** hereto, result in the triggering of any piggy-back or other registration rights of any person or entity holding securities of the Company or having the right to receive securities of the Company.

(g) The Securities. The Securities upon issuance:

(i) are, or will be, free and clear of any security interests, liens, claims or other encumbrances, subject only to restrictions upon transfer under the 1933 Act and any applicable state securities laws;

(ii) have been, or will be, duly and validly authorized and on the dates of issuance of the Notes and Warrants, the Conversion Shares upon conversion of the Notes, and the Warrant Shares upon exercise of the Warrants, such Notes, Warrants, Conversion Shares and Warrant Shares will be duly and validly issued, fully paid and non-assessable and if registered pursuant to the 1933 Act and resold pursuant to an effective registration statement or an exemption from registration, will be free trading, unrestricted and unlegended;

(iii) will not have been issued or sold in violation of any preemptive or other similar rights of the holders of any securities of the Company or rights to acquire securities or debt of the Company;

(iv) will not subject the holders thereof to personal liability by reason of being such holders; and

(v) conditioned upon the representations and warranties of the Subscribers as set forth in Section 4 hereof being true and correct to the extent required by Section 5 of the 1933 Act, will not result in a violation of Section 5 under the 1933 Act.

( h ) Litigation. There is no pending or, to the best knowledge of the Company, threatened action, suit, proceeding or investigation before any court, governmental agency or body, or arbitrator having jurisdiction over the Company, or any of its Affiliates that would affect the execution by the Company or the complete and timely performance by the Company of its obligations under the Transaction Documents. Except as disclosed in the Reports, there is no pending or, to the best knowledge of the Company, basis for or threatened action, suit, proceeding or investigation before any court, governmental agency or body, or arbitrator having jurisdiction over the Company, or any of its Affiliates which litigation if adversely determined would have a Material Adverse Effect.

(i) No Market Manipulation. The Company and its Affiliates have not taken, and will not take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of the Common Stock to facilitate the sale or resale of the Securities or affect the price at which the Securities may be issued or resold.

(j) Information Concerning Company. The Reports and Other Written Information contain all material information relating to the Company and its operations and financial condition as of their respective dates which information is required to be disclosed therein. Since December 31, 2010, and except as disclosed in the Reports or modified in the Reports and Other Written Information or in the Schedules hereto, there has been no Material Adverse Effect relating to the Company's business, financial condition or affairs. The Reports and Other Written Information including the financial statements included therein do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, taken as a whole, not misleading in light of the circumstances and when made.

(k) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder, and subject to the assumption of continuing as a going concern, (i) the Company's fair saleable value of its assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature; (ii) the Company's assets do not constitute unreasonably small capital to carry on its business for the current fiscal year as now conducted and as proposed to be conducted, including its capital needs taking into account the particular capital requirements of the business conducted by the Company, and projected capital requirements and capital availability thereof; and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its debt when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt).

(l) Defaults. The Company is not in violation of its certificate of incorporation or bylaws. The Company is (i) not in default under or in violation of any other material agreement or instrument to which it is a party or by which it or any of its properties are bound or affected, which default or violation would have a Material Adverse Effect, (ii) not in default with respect to any order of any court, arbitrator or governmental body or subject to or party to any order of any court or governmental authority arising out of any action, suit or proceeding under any statute or other law respecting antitrust, monopoly, restraint of trade, unfair competition or similar matters which default would have a Material Adverse Effect, or (iii) not in violation of any statute, rule or regulation of any governmental authority which violation would have a Material Adverse Effect.

(m) 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 security of the Company nor solicited any offers to buy any security of the Company under circumstances that would cause the offer of the Securities pursuant to this Agreement to be integrated with prior offerings by the Company for purposes of the 1933 Act or any applicable stockholder approval provisions, including, without limitation, under the rules and regulations of the Pink Sheets. No prior offering will impair the exemptions relied upon in this Offering or the Company's ability to timely comply with its obligations hereunder. Neither the Company nor any of its Affiliates will take any action or suffer any inaction or conduct any offering other than the transactions contemplated hereby that may be integrated with the offer or issuance of the Securities or that would impair the exemptions relied upon in this Offering or the Company's ability to timely comply with its obligations hereunder.

( n ) No General Solicitation. Neither the Company, nor any of its Affiliates, nor to its knowledge, any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the 1933 Act) in connection with the Offering or sale of the Securities.

( o ) No Undisclosed Liabilities. The Company has no liabilities or obligations which are material, individually or in the aggregate, other than those incurred in the ordinary course of the Company's business since December 31, 2010, and which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect, except as disclosed in the Reports or in **Schedule 5(o)**.

( p ) No Undisclosed Events or Circumstances. Since December 31, 2010, except as disclosed in the Reports, no event or circumstance has occurred or exists with respect to the Company or its businesses, properties, operations or financial condition, that, under applicable law, rule or regulation, requires public disclosure or announcement prior to the date hereof by the Company but which has not been so publicly announced or disclosed in the Reports.

( q ) Dilution. The Company's executive officers and directors understand the nature of the Securities being sold hereby and recognize that the issuance of the Securities will have a potential dilutive effect on the equity holdings of other holders of the Company's equity or rights to receive equity of the Company. The board of directors of the Company has concluded, in its good faith business judgment that the issuance of the Securities is in the best interests of the Company. The Company specifically acknowledges that its obligation to issue the Conversion Shares upon conversion of the Notes and the Warrant Shares upon exercise of the Warrants is binding upon the Company and enforceable regardless of the dilution such issuance may have on the ownership interests of other stockholders of the Company or parties entitled to receive equity of the Company.

( r ) No Disagreements with Accountants and Lawyers. There are no material disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers previously and presently employed by the Company, including, but not limited to, disputes or conflicts over payment owed to such accountants and lawyers, nor have there been any such disagreements during the two years prior to the Closing Date.

( s ) Investment Company. Neither the Company nor any Affiliate of the Company is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

( t ) Foreign Corrupt Practices. Neither the Company, nor to the knowledge of the Company, any agent or other person acting on behalf of the Company, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of the Foreign Corrupt Practices Act of 1977, as amended.

(u) Reporting Company/Shell Company. The Company is a publicly-held company. As of the Closing Date, the Company is not a "shell company" but is a "former shell company" as those terms are employed in Rule 144 under the 1933 Act. Except with respect to the Form 10-Q for the three month period ended January 31, 2011 that is being reviewed by the Commission as of the date hereof, pursuant to the provisions of the 1934 Act, the Company has timely filed all reports and other materials required to be filed thereunder with the Commission during the preceding twelve months.

(v) Listing. The Company's Common Stock is quoted on the Pink Sheets ("Pink Sheets") under the symbol "WIZD". The Company has not received any pending oral or written notice that its Common Stock is not eligible nor will become ineligible for quotation on the Pink Sheets nor that its Common Stock does not meet all requirements for the continuation of such quotation.

(w) DTC Status. The Company's transfer agent is a participant in, and the Common Stock is or shall be eligible for transfer pursuant to, the Depository Trust Company Automated Securities Transfer Program. The name, address, telephone number, fax number, contact person and email address of the Company transfer agent is set forth on Schedule 5(w) hereto.

(x) Company Predecessor and Subsidiaries. The Company makes each of the representations contained in Sections 5(a), (b), (c), (d), (e), (f), (h), (j), (k), (l), (o), (p), (r), (s) and (t) of this Agreement, as same relate or could be applicable to each Subsidiary. All representations made by or relating to the Company of a historical or prospective nature and all undertakings described in Section 9 hereto shall relate, apply and refer to the Company and the Subsidiaries and their predecessors and successors.

(y) Correctness of Representations. The Company represents that the foregoing representations and warranties are true and correct as of the date hereof in all material respects, and, unless the Company otherwise notifies the Subscribers prior to the Closing Date, shall be true and correct in all material respects as of the Closing Date; *provided* that if such representation or warranty is made as of a different date, such representation or warranty shall be true as of such date.

(z) Survival. The foregoing representations and warranties shall survive the Closing Date.

6 . Regulation D Offering/Legal Opinion. The offer and issuance of the Securities to the Subscribers is being made pursuant to an exemption from the registration provisions of the 1933 Act afforded by Section 4(2) or Section 4(6) of the 1933 Act and/or Rule 506 of Regulation D promulgated thereunder. On the Closing Date, the Company will provide an opinion reasonably acceptable to each Subscriber from the Company's legal counsel in substantially the form attached hereto as **Exhibit D** opining on the availability of an exemption from registration under the 1933 Act as it relates to the Offering and issuance of the Securities and other matters reasonably requested by the Subscribers. The Company will provide, at the Company's expense, to the Subscribers such other legal opinions, if any, as are necessary in each Subscriber's opinion for the issuance and resale of the Conversion Shares and Warrant Shares pursuant to an exemption from registration such as Rule 144 under the 1933 Act.

7 . Broker's Commission/Finder's Fee. The Company on the one hand, and each Subscriber (for such Subscriber only) on the other hand, agrees to indemnify the other against and hold the other harmless from any and all liabilities to any persons claiming brokerage commissions or similar fees on account of services purported to have been rendered on behalf of the indemnifying party in connection with this Agreement or the transactions contemplated hereby and arising out of such party's actions. The Company represents that to the best of its knowledge there are no parties entitled to receive fees, commissions, finder's fees, due diligence fees or similar payments in connection with the Offering. Anything in this Agreement to the contrary notwithstanding, each Subscriber is providing indemnification only for such Subscriber's own actions and not for any action of any other Subscriber. The liability of the Company and each Subscriber's liability hereunder is several and not joint.



8. Subscriber's Legal Fees. The Company shall pay to Grushko & Mittman, P.C. a cash fee of \$3,500 ("**Legal Fees**") as reimbursement for services rendered in connection with the transactions described in the Transaction Documents. The Legal Fees will be payable out of funds held pursuant to the Escrow Agreement. Grushko & Mittman, P.C. will be reimbursed at Closing or Initial Closing, as the case may be, by the Company for all lien searches, filing fees and reasonable printing and shipping costs for the closing statements to be delivered to the Subscribers.

9. Covenants of the Company. The Company covenants and agrees with the Subscribers as follows:

(a) Stop Orders. Subject to the prior notice requirement described in Section 9(n) hereof, the Company will advise the Subscribers, within twenty-four (24) hours after it receives notice of issuance by the Commission, any state securities commission or any other regulatory authority of any stop order or of any order preventing or suspending any offering of any securities of the Company, or of the suspension of the qualification of the Common Stock of the Company for offering or sale in any jurisdiction, or the initiation of any proceeding for any such purpose. The Company will not issue any stop transfer order or other order impeding the sale, resale or delivery of any of the Securities, except as may be required by any applicable federal or state securities laws, *provided* at least five (5) business days prior notice of such instruction is given to the Subscribers.

(b) Listing/Quotation. The Company shall promptly secure the quotation or listing of the Conversion Shares and Warrant Shares upon each national securities exchange, or automated quotation system upon which the Company's Common Stock is quoted or listed and upon which such Conversion Shares and Warrant Shares are or become eligible for quotation or listing (subject to official notice of issuance) and shall maintain same so long as any Notes and Warrants are outstanding. The Company will maintain the quotation or listing of its Common Stock on the NYSE Amex Equities, Nasdaq Capital Market, Nasdaq Global Market, Nasdaq Global Select Market, OTC Markets, or New York Stock Exchange (whichever of the foregoing is at the time the principal trading exchange or market for the Common Stock) (the "**Principal Market**"), and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Principal Market, as applicable. Subject to the limitation set forth in Section 9(n) hereof, the Company will provide the Subscribers with copies of all notices it receives notifying the Company of the threatened and actual delisting of the Common Stock from any Principal Market. As of the date of this Agreement and the Closing Date, the OTC Pink is the Principal Market.

(c) Market Regulations. If required, the Company shall notify the Commission, the Principal Market and applicable state authorities, in accordance with their requirements, of the transactions contemplated by this Agreement, and shall take all other necessary action and proceedings as may be required and permitted by applicable law, rule and regulation, for the legal and valid issuance of the Securities to the Subscribers and promptly provide copies thereof to the Subscribers.

( d ) Filing Requirements. Commencing on the four month anniversary after the date of this Agreement and until the last to occur of (i) all the Conversion Shares have been resold or transferred by the Subscribers pursuant to a registration statement or pursuant to Rule 144(b)(1)(i), or (ii) none of the Notes and Warrants are outstanding (the date of such latest occurrence being the "**End Date**"), the Company will (A) voluntarily comply with all reporting and filing requirements that are applicable to an issuer subject to reporting obligations pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "1934 Act") even if the Company is not subject to such reporting requirements sufficient to permit the Subscribers to be able to resell the Conversion Shares and Warrant Shares pursuant to Rule 144(b)(i), (B) voluntarily comply with all reporting requirements that are applicable to an issuer with a class of shares registered pursuant to Section 12(g) of the 1934 Act even if the Company is not subject to such reporting requirements sufficient to permit the Subscribers to be able to resell the Conversion Shares and Warrant Shares pursuant to Rule 144(b)(i) and (C) comply with all requirements related to any registration statement filed pursuant to this Agreement. The Company will use its commercially reasonable best efforts not to take any action or file any document (whether or not permitted by the 1933 Act or the 1934 Act or the rules thereunder) to terminate or suspend such registration or to terminate or suspend its reporting and filing obligations under said acts until the End Date. Until the End Date, the Company will continue the listing or quotation of the Common Stock on a Principal Market and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Principal Market. The Company agrees to timely file a Form D with respect to the Securities if required under Regulation D and to provide a copy thereof to each Subscriber promptly after such filing.

( e ) Use of Proceeds. The proceeds of the Offering will be substantially employed by the Company for the purposes set forth on Schedule 9(e) hereto. Except as described on Schedule 9(e), the Purchase Price may not and will not be used for accrued and unpaid officer and director salaries, nor payment of financing related debt nor redemption of outstanding notes or equity instruments of the Company nor non-trade payables outstanding on the Closing Date.

( f ) Reservation. Prior to the Closing or Initial Closing, as the case may be, the Company undertakes to reserve on behalf of the Subscribers from its authorized but unissued Common Stock, a number of shares of Common Stock equal to 150% of the amount of Common Stock necessary to allow the Subscribers to be able to convert all of the Notes and 100% of the amount of Warrant Shares issuable upon exercise of the Warrants ("**Required Reservation**"). Failure to have sufficient shares reserved pursuant to this Section 9(f) at any time prior to the End Date shall be a material default of the Company's obligations under this Agreement and an Event of Default as employed in the Notes. Without waiving the foregoing requirement, if at any time the Notes and Warrants are outstanding the Company has reserved on behalf of the Subscribers less than 125% of the amount necessary for full conversion of the outstanding Notes and interest accrued on such Notes at the conversion price in effect on every such date and 100% of the Warrant Shares issuable upon exercise of outstanding Warrants ("**Minimum Required Reservation**"), the Company will promptly reserve the Minimum Required Reservation, or if there are insufficient authorized and available shares of Common Stock to reserve the Minimum Required Reservation, the Company will take all action necessary to increase its authorized capital to be able to fully satisfy its reservation requirements hereunder, including the filing of a preliminary proxy with the Commission not later than fifteen (15) days after the first day the Company has reserved less than the Minimum Required Reservation. The Company agrees to provide notice to the Subscribers not later than five days after the date the Company has less than the Minimum Required Reservation reserved on behalf of the Subscribers.

( g ) DTC Program. At all times that the Notes or Warrants are outstanding, the Company will employ as the transfer agent for the Common Stock, Conversion Shares and Warrant Shares a participant in the Depository Trust Company Automated Securities Transfer Program.

( h ) Taxes. From the date of this Agreement and until the End Date, the Company will promptly pay and discharge, or cause to be paid and discharged, when due and payable, all lawful taxes, assessments and governmental charges or levies imposed upon the income, profits, property or business of the Company; *provided, however*, that any such tax assessment, charge or levy need not be paid if the validity thereof shall currently be contested in good faith by appropriate proceedings and if the Company shall have set aside on its books adequate reserves with respect thereto, and *provided, further*, that the Company will pay all such taxes, assessments, charges or levies forthwith upon the commencement of proceedings to foreclose any lien which may have attached as security therefore.

(i) Insurance. As reasonably necessary as determined by the Company, from the date of this Agreement and until the End Date, the Company will keep its assets which are of an insurable character insured by financially sound and reputable insurers against loss or damage by fire, explosion and other risks customarily insured against by companies in the Company's line of business and location, in amounts and to the extent and in the manner customary for companies in similar businesses similarly situated and located and to the extent available on commercially reasonable terms.

(j) Books and Records. From the date of this Agreement and until the End Date, the Company will keep true records and books of account in which full, true and correct entries in all material respects will be made of all dealings or transactions in relation to its business and affairs in accordance with United States generally accepted accounting principles ("**GAAP**") applied on a consistent basis.

(k) Governmental Authorities. From the date of this Agreement and until the End Date, the Company shall duly observe and conform in all material respects to all valid requirements of governmental authorities relating to the conduct of its business or to its properties or assets.

(l) Intellectual Property. From the date of this Agreement and until the End Date, the Company shall maintain in full force and effect its corporate existence, rights and franchises and all licenses and other rights to use intellectual property owned or possessed by it and reasonably deemed to be necessary to the conduct of its business, unless it is sold for value. Schedule 9(I) hereto identifies all of the intellectual property owned by the Company and the Subsidiaries, which schedule includes, but is not limited to, patents, patents pending, patent applications, trademarks, tradenames, service marks and copyrights.

(m) Properties. From the date of this Agreement and until the End Date, the Company will keep its properties in good repair, working order and condition, reasonable wear and tear excepted, and from time to time make all necessary and proper repairs, renewals, replacements, additions and improvements thereto as the Company shall reasonably determine; and the Company will at all times comply with each provision of all leases and claims to which it is a party or under which it occupies or has rights to property if the breach of such provision could reasonably be expected to have a Material Adverse Effect. The Company will not abandon any of its assets, except for those assets which have negligible or marginal value, are obsolete or for which it is prudent to do so under the circumstances as reasonably determined by the Company.

(n) Confidentiality/Public Announcement. From the date of this Agreement until the End Date, the Company agrees that except in connection with a Form 8-K, Form 10-Q, Form 10-K and the registration statement or statements regarding the Subscribers' Securities or in correspondence with the Commission regarding same, it will not disclose publicly or privately the identity of a Subscriber unless expressly agreed to in writing by such Subscriber or only to the extent required by law and then only upon not less than two (2) business days prior notice to such Subscriber. In any event and subject to the foregoing, the Company undertakes to file a Form 8-K describing the Offering no later than the fourth (4<sup>th</sup>) day of the Closing Date. Prior to the filing of such Form 8-K, a draft in the final form will be provided for Subscribers' review and approval. In the Form 8-K, the Company will specifically disclose the amount of Common Stock outstanding immediately after the Closing. Upon delivery by the Company to the Subscribers after the Closing Date of any notice or information, in writing, electronically or otherwise, and while Notes, Conversion Shares or Warrants are held by the Subscribers, unless the Company has in good faith determined that the matters relating to such notice do not constitute material, nonpublic information relating to the Company or the Subsidiaries, the Company shall, within four (4) days after any such delivery, publicly disclose such material, nonpublic information on a Report on Form 8-K. In the event that the Company believes that a notice or communication to the Subscribers contains material, nonpublic information relating to the Company or the Subsidiaries, except as required to be delivered in connection with this Agreement, the Company shall so indicate to the Subscribers prior to delivery of such notice or information. A Subscriber will be granted five (5) days to notify the Company that such Subscriber elects not to receive such information. In the case that a Subscriber elects not to receive such information, the Company will not deliver such information to such Subscriber. In the absence of any such Company indication, the Subscribers shall be allowed to presume that all matters relating to such notice and information do not constitute material, nonpublic information relating to the Company or the Subsidiaries.

( o ) Non-Public Information. The Company covenants and agrees that except for the Reports, Other Written Information and schedules and exhibits to this Agreement and the Transaction Documents, which information the Company undertakes to publicly disclose on the Form 8-K described in Section 9(n) above, neither it nor any other person acting on its behalf will at any time provide any Subscriber or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto such Subscriber, its agent or counsel shall have agreed in writing to accept such information as described in Section 9(n) above. The Company understands and confirms that the Subscribers shall be relying on the foregoing representations in effecting transactions in securities of the Company. The Company agrees that any information known to Subscriber required to be made public by the Company but not made public by the Company, and not already made public by the Company, may be made public and disclosed by the Subscriber.

(p) Negative Covenants. So long as Notes are outstanding, without the consent of a Majority in Interest (as defined herein) of the Subscribers, the Company will not and will not permit any of its Subsidiaries to directly or indirectly:

(i) create, incur, assume or suffer to exist any pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, security title, mortgage, security deed or deed of trust, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the Uniform Commercial Code or comparable law of any jurisdiction) (each, a "**Lien**") upon any of its property, whether now owned or hereafter acquired, except for: (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 in accordance with GAAP; (b) carriers,' warehousemen's, mechanic's, material men'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 thirty (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) Liens created with respect to the financing of the purchase of new property in the ordinary course of the Company's business up to the amount of the purchase price of such property; and (f) 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 (each of (a) through (f) hereof, a "**Permitted Lien**");

(ii) amend its certificate of incorporation, bylaws or its charter documents so as to materially and adversely affect any rights of the Subscribers; *provided* that an increase in the amount of authorized shares will not be deemed adverse to the rights of the Subscribers;

(iii) repay, repurchase or offer to repay, repurchase or otherwise acquire or make any dividend or distribution in respect of any of its Common Stock, preferred stock, or other equity securities other than to the extent permitted or required under the Transaction Documents;

(iv) except with respect to the Securities, engage in any transactions with any officer, director, employee or any Affiliate of the Company, including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director or any such employee has a substantial interest or is an officer, director, trustee or partner, in each case in excess of \$100,000, other than (i) for payment of salary or fees for services rendered, pursuant to and on the terms of a written contract in effect at least one (1) business day prior to the Closing Date, a copy of which has been provided to the Subscriber at least one (1) business day prior to the Closing Date, (ii) reimbursement for authorized expenses incurred on behalf of the Company or its Affiliates, (iii) for other employee benefits, including stock option agreements under any stock option plan of the Company disclosed in the Reports or (iv) other transactions disclosed in the Reports; or

(v) pay or redeem any financing related debt or past due obligations or securities outstanding as of the Closing Date, or past due obligations, except with respect to vendor obligations, which in management's good faith, reasonable judgment must be paid to avoid disruption of the Company's businesses.

(q) [Reserved]

( r ) Seniority. Except for Permitted Liens, for so long as the Notes are outstanding, without written consent of the Subscribers, the Company and Subsidiaries shall not grant nor allow any security interest to be taken in any assets of the Company or any Subsidiary or any Subsidiary's assets; nor issue or amend any debt, equity or other instrument which would give the holder thereof directly or indirectly, a right in any equity of the Company or any Subsidiary or any right to payment equal to or superior to any right of the Subscribers as holders of the Notes in or to such equity or payment, nor issue or incur any debt not in the ordinary course of business in an amount greater than \$500,000.

( s ) Notices. For so long as the Subscribers hold any Notes or Warrants, the Company will maintain a United States address and United States fax number for notice purposes under the Transaction Documents.

( t ) Transactions with Insiders. So long as the Notes and Warrants are outstanding, without consent of a Majority in Interest of the Subscribers, the Company shall not, and shall cause each of its Subsidiaries not to, enter into, materially amend, materially modify or materially supplement, or permit any Subsidiary to enter into, materially amend, materially modify or materially supplement, any agreement, transaction, commitment, or arrangement relating to the sale, transfer or assignment of any of the Company's tangible or intangible assets with any of its Insiders (as defined below) (or any persons who were Insiders at any time during the previous two (2) years), or any Affiliates (as defined below) thereof, or with any individual related by blood, marriage, or adoption to any such individual. "Affiliate," for purposes of this Section 9(t), means, with respect to any person or entity, another person or entity that, directly or indirectly, (i) has a ten percent (10%) or more equity interest in that person or entity, (ii) has ten percent (10%) or more common ownership with that person or entity, (iii) controls that person or entity, or (iv) shares common control with that person or entity. "Control" or "Controls," for purposes of the Transaction Documents, means that a person or entity has the power, direct or indirect, to conduct or govern the policies of another person or entity. For purposes hereof, "Insiders" shall mean any officer, director or manager of the Company, including, but not limited to, the Company's president, chief executive officer, chief financial officer and chief operations officer, and any of their Affiliates or Immediate Family members.

- (u) Stock Splits. For so long as the Notes and Warrants are outstanding, the Company will not enter into any stock splits without the consent of the Subscribers.
- (v) Notice of Event of Default. The Company agrees to notify Subscriber of the occurrence of an Event of Default (as defined and employed in the Transaction Documents) not later than ten (10) days after any of the Company's officers or directors becomes aware of such Event of Default.

10. Covenants of the Company Regarding Indemnification.

(a) The Company agrees to indemnify, hold harmless, reimburse and defend the Subscribers, the Subscribers' officers, directors, agents, counsel, Affiliates, members, managers, control persons, and principal shareholders, against any claim, cost, expense, liability, obligation, loss or damage (including reasonable legal fees) of any nature, incurred by or imposed upon the Subscribers or any such person which results, arises out of or is based upon (i) any material misrepresentation by Company or breach of any representation or warranty by Company in this Agreement or in any Exhibits or Schedules attached hereto in any Transaction Document, or other agreement delivered pursuant hereto or in connection herewith, now or after the date hereof; or (ii) after any applicable notice and/or cure periods, any breach or default in performance by the Company of any covenant or undertaking to be performed by the Company hereunder, or any other agreement entered into by the Company and Subscribers relating hereto.

(b) In no event shall the liability of the Subscribers or permitted successor hereunder or under any Transaction Document or other agreement delivered in connection herewith be greater in amount than the dollar amount of the net proceeds actually received by such Subscriber or successor upon the sale of the Notes, Conversion Shares, Warrant and Warrant Shares.

11. Unlegended Shares and 144 Sales.

(a) Delivery of Unlegended Shares. Within three (3) days (such third (3<sup>rd</sup>) day being the "**Unlegended Shares Delivery Date**") after the day on which the Company has received (i) a notice that Conversion Shares, Warrant Shares or any other Common Stock held by Subscriber has been sold pursuant to a registration statement or Rule 144 under the 1933 Act, (ii) a representation that the prospectus delivery requirements, or the requirements of Rule 144, as applicable and if required, have been satisfied, (iii) the original share certificates representing the shares of Common Stock that have been sold, and (iv) in the case of sales under Rule 144, customary representation letters of Subscriber and, if required, Subscriber's broker regarding compliance with the requirements of Rule 144, the Company, at its expense, (y) shall deliver, and shall cause legal counsel selected by the Company to deliver to its transfer agent (with copies to Subscriber) an appropriate instruction directing the delivery of shares of Common Stock without any legends including the legend set forth in Section 4(h) above (the "**Unlegended Shares**"); and (z) cause the transmission of the certificates representing the Unlegended Shares, together with a legended certificate representing the balance of the submitted Common Stock certificate, if any, to Subscriber at the address specified in the notice of sale, via express courier, by electronic transfer or otherwise on or before the Unlegended Shares Delivery Date.

(b) DWAC. In lieu of delivering physical certificates representing the Unlegended Shares, upon request of the Subscribers, so long as the certificates therefor do not bear a legend and Subscriber is not obligated to return such certificate for the placement of a legend thereon, the Company shall cause its transfer agent to electronically transmit the Unlegended Shares by crediting the account of Subscriber's prime broker with the Depository Trust Company through its Deposit Withdrawal Agent Commission system, if such transfer agent participates in such DWAC system. Such delivery must be made on or before the Unlegended Shares Delivery Date.

( c ) Late Delivery of Unlegended Shares. The Company understands that a delay in the delivery of the Unlegended Shares pursuant to Section 11 hereof later than the Unlegended Shares Delivery Date could result in economic loss to a Subscriber. As compensation to a Subscriber for such loss, the Company agrees to pay late payment fees (as liquidated damages and not as a penalty) to Subscriber for late delivery of Unlegended Shares in the amount of \$100 per business day after the Unlegended Shares Delivery Date for each \$10,000 of purchase price of the Unlegended Shares, subject to the delivery default; *provided* that such delay is not the direct or indirect result of Subscriber's actions or omissions. If during any three hundred sixty (360) day period, the Company fails to deliver Unlegended Shares as required by this Section 11 for an aggregate of thirty (30) days, then each Subscriber or assignee holding Securities subject to such default may, at its option, require the Company to redeem all or any portion of the Unlegended Shares subject to such default at a price per share equal to the greater of (i) 110% of the Purchase Price paid by Subscriber for the Unlegended Shares that were not timely delivered, or (ii) a fraction in which the numerator is the highest closing price of the Common Stock during the aforescribed thirty day period and the denominator of which is the lowest conversion price or exercise price, as the case may be, during such thirty (30) day period, multiplied by the price paid by Subscriber for such Common Stock ("**Unlegended Redemption Amount**"). The Company shall promptly pay any payments incurred under this Section in immediately available funds upon demand.

( d ) Injunction. In the event a Subscriber shall request delivery of Unlegended Shares as described in Section 11 and the Company is required to deliver such Unlegended Shares pursuant to Section 11, the Company may not refuse to deliver Unlegended Shares based on any claim that such Subscriber or anyone associated or Affiliated with such Subscriber has not complied with Subscriber's obligations under the Transaction Documents, or for any other reason, unless an injunction or temporary restraining order from a court, on notice, restraining and or enjoining delivery of such Unlegended Shares, shall have been sought and obtained by the Company and the Company has posted a surety bond for the benefit of such Subscriber in the amount of the greater of (i) 125% of the amount of the aggregate Purchase Price of the Common Stock which is subject to the injunction or temporary restraining order, (ii) the closing price of the Common Stock on the trading day before the issue date of the injunction multiplied by the number of Unlegended Shares to be subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the dispute and the proceeds of which shall be payable to such Subscriber to the extent Subscriber obtains judgment in Subscriber's favor.

( e ) Buy-In. In addition to any other rights available to Subscriber, if the Company fails to deliver to Subscriber Unlegended Shares as required pursuant to this Agreement and after the Unlegended Shares Delivery Date, Subscriber, or a broker on Subscriber's behalf, purchases (in an open market transaction or otherwise) shares of common stock to deliver in satisfaction of a sale by such Subscriber of the shares of Common Stock which Subscriber was entitled to receive from the Company (a "**Buy-In**"), then the Company shall promptly pay in cash to Subscriber (in addition to any remedies available to or elected by Subscriber) the amount by which (A) Subscriber's total purchase price (including brokerage commissions, if any) for the shares of common stock so purchased exceeds (B) the aggregate purchase price of the shares of Common Stock delivered to the Company for reissuance as Unlegended Shares together with interest thereon at a rate of 15% per annum accruing until such amount and any accrued interest thereon is paid in full (which amount shall be paid as liquidated damages and not as a penalty). For purposes of illustration only, if Subscriber purchases shares of Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to \$10,000 of purchase price of shares of Common Stock delivered to the Company for reissuance as Unlegended Shares, the Company shall be required to pay the Subscriber \$1,000, plus interest. Subscriber shall promptly provide the Company written notice indicating the amounts payable to Subscriber in respect of the Buy-In, including evidence regarding the purchase of common stock for which the Buy-In is implemented.

(f) 144 Default. At any time commencing six (6) months after the Closing Date, in the event Subscriber is not permitted to sell any of the Conversion Shares or Warrant Shares without any restrictive legend, or if such sales are permitted but subject to volume limitations or further restrictions on resale as a result of the unavailability to Subscriber of Rule 144(b)(1)(i) under the 1933 Act or any successor rule (a "144 Default"), for any reason, including, but not limited to, failure by the Company to file quarterly, annual or any other filings required to be made by the Company by the required filing dates (provided that any filing made within the time for a valid extension shall be deemed to have been timely filed), or the Company's failure to make information publicly available which would allow Subscriber's reliance on Rule 144 in connection with sales of Conversion Shares or Warrant Shares, except due to a change in current applicable securities laws or because Subscriber is an Affiliate (as defined under Rule 144) of the Company, then the Company shall pay such Subscriber as liquidated damages and not as a penalty for each thirty (30) days (or such lesser pro-rata amount for any period less than thirty (30) days) an amount equal to one percent (1%) of the purchase price of the Conversion Shares and Warrant Shares subject to such 144 Default. Liquidated Damages shall not be payable pursuant to this Section 11(e) in connection with Conversion Shares or Warrant Shares for such times as such shares may be sold by the holder thereof without any legend or volume or other restrictions pursuant to Section 144(b)(1)(i) of the 1933 Act or pursuant to an effective registration statement.

12. (a) Favored Nations Provision. Other than in connection with (i) full or partial consideration in connection with a strategic merger, acquisition, consolidation or purchase of substantially all of the securities or assets of a corporation or other entity, so long as such issuances are not for the purpose of raising capital and which holders of such securities or debt are not at any time granted registration rights, (ii) the Company's issuance of securities in connection with strategic license agreements and other partnering arrangements, so long as such issuances are not for the purpose of raising capital and which holders of such securities or debt are not at any time granted registration rights, (iii) the Company's issuance of Common Stock or the issuances or grants of options to purchase Common Stock to employees, directors, and consultants, pursuant to plans described on Schedule 5(d), (iv) securities upon the exercise or exchange of or conversion of any securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement on the terms disclosed in the Reports and which securities are also described on Schedule 12(a), and (v) as a result of the exercise of Warrants or conversion of Notes which are granted or issued pursuant to this Agreement on the unamended terms in effect on the Closing Date (collectively, the foregoing (i) through (v) are "**Excepted Issuances**"), if at any time the Notes or Warrants are outstanding, the Company shall agree to or issue (the "**Lower Price Issuance**") any Common Stock or securities convertible into or exercisable for shares of Common Stock (or modify any of the foregoing which may be outstanding) to any person at a price per share or conversion or exercise price per share which shall be less than the conversion price in effect at such time or the Warrant exercise price in effect at such time, as applicable, without the unanimous consent of all of the Subscribers, then the conversion price and Warrant exercise price, as applicable, shall automatically be reduced to such other lower price. The average conversion price of the Conversion Shares and average exercise price in relation to the Warrant Shares shall be calculated separately for the Conversion Shares and Warrant Shares. Common Stock issued or issuable by the Company for no consideration or for consideration that cannot be determined at the time of issue will be deemed issuable or to have been issued for \$0.0001 per share of Common Stock. For purposes of the issuance and adjustments described in this paragraph, the issuance of any security of the Company carrying the right to convert such security into shares of Common Stock or any warrant, right or option to purchase Common Stock shall result in the issuance of the additional shares of Common Stock upon the sooner of (A) the agreement to or (B) actual issuance of such convertible security, warrant, right or options and again at any time upon any subsequent issuances of shares of Common Stock upon exercise of such conversion or purchase rights if such issuance is at a price lower than the conversion price or Warrant exercise price, as applicable, in effect upon such issuance. The rights of the Subscribers set forth in this Section 12 are in addition to any other rights the Subscribers have pursuant to this Agreement, the Notes, Warrants or any other Transaction Document.



(b) Outstanding Rights of First Refusal. The Company hereby undertakes to provide within five business days after the Closing Date the notice required pursuant to Sections 12(b) ("**Right of First Refusal**") of each of the subscription agreements it entered into on December 6, 2010 and April 18, 2011, respectively (the "**Previous Subscription Agreements**"). In the event any subscriber to the Previous Subscription Agreements ("**Prior Subscriber**") elects to exercise its Right of First Refusal pursuant to Sections 12(b) of the Previous Subscription Agreements (the "**Additional Investment**"), the Company shall have the right within 20 days after the Closing Date, to use the Additional Investment to repay such amount of Note principal, including interest thereon, as shall equal the amount of the Additional Investment ("**Recession Payment**"). Within 5 days after the Subscriber's receipt of the Recession Payment, the Subscriber will return the original Note and Warrant to the Company in exchange for a Note and Warrant corresponding to the Subscriber's remaining Note principal, interest and Warrants if any.

(c) Maximum Exercise of Rights. Notwithstanding the foregoing, in the event the exercise of the rights described in Section 12(a) would or could result in the issuance of an amount of Common Stock of the Company that would exceed the maximum amount that may be issued to a Subscriber as described in Section \_\_\_ of the Notes and Section 9 of the Warrant, then the issuance of such additional shares of Common Stock of the Company to such Subscriber will be deferred in whole or in part until such time as such Subscriber is able to beneficially own such Common Stock without exceeding the applicable maximum amount set forth and such Subscriber notifies the Company accordingly.

13. Miscellaneous.

(a) Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile addressed as set forth below or to such other address as such party shall have specified most recently by written notice in accordance with this Section 13(a). Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile with accurate confirmation generated by the transmitting facsimile machine at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received), or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Company, to: Wizard World, Inc., 1350 Avenue of the Americas, 2<sup>nd</sup> Floor, New York, NY 10019, Attn: Gareb Shamus, facsimile: (212) 707-8180, with a copy by fax only to (which shall not constitute notice): Lucosky Brookman LLP, 33 Wood Avenue South, 6<sup>th</sup> Floor, Iselin, NJ 10019, Attn: Joseph M. Lucosky, Esq., facsimile: (732) 395-4401, and (ii) if to a Subscriber, to: the addresses and fax numbers indicated on Schedule 1 hereto, with an additional copy by fax only to (which shall not constitute notice): Grushko & Mittman, P.C., 515 Rockaway Avenue, Valley Stream, New York 11581, facsimile: (212) 697-3575.

(b) Entire Agreement; Assignment. This Agreement and other documents delivered in connection herewith represent the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties. Neither the Company nor the Subscribers has relied on any representations not contained or referred to in this Agreement or the other Transaction Documents. No right or obligation of the Company shall be assigned without prior notice to and the written consent of the Subscribers.

(c) Counterparts/Execution. This Agreement may be executed in any number of counterparts and by the different signatories hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. This Agreement may be executed by facsimile transmission, PDF, electronic signature or other similar electronic means with the same force and effect as if such signature page were an original thereof.

(d) Law Governing this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws thereof or any other State. Any action brought by any party hereto against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of New York or in the federal courts located in the state and county of New York. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. **The parties executing this Agreement and other agreements referred to herein or delivered in connection herewith on behalf of the Company agree to submit to the in personam jurisdiction of such courts and hereby irrevocably waive trial by jury.** The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

(e) Specific Enforcement, Consent to Jurisdiction. The Company and each Subscriber hereby irrevocably waives, and agrees not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction in New York of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. Nothing in this Section shall affect or limit any right to serve process in any other manner permitted by law. Subject to Section 13(d) hereof, the Company and the Subscribers acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to seek an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which any of them may be entitled by law or equity.

(f) Damages. In the event the Subscriber is entitled to receive any liquidated or other damages pursuant to the Transactions Documents, the Subscriber may elect to receive the greater of actual damages or such liquidated damages. In the event the Subscriber is granted rights under different sections of the Transaction Documents relating to the same subject matter or which may be exercised contemporaneously, or pursuant to which damages or remedies are different, Subscriber is granted the right in Subscriber's absolute discretion to proceed under such section as Subscriber elects.

(g) Maximum Payments. Nothing contained herein or in any document referred to herein or delivered in connection herewith shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum permitted by applicable law. In the event that the rate of interest or dividends required to be paid or other charges hereunder exceed the maximum permitted by such law, any payments in excess of such maximum shall be credited against amounts owed by the Company to the Subscribers and thus refunded to the Company. The Company agrees that it may not and actually waives any right to challenge the effectiveness or applicability of this Section 13(g).

(h) Calendar Days. All references to "days" in the Transaction Documents shall mean calendar days unless otherwise stated. The terms "business days" and "trading days" shall mean days that the New York Stock Exchange is open for trading for three or more hours. Time periods shall be determined as if the relevant action, calculation or time period were occurring in New York City. Any deadline that falls on a non-business day in any of the Transaction Documents shall be automatically extended to the next business day and interest, if any, shall be calculated and payable through such extended period.

(i) Captions; Certain Definitions. The captions of the various sections and paragraphs of this Agreement have been inserted only for the purposes of convenience; such captions are not a part of this Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement. As used in this Agreement the term "**person**" shall mean and include an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and a government or any department or agency thereof.

(j) Consent. As used in this Agreement and the other Transaction Documents and any other agreement delivered in connection herewith, "**Consent of the Subscribers**" or similar language means the consent of holders of not less than seventy percent (70%) of the outstanding Notes on the date consent is requested (such Subscribers being a "**Majority in Interest**"). A Majority in Interest may consent to take or forebear from any action permitted under or in connection with the Transaction Documents, modify any Transaction Documents or waive any default or requirement applicable to the Company, the Subsidiaries or the Subscribers under the Transaction Documents, *provided* the effect of such action does not waive any accrued interest or damages and further provided that the relative rights of the Subscribers to each other remains unchanged.

(k) Severability. In the event that any term or provision of this Agreement shall be finally determined to be superseded, invalid, illegal or otherwise unenforceable pursuant to applicable law by an authority having jurisdiction and venue, that determination shall not impair or otherwise affect the validity, legality or enforceability: (i) by or before that authority of the remaining terms and provisions of this Agreement, which shall be enforced as if the unenforceable term or provision were deleted, or (ii) by or before any other authority of any of the terms and provisions of this Agreement.

(l) Successor Laws. References in the Transaction Documents to laws, rules, regulations and forms shall also include successors to and functionally equivalent replacements of such laws, rules, regulations and forms. A successor rule to Rule 144(b)(1)(i) shall include any rule that would be available to a non-Affiliate of the Company for the sale of Common Stock not subject to volume restrictions and after a six month holding period.

(m) Maximum Liability. In no event shall the liability of the Subscribers or permitted assign hereunder or under any Transaction Document or other agreement delivered in connection herewith be greater in amount than the dollar amount of the net proceeds actually received by such Subscriber or successor upon the sale of Conversion Shares.

(n) Independent Nature of Subscribers. The Company acknowledges that the obligations of each Subscriber under the Transaction Documents are several and not joint with the obligations of any other Subscriber, and no Subscriber shall be responsible in any way for the performance of the obligations of any other Subscriber under the Transaction Documents. The Company acknowledges that each Subscriber has represented that the decision of each Subscriber to purchase Securities has been made by such Subscriber independently of any other Subscriber and independently of any information, materials, statements or opinions as to the business, affairs, operations, assets, properties, liabilities, results of operations, condition (financial or otherwise) or prospects of the Company which may have been made or given by any other Subscriber or by any agent or employee of any other Subscriber, and no Subscriber or any of its agents or employees shall have any liability to any other Subscriber (or any other person) relating to or arising from any such information, materials, statements or opinions. The Company acknowledges that nothing contained in any Transaction Document, and no action taken by any Subscriber pursuant hereto or thereto shall be deemed to constitute the Subscribers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Subscribers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. The Company acknowledges that it has elected to provide all Subscribers with the same terms and Transaction Documents for the convenience of the Company and not because Company was required or requested to do so by the Subscribers. The Company acknowledges that such procedure with respect to the Transaction Documents in no way creates a presumption that the Subscribers are in any way acting in concert or as a group with respect to the Transaction Documents or the transactions contemplated thereby.

(o) Equal Treatment. No consideration shall be offered or paid to any person to amend or consent to a waiver or modification of any provision of the Transaction Documents unless the same consideration is also offered and paid to all the Subscribers and their permitted successors and assigns.

(p) Adjustments. The conversion price, Warrant exercise price, amount of Conversion Shares and Warrant Shares, trading volume amounts, price/volume amounts and similar figures in the Transaction Documents shall be equitably adjusted and as otherwise described in this Agreement, the Notes and Warrants.

[SIGNATURE PAGES FOLLOW]

**SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT**

Please acknowledge your acceptance of the foregoing Subscription Agreement by signing and returning a copy to the undersigned whereupon it shall become a binding agreement between us.

**WIZARD WORLD INC.**  
a Delaware corporation

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

Name:

Title:

Dated: \_\_\_\_\_, 2011

**SUBSCRIBER**

**NOTE PRINCIPAL**

**WARRANTS**

Name of Subscriber:

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

Fax No.:

\_\_\_\_\_

Taxpayer ID# (if applicable):

\_\_\_\_\_

or Social Security #

\_\_\_\_\_

(Signature)

By:

**LIST OF EXHIBITS AND SCHEDULES**

Exhibit A	Form of Convertible Promissory Note
Exhibit B	Form of Series A Warrants
Exhibit C	Form of Escrow Agreement
Exhibit D	Form of Legal Opinion
Schedule 1	List of Subscribers
Schedule 5(a)	Subsidiaries
Schedule 5(d)	Capitalization and Additional Issuances
Schedule 5(f)	Violations and Conflicts
Schedule 5(o)	Undisclosed Liabilities
Schedule 5(w)	Transfer Agent
Schedule 9(e)	Use of Proceeds
Schedule 9(l)	Intellectual Property
Schedule 12(a)	Excepted Issuances

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER, AT THE COMPANY'S EXPENSE), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Principal Amount: \$ \_\_\_\_\_

Issue Date: August \_\_, 2011

**CONVERTIBLE PROMISSORY NOTE**

FOR VALUE RECEIVED, WIZARD WORLD, INC., a Delaware corporation (hereinafter called "**Borrower**"), hereby promises to pay to the order of [**Holder's name**], with an address at [**Holder's** \_\_\_\_\_ **Address**], without demand, the sum of up to \_\_\_\_\_ **Dollars (\$\_\_)** ("**Principal Amount**"), with interest accruing thereon, on December \_\_, 2011 (the "**Maturity Date**"), if not sooner paid or modified as permitted herein.

This Convertible Promissory Note (the "**Note**") has been entered into pursuant to the terms of a subscription agreement by and among the Borrower, the Holder and certain other holders (the "**Other Holders**") of convertible promissory notes (the "**Other Notes**"), dated of even date herewith (the "**Subscription Agreement**"), for an aggregate Principal Amount of up to \$455,000. Unless otherwise separately defined herein, each capitalized term used in this Note shall have the same meaning as set forth in the Subscription Agreement. The following terms shall apply to this Note:

**ARTICLE I**

**GENERAL PROVISIONS**

1.1 **Interest Rate.** Interest payable on this Note shall accrue at the annual rate of fourteen percent (14%) from the Issue Date through the Maturity Date. Interest shall be payable on the Maturity Date, accelerated or otherwise, when the Principal Amount and remaining accrued but unpaid interest shall be due and payable, or sooner as described below.

1.2 **Default Interest.** After the Maturity Date and during the pendency of an Event of Default (as described in Article III), a default interest rate of eighteen percent (18%) per annum shall be in effect.

1.3 **Conversion Privileges.** The Conversion Rights (as set forth in Article II) shall remain in full force and effect immediately from the Issue Date and until the Note is paid in full regardless of the occurrence of an Event of Default. This Note shall be payable in full on the Maturity Date, unless previously converted into Common Stock in accordance with Article II hereof.

1.4 Presentment. The Holder may, at any time, present this Note or any sum payable hereunder to the Borrower in satisfaction of any sum due or payable by the Holder to Borrower for any reason whatsoever, including, but not limited to, the payment for securities subscriptions.

## ARTICLE II

### CONVERSION RIGHTS

The Holder shall have the right to convert the Principal Amount and any interest due under this Note into shares of the Borrower's Common Stock, \$0.0001 par value per share ("**Common Stock**"), as set forth below.

#### 2.1. Conversion into the Borrower's Common Stock.

(a) The Holder shall have the right from and after the Issue Date until this Note is fully paid, to convert any outstanding and unpaid portion of the Principal Amount of this Note, and accrued but unpaid interest, at the election of the Holder (the date of giving of such notice of conversion being a "**Conversion Date**") into fully paid and non-assessable shares of Common Stock, or any shares of capital stock of Borrower into which such Common Stock shall hereafter be changed or reclassified, at the conversion price as defined in Section 2.1(b) hereof, determined as provided herein. Upon delivery to the Borrower of a completed notice of conversion, a form of which is annexed hereto as **Exhibit A** (the "**Notice of Conversion**"), Borrower shall issue and deliver to the Holder within three (3) business days after the Conversion Date (such third day being the "**Delivery Date**") that number of shares of Common Stock for the portion of the Note converted in accordance with the foregoing. The Holder will not be required to surrender the Note to the Borrower until the Note has been fully converted or satisfied. The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing that portion of the Principal Amount of the Note and accrued but unpaid interest, if any, to be converted, by the Conversion Price (as defined herein).

(b) Subject to adjustment as provided in Section 2.1(c) hereof, the conversion price ("**Conversion Price**") shall be \$0.60 per share.

(c) The Conversion Price and number and kind of shares or other securities to be issued upon conversion determined pursuant to Section 2.1(a) hereof, shall be subject to adjustment from time to time upon the happening of certain events while this conversion right (the "**Conversion Right**") remains outstanding, as follows:

A. Merger, Sale of Assets, etc. If (A) the Borrower effects any merger or consolidation of the Borrower with or into another entity, (B) the Borrower effects any sale of all or substantially all of its assets in one or a series of related transactions, (C) any tender offer or exchange offer (whether by the Borrower or another entity) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, (D) the Borrower consummates a stock purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more persons or entities whereby such other persons or entities acquire more than the 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by such other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock purchase agreement or other business combination), (E) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate Common Stock of the Borrower, or (F) the Borrower effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (other than a reverse merger) (in any such case, a "**Fundamental Transaction**"), this Note, as to the unpaid portion of the Principal Amount and accrued interest thereon, if any, shall thereafter be deemed to evidence the right to convert into such number and kind of shares or other securities and property as would have been issuable or distributable on account of such Fundamental Transaction, upon or with respect to the securities subject to the Conversion Right immediately prior to such Fundamental Transaction. The foregoing provision shall similarly apply to successive Fundamental Transactions of a similar nature by any such successor or purchaser. Without limiting the generality of the foregoing, the anti-dilution provisions of this Section shall apply to such securities of such successor or purchaser after any such Fundamental Transaction.



B . Reclassification, etc. If the Borrower at any time shall, by reclassification or otherwise, change the Common Stock into the same or a different number of securities of any class or classes that may be issued or outstanding, this Note, as to the unpaid portion of the Principal Amount and accrued interest thereon, shall thereafter be deemed to evidence the right to purchase an adjusted number of such securities and kind of securities as would have been issuable as the result of such change with respect to the Common Stock immediately prior to such reclassification or other change.

C . Stock Splits, Combinations and Dividends. If the shares of Common Stock are subdivided or combined into a greater or smaller number of shares of Common Stock, or if a dividend is paid on the Common Stock in shares of Common Stock, the Conversion Price shall be proportionately reduced in case of subdivision of shares or stock dividend or proportionately increased in the case of combination of shares, in each such case by the ratio which the total number of shares of Common Stock outstanding immediately after such event bears to the total number of shares of Common Stock outstanding immediately prior to such event.

D . Share Issuance. So long as this Note is outstanding, if the Borrower shall issue any Common Stock, except for the Excepted Issuances (as defined in Section 12(a) of the Subscription Agreement), prior to the complete conversion or payment of this Note, for a consideration per share that is less than the Conversion Price that would be in effect at the time of such issue, then, and thereafter successively upon each such issuance, the Conversion Price shall be reduced to such other lower issue price. For purposes of this adjustment, the issuance of any security or debt instrument of the Borrower carrying the right to convert such security or debt instrument into Common Stock or of any warrant, right or option to purchase Common Stock shall result in an adjustment to the Conversion Price upon the issuance of the above-described security, debt instrument, warrant, right, or option and again upon the issuance of shares of Common Stock upon exercise of such conversion or purchase rights if such issuance is at a price lower than the then applicable Conversion Price. Common Stock issued or issuable by the Borrower for no consideration will be deemed issuable or to have been issued for \$0.0001 per share of Common Stock. The reduction of the Conversion Price described in this paragraph is in addition to the other rights of the Holder described in the Subscription Agreement.

(d) Whenever the Conversion Price is adjusted pursuant to Section 2.1(c) above, the Borrower shall promptly, but not later than the fifth (5th) business day after the effectiveness of the adjustment, provide notice to the Holder setting forth the Conversion Price after such adjustment and setting forth a statement of the facts requiring such adjustment. Failure to provide the foregoing notice is an Event of Default under this Note.

(e) During the period the Conversion Right exists, Borrower will reserve from its authorized and un-issued Common Stock not less than an amount of Common Stock equal to 150% of the amount of shares of Common Stock issuable upon the full conversion of this Note. Borrower represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. Borrower agrees that its issuance of this Note shall constitute full authority to its officers, agents, and transfer agents who are charged with the duty of executing and issuing stock certificates to execute and issue the necessary certificates for shares of Common Stock upon the conversion of this Note.

2 . 2 Method of Conversion. This Note may be converted by the Holder in whole or in part as described in Section 2.1(a) hereof and the Subscription Agreement. Upon partial conversion of this Note, a new Note containing the same date and provisions of this Note shall, at the request of the Holder, be issued by the Borrower to the Holder for the balance of the Principal Amount of this Note and accrued but unpaid interest which shall not have been converted or paid, upon surrender of the existing Note.

2.3. Maximum Conversion. The Holder shall not be entitled to convert on a Conversion Date that amount of the Note in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Holder and its Affiliates on a Conversion Date, (ii) any Common Stock issuable in connection with the unconverted portion of the Note, and (iii) the number of shares of Common Stock issuable upon the conversion of the Note with respect to which the determination of this provision is being made on a Conversion Date, which would result in beneficial ownership by the Holder and its affiliates of an aggregate of more than 4.99% of the outstanding shares of Common Stock of the Borrower on such Conversion Date. For the purposes of the provision to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the 1934 Act, and Regulation 13d-3 promulgated thereunder. Subject to the foregoing, the Holder shall not be limited to aggregate conversions of 4.99%. The Holder shall have the authority to determine whether the restriction contained in this Section 2.3 will limit any conversion hereunder and the extent such limitation applies and to which convertible or exercisable instrument or part thereof such limitation applies. The Holder may waive the conversion limitation described in this Section 2.3, in whole or in part, upon and effective after 61 days' prior written notice to the Borrower to increase such percentage up to 9.99%.

### ARTICLE III

#### ACCELERATION AND REDEMPTION

3.1. Redemption. This Note may not be prepaid, converted, redeemed or called by the Borrower without the consent of the Holder, except as described in this Note.

3.2. Fundamental Transaction. Upon the occurrence of a Fundamental Transaction, then in addition to the Holder's rights described in Section 2.1(c)(A), until twenty (20) business days after the Borrower notifies the Holder of the occurrence of the Fundamental Transaction, the Holder may elect to accelerate the Maturity Date as of the date of the Fundamental Transaction and receive payment for the then outstanding Principal Amount, and any other amount owed to the Holder pursuant to the Transaction Documents.

### ARTICLE IV

#### EVENT OF DEFAULT

The occurrence of any of the following events of default ("**Event of Default**") occurring after Closing and not otherwise disclosed in the Subscription Agreement and schedules thereto, shall, at the option of the Holder hereof, make all sums of the Principal Amount and accrued but unpaid interest then remaining unpaid hereon and all other amounts payable hereunder immediately due and payable, upon demand, without presentment or grace period, all of which hereby are expressly waived, except as set forth below:

4.1 Failure to Pay Principal Amount or Interest. The Borrower (i) fails to pay any installment of the Principal Amount under this Note when due or (ii) fails to pay any accrued but unpaid interest or other sums due under this Note within three (3) days after such amounts are due.

4.2 Breach of Covenant. The Borrower or any Subsidiary breaches any material covenant or other term or condition of the Subscription Agreement, Transaction Documents or this Note, except for a breach of payment, in any material respect and such breach, if subject to cure, continues for a period of twenty (20) days after written notice to the Borrower from the Holder.

4.3 Breach of Representations and Warranties. Any material representation or warranty of the Borrower made herein, in the Subscription Agreement, or the Transaction Documents shall be false or misleading in any material respect.

4.4 Liquidation. Any dissolution, liquidation or winding up by Borrower or a Subsidiary of a substantial portion of their business.

4.5 Cessation of Operations. Any cessation of operations by Borrower or a Subsidiary.

4.6 Maintenance of Assets. The failure by Borrower or any Subsidiary to maintain any material intellectual property rights, personal, real property, equipment, leases or other assets which are necessary to conduct its business (whether now or in the future) and such breach is not cured with fifteen (15) days after written notice to the Borrower from the Holder.

4.7 Receiver or Trustee. The Borrower or any Subsidiary shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business; or such a receiver or trustee shall otherwise be appointed.

4.8 Judgments. Any money judgment, writ or similar final process shall be entered or made in a non-appealable adjudication against Borrower or any Subsidiary or any of its property or other assets for more than \$100,000 in excess of the Borrower's insurance coverage, unless stayed vacated or satisfied within thirty (30) days.

4.9 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings or relief under any bankruptcy law, or the issuance of any notice in relation to such event, for the relief of debtors shall be instituted by or against the Borrower or any Subsidiary.

4.10 Delisting. An event resulting in the Common Stock no longer being quoted on the OTC Pink (the "OTC"); failure to comply with the requirements for continued quotation on the OTC for a period of seven (7) consecutive trading days; or notification from the OTC that the Borrower is not in compliance with the conditions for such continued quotation and such non-compliance continues for seven (7) days following such notification.

4.11 Non-Payment. A default by the Borrower or any Subsidiary under any one or more obligations in an aggregate monetary amount in excess of \$100,000 for more than twenty (20) days after the due date, unless the Borrower or such Subsidiary is contesting the validity of such obligation in good faith.

4.12 Stop Trade. A Commission or judicial stop trade order or OTC suspension that lasts for ten (10) or more consecutive trading days.

4.13 Failure to Deliver Common Stock or Replacement Note. Borrower's failures to timely deliver Common Stock to the Holder pursuant to and in the form required by this Note, Sections 7 and 11 of the Subscription Agreement, and the Warrant or, if required, a replacement Note following a partial conversion.

4.14 Reservation Default. Failure by the Borrower to have reserved for issuance upon conversion of the Note or upon exercise of the Warrants, the number of shares of Common Stock as required in the Subscription Agreement, this Note and the Warrants, and such failure continues for a period of thirty (30) business days.

4.15 Financial Statement Restatement. The restatement after the date hereof of any financial statements filed by the Borrower with the Commission for any date or period from two years prior to the Issue Date of this Note and until this Note is no longer outstanding, if the result of such restatement would, by comparison to the un-restated financial statements, have constituted a Material Adverse Effect. For the avoidance of doubt, any restatement related to new accounting pronouncements, including without limitation, for derivative accounting shall not constitute a default under this Section 4.15.

4.16 [Reserved].

4.17 Reverse Splits. The Borrower effectuates a reverse split of its Common Stock without twenty (20) days prior written notice to the Holder.

4.18 Event Described in Subscription Agreement. The occurrence of an Event of Default as described in the Subscription Agreement, any Transaction Document or the Previous Subscription Agreement that, if susceptible to cure, is not cured during any designated cure period.

4.19 Notification Failure. A failure by Borrower to notify Holder of any material event of which Borrower is obligated to notify Holder pursuant to the terms of this Note or any other Transaction Document.

4.20 Cross Default. A default by the Borrower of a material term, covenant, warranty or undertaking of any other material agreement to which the Borrower and Holder are parties, or the occurrence of an event of default under any such other agreement to which Borrower and Holder are parties which is not cured after any required notice and/or cure period.

4.21 Other Note Default. The occurrence of an Event of Default under any Other Note.

## ARTICLE V

### MISCELLANEOUS

5.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder hereof in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

5.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the first business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Borrower to: Wizard World, Inc., 1350 Avenue of the Americas, 2nd Floor, New York, NY 10019, Attn: Careb Shamus, facsimile: (212) 707-8180, with a copy by fax only to (which shall not constitute notice):Lucosky Brookman LLP, 33 Wood Avenue South, 6th Floor, Iselin, NJ 10019, Attn: Joseph M. Lucosky, Esq., facsimile: (732) 395-4401, and (ii) if to the Holder to the name, address and facsimile number set forth on the front page of this Note, with copies, with an additional copy by fax only to (which shall not constitute notice): Grushko & Mittman, P.C., 515 Rockaway Avenue, Valley Stream, New York 11581, facsimile: (212) 697-3575.

5.3 Amendment Provision. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented.

5.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to the benefit of the Holder and its successors and assigns. The Borrower may not assign its obligations under this Note without the written consent of the Holder.

5.5 Cost of Collection. If default is made in the payment of this Note, Borrower shall pay the Holder hereof reasonable costs of collection, including reasonable attorneys' fees.

5.6 Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws principles that would result in the application of the substantive laws of another jurisdiction. Any action brought by either party hereto against the other concerning the transactions contemplated by this Agreement must be brought only in the civil or state courts of New York or in the federal courts located in the State and County of New York. Both parties hereto and the individual signing this Agreement on behalf of the Borrower agree to submit to the jurisdiction of such courts. The prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs. In the event that any provision of this Note is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or unenforceability of any other provision of this Note. Nothing contained herein shall be deemed or operate to preclude the Holder from enforcing a judgment or other decision in favor of the Holder. **This Note shall be deemed an unconditional obligation of Borrower for the payment of money and, without limitation to any other remedies of Holder, may be enforced against Borrower by summary proceeding pursuant to New York Civil Procedure Law and Rules Section 3213 or any similar rule or statute. For purposes of such rule or statute, any other document or agreement to which Holder and Borrower are parties or which Borrower delivered to Holder, which may be convenient or necessary to determine Holder's rights hereunder or Borrower's obligations to Holder are deemed a part of this Note, whether or not such other document or agreement was delivered together herewith or was executed apart from this Note.**

5.7 Maximum Payments. Nothing contained herein shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum rate permitted by applicable law. In the event that the rate of interest required to be paid or other charges hereunder exceed the maximum rate permitted by applicable law, any payments in excess of such maximum rate shall be credited against amounts owed by the Borrower to the Holder and thus refunded to the Borrower.

5.8 Non-Business Days. Whenever any payment or any action to be made shall be due on a Saturday, Sunday or a public holiday under the laws of the State of New York, such payment may be due or action shall be required on the next succeeding business day and, for such payment, such next succeeding day shall be included in the calculation of the amount of accrued interest payable on such date.

5.9 Shareholder Status. The Holder shall not have rights as a shareholder of the Borrower with respect to unconverted portions of this Note. However, the Holder will have the rights of a shareholder of the Borrower with respect to the shares of Common Stock to be received after delivery by the Holder of a Conversion Notice to the Borrower.

**[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by an authorized officer as of the \_\_\_\_ day of August, 2011.

**WIZARD WORLD, INC.**

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

Name:

Title:

WITNESS:

\_\_\_\_\_

**EXHIBIT A - NOTICE OF CONVERSION**

(To be executed by the Registered Holder in order to convert the Note)

The undersigned hereby elects to convert \$\_\_\_\_\_ of the Principal Amount and \$\_\_\_\_\_ of the interest due on the Note issued by WIZARD WORLD, INC. on July \_\_, 2011 into shares of Common Stock of WIZARD WORLD, INC. (the "**Borrower**") according to the conditions set forth in such Note, as of the date written below.

Date of Conversion: \_\_\_\_\_

Conversion Price: \_\_\_\_\_

Number of Shares of Common Stock Beneficially Owned on the Conversion Date: Less than 5% of the outstanding Common Stock of WIZARD WORLD, INC.

Shares To Be Delivered: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Right to Purchase \_\_\_\_\_ shares of Common Stock of Wizard World, Inc. (subject to adjustment as provided herein)

**SERIES A COMMON STOCK PURCHASE WARRANT**

No. 2011-A-00\_

Issue Date: August \_\_, 2011

**WIZARD WORLD, INC.** (formerly GoEnergy, Inc.), a corporation organized under the laws of the State of Delaware (the "**Company**"), hereby certifies that, for value received [**Holder's name**], with an address at [**Holder's \_\_\_\_\_Address**], or its assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company at any time after the Issue Date until 5:00 p.m., EDT on the five (5) year anniversary of the Issue Date (the "**Expiration Date**"), up to \_\_\_\_\_ (\_\_) fully paid and non-assessable shares of Common Stock at a per share purchase price of \$0.60. The aforescribed purchase price per share, as adjusted from time to time as herein provided, is referred to herein as the "**Purchase Price**." The number and character of such shares of Common Stock and the Purchase Price are subject to adjustment as provided herein. The Company may reduce the Purchase Price for some or all of the Warrants, temporarily or permanently, *provided* such reduction is made as to all outstanding Warrants for all Holders of such Warrants. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Subscription Agreement (the "**Subscription Agreement**"), dated as of August \_\_, 2011, entered into by the Company, Holder and the other signatories thereto.

As used herein the following terms, unless the context otherwise requires, have the following respective meanings:

(a) The term "**Company**" shall mean Wizard World, Inc. (formerly GoEnergy, Inc.), a Delaware corporation, and any corporation which shall succeed or assume the obligations of Wizard World, Inc. hereunder.

(b) The term "**Common Stock**" includes (i) the Company's Common Stock, \$0.0001 par value per share, as authorized on the date of the Subscription Agreement, and (ii) any other securities into which or for which any of the securities described in (i) may be converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.

(c) The term "**Other Securities**" refers to any stock (other than Common Stock) and other securities of the Company or any other person (corporate or otherwise) which the holder of the Warrant at any time shall be entitled to receive, or shall have received, on the exercise of the Warrant, in lieu of or in addition to Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities pursuant to Section 4 hereof or otherwise.

(d) The term "**Warrant Shares**" shall mean the Common Stock issuable upon exercise of this Warrant.

1. Exercise of Warrant.

1.1. Number of Shares Issuable upon Exercise. From and after the Issue Date through and including the Expiration Date, the Holder shall be entitled to receive, upon exercise of this Warrant in whole in accordance with the terms of Section 1.2 hereof or upon exercise of this Warrant in part in accordance with Section 1.3 hereof, shares of Common Stock of the Company, subject to adjustment pursuant to Section 4 hereof and Sections 12(a) and 14(p) of the Subscription Agreement.

1.2. Full Exercise. This Warrant may be exercised in full by the Holder hereof by delivery to the Company of an original or facsimile copy of the form of subscription attached as Exhibit A hereto (the "**Subscription Form**") duly executed by such Holder and delivered within two (2) business day thereafter of payment, in cash, wire transfer or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying the number of shares of Common Stock for which this Warrant is then exercisable by the Purchase Price then in effect. The original Warrant is not required to be surrendered to the Company until it has been fully exercised.

1.3. Partial Exercise. This Warrant may be exercised in part (but not for a fractional share) by delivery of a Subscription Form in the manner and at the place provided in Section 1.2 hereof, except that the amount payable by the Holder on such partial exercise shall be the amount obtained by multiplying (a) the number of whole shares of Common Stock designated by the Holder in the Subscription Form by (b) the Purchase Price then in effect. On any such partial exercise, upon the written request of the Holder, provided the Holder has surrendered the original Warrant, the Company, at its expense, will forthwith issue and deliver to or upon the order of the Holder a new Warrant of like tenor, in the name of the Holder hereof or as such Holder (upon payment by such Holder of any applicable transfer taxes) may request, the whole number of shares of Common Stock for which such Warrant may still be exercised.

1.4. Fair Market Value. For purposes of this Warrant, the **Fair Market Value** of a share of Common Stock as of a particular date (the "**Determination Date**") shall mean:

(a) If the Company's Common Stock is traded on an exchange or on the NASDAQ Global Market, NASDAQ Global Select Market, the NASDAQ Capital Market, the New York Stock Exchange or the NYSE AMEX Equities, then the average of the closing sale prices of the Common Stock for the five (5) trading days immediately prior to (but not including) the Determination Date;

(b) If the Company's Common Stock is not traded on an exchange or on the NASDAQ Global Market, NASDAQ Global Select Market, the NASDAQ Capital Market, the New York Stock Exchange or the NYSE AMEX Equities, but is traded on the OTC Bulletin Board or in the over-the-counter market or Pink Sheets, then the average of the closing bid and ask prices reported for the five (5) trading days immediately prior to (but not including) the Determination Date;

(c) Except as provided in clause (d) below and Section 3.1 hereof, if the Company's Common Stock is not publicly traded, then as the Holder and the Company shall mutually agree, or in the absence of such an agreement after good faith efforts of the Company and the Holder to reach an agreement, by arbitration in accordance with the rules then standing of the American Arbitration Association, before a single arbitrator to be chosen from a panel of persons qualified by education and training to pass on the matter to be decided; or

(d) If the Determination Date is the date of a liquidation, dissolution or winding up, or any event deemed to be a liquidation, dissolution or winding up pursuant to the Company's charter, then all amounts to be payable per share to holders of the Common Stock pursuant to the charter in the event of such liquidation, dissolution or winding up, plus all other amounts to be payable per share in respect of the Common Stock in liquidation under the charter, assuming for the purposes of this clause (d) that all of the shares of Common Stock then issuable upon exercise of all of the Warrants are outstanding at the Determination Date.

1.5. Company Acknowledgment. The Company will, at the time of the exercise of the Warrant, upon the request of the Holder hereof, acknowledge in writing its continuing obligation to afford to such Holder any rights to which such Holder shall continue to be entitled after such exercise in accordance with the provisions of this Warrant. If the Holder shall fail to make any such request, such failure shall not affect the continuing obligation of the Company to afford to such Holder any such rights.

1.6. Delivery of Stock Certificates, etc. on Exercise. The Company agrees that, provided the purchase price listed in the Subscription Form is received as specified in Section 2 hereof, the shares of Common Stock purchased upon exercise of this Warrant shall be deemed to be issued to the Holder hereof as the record owner of such shares as of the close of business on the date on which delivery of a Subscription Form shall have occurred and payment made for such shares as aforesaid. As soon as practicable after the exercise of this Warrant in full or in part and the payment is made, and in any event within five (5) business days thereafter ("**Warrant Share Delivery Date**"), the Company, at its expense (including the payment by it of any applicable issue taxes), will cause to be issued in the name of, and delivered to, the Holder hereof, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct in compliance with applicable securities laws, a certificate or certificates for the number of duly and validly issued, fully paid and non-assessable shares of Common Stock (or Other Securities) to which such Holder shall be entitled on such exercise, plus, in lieu of any fractional share to which such Holder would otherwise be entitled, cash equal to such fraction multiplied by the then Fair Market Value of one full share of Common Stock, together with any other stock or other securities and property (including cash, where applicable) to which such Holder is entitled upon such exercise pursuant to Section 1 hereof or otherwise. The Company understands that a delay in the delivery of the Warrant Shares after the Warrant Share Delivery Date could result in economic loss to the Holder. As compensation to the Holder for such loss, the Company agrees to pay (as liquidated damages and not as a penalty) to the Holder for late issuance of Warrant Shares upon exercise of this Warrant the proportionate amount of \$100 per business day after the Warrant Share Delivery Date for each \$10,000 of Purchase Price of Warrant Shares for which this Warrant is exercised which are not timely delivered. The Company shall promptly pay any payments incurred under this Section in immediately available funds upon demand. Furthermore, in addition to any other remedies which may be available to the Holder, in the event that the Company fails for any reason to effect delivery of the Warrant Shares by the Warrant Share Delivery Date, the Holder may revoke all or part of the relevant Warrant exercise by delivery of a written notice to such effect to the Company, whereupon the Company and the Holder shall each be restored to their respective positions immediately prior to the exercise of the relevant portion of this Warrant, except that the liquidated damages described above shall be payable through the date notice of revocation or rescission is given to the Company.

1.7. Buy-In. In addition to any other rights available to the Holder, if the Company fails to deliver to a Holder the Warrant Shares as required pursuant to this Warrant, and the Holder or a broker on the Holder's behalf, purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Holder of the Warrant Shares which the Holder was entitled to receive from the Company (a "**Buy-In**"), then the Company shall pay in cash to the Holder (in addition to any remedies available to or elected by the Holder) the amount by which (A) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (B) the aggregate Purchase Price of the Warrant Shares required to have been delivered together with interest thereon at a rate of 15% per annum, accruing until such amount and any accrued interest thereon is paid in full (which amount shall be paid as liquidated damages and not as a penalty). For purposes of illustration, if a Holder purchases shares of Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to \$10,000 of Purchase Price of Warrant Shares to have been received upon exercise of this Warrant, the Company shall be required to pay the Holder \$1,000, plus interest. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In, which shall include evidence of the price at which such Holder had to purchase the Common Stock in an open-market transaction or otherwise.

2. Cashless Exercise.

(a) Payment upon exercise may be made at the written option of the Holder either in (i) cash, wire transfer or by certified or official bank check payable to the order of the Company equal to the applicable aggregate Purchase Price, (ii) by delivery of Common Stock issuable upon exercise of the Warrants in accordance with Section (b) below or (iii) by a combination of any of the foregoing methods, for the number of Common Stock specified in such form (as such exercise number shall be adjusted to reflect any adjustment in the total number of shares of Common Stock issuable to the Holder per the terms of this Warrant) and the Holder shall thereupon be entitled to receive the number of duly authorized, validly issued, fully-paid and non-assessable shares of Common Stock (or Other Securities) determined as provided herein. Notwithstanding the immediately preceding sentence, payment upon exercise may be made in the manner described in Section 2(b) below only with respect to Warrant Shares not included for unrestricted public resale in an effective registration statement on the date notice of exercise is given by the Holder.

(b) If the Fair Market Value of one share of Common Stock is greater than the Purchase Price (at the date of calculation as set forth below), in lieu of exercising this Warrant for cash, the Holder may elect to receive shares equal to the value (as determined below) of this Warrant (or the portion thereof being cancelled) by delivery of a properly endorsed Subscription Form delivered to the Company by any means described in Section 13 hereof, in which event the Company shall issue to the holder a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where X= the number of shares of Common Stock to be issued to the Holder

Y= the number of shares of Common Stock purchasable under the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised (at the date of such calculation)

A= Fair Market Value

B= Purchase Price (as adjusted to the date of such calculation)

For purposes of Rule 144 promulgated under the 1933 Act, it is intended, understood and acknowledged that the Warrant Shares issued in a cashless exercise transaction in the manner described above shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the date this Warrant was originally issued pursuant to the Subscription Agreement.

3. Adjustment for Reorganization, Consolidation, Merger, etc.

3.1. Fundamental Transaction. If, at any time while this Warrant is outstanding, (A) the Company effects any merger or consolidation of the Company with or into another entity, (B) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (C) any tender offer or exchange offer (whether by the Company or another entity) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, (D) the Company consummates a stock purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, or spin-off) with one or more persons or entities whereby such other persons or entities acquire more than the 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by such other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock purchase agreement or other business combination), (E) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate Common Stock of the Company, or (F) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder, (a) upon exercise of this Warrant, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a Holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event or (b) if the Company is acquired in (1) a transaction where the consideration paid to the holders of the Common Stock consists solely of cash, (2) a "Rule 13e-3 transaction" as defined in Rule 13e-3 under the 1934 Act, or (3) a transaction involving a person or entity not traded on a national securities exchange, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market, cash equal to the Black-Scholes Value (as defined herein). For purposes of any such exercise, the determination of the Purchase Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Purchase Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected include terms requiring any such successor or surviving entity to comply with the provisions of this Section 3.1 and insuring that this Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction. "**Black-Scholes Value**" shall be determined in accordance with the Black-Scholes Option Pricing Model obtained from the "OV" function on Bloomberg L.P. using (i) a price per share of Common Stock equal to the Volume Weighted Average Price of the Common Stock for the Trading Day immediately preceding the date of consummation of the applicable Fundamental Transaction, (ii) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the remaining term of this Warrant as of the date of such request and (iii) an expected volatility equal to the 100 day volatility obtained from the HVT function on Bloomberg L.P. determined as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction.

3 . 2 . Continuation of Terms. Upon any reorganization, consolidation, merger or transfer (and any dissolution following any transfer) referred to in this Section 3 hereof, this Warrant shall continue in full force and effect and the terms hereof shall be applicable to the Other Securities and property receivable on the exercise of this Warrant after the consummation of such reorganization, consolidation or merger or the effective date of dissolution following any such transfer, as the case may be, and shall be binding upon the issuer of any Other Securities, including, in the case of any such transfer, the person acquiring all or substantially all of the properties or assets of the Company, whether or not such person shall have expressly assumed the terms of this Warrant as provided in Section 4 hereof.

3 . 3 Share Issuance. Until the Expiration Date, if the Company shall issue any Common Stock, except for the Excepted Issuances (as defined in the Subscription Agreement), prior to the complete exercise of this Warrant for a consideration less than the Purchase Price that would be in effect at the time of such issuance, then, and thereafter successively upon each such issuance, the Purchase Price shall be reduced to such other lower price for then outstanding Warrants. For purposes of this adjustment, the issuance of any security or debt instrument of the Company carrying the right to convert such security or debt instrument into Common Stock or of any warrant to purchase Common Stock shall result in an adjustment to the Purchase Price upon the issuance of the of the above-described security, debt instrument, warrant, right, or option if such issuance is at a price lower than the Purchase Price in effect upon such issuance and again at any time upon any actual, permitted, optional, or allowed issuances of shares of Common Stock upon any actual, permitted, optional, or allowed exercise of such conversion or purchase rights if such issuance is at a price lower than the Purchase Price in effect upon any actual, permitted, optional, or allowed such issuance. Common Stock issued or issuable by the Company for no consideration will be deemed issuable or to have been issued for \$0.0001 per share of Common Stock. The reduction of the Purchase Price described in this Section 3.3 is in addition to the other rights of the Holder described in the Subscription Agreement. Upon any reduction of the Purchase Price, the number of shares of Common Stock that the Holder of this Warrant shall thereafter, on the exercise hereof, be entitled to receive shall be adjusted to a number determined by multiplying the number of shares of Common Stock that would otherwise (but for the provisions of this Section 3.3) be issuable on such exercise by a fraction of which (a) the numerator is the Purchase Price that would otherwise (but for the provisions of this Section 3.3) be in effect, and (b) the denominator is the Purchase Price in effect on the date of such exercise.

4 . Extraordinary Events Regarding Common Stock. In the event that the Company shall (a) issue additional shares of Common Stock as a dividend or other distribution on outstanding Common Stock, (b) subdivide its outstanding shares of Common Stock, or (c) combine its outstanding shares of the Common Stock into a smaller number of shares of Common Stock, then, in each such event, the Purchase Price shall, simultaneously with the happening of such event, be adjusted by multiplying the then Purchase Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such event, and the product so obtained shall thereafter be the Purchase Price then in effect. The Purchase Price, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 4. The number of shares of Common Stock that the Holder of this Warrant shall thereafter, on the exercise hereof, be entitled to receive shall be adjusted to a number determined by multiplying the number of shares of Common Stock that would otherwise (but for the provisions of this Section 4) be issuable on such exercise by a fraction of which (a) the numerator is the Purchase Price that would otherwise (but for the provisions of this Section 4) be in effect, and (b) the denominator is the Purchase Price in effect on the date of such exercise.

5. Certificate as to Adjustments. In each case of any adjustment or readjustment in the shares of Common Stock (or Other Securities) issuable on the exercise of the Warrants or in the Purchase Price, the Company at its expense will promptly cause its Chief Financial Officer or other appropriate designee to compute such adjustment or readjustment in accordance with the terms of the Warrant and prepare a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (a) the consideration received or receivable by the Company for any additional shares of Common Stock (or Other Securities) issued or sold or deemed to have been issued or sold, (b) the number of shares of Common Stock (or Other Securities) outstanding or deemed to be outstanding, and (c) the Purchase Price and the number of shares of Common Stock to be received upon exercise of this Warrant, in effect immediately prior to such adjustment or readjustment and as adjusted or readjusted as provided in this Warrant. The Company will forthwith mail a copy of each such certificate to the Holder of the Warrant and any Warrant Agent (as defined herein) of the Company (appointed pursuant to Section 10 hereof). Holder will be entitled to the benefit of the adjustment regardless of the giving of such notice. The timely giving of such notice to Holder is a material obligation of the Company.

6. Reservation of Stock, etc. Issuable on Exercise of Warrant; Financial Statements. The Company will at all times reserve and keep available, solely for issuance and delivery on the exercise of the Warrants, all shares of Common Stock (or Other Securities) from time to time issuable on the exercise of the Warrant. This Warrant entitles the Holder hereof, upon written request, to receive copies of all financial and other information distributed or required to be distributed to the holders of the Company's Common Stock.

7. Assignment; Exchange of Warrant. Subject to compliance with applicable securities laws, this Warrant, and the rights evidenced hereby, may be transferred by any registered holder hereof (a "**Transferor**"). On the surrender for exchange of this Warrant, with the Transferor's endorsement in the form of Exhibit B attached hereto (the "**Transferor Endorsement Form**") and together with an opinion of counsel reasonably satisfactory to the Company that the transfer of this Warrant will be in compliance with applicable securities laws, the Company will issue and deliver to or on the order of the Transferor thereof a new Warrant or Warrants of like tenor, in the name of the Transferor and/or the transferee(s) specified in such Transferor Endorsement Form (each a "**Transferee**"), calling in the aggregate on the face or faces thereof for the number of shares of Common Stock called for on the face or faces of the Warrant so surrendered by the Transferor.

8. Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement or security reasonably satisfactory in form and amount to the Company or, in the case of any such mutilation, on surrender and cancellation of this Warrant, the Company at its expense, twice only, will execute and deliver, in lieu thereof, a new Warrant of like tenor.

9. Maximum Exercise. The Holder shall not be entitled to exercise this Warrant on an exercise date, in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Holder and its Affiliates on an exercise date, and (ii) the number of shares of Common Stock issuable upon the exercise of this Warrant with respect to which the determination of this limitation is being made on an exercise date, which would result in beneficial ownership by the Holder and its Affiliates of more than 4.99% of the outstanding shares of Common Stock on such date. For the purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the 1934 Act and Rule 13d-3 thereunder. Subject to the foregoing, the Holder shall not be limited to aggregate exercises which would result in the issuance of more than 4.99%. The restriction described in this paragraph may be waived, in whole or in part, upon sixty-one (61) days' prior notice from the Holder to the Company to increase such percentage. The Holder may decide whether to convert the Note or exercise this Warrant to achieve an actual 4.99% or increase such ownership position as described above.

10. Warrant Agent. The Company may, by written notice to the Holder, appoint an agent (a "**Warrant Agent**") for the purpose of issuing Common Stock (or Other Securities) on the exercise of this Warrant pursuant to Section 1 hereof, exchanging this Warrant pursuant to Section 7 hereof, and replacing this Warrant pursuant to Section 8 hereof, or any of the foregoing, and thereafter any such issuance, exchange or replacement, as the case may be, shall be made at such office by such Warrant Agent.

11. Transfer on the Company's Books. Until this Warrant is transferred on the books of the Company, the Company may treat the registered holder hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary.

12. Reserved.

13. Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received), or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Company, to Wizard World, Inc., 1350 Avenue of the Americas, 2nd Floor, New York, NY 10019, Attn: Gareb Shamus, with a copy by fax only to (which shall not constitute notice) Lucosky Brookman LLP, 33 Wood Avenue South, 6 th Floor, Iselin, NJ 08830, Attn: Joseph M. Lucosky, Esq., facsimile: (732) 395-4401, and (ii) if to the Holder, to the address and facsimile number listed on the first paragraph of this Warrant, with a copy by fax (which shall not constitute notice) only to Grushko & Mittman, P.C., 515 Rockaway Avenue, Valley Stream, New York 11581, facsimile: (212) 697-3575.



14. Law Governing This Warrant. This Warrant shall be governed by and construed in accordance with the laws of the State of New York without regard to its principles of conflicts of laws or of any other State. Any action brought by either party hereto against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts of New York or in the federal courts located in the state and county of New York. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. **The Company and the Holder waive trial by jury.** The prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to, such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Warrant or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has executed this Warrant as of the date first written above.

**WIZARD WORLD INC.**

By: \_\_\_\_\_  
Careb Shamus  
President and Chief Executive Officer

**Exhibit A**

**FORM OF SUBSCRIPTION**  
(to be signed only on exercise of Warrant)

TO: WIZARD WORLD, INC.

The undersigned, pursuant to the provisions set forth in the attached Warrant (No. \_\_\_\_\_), hereby irrevocably elects to purchase (check applicable box):

\_\_\_\_\_ shares of the Common Stock covered by such Warrant; or

\_\_\_\_\_ the maximum number of shares of Common Stock covered by such Warrant pursuant to the cashless exercise procedure set forth in Section 2 of the Warrant.

The undersigned herewith makes payment of the full purchase price for such shares at the price per share provided for in such Warrant, which is \$ \_\_\_\_\_. Such payment takes the form of (check applicable box or boxes):

\_\_\_\_\_ \$ \_\_\_\_\_ in lawful money of the United States; and/or

\_\_\_\_\_ the cancellation of such portion of the attached Warrant as is exercisable for a total of \_\_\_\_\_ shares of Common Stock (using a Fair Market Value of \$ \_\_\_\_\_ per share for purposes of this calculation); and/or

\_\_\_\_\_ the cancellation of such number of shares of Common Stock as is necessary, in accordance with the formula set forth in Section 2 of the Warrant, to exercise this Warrant with respect to the maximum number of shares of Common Stock purchasable pursuant to the cashless exercise procedure set forth in Section 2.

After application of the cashless exercise feature as described above, \_\_\_\_\_ shares of Common Stock are required to be delivered pursuant to the instructions below.

The undersigned requests that the certificates for such shares be issued in the name of, and delivered to \_\_\_\_\_, whose address is \_\_\_\_\_.

The undersigned represents and warrants that all offers and sales by the undersigned of the securities issuable upon exercise of the within Warrant shall be made pursuant to registration of the Common Stock under the Securities Act of 1933, as amended (the "Securities Act"), or pursuant to an exemption from registration under the Securities Act.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature must conform to name of holder as specified on the face of the Warrant)

\_\_\_\_\_  
(Address)

**Exhibit B**

**FORM OF TRANSFEROR ENDORSEMENT**  
(To be signed only on transfer of Warrant)

For value received, the undersigned hereby sells, assigns, and transfers unto the person(s) named below under the heading "Transferees" the right represented by the within Warrant to purchase the percentage and number of shares of Common Stock of WIZARD WORLD, INC. to which the within Warrant relates specified under the headings "Percentage Transferred" and "Number Transferred," respectively, opposite the name(s) of such person(s) and appoints each such person Attorney to transfer its respective right on the books of WIZARD WORLD, INC., with full power of substitution in the premises.

<u>Transferees</u>	<u>Percentage Transferred</u>	<u>Number Transferred</u>
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Dated: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
(Signature must conform to name of holder as specified on the face of the warrant)

Signed in the presence of:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(address)

ACCEPTED AND AGREED:  
[TRANSFEREE]

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(Name)

**FORM OF ESCROW AGREEMENT**

This Agreement is dated as of the \_\_\_\_ day of August, 2011 among Wizard World, Inc. (formerly GoEnergy, Inc.), a Delaware corporation (the “**Company**”), the subscribers listed on Schedule 1 hereto (the “**Subscribers**”), and Grushko & Mittman, P.C. (the “**Escrow Agent**”):

WITNESSETH:

WHEREAS, the Company and the Subscribers have entered into a Subscription Agreement calling for the sale by the Company to the Subscribers of the Notes and Series A Warrants (the “**Warrants**”) for an aggregate purchase price of up to \$455,000; and

WHEREAS, the parties hereto require the Company to deliver the Notes and Warrants against payment therefor, with such Notes, Warrants and the Escrowed Payment to be delivered to the Escrow Agent, along with the other documents, instruments and payments hereinafter described, to be held in escrow and released by the Escrow Agent in accordance with the terms and conditions of this Agreement; and

WHEREAS, the Escrow Agent is willing to serve as escrow agent pursuant to the terms and conditions of this Agreement;

NOW THEREFORE, the parties hereto agree as follows:

**ARTICLE I  
INTERPRETATION**

1.1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Subscription Agreement (and the exhibits and schedules thereto) entered into or to be entered into by the Company and the Subscribers in reference to the sale and purchase of the Notes and Warrants (the “**Subscription Agreement**”). Whenever used in this Agreement, the following terms shall have the following respective meanings:

- “**Agreement**” means this Agreement and all amendments made hereto by written agreement of the parties hereto;
- “**Escrowed Payment**” means an aggregate cash payment of up to \$290,000;
- “**Legal Fees**” shall have the meaning set forth in Section 8 of the Subscription Agreement;
- “**Legal Opinion**” means the original signed legal opinion referred to in Section 6 of the Subscription Agreement;
- “**Notes**” shall have the meaning set forth in the second recital to the Subscription Agreement;
- “**Subscription Agreement**” means the Subscription Agreement (and the exhibits and schedules thereto) entered into or to be entered into by the Company and Subscribers in reference to the sale and purchase of the Notes and Warrants;

- “**Warrants**” shall have the meaning set forth in Section 2(b) of the Subscription Agreement;
- Collectively, the Legal Opinion, Notes, Warrants, and Subscription Agreement signed and executed by all signatories thereto other than the Subscribers are referred to as “**Company Documents**”; and
- Collectively, the Escrowed Payment and the Subscribers’ executed Subscription Agreement are referred to as “**Subscriber Documents.**”

1.2. Entire Agreement. This Agreement along with the Company Documents and the Subscriber Documents to which the Subscriber and the Company are a party constitute the entire agreement between the parties hereto pertaining to the Company Documents and Subscriber Documents and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties hereto. There are no warranties, representations and other agreements made by the parties hereto in connection with the subject matter hereof, except as specifically set forth in this Agreement, the Company Documents and the Subscriber Documents.

1.3. Extended Meanings. In this Agreement words importing the singular number include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders. The word “**person**” includes an individual, body corporate, partnership, trustee or trust or unincorporated association, executor, administrator or legal representative.

1.4. Waivers and Amendments. This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by all parties hereto, or, in the case of a waiver, by the party waiving compliance. Except as expressly stated herein, no delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder preclude any other or future exercise of any other right, power or privilege hereunder.

1.5. Headings. The division of this Agreement into articles, sections, subsections and paragraphs, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.6. Law Governing this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws principles that would result in the application of the substantive laws of another jurisdiction. Any action brought by any party hereto against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of New York or in the federal courts located in the state and county of New York. The parties hereto and the individuals executing this Agreement and other agreements on behalf of the Company agree to submit to the jurisdiction of such courts and waive trial by jury. The prevailing party (which shall be the party which receives an award most closely resembling the remedy or action sought) shall be entitled to recover from the other party its reasonable attorneys’ fees and costs. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement.

1.7. Specific Enforcement, Consent to Jurisdiction. The Company and the Subscribers acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof or thereof, this being in addition to any other remedy to which any of them may be entitled by law or equity. Subject to Section 1.6 hereof, each of the Company and the Subscribers hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. Nothing in this Section shall affect or limit any right to serve process in any other manner permitted by law.

## **ARTICLE II DELIVERIES TO THE ESCROW AGENT**

2.1. Company Deliveries. On or before the Closing Date, the Company shall execute and deliver the Company Documents to the Escrow Agent.

2.2. Subscriber Deliveries. On or before the Closing Date, the Subscribers shall execute and deliver the Subscription Agreements, and shall deliver the Escrowed Payment in cash, to the Escrow Agent. The Escrowed Payment will be delivered pursuant to the following wire transfer instructions:

Citibank, N.A.  
1155 6<sup>th</sup> Avenue  
New York, NY 10036  
ABA Number: 0210-00089  
For Credit to: Grushko & Mittman, IOLA Trust Account  
Account Number: 45208884

2.3. Intention to Create Escrow Over Company Documents and Subscriber Documents. The Subscribers and Company intend that the Company Documents and Subscriber Documents shall be held in escrow by the Escrow Agent pursuant to this Agreement for their respective benefit as set forth herein.

2.4. Escrow Agent to Deliver Company Documents and Subscriber Documents. The Escrow Agent shall hold and release the Company Documents and Subscriber Documents only in accordance with the terms and conditions of this Agreement.

## **ARTICLE III RELEASE OF COMPANY DOCUMENTS AND SUBSCRIBER DOCUMENTS**

3.1. Release of Escrow. Subject to the provisions of Section 4.2 hereof, the Escrow Agent shall release the Company Documents and Subscriber Documents as follows:

(a) On the Closing Date, the Escrow Agent will simultaneously release the Company Documents to the Subscribers and release the Subscriber Documents to the Company, except that the Legal Fees will be released directly to the Subscribers' attorneys.

(b) Notwithstanding the above, upon receipt by the Escrow Agent of joint written instructions (“**Joint Instructions**”) signed by the Company and the Subscribers, it shall deliver the Company Documents and Subscriber Documents in accordance with the terms of the Joint Instructions.

(c) Anything herein to the contrary notwithstanding, upon receipt by the Escrow Agent of a final and non-appealable judgment, order, decree or award of a court of competent jurisdiction directing delivery of the Company Documents and Subscriber Documents (a “**Court Order**”), the Escrow Agent shall deliver the Company Documents and Subscriber Documents in accordance with the Court Order. Any Court Order shall be accompanied by an opinion of counsel for the party presenting the Court Order to the Escrow Agent (which opinion shall be satisfactory to the Escrow Agent) to the effect that the court issuing the Court Order has competent jurisdiction and that the Court Order is final and non-appealable.

3.2. Closings may take place on or before August 15, 2011. After August 15, 2011, the Escrow Agent will promptly return the applicable Company Documents to the Company and return the Subscriber Documents to the Subscribers.

3.3. Acknowledgement of Company and Subscriber Disputes. The Company and the Subscribers acknowledge that the only terms and conditions upon which the Company Documents and Subscriber Documents are to be released are set forth in Sections 3 and 4 of this Agreement. The Company and the Subscribers reaffirm their agreement to abide by the terms and conditions of this Agreement with respect to the release of the Company Documents and Subscriber Documents. Any dispute with respect to the release of the Company Documents and Subscriber Documents shall be resolved pursuant to Section 4.2 hereof or by mutual agreement between the Company and Subscribers.

#### **ARTICLE IV CONCERNING THE ESCROW AGENT**

4.1. Duties and Responsibilities of the Escrow Agent. The Escrow Agent’s duties and responsibilities shall be subject to the following terms and conditions:

(a) The Subscribers and the Company acknowledge and agree that the Escrow Agent (i) shall not be responsible for or bound by, and shall not be required to inquire into whether either the Subscribers or Company is entitled to receipt of the Company Documents and Subscriber Documents, respectively, pursuant to any other agreement or otherwise; (ii) shall be obligated only for the performance of such duties as are specifically assumed by the Escrow Agent pursuant to this Agreement; (iii) may rely on and shall be protected in acting or refraining from acting upon any written notice, instruction, instrument, statement, request or document furnished to it hereunder and believed by the Escrow Agent in good faith to be genuine and to have been signed or presented by the proper person or party, without being required to determine the authenticity or correctness of any fact stated therein or the propriety or validity or the service thereof; (iv) may assume that any person believed by the Escrow Agent in good faith to be authorized to give notice or make any statement or execute any document in connection with the provisions hereof is so authorized; (v) shall not be under any duty to give the property held by Escrow Agent hereunder any greater degree of care than Escrow Agent gives its own similar property; and (vi) may consult counsel satisfactory to Escrow Agent, the opinion of such counsel to be full and complete authorization and protection in respect of any action taken, suffered or omitted by Escrow Agent hereunder in good faith and in accordance with the opinion of such counsel.

(b) The Subscribers and Company acknowledge that the Escrow Agent is acting solely as a stakeholder at their request and that the Escrow Agent shall not be liable for any action taken by Escrow Agent in good faith and believed by Escrow Agent to be authorized or within the rights or powers conferred upon Escrow Agent by this Agreement. The Subscribers and Company, jointly and severally, agree to indemnify and hold harmless the Escrow Agent and any of Escrow Agent’s partners, employees, agents and representatives for any action taken or omitted to be taken by Escrow Agent or any of them hereunder, including the reasonable fees of outside counsel and other costs and expenses of defending itself against any claim or liability under this Agreement, except in the case of gross negligence or willful misconduct on Escrow Agent’s part committed in its capacity as Escrow Agent under this Agreement. The Escrow Agent shall owe a duty only to the Subscribers and Company under this Agreement and to no other person.



(c) The Subscribers and the Company jointly and severally agree to reimburse the Escrow Agent for reasonable outside counsel fees, to the extent authorized hereunder and incurred in connection with the performance of its duties and responsibilities hereunder.

(d) The Escrow Agent may at any time resign as Escrow Agent hereunder by giving five (5) days' prior written notice of resignation to the Subscribers and the Company. Prior to the effective date of the resignation as specified in such notice, the Subscribers and the Company will issue to the Escrow Agent a Joint Instruction authorizing delivery of the Company Documents and Subscriber Documents to a substitute Escrow Agent selected by the Subscribers and the Company. If no successor Escrow Agent is named by the Subscribers and the Company, the Escrow Agent may apply to a court of competent jurisdiction in the State of New York for appointment of a successor Escrow Agent, and to deposit the Company Documents and Subscriber Documents with the clerk of any such court.

(e) Other than in connection with the Legal Fees, the Escrow Agent does not have and will not have any interest in the Company Documents and Subscriber Documents, but is serving only as escrow agent, having only possession thereof. The Escrow Agent shall not be liable for any loss resulting from the making or retention of any investment in accordance with this Escrow Agreement.

(f) This Agreement sets forth exclusively the duties of the Escrow Agent with respect to any and all matters pertinent thereto and no implied duties or obligations shall be read into this Agreement.

(g) The Escrow Agent shall be permitted to act as counsel for the Subscribers in any dispute as to the disposition of the Company Documents and Subscriber Documents, in any other dispute between the Subscribers and the Company, whether or not the Escrow Agent is then holding the Company Documents and Subscriber Documents and continues to act as the Escrow Agent hereunder.

(h) The provisions of this Section 4.1 shall survive the resignation of the Escrow Agent or the termination of this Agreement.

4.2. Dispute Resolution; Judgments. Resolution of disputes arising under this Agreement shall be subject to the following terms and conditions:

(a) If any dispute shall arise with respect to the delivery, ownership, right of possession or disposition of the Company Documents and Subscriber Documents, or if the Escrow Agent shall in good faith be uncertain as to its duties or rights hereunder, the Escrow Agent shall be authorized, without liability to anyone, to (i) refrain from taking any action other than to continue to hold the Company Documents and Subscriber Documents pending receipt of a Joint Instruction from the Subscribers and the Company, or (ii) deposit the Company Documents and Subscriber Documents with any court of competent jurisdiction in the State of New York, in which event the Escrow Agent shall give written notice thereof to the Subscribers and the Company and shall thereupon be relieved and discharged from all further obligations pursuant to this Agreement. The Escrow Agent may, but shall be under no duty to, institute or defend any legal proceedings which relate to the Company Documents and Subscriber Documents. The Escrow Agent shall have the right to retain counsel if it becomes involved in any disagreement, dispute or litigation on account of this Agreement or otherwise determines that it is necessary to consult counsel.

(b) The Escrow Agent is hereby expressly authorized to comply with and obey any Court Order. In case the Escrow Agent obeys or complies with a Court Order, the Escrow Agent shall not be liable to the Subscribers and the Company or to any other person, firm, corporation or entity by reason of such compliance.

**ARTICLE V  
GENERAL MATTERS**

5.1. Termination. This escrow shall terminate upon the release of all of the Company Documents and Subscriber Documents or at any time upon the agreement in writing of the Subscribers and Company.

5.2. Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

(a) If to the Company, to:

Wizard World, Inc.  
1350 Avenue of the Americas, 2<sup>nd</sup> Floor  
New York, NY 10019  
Attn: Gareb Shamus  
Fax: (212) 707-8180

With a copy by fax only to (which shall not constitute notice):

Lucosky Brookman LLP  
33 Wood Avenue South, 6<sup>th</sup> Floor  
Iselin, NJ 08830  
Attn: Joseph M. Lucosky, Esq.  
Fax: (732) 395-4401

(b) If to the Subscribers, to the addresses set forth on Schedule 1 hereto

With a copy by facsimile only to (which shall not constitute notice):

Grushko & Mittman, P.C.  
515 Rockaway Avenue  
Valley Stream, New York 11581  
Fax: (212) 697-3575

(c) If to the Escrow Agent, to:

Grushko & Mittman, P.C.  
515 Rockaway Avenue  
Valley Stream, New York 11581  
Fax: (212) 697-3575

or to such other address as any of them shall give to the others by notice made pursuant to this Section 5.2.

5.3. Interest. The Escrowed Payment shall not be held in an interest bearing account nor will interest be payable in connection therewith. In the event the Escrowed Payment is deposited in an interest bearing account, the Subscribers shall be entitled to receive any accrued interest thereon, but only if the Escrow Agent receives from the Subscriber the Subscribers' United States taxpayer identification number and other requested information and forms.

5.4. Assignment; Binding Agreement. Neither this Agreement nor any right or obligation hereunder shall be assignable by any party hereto without the prior written consent of the other parties hereto. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns.

5.5. Invalidity. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal, or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby, it being intended that all of the rights and privileges of the parties hereto shall be enforceable to the fullest extent permitted by law.

5.6. Counterparts/Execution. This Agreement may be executed in any number of counterparts and by different signatories hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. This Agreement may be executed by facsimile transmission and delivered by facsimile transmission.

5.7. No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

5.8. Agreement. Each of the undersigned states that he has read the foregoing Escrow Agreement and understands and agrees to it.

**[REST OF THIS PAGE LEFT INTENTIONALLY BLANK]**

IN WITNESS WHEREOF, the undersigned have executed and delivered this Escrow Agreement, as of the date first written above.

**THE "COMPANY"**

WIZARD WORLD INC.  
a Delaware corporation

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

Name:

Title:

**ESCROW AGENT:**

GRUSHKO & MITTMAN, P.C.

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

Title:

**SUBSCRIBERS:**

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

Title:

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

Title:

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

Title:

\_\_\_\_\_

**SCHEDULE 1 - (SUBSCRIBERS)**

<b>SUBSCRIBER</b>	<b>NOTE PRINCIPAL</b>	<b>WARRANTS</b>
<b>TOTALS</b>		

# LucoskyBrookman

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Lucosky Brookman LLP  
33 Wood Avenue South  
6th Floor  
Iselin, NJ 08830  
T - (732) 395-4400  
F - (732) 395-4401

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45 Rockefeller Plaza  
Suite 2000  
New York, NY 10111  
T - (212) 332-8160  
F - (212) 332-8161  
[www.lucbro.com](http://www.lucbro.com)

August 19, 2011

TO: The Subscribers identified on Schedule A hereto:

We have acted as special counsel to Wizard World, Inc., a Delaware corporation (the "Company"), in connection with the offer and sale by the Company of the Company's Convertible Promissory Notes (the "Notes") and Series A Common Stock Purchase Warrants (the "Warrants"), for the aggregate Purchase Price of \$290,000 to the subscribers identified on Schedule A hereto (each a "Subscriber" and together, the "Subscribers") in the amounts designated thereon pursuant to the exemption from registration under the Securities Act of 1933, as amended (the "Act"), as set forth in Regulation D ("Regulation D") promulgated thereunder. Capitalized terms used herein and not otherwise defined shall have the meaning assigned to them in that certain subscription agreement (the "Agreement") by and among the Company and the Subscribers entered into on or about the date hereof. The Agreement and the agreements described below are sometimes hereinafter referred to collectively as the "Documents."

In connection with the opinions expressed herein, we have made such examination of law as we have considered appropriate or advisable for purposes hereof. As to matters of fact material to the opinions expressed herein, we have relied, with your permission, upon the representations and warranties as to factual matters contained in and made by the Company and the Subscribers pursuant to the Documents and upon certificates and statements of certain government officials and of officers of the Company as described below. We have also examined originals or copies of certain corporate documents or records of the Company as described below:

- (a) Bylaws of the Company;
- (b) Certificate of Incorporation of the Company;
- (c) Good Standing Certificate dated August 1, 2011 of the Company (the "Good Standing Certificate");
- (d) Form of Note;
- (e) Escrow Agreement;
- (f) Form of Agreement;
- (g) Form of Warrants; and
- (h) Minutes of the action of the Company's Board of Directors (the "Board") or unanimous written consent of the Board approving the Documents.

In rendering this opinion, we have, with your permission, assumed: (a) the authenticity of all documents submitted to us as originals; (b) the conformity to the originals of all documents submitted to us as copies; (c) the genuineness of all signatures; (d) the legal capacity of natural persons; (e) the truth, accuracy and completeness of the information, factual matters, representations and warranties contained in all of such documents; (f) the due authorization, execution and delivery of all such documents by the Subscribers, and the legal, valid and binding effect thereof on the Subscribers; and (g) that the Company and the Subscribers will act in accordance with their respective representations and warranties as set forth in the Documents.

We are members of the bar of the State of New York. We express no opinion as to the laws of any jurisdiction other than New York, Delaware and New Jersey and the federal laws of the United States of America. We express no opinion with respect to the effect or application of any other laws. Special rulings of authorities administering any of such laws or opinions of other counsel have not been sought or obtained by us in connection with rendering the opinions expressed herein.

1. Based solely on the Good Standing Certificate, the Company and each Subsidiary is duly incorporated, validly existing and in good standing in the jurisdictions of its formation; has qualified to do business in each state and jurisdiction where required, unless the failure to do so would not have a Material Adverse Effect on its operations; and have the requisite corporate power and authority to conduct its business, and to own, lease and operate its properties.

2. The Company and each Subsidiary has the requisite corporate power and authority to execute, deliver and perform its respective obligations under the Documents. The Documents, and the issuance of the Notes and Warrants on the Closing Date and the reservation and issuance of Conversion Shares and Warrant Shares (a) have been duly approved by the Board, as required, and (b) when issued pursuant to the Agreement and upon delivery, shall be validly issued and outstanding, fully paid and non-assessable.

3. The execution, delivery and performance of the Documents by the Company and the consummation of the transactions contemplated thereby, will not, with or without the giving of notice or the passage of time or both:

(a) Violate the provisions of the Certificate of Incorporation or bylaws of the Company or any Subsidiary; or

(b) To the best of counsel's knowledge, violate any judgment, decree, order or award of any court binding upon the Company or a Subsidiary.

4. The Documents constitute the valid and legally binding obligations of the Company and are enforceable against the Company in accordance with their respective terms.

5. None of the Notes, Warrants, Conversion Shares and Warrant Shares has been registered under the Act or under the laws of any state or other jurisdiction, and is or will be issued pursuant to a valid exemption from registration.

6. The Company and each Subsidiary has either obtained the approval of the transactions described in the Documents from its Principal Market, if applicable, and shareholders, or no such approval is required.

Our opinions expressed above are specifically subject to the following limitations, exceptions, qualifications and assumptions:

A. The effect of bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting the relief of debtors or the rights and remedies of creditors generally, including, without limitation, the effect of statutory or other law regarding fraudulent conveyances and preferential transfers.

B. Limitations imposed by state law, federal law or general equitable principles upon the specific enforceability of any of the remedies, covenants or other provisions of any applicable agreement or upon the availability of injunctive relief or other equitable remedies, regardless of whether enforcement of any such agreement is considered in a proceeding in equity or at law.

C. This opinion letter is governed by, and shall be interpreted in accordance with, the Legal Opinion Accord (the "Accord") of the ABA Section of Business Law (1991), which is incorporated by reference herein. As a consequence, it is subject to a number of qualifications, exceptions, definitions, limitations on coverage and other limitations, all as more particularly described in the Accord, including the General Qualifications and the Equitable Principles Limitation, and this opinion letter should be read in conjunction therewith.

This opinion is rendered as of the date first written above and is solely for your benefit in connection with the Agreement and may not be relied upon or used by, circulated, quoted, or referred to, nor may any copies hereof be delivered to, any other person without our prior written consent. We disclaim any obligation to update this opinion letter or to advise you of facts, circumstances, events or developments which hereafter may be brought to our attention and which may alter, affect or modify the opinions expressed herein.

Very truly yours,



**SCHEDULE A TO LEGAL OPINION**  
***CONVERTIBLE PROMISSORY NOTES***  
***SERIES A COMMON STOCK PURCHASE WARRANTS***

<b>SUBSCRIBER</b>	<b>PURCHASE PRICE</b>	<b>NOTE PRINCIPAL</b>	<b>WARRANTS</b>
	\$150,000.00	\$150,000.00	125,000
	\$103,100.00	\$103,100.00	85,917
	\$100,000.00	\$100,000.00	83,333
	\$60,264.67	\$60,264.67	50,221
	\$40,000.00	\$40,000.00	33,333
<b>TOTALS</b>	<b>\$453,364.67</b>	<b>\$453,364.67</b>	<b>377,804</b>

**SCHEDULE 1**

<b>SUBSCRIBER</b>	<b>PURCHASE PRICE</b>	<b>NOTE PRINCIPAL</b>	<b>WARRANTS</b>
	\$ 150,000.00	\$ 150,000.00	125,000
	\$ 103,100.00	\$ 103,100.00	85,917
	\$ 100,000.00	\$ 100,000.00	83,333
	\$ 60,057.54	\$ 60,057.54	50,048
	\$ 40,000.00	\$ 40,000.00	33,333
<b>TOTALS</b>	<b><u>\$ 453,157.54</u></b>	<b><u>\$ 453,157.54</u></b>	<b><u>377,631</u></b>

**SCHEDULE 5(a)**

**SUBSIDIARIES**

<b><u>Name of Subsidiary</u></b>	<b><u>Ownership Interests</u></b>
Kick the Can Corp., a Nevada corporation	100%
Wizard World Digital, Inc., a Nevada corporation	100%

No exception to the Company's representation that it owns all of the equity of the Subsidiaries and rights to receive equity of the Subsidiaries, free and clear of all liens, encumbrances and claims.

Wizard World, Inc. was formerly known as GoEnergy, Inc.

Kick the Can Corp. is doing business in New York under the assumed name 'Wizard World.'

**SCHEDULE 5(d)**

**CAPITALIZATION**

Wizard World, Inc.

1. Authorized and Outstanding Stock:

- (a) Preferred Stock, par value \$.0001 per share – 20,000,000 authorized and 15,510 Series A Convertible Preferred outstanding; and
- (b) Common Stock, par value \$.0001 per share – 80,000,000 shares authorized and 34,687,735 outstanding pre-dilution.

2. Outstanding rights to acquire or receive, directly or indirectly, any equity of the Company (e.g., options, warrants or rights to subscribe to securities, rights, understandings or obligations convertible into or exchangeable for or granting any right to subscribe for any shares of capital stock or other equity interest of the Company):

- Warrants dated November 5, 2010 issued in connection with the Bridge Notes exercisable for an aggregate of 500,000 shares of common stock at an exercise price of \$.60 per share;
- An aggregate of 9,760 Series A Convertible Preferred Stock issued December 6, 2010 convertible into an aggregate of 24,400 shares of common stock at a conversion price of \$.40 per share;
- An aggregate of 487,964 Series A Warrants dated December 6, 2010 exercisable for an aggregate of 813,273 shares of common stock at an exercise price of \$.60 per share;
- An aggregate of 5,750 Series A Convertible Preferred Stock issued April 18, 2011 convertible into an aggregate of 14,375 shares of common stock at a conversion price of \$.40 per share; and
- An aggregate of 287,500 Series A Warrants dated April 16, 2011 exercisable into an aggregate of 479,167 shares of common stock at an exercise price of \$.60 per share.

See also Item 3 below.

3. Officer, director, employee and consultant stock option or stock incentive plan or similar plan:

Officer, director, employee and consultant stock option

- Non-qualified stock options pursuant to which each of three consultants was granted 1,000,000 stock options exercisable at \$.40 per share; and
- Non-qualified stock options issued to each director, except for Chairman Michael Mathews, to purchase up to 150,000 shares of the Company's common stock at an exercise price per share equal to the closing price of the Company's Common Stock on the execution date of a director agreement entered into between the Company and such director.

Stock incentive plan or similar plan

- 2011 Incentive Stock and Award Plan (to be amended)

Subsidiary Kick the Can Corp.

1. Common Stock, par value \$.0001 per share – 60,000,000 authorized and 33,239,840 outstanding.
2. Outstanding rights to acquire or receive, directly or indirectly, any equity of the Company (e.g., options, warrants or rights to subscribe to securities, rights, understandings or obligations convertible into or exchangeable for or granting any right to subscribe for any shares of capital stock or other equity interest of the Company):
  - Convertible Demand Promissory Note dated November 5, 2010 issued by GoEnergy, Inc. (now Wizard World, Inc.), as holder, and Kick the Can Corp., as maker, in the amount of \$200,000 with a conversion price of \$.40 per share; and
3. Officer, director, employee and consultant stock option or stock incentive plan or similar plan:

None.

Subsidiary Wizard World Digital, Inc.

1. Common Stock, par value \$.0001 per share – 25,000,000 authorized and 1,000 outstanding.
2. Outstanding rights to acquire or receive, directly or indirectly, any equity of the Company (e.g., options, warrants or rights to subscribe to securities, rights, understandings or obligations convertible into or exchangeable for or granting any right to subscribe for any shares of capital stock or other equity interest of the Company):

None
3. Officer, director, employee and consultant stock option or stock incentive plan or similar plan:

None

**SCHEDULE 5(f)**

**ANTIDILUTION AND REGISTRATION RIGHTS**

1. Triggered anti-dilution rights/reset/repricing:

- Warrants dated November 5, 2010 issued in connection with the Bridge Notes; exercisable for an aggregate of 500,000 shares at an exercise price of \$.60 per share;
- An aggregate of 9,760 Series A Convertible Preferred Stock issued December 6, 2010 convertible into an aggregate of 24,400 shares of common stock at a conversion price of \$.40 per share;
- An aggregate of 487,964 Series A Warrants dated December 6, 2010 exercisable for an aggregate of 813,273 shares of common stock at an exercise price of \$.60 per share;
- An aggregate of 5,750 Series A Convertible Preferred Stock issued April 18, 2011 convertible into an aggregate of 14,375 shares of common stock at a conversion price of \$.40 per share; and
- An aggregate of 287,500 Series A Warrants dated April 16, 2011 exercisable into an aggregate of 479,167 shares of common stock at an exercise price of \$.60 per share;
- Non-qualified stock options pursuant to which each of three consultants was granted 1,000,000 stock options exercisable at \$.40 per share; and
- Non-qualified stock options issued to each director, except for Chairman Michael Mathews, to purchase up to 150,000 shares of the Company's common stock at an exercise price per share equal to the closing price of the Company's Common Stock on the execution date of a director agreement entered into between the Company and such director.

2. Triggered registration rights:

- Warrants dated November 5, 2010 issued in connection with the Bridge Notes; exercisable for an aggregate of 500,000 shares at an exercise price of \$.60 per share;
- An aggregate of 9,760 Series A Convertible Preferred Stock issued December 6, 2010 convertible into an aggregate of 24,400 shares of common stock at a conversion price of \$.40 per share;
- An aggregate of 487,964 Series A Warrants dated December 6, 2010 exercisable for an aggregate of 813,273 shares of common stock at an exercise price of \$.60 per share;
- An aggregate of 5,750 Series A Convertible Preferred Stock issued April 18, 2011 convertible at a conversion price of \$.40 per share; and
- Series A Warrants dated April 16, 2011 exercisable into an aggregate of 479,167 shares of common stock at an exercise price of \$.60 per share ;
- Non-qualified stock options pursuant to which each of three consultants was granted 1,000,000 stock options exercisable at \$.40 per share; and
- Non-qualified stock options issued to each director, except for Chairman Michael Mathews, to purchase up to 150,000 shares of the Company's common stock at an exercise price per share equal to the closing price of the Company's Common Stock on the execution date of a director agreement entered into between the Company and such director.

**SCHEDULE 5(a)**

**UNDISCLOSED LIABILITIES**

**SCHEDULE 5(w)**

**TRANSFER AGENT**

VStock Transfer, LLC  
77 Spruce Street, Suite 201  
Cedarhurst, New York 11516  
Attn: Yoel Goldfeder, Esq.  
Chief Executive Officer

Phone: (212) 828-8436  
Facsimile: (646) 536-3179  
Email: yoel@vstocktransfer.com



**SCHEDULE 9(e)**

**USE OF PROCEEDS**

All proceeds will be used for working capital and general corporate.

**SCHEDULE 9(I)**

**INTELLECTUAL PROPERTY**

Wizard World, Inc.

- Website [www.wizardworld.com](http://www.wizardworld.com)
- Wizard World Digital newsletter
- [www.pop-fi.com](http://www.pop-fi.com)
- Flash game
- Android and iPhone apps
- Integration with iPad

Kick the Can Corp.

- Domain name [www.wizardworld.com](http://www.wizardworld.com)
- License to use a subscriber database granted to Kick the Can Corp. by Wizard Entertainment (d/b/a Gareb Shamus Enterprises, Inc.), the licensor; and
- The following comic conventions:

1. Atlanta Comic Convention, including, without limitation, the assignment of the Memorandum, dated January 1, 2010, by and between Kick the Can Corp. and Wes Tillander; and 'Atlanta Comic Convention' (non-exclusive).
2. Big Apple Comic Convention, including, without limitation, the assignment of the Memorandum, dated April 1, 2009, by and between Kick the Can Corp. and Big Apple Tables, LLC; 'Big Apple Con'; [www.bigapplecon.com](http://www.bigapplecon.com); and mail and email lists (non-exclusive).
3. Cincinnati Comic Convention, including, without limitation, the assignment of the Memorandum, dated January 4, 2010, by and between Kick the Can Corp. and Marc Ballard; and 'Cincinnati Comic Con' (non-exclusive).
4. Connecticut Comic Convention, including, without limitation, the assignment of the Memorandum, dated May 2010, by and among Kick the Can Corp. and Alternative Universe, Mitchell Hallock, Erik Yaeko and Jay Claus; 'ComiConn' (non-exclusive); and mail and email lists (non-exclusive).
5. Nashville Comic Convention, including, without limitation, the assignment of the Memorandum, dated January 4, 2010, by and between Kick the Can Corp. and Marc Ballard; and 'Nashville Comic Con' (non-exclusive).
6. New England Comic Convention, including, without limitation, the assignment of the Memorandum, dated November 16, 2009, by and between Kick the Can Corp. and Harrisons Limited (Harrisons); 'New England Comic Con'; and 'NECC'.
7. North Coast Comic Convention, including, without limitation, the assignment of the Memorandum, dated January 2010, by and between Kick the Can Corp. and Roger Priebe; 'North Coast Comic Con' (non-exclusive); and mail and email lists (non-exclusive).

8. Toronto Comic Convention, including, without limitation, the assignment of the Memorandum, dated June 2009, by and among Kick the Can Corp., Peter Dixon and Paradise Conventions; 'Paradise Toronto Comicon'; and www.torontocomicon.com
9. New Orleans Comic Convention, including, without limitation, the assignment of a Memorandum or agreement from Ronnie Prudhomme to Kick the Can Corp.; 'Nola'; Nola Comic Con marks (non-exclusive); and mail and email lists (non-exclusive).
10. Winnipeg (Central Canada) Comic Convention, including, without limitation, the assignment of a Memorandum or agreement from Michael Damien Paille to Kick the Can Corp.; 'Central Canada Comic Con'; C4 marks (non-exclusive); and mail and email lists ((non-exclusive).

Kick the Can Corp. may acquire, if not already owned, the following comic conventions:

11. Houston Comic Convention, including, without limitation, the assignment of a Memorandum or agreement from Robert Quijano to Kick the Can Corp.; 'Houston Comic Con' (non-exclusive); and mail and email lists ((non-exclusive).
12. Mid Ohio Comic Convention, including, without limitation, the assignment of a Memorandum or agreement from CGC Holdings LLC; 'Mid-Ohio-Con'; and Ohio Comic-Con marks
13. Austin Comic Convention
14. Anaheim Comic Convention
15. **[Miami Comic Convention]**
16. Philadelphia Comic Convention
17. Chicago Comic Convention
18. Los Angeles Comic Convention

Wizard World Digital, Inc.

Wizard World Girls

**SCHEDULE 12(a)**

See Schedule 5(d) hereof



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

**WIZARD WORLD, INC.**

Form of Senior Convertible Debenture

US\$ \_\_\_\_\_

Issue Date: December 6, 2011

This Senior Convertible Debenture (the "Debenture") is duly authorized and issued by Wizard World, Inc., a Delaware corporation (the "Company"), having its principal executive office at 1350 Avenue of the Americas, 2nd Floor, New York, NY 10019.

FOR VALUE RECEIVED, the Company, promises to pay to the order of \_\_\_\_\_ located at \_\_\_\_\_, and or its registered assigns (the "Payee" or the "Holder"), the principal sum of \_\_\_\_\_ Thousand United States Dollars (US\$ \_\_\_\_\_) (the "Principal Amount") by February 28, 2012 (the "Maturity Date") unless it is converted into Private Placement Securities (as defined herein) after the Company undertakes the Qualified Offering (as defined herein), and to pay interest on the Principal Amount at a rate of six percent (6%) per annum in one lump sum payable on the Maturity Date.

This Debenture is subject to the following provisions:

A. "Qualified Offering" means one or more private placement offerings by the Company of a minimum amount in the aggregate of Five Hundred Thousand United States Dollars (US\$500,000) of Series A Convertible Preferred Shares (the "Private Placement Securities") convertible into Common Shares (as defined below) of the Company pursuant to the terms and conditions contained in the private placement offering documentation to be entered into at the time of the offering.

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

C. "Existing Series A Convertible Preferred Shares" means the Company's Series A Convertible Preferred Shares in existence as of the date hereof.

1. Voluntary Conversion. At any time between the original Issue Date and the Maturity Date unless previously repaid by the Company or converted into Private Placement Securities pursuant to Section 2 herein, this Debenture may be convertible into (i) shares of common stock or (ii) into Existing Series A Convertible Preferred Shares, in each case, at the option of the Holder, in whole or in part (subject to any limitations on conversion). The Holder shall effect conversions by delivering to the Company the form of Notice of Conversion attached hereto as Exhibit A (a "Notice of Conversion"), specifying therein the Principal Amount and interest of this Debenture to be converted and the date on which such conversion is to be effected (a "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is provided hereunder. To effect conversions hereunder, the Holder shall not be required to physically surrender this Debenture to the Company unless the entire Principal Amount of this Debenture plus all accrued and unpaid interest thereon has been so converted. Conversions hereunder shall have the effect of lowering the outstanding Principal Amount of this Debenture in an amount equal to the applicable conversion amount. The Company shall maintain records showing the Principal Amount converted and the date of such conversions. The Holder and any assignee, by acceptance of this Debenture, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Debenture, the unpaid and unconverted Principal Amount of this Debenture may be less than the amount stated on the face hereof.

A. Conversion Price. On any Conversion Date, the Debenture is convertible into (i) shares of the Company's common stock (the "Common Shares") at a conversion price of US\$0.40 per share or (ii) Existing Series A Convertible Preferred Shares at a conversion price of US\$1.00 per share.

B. Mechanism of Conversion.

i. Conversion Shares Issuable Upon Conversion of Principal Amount. The number of Common Shares or Existing Series A Convertible Preferred Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing the outstanding principal amount of this Debenture (or any portion thereof) to be converted by the Conversion Price.

ii. Delivery of Certificate Upon Conversion. In the event of any conversion of this Debenture in accordance with and subject to the terms and conditions hereof, (i) certificates for the Common Shares or Existing Series A Convertible Preferred Shares shall be dated the Conversion Date and delivered to the Holder hereof within a reasonable time, not exceeding five (5) Business Days after any Conversion Date, or, (ii) at the request of the Holder, shares shall be issued and delivered to the Depository Trust Company ("DTC") account on the Holder's behalf via the Deposit Withdrawal Agent Commission System ("DWAC") within a reasonable time, not exceeding five (5) Business Days after such conversion. The Holder hereof shall be deemed for all purpose to be the holder of the Common Shares or Existing Series A Convertible Preferred Shares so purchased as of the date of such conversion. If certificated shares are issued, the Company will deliver or cause to be delivered to the Holder a certificate or certificates representing the number of Common Shares or Existing Series A Convertible Preferred Shares being acquired upon the conversion of this Debenture. Notwithstanding the foregoing to the contrary, the Company or its transfer agent shall only be obligated to issue and deliver the shares to DTC on a holder's behalf via DWAC *provided that* (i) such exercise is in connection with a registration statement under the Securities Act providing for the resale of Common Shares or Existing Series A Convertible Preferred Shares or the Common Shares or Existing Series A Convertible Preferred Shares are otherwise exempt from registration and may be issued without a restrictive legend and (ii) the Holder and its transfer agent are participating in DTC through the DWAC system. The Holder shall deliver this original Debenture, or an indemnification undertaking with respect to such Debenture in the case of its loss, theft or destruction, at such time that this Debenture is fully exercised.

iii. Failure to Deliver Certificate. If in the case of any Notice of Conversion such certificate or certificates are not delivered to or as directed by the Holder by the tenth (10th) Business Day after a Conversion Date, the Holder shall be entitled by written notice to the Company at any time on or before its receipt of such certificate or certificates thereafter, to rescind such conversion, in which event the Company shall immediately return the certificates representing the principal amount of this Debenture tendered for conversion.

iv. Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued Common Shares and Existing Series A Convertible Preferred Shares solely for the purpose of issuance upon any conversion of this Debenture and payment of interest on this Debenture each as herein provided, free from preemptive rights or any other actual contingent purchase rights of persons other than the Holder, not less than 100% of the Common Shares and Existing Series A Convertible Preferred Shares as shall be issuable upon the conversion of the Principal Amount and payment of interest hereunder. The Company covenants that all Common Shares and Existing Series A Convertible Preferred Shares that shall be so issuable shall, upon issue, be duly and validly authorized, issued, and fully paid, nonassessible.

v. Fractional Shares. Upon a conversion hereunder, the Company shall not be required to issue stock certificates representing fractions of Common Shares or Existing Series A Convertible Preferred Shares, but may if otherwise permitted, make a cash payment in respect of any final fraction of a share based on the closing bid price of the Company's Common Shares or Existing Series A Convertible Preferred Shares as quoted by Bloomberg on the day prior to the Company's receipt of the Conversion Notice. If the Company elects not, or is unable, to make such cash payment, the Holder shall be entitled to receive, in lieu of the financial fraction of a share, one whole Common Share.

vi. Transfer Taxes. The issuance of certificates for Common Shares or Existing Series A Convertible Preferred Shares upon conversion of this Debenture shall be made without charge to the Holder hereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificate, provided that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder of this Debenture so converted and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.



2. Mandatory Conversion upon the Subsequent Qualified Offering.

A. Mandatory Conversion Mechanism

i. If the Company undertakes a Qualified Offering prior to the Maturity Date, the Company will deliver to the Holder a notice (the "Offering Notice"), stating the price and other terms and conditions thereof not later than five (5) Business Days prior to the closing date of the Qualified Offering.

ii. Upon the closing of the Qualified Offering or prior to the close upon mutual agreement by the parties, the Debenture will automatically be converted into an equal amount of Private Placement Securities.

B. Registration Rights. In the event that the Debenture is converted into the Private Placement Securities, the Holder shall have the same registration rights with respect to the Private Placement Securities as investors in the Qualified Offering.

3. Adjustment of Conversion Price. The Conversion Price shall be subject to adjustment from time to time as set forth in this Section 3. The Company shall give the Holder notice of any event described below which requires an adjustment pursuant to this Section 3 in accordance with the notice provisions set forth in Section 6D. If at any time the Company shall:

A. make or issue or set a record date for the holders of the Common Shares for the purpose of entitling them to receive a dividend payable in, or other distribution of, Common Shares,

B. subdivide its outstanding Common Shares into a larger number of Common Shares, or

C. combine its outstanding Common Shares into a smaller number of Common Shares,

then (1) the number of Common Shares for which this Debenture is convertible immediately after the occurrence of any such event shall be adjusted to equal the number of Common Shares which a record holder of the same number of Common Shares for which this Debenture is exercisable immediately prior to the occurrence of such event would own or be entitled to receive after the happening of such event, and (2) the Conversion Price then in effect shall be adjusted to equal (A) the Conversion Price then in effect multiplied by the number of Common Shares for which this Debenture is exercisable immediately prior to the adjustment divided by (B) the number of Common Shares for which this Debenture is exercisable immediately after such adjustment.

4. Holder's Representations and Warranties. The Holder represents and warrants that:

A. Restrictions on Transfer or Resale. The Holder understands that (i) the Debenture, any Common Shares upon conversion of the Debenture, and the Private Placement Securities are not being registered under the Securities Act of 1933 or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) the Debenture, any Common Shares or the Private Placement Securities are subsequently registered thereunder, or (B) Holder shall have delivered to the Company an opinion of counsel, in a generally acceptable form, to the effect that such securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration; and (ii) neither the Company nor any other party is under any obligation to register the Debenture or the Common Shares under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder, provided however that Holders shall have the same registration rights with respect to the Private Placement Debenture as investors in the Qualified Offering in the event that the Debentures are converted into the Private Placement Securities in the Qualified Offering; (iii) Holder is acquiring the Debenture, the Common Share and the Private Placement Securities for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the 1933 Act, and (iv) Holder does not presently have any agreement or understanding, directly or indirectly, with any party to distribute any of the securities.

B. Accredited Investor Status. Holder is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D.

C. Reliance on Exemptions. The Holder understands that the Debenture, any Common Shares upon voluntary conversion, and any Private Placement Securities acquired in the Qualified Offering are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and Holder's compliance with, the representations, warranties, agreements, acknowledgments and understandings of Holder set forth herein in order to determine the availability of such exemptions and the eligibility of Holder to acquire the securities.

D. Information. Holder and its advisors, if any, have been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the securities that have been requested by Holder. Holder and its advisors, if any, have been afforded the opportunity to ask questions of the Company. Neither such inquiries nor any other due diligence investigations conducted by Holder or its advisors, if any, or its representatives shall modify, amend or affect Holder's right to rely on the Company's representations and warranties contained herein. Holder understands that its investment in the Debenture, any Common Shares upon voluntary conversion and any Private Placement Securities acquired in the Qualified Offering involve a high degree of risk and is able to afford a complete loss of such investment. Holder has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the securities.

E. No Governmental Review. Holder understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the securities or the fairness or suitability of the investment in the securities nor have such authorities passed upon or endorsed the merits of the offering of the securities.

F. Legend. This Debenture, all certificates representing Common Shares upon voluntary conversion and the Private Placement Securities acquired in the Qualified Offering shall be stamped or imprinted with a legend in substantially the following form:

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144 A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

5. Events of Default

A. The term "Event of Default" shall mean any of the events set forth in this Section 5A (the term "Company" for this purpose shall include all subsidiaries of the Company):

i. Non-Payment of Obligations. The Company shall default in the payment of the Principal Amount of this Debenture as and when the same shall become due and payable, whether by acceleration or otherwise.

ii. Non-Performance of Covenants. The Company shall default in the due observance or performance of any covenant set forth herein, which default shall continue uncured for thirty (30) days after notice thereof.

iii. Bankruptcy, Insolvency, etc. The Company shall:

(a) admit in writing its inability to pay its debts as they become due;

(b) apply for, consent to, or acquiesce in, the appointment of a trustee, receiver, sequestrator or other custodian for the Company or any of its property, or make a general assignment for the benefit of creditors;

(c) in the absence of such application, consent or acquiesce in, permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for the Company or for any part of its property and that is not dismissed within sixty days;

(d) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of the Company, and, if such case or proceeding is not commenced by the Company or converted to a voluntary case, such case or proceeding is consented to or acquiesced in by the Company or results in the entry of an order for relief; or

(e) take any corporate or other action authorizing any of the foregoing.

B. Action if Bankruptcy. If any Event of Default described in clauses (iii)(a) through (d) of Section 5A shall occur, the Principal Amount of this Debenture and all other obligations hereunder shall automatically be and become immediately due and payable, without notice or demand.

C. Action if Other Event of Default. If any Event of Default (other than any Event of Default described in clauses (iii)(a) through (d) of Section 5A shall occur for any reason, whether voluntary or involuntary, and be continuing, for 30 days after notice, the Holder may, upon notice to the Company, declare all or any portion of the outstanding principal amount of the Debenture, to be due and payable and any or all other obligations hereunder to be due and payable, whereupon the full unpaid principal amount hereof, and any and all other such obligations which shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand, or presentment.

6. Miscellaneous.

A. Parties in Interest. All covenants, agreements and undertakings in this Debenture binding upon the Company or the Holder shall bind and inure to the benefit of the successors and permitted assigns of the Company and the Holder, respectively, whether so expressed or not.

B. Governing Law. This Debenture shall be governed by the laws of the State of New York as applied to contracts entered into and to be performed entirely within the State of New York.

C. Waiver of Jury Trial. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS NOTE OR ANY OTHER DOCUMENT OR INSTRUMENT EXECUTED AND DELIVERED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF THE PAYEE OR THE COMPANY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PAYEE'S PURCHASING THIS NOTE.

D. Notices.

i. Any notice pursuant to this Debenture to be given or made (i) by the Holder to or upon the Company or (ii) by the Company to or upon the Holder, shall be sufficiently given or made if sent by certified or registered mail, postage prepaid, addressed (until another address is sent by the Company or the Holder to the other party) as follows:

To the Company:           Wizard World, Inc.  
                                  1350 Avenue of the Americas, 2nd Floor,  
                                  New York, NY 10019  
                                  Attn: Gareb Shamus

To the Holder:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

E. No Waiver. No delay in exercising any right hereunder shall be deemed a waiver thereof, and no waiver shall be deemed to have any application to any future default or exercise of rights hereunder.

F. Modification and Severability. If, in any action before any court or agency legally empowered to enforce any provision contained herein, any provision hereof is found to be unenforceable, then such provision shall be deemed modified to the extent necessary to make it enforceable by such court or agency. If any such provision is not enforceable as set forth in the preceding sentence, the unenforceability of such provision shall not affect the other provisions of this Debenture, but this Debenture shall be construed as if such unenforceable provision had never been contained herein.

[-signature page follows-]

IN WITNESS WHEREOF, this Debenture has been executed and delivered on the date specified above.

**WIZARD WORLD, INC.**

By: \_\_\_\_\_  
Name: Michael Mathews  
Title: Executive Chairman

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

**EXHIBIT A**

**NOTICE OF CONVERSION**

The undersigned hereby elects to convert principal under the Senior Convertible Debenture, dated December 9, 2011 (the "Debenture"), issued by Wizard World, Inc., a Delaware corporation (the "Company"), in favor of the undersigned, due on February 28, 2012 if not previously repaid by the Company or converted into Private Placement Debenture pursuant to a Qualified Offering, into shares of common stock (the "Common Shares") of the Company according to the conditions contained in the Debenture, as of the date written below. If the Common Shares are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the undersigned for any conversion, except for such transfer taxes, if any.

The undersigned agrees to comply with the prospectus delivery requirements under the applicable securities laws in connection with any transfer of the aforesaid Common Shares.

Conversion calculations:

Date to Effect Conversion: \_\_\_\_\_

Principal Amount of Debenture to be Converted: \_\_\_\_\_

Number of Common Shares to be issued: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Address: \_\_\_\_\_  
\_\_\_\_\_

**BLUE SKY LEGENDS**

**NASAA LEGEND**

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

**NOTICE TO RESIDENTS OF ALL STATES**

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF CERTAIN STATES AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SECURITIES ARE SUBJECT IN VARIOUS STATES TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS CONFIDENTIAL TERM SHEET. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

IN WITNESS WHEREOF, the Subscriber and the Company have caused this Subscription Agreement to be duly executed as of the date first above written.

**SUBSCRIBER:**

By: \_\_\_\_\_ (signature)  
Name: \_\_\_\_\_ (print name)  
Title: \_\_\_\_\_



## SUBSCRIPTION AGREEMENT

**THIS SUBSCRIPTION AGREEMENT** (this “**Agreement**”), dated as of December 21, 2011, by and between Wizard World, Inc., a Delaware corporation with its headquarters located at 1350 Avenue of the Americas, New York, New York 10019 (the “**Company**”), and the subscriber identified on the signature page hereto (the “**Subscriber**”).

**WHEREAS**, the Company and Subscriber are executing and delivering this Agreement in reliance upon an exemption from securities registration afforded by the provisions of Section 4(2) and/or Regulation D (“**Regulation D**”) promulgated by the United States Securities and Exchange Commission (the “**Commission**”) under the Securities Act of 1933, as amended (the “**Securities Act**”); and

**WHEREAS**, the parties hereto desire that, upon the terms and subject to the conditions contained herein, the Company shall issue and sell to Subscriber, and Subscriber shall purchase, in the aggregate, that number of shares of common stock, par value \$.0001 per share, of the Company (the “**Common Stock**”) as is set forth on the signature page hereto (the “**Shares**”) at an aggregate purchase price (the “**Purchase Price**”) equal to the amount set forth on the signature page hereto.

**NOW, THEREFORE**, in consideration of the mutual covenants and other agreements contained in this Agreement, the Company and Subscriber hereby agree as follows:

1. Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, the Company hereby agrees to sell, assign, transfer and deliver to Subscriber, and Subscriber hereby agrees to purchase and accept delivery from the Company, the Shares free of all liens, pledges, mortgages, security interests, charges, restrictions, adverse claims or other encumbrances of any kind or nature whatsoever (“**Encumbrances**”), for the consideration specified herein (such consideration, on a per share basis, the “**Share Price**”).

2. Subscriber Representations and Warranties. Subscriber hereby represents and warrants to and agrees with the Company that:

(a) **Standing of Subscriber**. If Subscriber is an entity, such Subscriber is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation. If Subscriber is a natural person, such Subscriber is not a minor and has the legal capacity to enter into this Agreement;

(b) **Authorization and Power**. Subscriber has the requisite power and authority to enter into and perform this Agreement and to purchase the Shares being sold to Subscriber hereunder. The execution, delivery and performance of this Agreement by Subscriber and, if Subscriber is an entity, the consummation by Subscriber of the transactions contemplated hereby have been duly authorized by all necessary company action, and no further consent or authorization of Subscriber, its board of directors or similar governing body, or stockholders is required, as applicable. This Agreement has been duly authorized, executed and delivered by Subscriber and constitutes, or shall constitute when executed and delivered, a valid and binding obligation of Subscriber, enforceable against Subscriber in accordance with the terms thereof;

(c) **No Conflicts**. If Subscriber is an entity, the execution, delivery and performance of this Agreement and the consummation by Subscriber of the transactions contemplated hereby do not and will not result in a violation of Subscriber’s charter documents, bylaws or other organizational documents, as applicable;

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(d) Information on Subscriber. Such Subscriber is an “**accredited investor**,” as such term is defined in Rule 501(a) of Regulation D promulgated by the Commission under the Securities Act and affirmed by Subscriber in the completed Purchaser Questionnaire attached hereto as Exhibit A, is experienced in investments and business matters, has made investments of a speculative nature and has purchased securities of United States publicly-owned companies in private placements in the past and, with its representatives, has such knowledge and experience in financial, tax and other business matters as to enable Subscriber to utilize the information made available by the Company to evaluate the merits and risks of and to make an informed investment decision with respect to the proposed purchase, which represents a speculative investment. Subscriber is able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof. Subscriber is not required to be registered as a broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended;

(e) Purchase of Shares. Subscriber will purchase the Shares for its own account for investment and not with a view toward, or for resale in connection with, the public sale or any distribution thereof in violation of the Securities Act or any applicable state securities law, and has no direct or indirect arrangement or understandings with any other person or entity to distribute or regarding the distribution of such Shares;

(f) Compliance with Securities Act. Subscriber understands and agrees that the Shares are “restricted securities” and have not been registered under the Securities Act or any applicable state securities laws by reason of their issuance in a transaction that does not require registration under the Securities Act, and that such Shares must be held indefinitely unless a subsequent disposition is registered under the Securities Act or any applicable state securities laws or is exempt from such registration;

(g) Legend. The Shares shall bear the following or similar legend:

**“THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (REASONABLY ACCEPTABLE TO THE COMPANY), IN AN ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT.”**

(h) Communication of Offer. Subscriber has a preexisting personal or business relationship with the Company or one or more of its directors, officers or control persons, and the offer to sell the Shares was directly communicated to Subscriber by the Company. At no time was Subscriber presented with or solicited by any leaflet, newspaper or magazine article, radio or television advertisement, or any other form of general advertising or solicited or invited to attend a promotional meeting otherwise than in connection and concurrently with such communicated offer;

(i) No Governmental Endorsement. Subscriber understands that no United States federal or state agency or any other governmental or state agency has passed on or made recommendations or endorsement of the Shares or the suitability of the investment in the Shares, nor have such authorities passed upon or endorsed the merits of the offering of the Shares;

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(j) Receipt of Information. Subscriber believes it has received all the information it considers necessary or appropriate for deciding whether to purchase the Shares. Subscriber further represents that through its representatives it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Shares and the business, properties and financial condition of the Company and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify the accuracy of any information furnished to it or to which it had access; and

(k) No Market Manipulation. Subscriber and Subscriber's affiliates have not taken, and will not take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of the Common Stock, to facilitate the sale or resale of the Shares or affect the price at which the Shares may be issued or resold.

3. Company Representations and Warranties. The Company represents and warrants to, and agrees with, Subscriber that:

(a) Due Incorporation. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation;

(b) Authority; Enforceability. This Agreement has been duly authorized, executed and delivered by the Company and is the valid and binding agreement of the Company, enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally, or principles of equity. The Company has full corporate power and authority necessary to enter into and deliver this Agreement and to perform its obligations thereunder;

(c) Consents. No consent, approval, authorization or order of any court, governmental agency or body having jurisdiction over the Company or of any other person is required for the execution by the Company of this Agreement and compliance and performance by the Company of its obligations hereunder, including, without limitation, the issuance and sale of the Shares;

(d) No Violation or Conflict. Neither the issuance nor the sale of the Shares nor the performance of the Company's obligations under this Agreement will:

(i) violate, conflict with, result in a breach of, or constitute a default (or an event which with the giving of notice or the lapse of time or both would be reasonably likely to constitute a default) under (a) the charter or bylaws of the Company or (b) any decree, judgment, order or determination applicable to the Company of any court, governmental agency or body having jurisdiction over the Company or over the properties or assets of the Company or (c) any contract, agreement, instrument or undertaking to which the Company or any subsidiary is a party; or

(ii) result in the creation or imposition of any lien, charge or encumbrance upon the Shares except in favor of Subscriber as described herein;

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(e) The Shares. Upon issuance, the Shares:

(i) shall be free and clear of any security interests, liens, claims or other Encumbrances, subject only to restrictions upon transfer under the Securities Act and any applicable state securities laws;

(ii) shall have been duly and validly issued, fully paid and non-assessable; and

(iii) will not subject the holders thereof to personal liability by reason of being such holders;

(f) No General Solicitation. Neither the Company, nor any of its affiliates, nor any person or entity acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of the Shares;

(g) Investment Company. The Company is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended; and

(h) Full Disclosure. No representation or warranty or other statement made by the Company in this Agreement in connection with the contemplated transactions contains any untrue statement of material fact or omits to state a material fact necessary to make the representations and warranties set forth herein, in light of the circumstances in which they were made, not misleading.

4. Broker's Commission/Finder's Fee. Each party hereto represents to the other that there are no parties entitled to receive fees, commissions, finder's fees, due diligence fees or similar payments in connection with the consummation of the transactions contemplated hereby. Each party hereto agrees to indemnify the other against and hold the other harmless from any and all liabilities to any persons claiming brokerage commissions or similar fees on account of services purported to have been rendered on behalf of the indemnifying party in connection with this Agreement or the transactions contemplated hereby and arising out of the indemnifying party's actions.

5. Covenants Regarding Indemnification. Each party hereto agrees to indemnify, hold harmless, reimburse and defend the other party and the other party's officers, directors, agents, counsel, affiliates, members, managers, control persons, and principal shareholders, as applicable, against any claim, cost, expense, liability, obligation, loss or damage (including reasonable legal fees) of any nature, incurred by or imposed upon the indemnified party or any such person which results, arises out of or is based upon (i) any breach of any representation or warranty by the indemnifying party in this Agreement or (ii) any breach or default in performance by the indemnifying party of any covenant or undertaking to be performed by the indemnifying party.

#### 6. Miscellaneous.

(a) Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery or facsimile, addressed as set forth on the signature pages hereto or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated on the signature page hereto (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.

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(b) Entire Agreement; Assignment. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by both parties hereto. Neither the Company nor Subscriber has relied on any representations not contained or referred to in this Agreement and the documents delivered herewith.

(c) Counterparts/Execution. This Agreement may be executed in any number of counterparts and by the different signatories hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. This Agreement may be executed by facsimile transmission, PDF, electronic signature or other similar electronic means with the same force and effect as if such signature page were an original thereof.

(d) Law Governing this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws. Any action brought by either party hereto against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of New York or in the federal courts located in the state of New York. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. The parties hereto agree to submit to the in personam jurisdiction of such courts and hereby irrevocably waive trial by jury. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs.

(e) Severability. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

(f) Captions. The captions of the various sections and paragraphs of this Agreement have been inserted only for the purposes of convenience; such captions are not a part of this Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement.

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**SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT**

Please acknowledge your acceptance of the foregoing Subscription Agreement by signing and returning a copy to the undersigned whereupon it shall become a binding agreement between us.

**Wizard World, Inc.**  
a Delaware corporation

By: /s/ Michael Mathews  
Name: Michael Mathews  
Title: Executive Chairman

Address: 1350 Avenue of the Americas  
2nd Floor  
New York, New York 10019

Facsimile No.: (646) 607-8183

Dated: December 21, 2011

**SUBSCRIBER**

Name of Subscriber:

Michael Mathews 2011 Children's GRAT

Address:

\_\_\_\_\_  
\_\_\_\_\_

Fax No.: \_\_\_\_\_

Taxpayer ID# (if applicable): \_\_\_\_\_

\_\_\_\_\_

(Signature)

By: /s/ Nancy Mathews, trustee

Dated: December 21, 2011

Number of Shares: 357,143

Aggregate Purchase Price: \$250,000.00

(No. Shares x purchase price per Share)

*[Signature Page to Wizard World, Inc. Subscription Agreement]*

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, John Macaluso, certify that:

1. I have reviewed this Form 10-K of Wizard World, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 16, 2012

By: /s/ John Macaluso  
John Macaluso  
Principal Executive Officer  
Wizard World, Inc.

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**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, John Macaluso, certify that:

1. I have reviewed this Form 10-K of Wizard World, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 16, 2012

By: /s/ John Macaluso  
John Macaluso  
Principal Financial Officer  
Wizard World, Inc.



**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF  
THE SARBANES-OXLEY ACT OF 2002**

In connection with this Annual Report of Wizard World, Inc. (the "Company"), on Form 10-K for the year ended December 31, 2011, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, John Macaluso, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Annual Report on Form 10-K for the year ended December 31, 2011, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Annual Report on Form 10-K for the year ended December 31, 2011, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 16, 2012

By: */s/ John Macaluso*

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John Macaluso  
Principal Executive Officer  
Wizard World, Inc.

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF  
THE SARBANES-OXLEY ACT OF 2002**

In connection with this Annual Report of Wizard World, Inc. (the "Company"), on Form 10-K for the year ended December 31, 2011, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, John Macaluso, Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Annual Report on Form 10-K for the year ended December 31, 2011, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Annual Report on Form 10-K for the year ended December 31, 2011, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 16, 2012

By: */s/ John Macaluso*

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John Macaluso  
Principal Financial Officer  
Wizard World, Inc.

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