

# HARD COPY

UNITED STATES OF AMERICA  
BEFORE THE  
SECURITIES AND EXCHANGE COMMISSION

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OFFICE OF THE SECRETARY

In the Matter of the Petition of:  
**Traci J. Anderson, CPA,**  
**Timothy W. Carnahan,**  
and **CYIOS Corporation**

File No. 3-16386

**PETITION FOR REVIEW OF INITIAL DECISION  
DATED JANUARY 10, 2020**

David Greene  
CYIOS Corporation  
1333 Sprucewood Lane  
Deerfield, IL 60015  
(847) 948-5431

Jonathan D. Leinwand  
JONATHAN D. LEINWAND, P.A.  
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*Counsel for Petitioner*

Date: January 31, 2020

## INTRODUCTION

CYIOS Corporation (“CYIOS”) submits this petition for review of an initial decision made by James E. Grimes, Administrative Law Judge, on January 10, 2020 ordering CYIOS to cease and desist, pay a civil money penalty of \$500,000 and disgorge \$37,500 plus interest.

The Commission should grant review and vacate the Order as it pertains to CYIOS. The Commission was in error in ordering CYIOS to cease-and-desist. Furthermore, because the cease-and-desist was ordered in error, the Order to pay a civil money penalty of \$500,000 and disgorge \$37,500 plus interest was also in error.

## ARGUMENT

The Commission should grant review and vacate the Order as it pertains to CYIOS. The Commission was in error in ordering CYIOS to cease-and-desist. Furthermore, because the cease-and-desist was ordered in error, the Order to pay a civil money penalty of \$500,000 and disgorge \$37,500 plus interest was also in error.

### ***1. Order to Cease-and-Desist was issued in error***

As the Administrative Law Judge explained in his Decision, Securities Act Section 8A and Exchange Act Section 21C authorizes the Commission to issue a cease-and-desist order against any person found to have violated, or caused a violation of, a provision of those acts or a rule or regulation promulgated under either act.<sup>1</sup> Furthermore, the Administrative Law Judge correctly identifies that in order to issue such an order, there must be some likelihood of future violations,

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<sup>1</sup> *Traci J. Anderson, CPA*, Initial Decision Release No. 1394, (ALJ Jan. 10, 2020).

and in the absence of evidence to the contrary, a finding of violation raises a sufficient risk of future violation.<sup>2</sup>

Additionally, as discussed in the Decision, the Commission considers the public-interest factors described in *Steadman v. SEC* when determining whether to issue a cease-and-desist order.<sup>3</sup> These factors include: the egregiousness of the respondents' actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the respondents' assurances against future violations, the respondents' recognition of the wrongful nature of their conduct, and the likelihood that the respondents' occupations will present opportunities for future violations.<sup>4</sup>

Respondent CYIOS respectfully submits to the Commission without admitting or denying anything that was previously stated by Mr. Timothy W. Carnahan while he represented CYIOS in a *pro se* capacity, that the Administrative Law Judge was unaware of certain developments related to the company and Mr. Carnahan's occupation that occurred between the July 2019 Hearing, the filing of the September 2019 Post Hearing Brief and the filing of the January 10, 2020 decision. As such CYIOS believes that while there may have been conduct in the past indicating a possibility of future violation by CYIOS there is evidence to the contrary that the Administrative Law Judge was unable to consider in determining if there existed a sufficient risk of future violation.

As previously noted, a hearing was held in July 2019, in which Mr. Carnahan appeared before the Administrative Law Judge representing CYIOS *pro se*. On August 30, 2019 without knowledge of the proceedings against CYIOS, Mr. David Greene entered into an Asset Purchase Agreement with CYIOS and Mr. Carnahan in which Mr. Greene, in exchange for valuable consideration, became the new controlling shareholder, CEO, Chairman, and Secretary of the

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<sup>2</sup> Id.

<sup>3</sup> Id.

<sup>4</sup> Id.

Corporation. Mr. Carnahan resigned thereafter on September 2, 2019. (See Exhibit A, attached hereto).

As a consequence of the change in ownership and Mr. Carnahan's failure to disclose to Mr. Greene any information related to the ongoing SEC proceedings against CYIOS (in direct breach of representations he made in Sections 3.1 and 3.2 of the Asset Purchase Agreement), Mr. Greene was unaware of the July Hearing or the September 2019 Post Hearing Brief filed by the Division of Enforcement. As such, Respondent CYIOS did not respond to the Post Hearing Brief. The management of CYIOS was also unaware that the Initial Decision had been filed on January 10, 2020. The new management of CYIOS would like to assure the Commission that it takes the allegations raised by the Commission seriously and will use its best efforts to assure against any future violations. CYIOS's failure to reply to the Post Hearing Brief should not reflect CYIOS's failure to recognize the seriousness or wrongful nature of the alleged conduct.

The Administrative Law Judge acknowledges that the alleged violations were not recent<sup>5</sup> and that Mr. Carnahan was the only member of CYIOS's management during the relevant time period.<sup>6</sup> The Administrative Law Judge in rendering his Decision, determined that strong sanctions against CYIOS were appropriate because, "[a]s the control person for CYIOS, Carnahan's occupation presents the opportunity for CYIOS to again become public and resume its misconduct."<sup>7</sup> As discussed previously, Mr. Carnahan is no longer associated with CYIOS and therefore his occupation does not present an opportunity for CYIOS to resume or engage in future misconduct. It is proper to look at the present conduct of management that was not involved in the past alleged wrongdoing and not impute such conduct on new management. *SEC v. Cenco Inc.*,

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<sup>5</sup> Decision at 21.

<sup>6</sup> Decision at 19.

<sup>7</sup> Decision at 21.

436 F.Supp. 193 (ND Ill. 1977). In *Cenco*, as in the present matter, “housecleaning procedures have been pursued with vigor.” The Court found that “estimation of the likelihood of future violations” is “distinct from the undisputed past corporate violations,” and injunctive relief was therefore not warranted. *Id* at 200. The Administrative Law Judge’s decision was made after Mr. Carnahan had already resigned from CYIOS and therefore, had the Administrative Law Judge been aware of this development, he may have decided differently.

## **2. Order for Civil Penalties was issued in error**

The Administrative Law Judge ordered that CYIOS pay \$500,000 in Civil Penalties. As per the Decision, the Securities Act Section 8A(g) and Exchange Act Section 21B(a)(2) authorize civil penalties in cease-and-desist proceedings against any person who has violated, or caused a violation of, a provision of those acts or a rule or regulation promulgated under either act.<sup>8</sup> As the Administrative Law Judge based his reasoning for ordering Civil Penalties on his decision for rendering the Cease-and-Desist against CYIOS, CYIOS respectfully reincorporates its arguments above as to why the Cease-and Desist order was not appropriate and therefore neither are the Civil Penalties.

In ordering the penalties, the Administrative Law Judge writes, “there is no evidence that either Carnahan or CYIOS have a disciplinary history. There is, however, a need to deter them and others from future misconduct. There are no indications that Respondents understand the gravity of their misconduct.”<sup>9</sup> As stated previously, the new management of CYIOS which was appointed prior to the Decision being filed, most sincerely understands and appreciates the gravity of the

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<sup>8</sup> Decision at 22 (citing 15 U.S.C. §§ 77h-1(g)(1), 78u-2(a)(2)).

<sup>9</sup> Decision at 23-24.

situation. Additionally, as Mr. Carnahan is no longer involved with CYIOS there is no need to deter future conduct by him as it pertains to CYIOS. Although, Mr. Carnahan acted in compliance with SEC Rules of Practice 102(B) which permitted him to represent CYIOS pro se before the Commission, Mr. Carnahan's representations to the Commission at the Hearing, and his past actions as the sole officer and director of CYIOS should not be imputed to the new owners and management of the company who purchased without knowledge of the alleged violations and in good faith.

Furthermore, in recent months, under the guidance and supervision of the new management, CYIOS has provided new company information and financial statements such that it is now "Pink Current Information" status on OTCMarkets. The decision of the Administrative Law Judge was based on non-recent behavior that did not take into account this improved and correcting corporate behavior as seen in *Cenco*.

### *3. Order for Disgorgement and Prejudgment Interest was issued in error*

The Administrative Law Judge ordered that CYIOS pay \$37,500 plus interest from December 1, 2012 as disgorgement and prejudgment interest. Per the Administrative Law Judge's decision "Securities Act Section 8A(e) and Exchange Act Section 21C(e) authorize disgorgement in cease-and-desist proceedings, and Exchange Act Section 21B(e) authorizes disgorgement in proceedings where civil monetary penalties may be imposed."<sup>10</sup> For the same reasons that CYIOS believes Civil Penalties should not be imposed, CYIOS believes that disgorgement and prejudgment interest are also not appropriate here. As pointed out in the Decision, disgorgement is designed to deprive a wrongdoer of its unjust enrichment and to deter others from violating the

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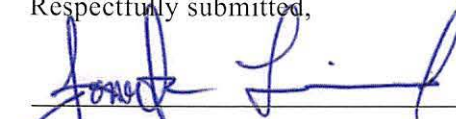
<sup>10</sup> Decision at 24.

securities laws.<sup>11</sup> To impose disgorgement on CYIOS, its new managers and owners, does not deprive Mr. Carnahan of his unjust enrichment and serves only to punish innocent parties who were unaware of his conduct.

### CONCLUSION

The Commission was in error in ordering CYIOS to cease-and-desist. Furthermore, because the cease-and-desist was ordered in error, the order to pay a civil money penalty of \$500,000 and disgorge \$37,500 plus interest was also in error. The Commission should grant review and vacate the Order as it pertains to CYIOS.

Respectfully submitted,



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Date: January 31, 2020

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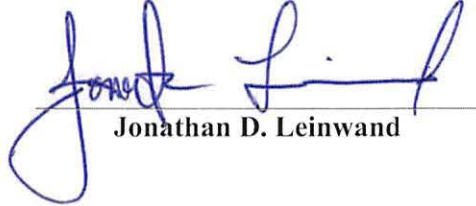
<sup>11</sup> Decision at 24-25.

**CERTIFICATE OF SERVICE**

I, Jonathan D. Leinwand, counsel for CYIOS Corporation, hereby certify that on January 31, 2020, I served copies of the attached Petition for Review of Initial Decision as indicated below:

Vanessa Countryman  
Acting Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549  
*(via FedEx and facsimile)*

Dated: January 31, 2020



**Jonathan D. Leinwand**



**EXHIBIT A**

**ASSET PURCHASE  
AGREEMENT**

This Asset Purchase Agreement (the "Agreement") is entered into effective August 30, 2019, by and between:

David Greene (hereinafter sometimes referred to as "The Acquiring Group");

CYIOS Corp., a Nevada corporation, 1300 Pennsylvania Avenue, Suite 700,  
Washington, DC 20004 (trading symbol CYIO, herein referred to as the  
"Company" or "CYIO"),

Timothy Carnahan ("Timothy"), with principal offices located at 1300  
Pennsylvania Avenue, Suite 700, Washington, DC 2000.

**RECITALS:**

WHEREAS, the Company currently has 100,000,000 authorized common shares, of which, 36,311,640 common shares are issued and outstanding and 10,000,000 shares of Series A Preferred Stock all of which are issued to Timothy, which presently give him voting control;

WHEREAS, as of Closing, the Company's only debts will be \$225,000 due to Azure Associates, Inc., convertible into common shares of the Company at a fixed conversion rate of \$0.003 per share; and approximately \$4500 due to the stock transfer agent;

WHEREAS, David Greene has approved and, along with his attorneys, deem it advisable to effect the transactions as provided for herein (the "Acquisition").

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**AGREEMENT**

The Recitals are hereby incorporated herein by this reference.

**Article I**

## The Asset Acquisition

### SECTION 1.1 The Asset Acquisition.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, all 10,000,000 shares of the CYIO Series A Preferred Stock shall be conveyed to David Greene (the "Control Shares").

(b) In exchange for such Control Shares, David Greene shall pay \$40,000 to Timothy. The \$40,000 shall be payable \$10,000 (which is currently held in escrow by Securities Counselors Inc.) upon the execution of this Agreement and then an additional \$10,000 on or before the 15<sup>th</sup> day of each calendar month hereafter, starting with September 15, 2019. The Control Shares shall be free and clear of all Liens, and shall constitute all right, title and interest in such property.

(c) Timothy hereby relinquishes all rights to any and all amounts due from the Company, including for any past services rendered.

SECTION 1.2 Closing. Subject to the terms and conditions of this Agreement, the closing and the consummation of the other transactions contemplated hereby (the "Closing") shall take place at the offices of Securities Counselors, Inc., within 48 hours of the execution of this Agreement by all parties (or at such other date, time and place as the parties hereto may agree).

SECTION 1.3 Effective Time. On the date of Closing, Timothy shall cause to be delivered to David Greene, the Control Block, subject to the terms hereof. Also on the date of Closing, Timothy shall appoint David Greene or his designee to the Board of Directors of the Company and then resign, in accordance with the resolutions attached hereto and made a part hereof.

## Article II

### REPRESENTATIONS AND WARRANTIES OF THE ACQUIRING GROUP

The Acquiring Group, including each member thereof, represent, warrant and covenant to the other parties to this agreement, as follows and acknowledge that the other parties are relying upon such representations and warranties in connection with the Contemplated Transactions (as hereinafter defined):

SECTION 2.1 Authority Relative to this Agreement. The Acquiring Group has full power, capacity and authority to execute and deliver each Transaction Document to which it is or, at Closing, will be, a party and to consummate the Contemplated Transactions. The execution, delivery and performance by The Acquiring Group of each Transaction Document and the consummation of the Contemplated Transactions to which the members of The Acquiring Group are, collectively, or at Closing, will be, a party will have been duly and validly authorized by each member of The Acquiring Group, respectively, and no other acts by or on behalf of any member of The Acquiring Group will be necessary or required to authorize the execution, delivery and performance by The Acquiring Group, of each Transaction Document and the consummation of the Contemplated Transactions to which it is or, at Closing, will be, a party. This Agreement and the other Transaction Documents to which members of The Acquiring Group is a party have been duly and validly executed and delivered by The Acquiring Group and (assuming the valid execution and delivery thereof by the other parties thereto) will constitute the legal, valid and binding agreements of each member of The Acquiring Group enforceable against The Acquiring

Group in accordance with their respective terms, except as such obligations and their enforceability may be limited by applicable bankruptcy and other similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought (whether at law or in equity).

**SECTION 2.2 No Conflicts; Consents.** The execution, delivery and performance by each member of The Acquiring Group of each Transaction Document to which it is a party and the consummation of the Contemplated Transactions to which one is a party, will not: (i) violate any provision of the articles or organization, member control agreement or operating agreement of The Acquiring Group; (ii) require The Acquiring Group to obtain any consent, approval or action of or waiver from, or make any filing with, or give any notice to, any Governmental Body or any other person, except as set forth herein; (iii) violate, conflict with or result in a breach or default under (with or without the giving of notice or the passage of time or both), or permit the suspension or termination of, any material Contract (including any Real Property Lease, license or permit) to which The Acquiring Group is a party or by which it or any of its assets is bound or subject, or to the best of the knowledge of any member of The Acquiring Group; (iv) violate any Order, any Law, of any Governmental Body against, or binding upon, any member of The Acquiring Group concerning The Acquiring Group.

**SECTION 2.3 Finders Fees.** There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of The Acquiring Group who might be entitled to any fee or commission from The Acquiring Group in connection with the consummation of the Contemplated Transactions.

### Article III

#### REPRESENTATIONS AND WARRANTIES OF CYIOS CORP. AND TIMOTHY CARNAHAN

The Company and Timothy represent, warrant and covenant to The Acquiring Group and to members of The Acquiring Group as follows and acknowledges that the members of The Acquiring Group are relying upon such representations and warranties in connection with the Contemplated Transactions:

**SECTION 3.1 Authority Relative to this Agreement.** The Board of Directors has authorized the officers of the Company to execute and deliver each Transaction Document to which it is or, at Closing, will be, a party and to consummate the Contemplated Transactions. Following the affirmative vote of Timothy in his capacity as the holder of the pre-closing voting control, in favor of the Contemplated Transactions (effective immediately prior to their transfer hereunder), the execution, delivery and performance by the Company of each Transaction Document and the consummation of the Contemplated Transactions to which it is or, at Closing, will be, a party no other acts by or on behalf of the Company are necessary or required to authorize the execution, delivery and performance by the Company of each Transaction Document and the consummation of the Contemplated Transactions to which it is or, at Closing, will be a party. This Agreement and the other Transaction Documents to which the Company is a party have been, executed and delivered by the Company and (assuming the valid execution and delivery thereof by the other

parties thereto) constitutes, or will, at the Closing, constitute, as the case may be, the legal, valid and binding agreements of the Company enforceable against it in accordance with their respective terms, except as such obligations and their enforceability may be limited by applicable Laws affecting the enforcement of shareholders' or creditors' rights generally and except that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought (whether at law or in equity).

**SECTION 3.2** No Conflicts; Consents. The execution, delivery and performance by the Company of each Transaction Document to which it is a party and the consummation of the Contemplated Transactions to which the Company is a party does not and will not: (i) violate any provision of the certificate of incorporation or by-laws of the Company, as the case may be; (ii) other than the filing of current information with OTC Markets and such other forms or schedules, require the Company to obtain any consent, approval or action of or waiver from, or make any filing with, or give any notice to, any Governmental Body or any other person; (iii) except as set forth in Schedule 3.2, if at all, violate, conflict with or result in the breach or default under (with or without the giving of notice or the passage of time), or permit the suspension or termination of, any material Contract to which the Company is a party or any of them or any of its assets is bound or subject or result in the creation of any Lien upon any assets of the Company; or (iv) violate any Order or, to the Company's knowledge, any Law of any Governmental Body against, or binding upon, the Company, or upon any of its respective assets or businesses.

**SECTION 3.3** Corporate Existence and Power of the Company. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has all requisite corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

**SECTION 3.4** Capitalization.

(a) The authorized capital stock of the Company consists of: (i) 100,000,000 shares of common stock. The Company has approximately 36,311,640 shares of common stock issued and outstanding. All of the Company Common Stock is, and at Closing will be, duly authorized, duly and validly issued, fully paid and non-assessable, and none were issued in violation of any preemptive rights, rights of first refusal or any other contractual or legal restrictions of any kind.

(b) There are no other shares of common stock, preferred stock or securities issuable except as expressly stated in this Section 3.4, nor are there any options, warrants, notes, phantom stock agreements or other rights to receive shares of the Company's Common Stock or other securities.

**SECTION 3.5** Disclosure of Information. The Company has been given the opportunity: (i) to ask questions of, and to receive answers from, persons acting on behalf of The Acquiring Group concerning the terms and conditions of the Contemplated Transactions and the business, properties, prospects and financial condition of The Acquiring Group; and (ii) to obtain any additional information (to the extent The Acquiring Group or its officers and directors possess such information or are able to acquire it without unreasonable effort or expense and without breach of confidentiality obligations) necessary to verify the accuracy of information provided about The Acquiring Group.

**SECTION 3.6** OTC Filings. On the Closing Date, or within one week thereafter, the Company will be current in its information requirements with OTC Markets and will take all steps necessary and at its expense to ensure that such information is current on or before Closing Date, or within one week thereafter. As soon as reasonably practical following the Closing Date,

the Company will have taken reasonable steps to file with OTC Markets the statements that may be required to be filed by it disclosing the Contemplated Transactions. As of their respective dates, these reports and statements will not contain any untrue statement of a material fact or omit to state a material fact required to be stated in them or necessary to make the statements in them not misleading, in light of the circumstances under which they are made and these reports and statements will comply in all material respects with all applicable requirements of the Exchange Act and the Securities Act.

**SECTION 3.7 Liabilities.** Except for its obligations to the stock transfer agent and to Azure Associates, Inc. as set forth above, the Company does not have any liabilities and as of the date hereof, has not incurred any additional Liabilities. Timothy has agreed to assume any and all other obligations that may be due from the Company and on the Closing Date the Company will not have any other Liabilities outstanding.

**SECTION 3.8 Absence of Certain Changes.** (a) The Company has conducted its business in the ordinary course consistent with past practice and except as disclosed on Schedule 3.8 hereto, if at all, there has not been:

- (i) Any change in any method of accounting or accounting practice by the Company;
- (ii) Any increase in the compensation, commission, bonus or other direct or indirect remuneration paid, payable or to become payable to any officer, stockholder, director, consultant, agent or employee of the Company, or any alteration in the benefits payable or provided to any thereof;
- (iii) Any material adverse change in the relationship of the Company with its employees, customers, suppliers or vendors;
- (iv) Except for any changes made in the ordinary course of business, any material change in any of the Company's business policies, including advertising, marketing, selling, pricing, purchasing, personnel, returns or budget policies; and
- (v) Any agreement or arrangement whether written or oral dealing with any of the foregoing.

**SECTION 3.09 Contracts.** (a) Schedule 3.09 sets forth an accurate and complete list of any and all Contracts to which the Company is a party or by which it or its assets are bound or subject, if at all, that: (i) cannot be cancelled upon 30 days' notice without the payment or penalty of less than Five Thousand Dollars (\$5,000); or (ii) involve aggregate annual future payments by or to any person of more than Five Thousand Dollars (\$5,000). True and complete copies of all written Contracts (including all amendments thereto and waivers in respect thereof) and summaries of the material provisions of all oral Contracts so listed have been made available to The Acquiring Group.

(b) All Contracts to which the Company is a party are valid, subsisting, in full force and effect and binding upon the Company and the other parties thereto, in accordance with their terms, except that no representation or warranty is given as to the enforceability of any oral Contracts. To the best of the Company's knowledge and belief, except as set forth on Schedule 3.09, if at all, the Company is not in default (or alleged default) under any such Contract.

**SECTION 3.10 Claims and Proceedings.** There are no outstanding Orders of any Governmental Body against or involving the Company, its assets or its business. There are no

Claims (whether or not the defence thereof or Liabilities in respect thereof are covered by insurance), pending or, to the best of the Company's knowledge, threatened on the date hereof, against or involving the Company, its assets or its business except as are set forth on Schedule 3.10, if at all.

**SECTION 3.11 Taxes.** Except as set forth on Schedule 3.11, if at all: (a)

(i) the Company has filed or, if not yet due but due before Closing, will timely file all Tax Returns required to be filed by it for all taxable periods ending on or before the date of Closing and all such Tax Returns are or, if not yet filed, will be, upon filing, true, correct and complete in all material respects;

(ii) the Company has paid, or if payment is not yet due but due before Closing, will promptly pay when due to each appropriate Tax Authority, all Taxes of the Company shown as due on the Tax Returns required to be filed by it for all taxable periods ending on or before the date of Closing;

(iii) the accruals for Taxes currently payable as well as for deferred Taxes shown on the financial statements of the Company as of the date of the Interim Statements or the date of any financial statements delivered hereunder: (A) adequately provide for all contingent Tax Liabilities of the Company as of the date thereof; and (B) accurately reflect, as of the date thereof, all unpaid Taxes of the Company whether or not disputed, in each case as required to be reflected thereon in order for such statements to be in accordance with U.S. GAAP;

(iv) no extension of time has been requested or granted for the Company to file any Tax Return that has not yet been filed or to pay any Tax that has not yet been paid and the Company has not granted a power of attorney that remains outstanding with regard to any Tax matter;

(v) the Company has not received notice of a Tax Deficiency and, to the Company's knowledge, no Tax Deficiency is proposed or threatened;

(vi) all Tax Deficiencies have been paid or finally settled and all amounts determined by settlement to be owed have been paid;

(vii) there are no Tax Liens on or pending against the Company or any of the assets, other than those which constitute Permitted Liens;

(viii) there are no presently outstanding waivers or extensions or requests for a waiver or extension of the time within which a Tax Deficiency may be asserted or assessed;

(ix) no issue has been raised in any examination, investigation, suit, action, claim or proceeding relating to Taxes which, by application of similar principles to any past, present or future period, would result in a Tax Deficiency for such period;

(x) there are no pending or threatened Tax Audits of the Company;

(xi) the Company has no deferred intercompany gains or losses that have not been fully taken into income for income Tax purposes;

(xii) there are no transfer or other taxes (other than income taxes) imposed by any state on the Company by virtue of the Contemplated Transactions; and

(xiii) no claim has been made by any Tax Authority that the Company is subject to Tax in a jurisdiction in which Emporia is not then paying Tax of the type asserted.

Each reference to a provision of the Code in this Section shall be treated for state and local Tax purposes as a reference to analogous or similar provisions of state and local law.

(b) To the Company's knowledge, the Company has collected and remitted to the appropriate Tax Authority all sales and use or similar Taxes required to be collected on or prior to the date of Closing and has been furnished properly completed exemption certificates for all exempt transactions and has no information otherwise or notice of any claim by any government or jurisdiction with regards thereto. The Company has maintained and has in its possession all records, supporting documents and exemption certificates required by applicable sales and use Tax statutes and regulations to be retained in connection with the collection and remittance of sales and use Taxes for all periods up to and including the date of Closing. With respect to sales made by the Company prior to the date of Closing for which sales and use Taxes are not yet due as of the date of Closing, all applicable sales and use Taxes payable with respect to such sales will have been collected or billed by the Company and will be included in the assets of the Company as of the date of Closing.

**SECTION 3.12 Compliance with Laws.** The Company is not in violation of any Orders and to the best of the Company's knowledge, belief and information, any Laws of any Governmental Bodies affecting the Company or the Company Common Stock.

**SECTION 3.13 Environmental Matters.** To the best of the Company's knowledge, belief and information, the Company is, and at all times has been, in full compliance with, and has not been and is not in violation of or liable under, any Environmental Law.

**SECTION 3.14 Finders Fees.** There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Company who might be entitled to any fee or commission from the Company in connection with the consummation of the Contemplated Transactions.

**SECTION 3.15 Disclosure.** Neither this Agreement, the Schedules hereto, nor any reviewed or unaudited financial statements, documents or certificates furnished or to be furnished to The Acquiring Group by or on behalf of the Company pursuant to this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein or therein not misleading. There are no events, transactions or other facts, which, either individually or in the aggregate, may give rise to circumstances or conditions which would have a material adverse effect on the general affairs or business of the Company.

**SECTION 3.16 Authority.** Timothy represents that he is the sole duly elected member of the board of directors and sole officer of the Company and has full power and authority to enter into this agreement and the Contemplated Transactions.

**SECTION 3.17 Ownership of Shares.** Timothy represents that he is the sole owner of 10,000,000 shares of Series A Preferred Stock of the Company's common stock and that such shares have been validly issued, are fully paid, are non-assessable, that he has full power and authority to transfer and convey the same and that there are no other shares of such preferred stock or any other classes or series of preferred stock issued or outstanding.



## Article IV

### COVENANTS AND AGREEMENTS

The members of The Acquiring Group covenant to the Company; and the Company covenants to The Acquiring Group that:

**SECTION 4.1 Filings and Authorizations.** The parties hereto shall cooperate and use their respective best efforts to make, or cause to be made, all registrations, filings, applications and submissions, to give all notices and to obtain all governmental or other third party consents, transfers, approvals, Orders and waivers necessary or desirable for the consummation of the Contemplated Transactions in accordance with the terms of this Agreement including without limitation the preparation of any documents required to be filed with FINRA, OTC Markets or the State of its organization in connection with the transactions contemplated by this Agreement; and shall furnish copies thereof to each other party prior to such filing and shall not make any such registration, filing, application or submission to which the Shareholders reasonably object in writing. All such filings shall comply in form and content in all material respects with applicable Law. The parties hereto also agree to furnish each other with copies of such filings and any correspondence received from any Governmental Body in connection therewith.

**SECTION 4.2 Confidentiality.** Each party hereto shall hold in strict confidence, and shall use its best efforts to cause all of its officers, employees, agents and professional counsel and accountants, (collectively, "Representatives") to hold in strict confidence, unless compelled to disclose by judicial or administrative process, or by other requirements of Law, all information concerning any other party which it has obtained from such party prior to, on, or after the date hereof in connection with the Contemplated Transactions, and each party shall not use or disclose to others, or permit the use of or disclosure of, any such information so obtained, and will not release or disclose such information to any other person, except its Representatives who need to know such information in connection with this Agreement and who shall be advised of the provisions of this Section. The foregoing provision shall not apply to any such information to the extent; (i) known by any party prior to the date such information was provided to such party in connection with the Contemplated Transactions; (ii) made known to such party from a third party not in breach of any confidentiality requirement; or (iii) made public through no fault of such party or any of its Representatives.

**SECTION 4.3 Expenses.** The members of The Acquiring Group, the Company and The Acquiring Group shall bear their respective expenses, in each case, incurred in connection with the preparation, execution and performance of the Transaction Documents and the Contemplated Transactions, including, without limitation, all fees and expenses of their respective Representatives.

**SECTION 4.4 Tax Matters.** The members of The Acquiring Group and the Company shall reasonably cooperate, and shall cause their respective Representatives reasonably to cooperate, in preparing and filing all Tax Returns, including maintaining and making available to each other all records necessary in connection with the preparation and filing of Tax Returns, the payment of Taxes and the resolution of Tax Audits and Tax Deficiencies with respect to all taxable periods. Refunds or credits of Taxes that were paid by The Acquiring Group with respect to any periods shall be for the account of The Acquiring Group.

**SECTION 4.5 Further Assurances.** At any time and from time to time after the date of Closing, upon the reasonable request of any party hereto, the other party(ies), shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged or delivered, all such further documents, instruments or assurances, as may be necessary, desirable or proper to carry out the intent and accomplish the purposes of this Agreement.

**SECTION 4.6 Due Diligence.** Prior to the Closing Date The parties agree that each of them shall be entitled, through its Representatives, to make such investigation of the properties, businesses and operations of each other party, and such examination of the books, records and financial condition of the other parties, as such party reasonably deems necessary. Any such investigation and examination shall be conducted at reasonable times, under reasonable circumstances and upon reasonable notice. No investigation by a party shall diminish or obviate any of the representations, warranties, covenants or agreements of the other parties contained in this Agreement.

## Article V

### CONDITIONS TO CLOSING

**SECTION 5.1 Conditions to the Obligations of the Parties.** The obligations of the Parties to consummate the Contemplated Transactions are subject to the satisfaction of the following conditions:

(a) **No Injunction.** No provision of any applicable Law and no Order shall prohibit the consummation of the Contemplated Transactions.

(b) **No Proceedings or Litigation.** No Claim instituted by any person (other than pursuant to this Agreement) shall have been commenced or pending against The Acquiring Group, the Company, or any of their respective Affiliates, officers or directors, which Claim seeks to restrain, prevent, change or delay in any respect the Contemplated Transactions or seeks to challenge any of the terms or provisions of this Agreement or seeks damages in connection with any of such transactions.

**SECTION 5.2 Conditions to the Obligations of the Shareholders.** The obligations of each party hereunder to consummate the Contemplated Transactions are subject to the fulfilment prior to or at the Closing of each of the following further conditions:

(a) **Performance.** The Company shall have performed and complied in all material respects with all agreements, obligations and covenants required by this Agreement to be performed or complied with by it at or prior to the Closing Date.

(b) **Representations and Warranties.** The representations and warranties of the Company contained in this Agreement and in any certificate or other writing delivered by the Company pursuant hereto shall be true in all material respects at and as of the Closing Date as if made at and as of such time (except for those representations and warranties made as of a specific date which shall be true in all material respects as of the date made).

(c) **No Material Adverse Change.** From the date hereof through the Closing, there shall not have occurred any event or condition that has had or could have a material adverse effect on the Company.

(d) Documentation. There shall have been delivered to The Acquiring Group the following:

(i) a certificate, dated the Closing Date, of the Chairman of the Board and the President of the Company confirming the matters set forth in Section 5.2(a) (b) and (c) hereof;

(ii) resolutions adopted by the board of directors of the Company authorizing the transactions contemplated hereby, certified by the Secretary of the Company;

(iii) a resolution adopted by the board of directors of the Company appointing David Greene to the board of directors of the Company;

(iv) a letter of resignation of Timothy Carnahan, resigning all positions he holds with the Company;

(v) the elections and appointments of and resignations of each of the prior officers and directors of the Company;

(vi) a consent to be filed with the transfer agent granting to The Acquiring Group's designee access to the Company's transfer records with full power and authority to instruct the transfer agent with respect to cancellations and issuances of the Company's shares.

**SECTION 5.3** Conditions to the Obligations of the Company. All obligations of the Company to consummate the Contemplated Transactions hereunder are subject, at the option of the Company, to the fulfilment or waiver prior to or at the Closing of each of the following further conditions:

(a) Performance. The Company shall have performed and complied in all material respects with all agreements, obligations and covenants required by this Agreement to be performed or complied with by them at or prior to the Closing Date.

(b) Representations and Warranties. The representations and warranties of the Company, contained in this Agreement and in any certificate or other writing delivered by the Company, David Greene and The Acquiring Group pursuant hereto shall be true in all material respects at and as of the Closing Date as if made at and as of such time (except for those representations and warranties made as of a specific date which shall be true in all material respects as of the date made).

(c) No Material Adverse Change. From the date hereof through the Closing, there shall not have occurred any event or condition that has had or could have a material adverse effect on the Company or The Acquiring Group, as the case may be.

(d) Documentation. There shall have been delivered to the Company the following:

(i) A certificate, dated the Closing Date, of the Chairman of the Board, the President or Chief Financial Officer of The Acquiring Group confirming the matters set forth in Section 5.3(a) (b) and (c) hereof;

(ii) A certificate, dated as of the Closing Date, of the Secretary of The Acquiring Group and David Greene certifying, among other things, that attached or appended to such certificate is a

true and correct copy of The Acquiring Group's articles of organization, bylaws and all amendments thereto;

(iii) Resolutions adopted by The Acquiring Group authorizing the transactions contemplated hereby, certified by the Secretary of The Acquiring Group; and

(iv) Resolutions adopted by the Company authorizing the transactions contemplated hereby, certified by the Secretary of the Company.

#### Article VI

#### INDEMNIFICATION

**SECTION 6.1 Survival of Representations, Warranties and Covenants.** (a) Notwithstanding any right of the Company fully to investigate the affairs of The Acquiring Group and the rights of David Greene and/or The Acquiring Group to fully investigate the affairs of the Company, and notwithstanding any knowledge of facts determined or determinable by the Company, or The Acquiring Group, pursuant to such investigation or right of investigation, David Greene, The Acquiring Group and the Company have the right to rely fully upon the representations, warranties, covenants and agreements of each of the others, respectively, contained in this Agreement, or listed or disclosed on any Schedule hereto or in any instrument delivered in connection with or pursuant to any of the foregoing. All such representations, warranties, covenants and agreements shall survive the execution and delivery of this Agreement and the Closing hereunder. Notwithstanding the foregoing, all representations and warranties of David Greene, The Acquiring Group and the Company respectively, contained in this Agreement, on any Schedule hereto or in any instrument delivered in connection with or pursuant to this Agreement shall terminate and expire twenty four (24) months after the date of Closing; provided, however, that the liability of David Greene, The Acquiring Group and the Company shall not terminate as to any specific claim or claims of the type referred to in Section 6.3 hereof, whether or not fixed as to Liability or liquidated as to amount, with respect to which David Greene, The Acquiring Group and/or the Company has been given specific notice on or prior to the date on which such Liability would otherwise terminate pursuant to the terms of this Section, or which arise or result from or are related to a Claim for fraud.

**SECTION 6.2 Obligation of David Greene and The Acquiring Group to Indemnify.** David Greene and The Acquiring Group agree to indemnify, defend and hold harmless the Company (and their respective directors, officers, employees, Affiliates, successors and assigns) from and against all Claims, losses, Liabilities, Regulatory Actions, damages, deficiencies, judgments, settlements, costs of investigation or other expenses (including Taxes, interest, penalties and reasonable attorneys' fees and fees of other experts and disbursements and expenses incurred in enforcing this indemnification) (collectively, the "Losses") suffered or incurred by the Company, or any of the foregoing persons arising out of any breach of the representations and warranties of David Greene or The Acquiring Group contained in this Agreement, or of the covenants and agreements contained in this Agreement or in the Schedules or any other Transaction Document.

**SECTION 6.3 Obligation of the Company and Timothy to Indemnify.** The Company and Timothy jointly and severally agree to indemnify, defend and hold harmless David Greene and The Acquiring Group (and any heirs, successor or assignee thereof) from and against any Losses suffered or incurred by David Greene or The Acquiring Group or any of the foregoing persons arising out of any breach of the representations and warranties of the Company or Timothy, or of

the covenants and agreements of the Company or Timothy contained in this Agreement or in the Schedules or any other Transaction Document.

**SECTION 6.4 Notice and Opportunity to Defend Third Party Claims.** (a) Within ten (10) days following receipt by any party hereto (the "Indemnitee") of notice of any demand, claim, circumstance or Tax Audit which would or might give rise to a claim, or the commencement (or threatened commencement) of any action, proceeding or investigation that may result in a Loss (an "Asserted Liability"), the Indemnitee shall give notice thereof (the "Claims Notice") to the party or parties obligated to provide indemnification pursuant to Sections 6.2, or 6.3 (collectively, the "Indemnifying Party"). The Claims Notice shall describe the Asserted Liability in reasonable detail and shall indicate the amount (estimated, if necessary, and to the extent feasible) of the Loss that has been or may be suffered by the Indemnitee.

(b) The Indemnifying Party may elect to defend, at its own expense and with its own counsel, any Asserted Liability unless: (i) the Asserted Liability includes a Claim seeking an Order for injunction or other equitable or declaratory relief against the Indemnitee, in which case the Indemnitee may at its own cost and expense and at its option defend the portion of the Asserted Liability seeking equitable or declaratory relief against the Indemnitee, or (ii) the Indemnitee shall have reasonably, and in good faith, after consultation with the Indemnifying Party, concluded that: (x) there is a conflict of interest between the Indemnitee and the Indemnifying Party which could prevent or negatively influence the Indemnifying Party from impartially or adequately conducting such defence; or (y) the Indemnitee shall have one or more defences not available to the Indemnifying Party but only to the extent such defence cannot legally be asserted by the Indemnifying Party on behalf of the Indemnitee. If the Indemnifying Party elects to defend such Asserted Liability, it shall within ten (10) days (or sooner, if the nature of the Asserted Liability so requires) notify the Indemnitee of its intent to do so, and the Indemnitee shall cooperate, at the expense of the Indemnifying Party, in the defence of such Asserted Liability. If the Indemnifying Party elects not to defend the Asserted Liability, is not permitted to defend the Asserted Liability by reason of the first sentence of this Section, fails to notify the Indemnitee of its election as herein provided or contests its obligation to indemnify under this Agreement with respect to such Asserted Liability, the Indemnitee may pay, compromise or defend such Asserted Liability at the sole cost and expense of the Indemnifying Party. Notwithstanding the foregoing, neither the Indemnifying Party nor the Indemnitee may settle or compromise any claim over the reasonable written objection of the other, provided that the Indemnitee may settle or compromise any claim as to which the Indemnifying Party has failed to notify the Indemnitee of its election under this Section or as to which the Indemnifying Party is contesting its indemnification obligations hereunder. If the Indemnifying Party desires to accept a reasonable, final and complete settlement of an Asserted Liability so that such Indemnitee's Loss is paid in full and the Indemnitee refuses to consent to such settlement, then the Indemnifying Party's liability to the Indemnitee shall be limited to the amount offered in the settlement. The Indemnifying Party will exercise good faith in accepting any reasonable, final and complete settlement of an Asserted Liability. In the event the Indemnifying Party elects to defend any Asserted Liability, the Indemnitee may participate, at its own expense, in the defence of such Asserted Liability. In the event the Indemnifying Party is not permitted by the Indemnitee to defend the Asserted Liability, it may nevertheless participate at its own expense in the defence of such Asserted Liability. If the Indemnifying Party chooses to defend any Asserted Liability, the Indemnitee shall make available to the Indemnifying Party any books, records or other documents within its control that are necessary or appropriate for such defence. Any Losses of any Indemnitee for which an Indemnifying Party is liable for indemnification hereunder shall be paid upon written demand therefor.

**SECTION 6.5** Limits on Indemnification. (a) Notwithstanding the foregoing or the limitations set forth in Section 6.5(b) below, in the event such Losses arise out of any fraud related matter on the part of any Indemnifying Party, then such Indemnifying Party shall be obligated to indemnify the Indemnitees in respect of all such Losses.

(b) David Greene or The Acquiring Group shall not be liable to indemnify the Company pursuant to Section 6.2 above and the Company shall not be liable to indemnify David Greene or The Acquiring Group pursuant to Section 6.3 above with respect to special, consequential or punitive damages; or in respect of any individual Loss of less than \$2,000.

**SECTION 6.6** Exclusive Remedy. The parties agree that the indemnification provisions of this Article VI shall constitute the sole or exclusive remedy of any party in seeking damages or other monetary relief with respect to this Agreement and the Contemplated Transactions, provided that, nothing herein shall be construed to limit the right of any party to seek: (i) injunctive relief for a breach of this Agreement; (ii) legal or equitable relief for a Claim for fraud; or (iii) indemnity under the bylaws of the Company if they are or have been a director or officer of the Company.

## Article VII

### SPECIFIC PERFORMANCE; TERMINATION

#### **SECTION 7.1** Specific Performance.

(a) David Greene and The Acquiring Group acknowledge and agree that, if they fail to proceed with the Closing in any circumstance other than those described in clauses (a), (b), (c) or (d) of Section 7.2 below, the Company will not have adequate remedies at law with respect to such breach. In such event, and in addition to each party's right to terminate this Agreement, each party shall be entitled, without the necessity or obligation of posting a bond or other security, to seek injunctive relief, by commencing a suit in equity to obtain specific performance of the obligations under this Agreement or to sue for damages, in each case, without first terminating this Agreement. The officers and directors of The Acquiring Group specifically affirm the appropriateness of such injunctive, other equitable relief or damages in any such action.

(b) The Company acknowledges and agrees that, if it fails to proceed with the Closing in any circumstance other than those described in clauses (a), (b), (c) or (d) of Section 7.2 below, The Acquiring Group will not have adequate remedies at law with respect to such breach. In such event, and in addition to each party's right to terminate this Agreement, each party shall be entitled, without the necessity or obligation of posting a bond or other security, to seek injunctive relief, by commencing a suit in equity to obtain specific performance of the obligations under this Agreement or to sue for damages, in each case, without first terminating this Agreement. The board of directors of the Company specifically affirms the appropriateness of such injunctive, other equitable relief or damages in any such action.

**SECTION 7.2** Termination. This Agreement may be terminated and the Contemplated Transactions may be abandoned at any time prior to the Closing:

(a) By mutual written consent of David Greene, The Acquiring Group and the Company;

(b) By David Greene and The Acquiring Group if: (i) there has been a material misrepresentation or material breach of warranty on the part of the Company or Timothy in the

representations and warranties contained herein and such misrepresentation or breach of warranty, if curable, is not cured within ninety days after written notice thereof from David Greene and/or The Acquiring Group; (ii) the Company has committed a breach of any covenant imposed upon it hereunder and fails to cure such breach within thirty days after written notice thereof from David Greene and/or The Acquiring Group; or (iii) any condition to David Greene' and/or The Acquiring Group's obligations under Article V becomes incapable of fulfillment through no fault of David Greene and The Acquiring Group, and is not waived by The Acquiring Group;

(c) By the Company, if: (i) there has been a misrepresentation or breach of warranty on the part of David Greene and/or The Acquiring Group in the representations and warranties contained herein and such misrepresentation or breach of warranty, if curable, is not cured within thirty days after written notice thereof from the Company; (ii) David Greene and/or The Acquiring Group have committed a breach of any covenant imposed upon them hereunder and fail to cure such breach within thirty days after written notice thereof from the Company; or (iii) any condition to the Company's obligations under Article V becomes incapable of fulfillment through no fault of the Company and is not waived by the Company.

**SECTION 7.3** Effect of Termination; Right to Proceed. Subject to the provisions of Section 7.1 hereof, in the event that this Agreement shall be terminated pursuant to Section 7.2, all further obligations of the parties under this Agreement shall terminate without further liability of any party hereunder except that: (i) the agreements contained in Section 4.2 shall survive the termination hereof; and (ii) termination shall not preclude any party from seeking relief against any other party for breach of Section 4.2. In the event that a condition precedent to its obligation is not met, nothing contained herein shall be deemed to require any party to terminate this Agreement, rather than to waive such condition precedent and proceed with the Contemplated Transactions.

#### Article VIII

#### MISCELLANEOUS

**SECTION 8.1** Notices. (a) Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally by hand or by recognized overnight courier, or mailed (by registered or certified mail, postage prepaid return receipt requested) as follows:

If to David Greene, at

If to CYIOS Corp., at

If to Timothy Carnahan, at 1300 Pennsylvania Avenue, Suite 700, Washington, DC 20004

(b) Each such notice or other communication shall be effective when delivered at the address specified in Section 8.1(a). Any party by notice given in accordance with this Section 8.1 to the other parties may designate another address or person for receipt of notices hereunder. Notices by a party may be given by counsel to such party.

**SECTION 8.2** Entire Agreement. This Agreement (including the Schedules and Exhibits hereto) and the collateral agreements executed in connection with the consummation of the

Contemplated Transactions contain the entire agreement among the parties with respect to the subject matter hereof and related transactions and supersede all prior agreements, written or oral, with respect thereto.

**SECTION 8.3**      **Waivers and Amendments; Non-Contractual Remedies; Preservation of Remedies.** This Agreement may be amended, superseded, cancelled, renewed or extended only by a written instrument signed by The Acquiring Group and the Company. The provisions hereof may be waived in writing by The Acquiring Group and the Company, as the case may be. Any such waiver shall be effective only to the extent specifically set forth in such writing. No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof. Nor shall any waiver on the part of any party of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. Except as otherwise provided herein, the rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

**SECTION 8.4**      **Governing Law.** This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Illinois including all matters of construction, validity, performance, and enforcement and without giving effect to the principles of conflict of laws. Venue for any action brought under this Agreement shall be a court in Lake County or in Cook County, Illinois.

**SECTION 8.5**      **Consent to Jurisdiction.** Each of the parties hereto irrevocably and voluntarily submits to personal jurisdiction in the State of Illinois and in the Federal courts in such state in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of such action or proceeding may be heard and determined in any such court. If for any reason the Federal courts in such state will not entertain such action or proceeding, then the parties hereto irrevocably and voluntarily submit to personal jurisdiction in the state courts located in the State of Illinois in any action or proceeding arising out of or relating to this Agreement and agree that all claims in respect of any action or proceeding may be heard and determined in any such court. Each of the parties further consents and agrees that such party may be served with process in the same manner as a notice may be given under Section 8.1. The parties hereto agree that any action or proceeding instituted by any of them against any other party with respect to this Agreement will be instituted exclusively in the United States District Court located within the State of Illinois, or alternatively, in the State courts located therein. Each party irrevocably and unconditionally waive and agree not to plead, to the fullest extent permitted by law, any objection that they may now or hereafter have to the laying of venue or the convenience of the forum of any action or proceeding with respect to this Agreement in any such courts.

**SECTION 8.6**      **Binding Effect; No Assignment.** This Agreement and all of its provisions, rights and obligations shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs and legal representatives. This Agreement may not be assigned (including by operation of Law) by any party hereto without the express written consent of the other party and any purported assignment, unless so consented to, shall be void and without effect.

**SECTION 8.7**      **Exhibits.** All Exhibits and Schedules attached hereto are hereby incorporated by reference into, and made a part of, this Agreement.



**SECTION 8.8 Severability.** If any provision of this Agreement for any reason shall be held to be illegal, invalid or unenforceable, such illegality shall not affect any other provision of this Agreement, this Agreement shall be amended so as to enforce the illegal, invalid or unenforceable provision to the maximum extent permitted by applicable law, and the parties shall cooperate in good faith to further modify this Agreement so as to preserve to the maximum extent possible the intended benefits to be received by the parties.

**SECTION 8.9 Counterparts.** The Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

**SECTION 8.10 Third Parties.** Except as specifically set forth or referred to herein, nothing herein express or implied is intended or shall be construed to confer upon or give to any person other than the parties hereto and their permitted heirs, successors, assigns and legal representatives, any rights or remedies under or by reason of this Agreement or the Contemplated Transactions.

## Article IX

### DEFINITIONS

**SECTION 9.1 Definitions.** The following terms, as used herein, have the following meanings:

"Affiliate" of any person means any other person directly or indirectly through one or more intermediary persons, controlling, controlled by or under common control with such person.

"Agreement" or "this Agreement" shall mean, and the words "herein", "hereof" and "hereunder" and words of similar import shall refer to, this agreement as it from time to time may be amended.

"Assets" shall mean all cash, instruments, properties, rights, interests and assets of every kind, real, personal or mixed, tangible and intangible, used or usable in the Business.

The term "audit" or "audited" when used in regard to financial statements shall mean an examination of the financial statements by a firm of independent certified public accountants in accordance with generally accepted auditing standards for the purpose of expressing an opinion thereon.

"Business" shall mean the ownership and operation of the business of the party referred to.

"Condition of the Business" shall mean the financial condition, prospects or the results of operations of the Business, the Assets of the party referred to.

"Contract" shall mean any contract, agreement, indenture, note, bond, lease, conditional sale contract, mortgage, license, franchise, instrument, commitment or other binding arrangement, whether written or oral.

"Control" with respect to any person, shall mean the power to direct the management and policies of such person, directly or indirectly, by or through stock ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral)

with one or more other persons by or through stock ownership, agency or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"GAAP" shall mean generally accepted accounting principles in effect on the date hereof (or, in the case of any opinion rendered in connection with an audit, as of the date of the opinion) in the subject jurisdiction.

"Governmental Bodies" shall mean any government, municipality or political subdivision thereof, whether federal, state, local or foreign, or any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body, or any court, arbitrator, administrative tribunal or public utility.

The term "knowledge" with respect to: (a) any individual shall mean actual knowledge of such individual; and (b) any corporation shall mean the actual knowledge of the directors and executive officers of such corporation; and "knows" has a correlative meaning. The terms "any Shareholder's knowledge," and "Shareholder's knowledge," including any correlative meanings, shall mean the knowledge of any Shareholder.

"Laws" shall mean any law, statute, code, ordinance, rule, regulation or other requirement of any Governmental Bodies.

"Liability" shall mean any direct or indirect indebtedness, liability, assessment, claim, loss, damage, deficiency, obligation or responsibility, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured, accrued, absolute, actual or potential, contingent or otherwise (including any liability under any guaranties, letters of credit, performance credits or with respect to insurance loss accruals).

"Lien" shall mean any mortgage, lien (including mechanics, warehousemen, labourers and landlords liens), claim, pledge, charge, security interest, pre-emptive right, right of first refusal, option, judgment, title defect, covenant, restriction, easement or encumbrance of any kind.

The term "person" shall mean an individual, corporation, partnership, joint venture, limited liability company, association, trust, unincorporated organization or other entity, including a government or political subdivision or an agency or instrumentality thereof.

"Receivables" shall mean as of any date any trade accounts receivable, notes receivable, sales representative advances and other miscellaneous receivables of The Acquiring Group or of the Company.

"SEC" means the United States Securities and Exchange Commission.

"SEC Documents" means all forms, notices, reports, schedules, statements, and other documents filed by Emporia with the SEC within the three years from the Effective Time, whether or not constituting a "filed" document, and includes all proxy statements, registration statements, amendments to registration statements, periodic reports on Forms 10-KSB, 10-QSB, and 8-K, and annual and quarterly reports to shareholders.

"Tax" (including, with correlative meaning, the terms "Taxes" and "Taxable") shall mean: (i)(A) any net income, gross income, gross receipts, sales, use, ad valorem, transfer, transfer gains, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, rent, recording, occupation, premium, real or personal property, intangibles, environmental or windfall

profits tax, alternative or add-on minimum tax, customs duty or other tax, fee, duty, levy, impost, assessment or charge of any kind whatsoever (including but not limited to taxes assessed to real property and water and sewer rents relating thereto); together with; (B) any interest and any penalty, addition to tax or additional amount imposed by any Governmental Body (domestic or foreign) (a "Tax Authority") responsible for the imposition of any such tax and interest on such penalties, additions to tax, fines or additional amounts, in each case, with respect to any party hereto, the Business or the Assets (or the transfer thereof); (ii) any liability for the payment of any amount of the type described in the immediately preceding clause (i) as a result of a party hereto being a member of an affiliated or combined group with any other person at any time on or prior to the date of Closing; and (iii) any liability of a party hereto for the payment of any amounts of the type described in the immediately preceding clause (i) as a result of a contractual obligation to indemnify any other person.

"Tax Return" shall mean any return or report (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to any Tax Authority.

"Transaction Documents" shall mean, collectively, this Agreement, and each of the other agreements and instruments to be executed and delivered by all or some of the parties hereto in connection with the consummation of the transactions contemplated hereby.

**SECTION 9.2 Interpretation.** Unless the context otherwise requires, the terms defined in this Agreement shall be applicable to both the singular and plural forms of any of the terms defined herein. All accounting terms defined in this Agreement, and those accounting terms used in this Agreement except as otherwise expressly provided herein, shall have the meanings customarily given thereto in accordance with GAAP as of the date of the item in question. When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The use of the neuter gender herein shall be deemed to include the masculine and feminine genders wherever necessary or appropriate, the use of the masculine gender shall be deemed to include the neuter and feminine genders and the use of the feminine gender shall be deemed to include the neuter and masculine genders wherever necessary or appropriate. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

**SECTION 9.3 Representation.** All Parties hereto have been furnished with the opportunity to retain independent counsel and hereby acknowledge that it is proceeding without counsel.

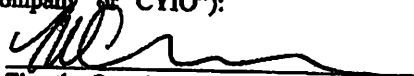
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**[Signature Page to Asset Purchase Agreement by and Among]**

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the date set forth above.


CYIOS Corp. (the "Company" or "CYIO"):

August 30, 2019

  
Timothy Carnahan, Chief Executive Officer

TIMOTHY CARNAHAN:

August 30, 2019

  
Timothy Carnahan, individually

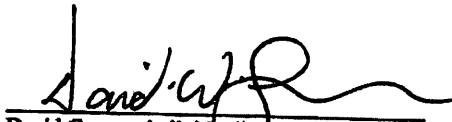
THE ACQUIRING GROUP:

August 30, 2019

  
David Greene, Chief Executive Officer

DAVID GREENE:

August 30, 2019

  
David Greene, individually

**ACTION BY WRITTEN CONSENT OF THE BOARD OF  
DIRECTORS CYIOS CORP.**

The undersigned, being all of the Members of the Board of Directors of CYIOS Corp., a Nevada corporation (the "Corporation"), pursuant to Nevada General Corporation Law and in lieu of a meeting of the Board of Directors of the Corporation, do hereby consent to, adopt, ratify, confirm and approve the Resolutions set forth below, effective as of August 30, 2019.

**WHEREAS**, after significant discussions and consultations with various professionals, and after careful consideration of the alternatives available, including the advantages and disadvantages of entering into an Asset Purchase Agreement with The Acquiring Group Corp. ("The Acquiring Group"), the Board of Directors (the "Board") of the Corporation deems it advisable and in the best interests of the Corporation and its shareholders to approve and complete the Asset Purchase Agreement by and among the Corporation and The Acquiring Group (the "Agreement") attached hereto and made a part hereof; and

**WHEREAS**, the Agreement calls for the resignation of the officers and directors of the Corporation and requires the appointment of new members to the Board, namely David Greene.

***Approval of Asset Purchase Agreement***

**NOW, THEREFORE, BE IT RESOLVED**, that the Agreement in substantially the form attached hereto, together with such changes and modifications as the officers of this Corporation shall, in their sole and absolute discretion, deem appropriate and in the best interest of this Corporation, is hereby approved in its entirety; and

**BE IT FURTHER RESOLVED** that each and all of the actions of the officers of this Company taken to date in connection with the negotiation, execution and delivery of the Agreement and each document and instrument contemplated therein or related thereto and each of the other actions of such officers associated with the transactions contemplated therein, is hereby ratified and confirmed.

***Appointment of New Directors***

**BE IT FURTHER RESOLVED**: That David Greene is hereby appointed as Director of the Corporation.

***Acceptance of Resignation of Timothy Carnahan***

**BE IT FURTHER RESOLVED**: That the Resignation of Timothy Carnahan as director, as CEO and all other positions he holds with the Corporation is hereby accepted, but not prior to the effectiveness of the appointment of David Greene, and the Corporation hereby expresses its gratitude for Timothy Carnahan's efforts and services to date. Such resignation shall be effective immediately.

***Appointment of New Officer***

BE IT FURTHER RESOLVED: That the following are appointed to the offices listed opposite their names effective as of the date hereof:

David Greene

Chairman, President, CEO and Secretary

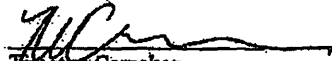
BE IT FURTHER RESOLVED, that that each officer of the Corporation is hereby authorized and directed to do and perform, or cause to be done and performed, all such acts, deeds and things and to make, execute and deliver, or cause to be made, executed and delivered, all such agreements, undertakings, documents, instruments or certificates in the name and on behalf of the Corporation, or otherwise, as each such officer may deem necessary or appropriate to effectuate or carry out fully the purpose and intent of the foregoing resolutions and any of the transactions contemplated thereby.

All actions heretofore taken by any director or officer of the Corporation in connection with any matter referred to in the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

The secretary and any assistant secretary of the Corporation, or any other officer of the Corporation, is hereby authorized to certify and deliver, to any person to whom such certification and delivery may be deemed necessary or appropriate in the opinion of such officer, a true copy of the foregoing resolutions.

IN WITNESS WHEREOF, the undersigned has caused this action to be effective as of August 30, 2019.

Departing Directors:

  
Timothy Carnahan

STATE OF MN

COUNTY OF CLAY

Sworn to and subscribed before me this 2<sup>nd</sup> day of September, 2019, by Timothy Carnahan, who is personally known to me or who has produced suitable identification.

Notary's Signature 


Print Notary's Name ELIZABETH ANDA

NOTARY PUBLIC, State of MN

My commission expires: 1/31/2020



Incoming Director:

  
David Greene

STATE OF NSW

COUNTY OF AUSTRALIA

Sworn to and subscribed before me this 1<sup>st</sup> day of SEPTEMBER, 2019, by David Greene, who is personally known to me or who has produced suitable identification.

Notary's Signature \_\_\_\_\_

Print Notary's Name \_\_\_\_\_

NOTARY PUBLIC, State of \_\_\_\_\_

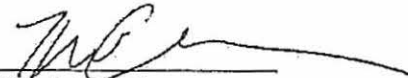
My commission expires: \_\_\_\_\_

To: CYIOS Corp.  
(trading symbol CYIO)  
Care of: Timothy Carnahan, 1300 Pennsylvania Avenue, Suite 700, Washington, DC 20004

Dear Members of the Board of Directors:

I, Timothy Carnahan, effective immediately following the appointment of David Greene as Director of the Corporation, hereby resigns from the Board of Directors of CYIOS Corp., and resigns, effective immediately, from all other positions I hold with CYIOS Corp., including but not limited to, my position as Chief Executive Officer and Director and hereby certify that there are no other members of the Board of Directors and no other officer, other than David Greene.

Sincerely,

  
\_\_\_\_\_  
Timothy Carnahan

STATE OF MN  
COUNTY OF CLAY

Sworn to and subscribed before me this 2<sup>ND</sup> day of September 2019, by Timothy Carnahan, who is personally known to me or who has produced suitable identification.

Notary's Signature 

Print Notary's Name ELIZABETH Anda

NOTARY PUBLIC, State of MN

My commission expires: 4/31/2020

