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As filed with the Securities and Exchange Commission on January 28, 2010

Registration No.: 333-

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

Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VRINGO, INC.
(Exact name of registrant as specified in its charter)

Delaware	4812	20-4988129
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

18 East 16th Street, 7th Floor
New York, New York 10003
(646) 448-8210
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jonathan Medved
Chief Executive Officer
Vringo, Inc.
18 East 16th Street, 7th Floor
New York, New York 10003
(646) 448-8210
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check this box: ☒

If this Form is being filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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 definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if smaller reporting company) Smaller reporting company ☒

Calculation of Registration Fee

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (2)
Units, each consisting of one share of common stock, par value $0.01 per share, and two warrants (3)	$13,800,000	$983.94
Shares of common stock included as part of the Units (3)	—	(4)
Warrants included as part of the Units (3)	—	(4)
Shares of common stock underlying the Warrants included in the Units (3)	$30,360,000	$2,164.67
Representative's Unit Purchase Option (3)	$100	(4)
Units underlying the Representative's Unit Purchase Option ("Representative's Units")	$1,320,000	$94.12
Shares of common stock included as part of the Representative's Units (3)	—	(4)
Warrants included as part of the Representative's Units (3)	—	(4)
Shares of common stock underlying the Warrants included in the Representative's Units (3)	$2,640,000	$188.24
Shares of common stock issuable upon automatic conversion of Convertible Notes (5)	$4,373,600	$311.84
Shares of common stock issuable upon exercise of warrants issuable upon automatic conversion of Convertible Notes (5)	$9,621,920	$686.05
Shares of common stock issuable upon exercise of Special Bridge Warrants (5)	$2,186,800	$155.92
Total	**$64,302,420**	**$4,584.78**

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.
(3) Offered pursuant to the Registrant's initial public offering.
(4) No fee pursuant to Rule 457(g).
(5) Represents shares of the Registrant's common stock being registered for resale that will be acquired upon the conversion of convertible notes issued to the selling security holders and that may be acquired upon the exercise of certain warrants issued to the selling security holders named in this registration statement.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This registration statement contains two forms of prospectus. One form of prospectus (the "Prospectus") is to be used in connection with an initial public offering of 2,400,000 units. The other form of prospectus (the "Selling Securityholder Prospectus") is to be used in connection with the potential resale by certain selling securityholders of an aggregate of 795,200 shares of our common stock issuable upon the conversion of our outstanding convertible notes upon the effectiveness of the registration statement of which such prospectus forms a part and 2,385,600 shares of our common stock issuable upon the exercise of certain of our outstanding warrants. The Prospectus and the Selling Securityholder Prospectus will be identical in all respects except for the alternate pages for the Selling Securityholder Prospectus included herein which are labeled "Alternate Page for Selling Securityholder Prospectus."

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The information in this prospectus is not complete and may be changed. We may not sell these securities until after the registration statement filed with the Securities and Exchange Commission is declared effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 28, 2010

PROSPECTUS

2,400,000 Units

VRINGO, INC.

This is the initial public offering of our units. We are offering 2,400,000 units. Each unit consists of: (i) one share of common stock and (ii) two warrants. Each warrant entitles the holder to purchase one share of our common stock at a price equal to 110% of the offering price of the units in our initial public offering. Each warrant will become exercisable upon the consummation of our initial public offering and will expire five years after the date of this prospectus.

We expect the initial public offering price to be between $ and $ per unit. Currently, no public market exists for our securities. We intend to apply to have our units listed on the NASDAQ Capital Market under the symbol "VRNGU" on or promptly after the date of this prospectus. Once the securities comprising the units begin separate trading, the units will continue to trade under the symbol "VRNGU" and the common stock and warrants will be listed on the NASDAQ Capital Market under the symbols "VRNG" and "VRNGW," respectively. The common stock and warrants comprising the units will begin separate trading on or prior to the 90th day after the date of this prospectus. We will issue a press release announcing when such separate trading will begin. No assurance can be given that such listing will be approved.

Investing in our units involves a high degree of risk. You should carefully consider the matters discussed under the section entitled "Risk Factors" beginning on page 12 of this prospectus.

	Per Unit	Total
Public offering price		
Underwriter discounts and commissions (1)		
Proceeds to us (before expenses)		

(1) Does not include a corporate finance fee in the amount of 2% of the gross proceeds, or $ per share, payable to Maxim Group LLC, the representative of the underwriters.

We have granted an over-allotment option to the underwriters. Under this option, the underwriters may elect to purchase up to an additional 360,000 units from us at the public offering price, less the estimated underwriting discounts and commissions, within 45 days from the date of this prospectus to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This is a firm commitment underwriting. The underwriters expect to deliver the units to purchasers on or prior to , 2010.

Maxim Group LLC

The date of this prospectus is , 2010.

VRINGO, INC.

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information different from or in addition to that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and are seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock. Our business, financial conditions, results of operations and prospects may have changed since that date.

We obtained statistical data, market data and other industry data and forecasts used throughout this prospectus from publicly available information. While we believe that the statistical data, market data and other industry data and forecasts are reliable, we have not independently verified the data, and we do not make any representation as to the accuracy of the information.

PROSPECTUS SUMMARY

This summary highlights information contained throughout this prospectus and is qualified in its entirety by reference to the more detailed information and financial statements included elsewhere herein. This summary may not contain all of the information that may be important to you. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date. Before making an investment decision, you should read carefully the entire prospectus, including the information under "Risk Factors" beginning on page 12 and our financial statements and related notes thereto.

Unless the context otherwise requires or indicates, when used in this prospectus,

- *references to "we," "our," "us," "the Company" and "Vringo" refer to Vringo, Inc. and its subsidiary;*
- *references to "Bridge Notes" refer to the $2.98 million shares of 5% subordinated convertible promissory notes issued to accredited investors in a private placement consummated on December 29, 2009. Upon consummation of this offering, the Bridge Notes will automatically convert into one share of common stock and two warrants at a conversion price equal to the lesser of (i) $3.75 and (ii) 75% of the offering price of the units in this offering;*
- *references to "Bridge Financing" refer to the sale of the Bridge Notes; and*
- *references to "Special Bridge Warrants" refer to the additional 795,200 warrants issued to the investors in the Bridge Financing, which are exercisable at $2.75 per share.*

Our Business

We provide a comprehensive platform that allows users to create, download and share mobile entertainment content in the form of video ringtones for mobile phones. We believe that our service represents the next stage in the evolution of the ringtone market from standard audio ringtones to high-quality video ringtones, with social networking capability and integration with web systems. Our solution, which encompasses a suite of mobile and PC-based tools, enables users to create, download and share video ringtones with ease, and provides our business partners with a consumer-friendly and easy-to-integrate monetization platform.

We are active in fast growing mobile markets. According to *Multimedia Intelligence*, the global mobile content market is projected to reach $29 billion by 2012 and Juniper Research projects that the global mobile application market will reach $25 billion in 2014. Our platform combines downloadable mobile applications running on multiple operating systems and hundreds of handsets, a WAP site, which is a simplified website accessible by a user on its mobile phone, and a website, together with a robust content integration, management and distribution system.

As part of providing a complete end-to-end video ringtone platform, we have amassed a library of over 4,000 video ringtones that we provide for our users. We also have developed substantial tools for users to create their own video ringtones and for mobile carriers and other partners to include their own content and deliver it solely to their customers. Our VringForward video ringtone technology allows users to enjoy a rich social experience by sharing video ringtones from our library or generated by users.

Until recently, our product has been offered for free to consumers. We are now moving to a paid service model together with mobile carriers and other partners around the world. The initial revenue model for our service offered through the carriers will generally be a subscription-based model where users pay a monthly fee for access to the service and additional fees for premium content. Our free version is still available in markets where we have not entered into commercial arrangements with carriers or other partners. We have built our

platform with a flexible back-end and front-end that is easy to integrate with the back-end systems of mobile carriers and easy to co-brand with mobile carriers. To date, we have filed 23 different patent applications for our platform and we continue to create new intellectual property.

We have launched our commercial service with the following four mobile carriers:

- Avea Iletisim Hizmetleri A.S., a mobile carrier in Turkey with 12.1 million subscribers ("Avea");
- Maxis Mobile Services SDN BHD, a mobile carrier in Malaysia with 11.4 million subscribers ("Maxis");
- Vivacell-MTS, a mobile carrier with 2.0 million subscribers in Armenia, where we have launched our products and services, and part of the MTS operator group with over 96.0 million global subscribers ("Vivacell"); and
- Emirates Telecommunications Corporation ("Etisalat"), a mobile carrier with 7.3 million subscribers in the United Arab Emirates, where we have launched our products and services, and over 94.0 million subscribers worldwide.

Market Overview

The Ringtone Market

Many mobile phone users choose to personalize their mobile phone by changing the standard manufacturer's ringtone to a ringtone of their choice. Some users select one of the several ringtones installed on the phone by the manufacturer. Since many handsets are now capable of playing conventional digital music files, many mobile users install MP3 and other digital music files as their ringtones to create an even more personalized mobile experience. According to a 2008 study by Ipsos MediaCT, more than one-third of mobile users download ringtones from various sources, and 40% of such users change their ringtones frequently.

Since the early days of mobile phone usage, mobile carriers, mobile media companies and content owners have recognized the sale of ringtones as a source of significant revenues. Ringtones are generally sold as single units or as part of a monthly subscription service in which the user is entitled to a package of ringtones. The ringtone industry was created in 1997 with the first sales of polyphonic ringtones and developed further in 2002 with the creation of the truetone or mastertone.

A significant evolution and innovation in the ringtone business occurred in 2004 with the advent of the ringback tone, which is a tune that the recipient of a call can choose for the caller to hear instead of the standard ring. There has been tremendous growth in ringback tones in recent years. Ringback tones are a network-based service sold by mobile carriers generally on a monthly subscription basis with additional costs for content in some markets. Ringback tones are the first "social ringtones" because users are able to choose the sound that callers will hear when they call the user. According to Multimedia Intelligence, sales in the ringback tone market will triple from 2008 to 2012 to reach $4.7 billion.

Overall, the ringtone business has seen little innovation in recent years and we believe it is ready for the next evolution of products and services. We believe the following factors will contribute to the evolution of the ringtone market in the near future:

Mobile video has arrived. Improved handset technology and the availability of high speed data networks have spurred tremendous growth in mobile video consumption and revenues. According to Pyramid Research, the mobile video market will grow five-fold from 2008 to 2014 to 534.0 million global subscribers, representing $16 billion in revenues in the United States alone. As users begin to consume more mobile video content, they will expect their ringtones to consist of more than plain audio.

Mobile social networking is growing exponentially. Mobile phone users are increasingly engaging in social networking on their phones, using services such as Facebook and Twitter. The commercial success of ringback tones demonstrates that users want a social experience as part of their ringtone experience. According to Juniper Research, global revenues for mobile social networking and user-generated content will rocket from $1.8 billion in 2008 to $11.8 billion in 2013. Our VringForward video ringtone technology allows users to enjoy a rich social experience by sharing video ringtones from our library or generated by a user.

User generated content continues to grow. We believe the growth of user-generated content on sites like YouTube is only at a nascent stage. Furthermore, we believe licensed content may only capture a fraction of the content users are interested in because of the advances in technology that facilitate the creation of user-generated content. Our easy-to-use platform allows users to seamlessly create, edit and share their own user-generated video ringtones.

Consumers are no longer afraid of mobile applications. A mobile application can generally provide users with a much richer experience than a wireless application protocol (WAP)-only experience, which requires a user to navigate the browser on its mobile phone to a specific website. However, for years many users were either hesitant or unable to download most mobile applications due to the complexity of downloading applications or security concerns. That has recently changed as smartphones and data plan penetration have increased substantially and Apple Inc. has provided a very simple user experience for downloading applications through its App Store®. The success of the App Store® has led other handset manufacturers and mobile carriers to develop and market their own stores which we believe will accelerate user adoption of mobile applications. We have multiple versions of our mobile application, which work on more than 200 handsets, and which provide users with a much richer experience than can be achieved via WAP.

Our Product

Our product consists of four primary components:

1. **The Vringo Mobile Application:** Our application allows the user to engage in a comprehensive, entertaining, and easy-to-use social video ringtone experience. The application includes many features, such as:
   - Ability for users to set their own personal video ringtones and to create their own video ringtone with their cameras;
   - VringForward™ technology, which enables users to share video ringtones with friends. Users may set a default clip for all of their friends or set specific clips for specific friends;
   - Gallery-based content browsing of video ringtones;
   - Unique “push” technology which allows users to subscribe to content channels and have their video ringtone automatically updated. This may create additional monthly subscription revenue by allowing us to sell various channels of content. Automated delivery ensures users feel they are getting value for their subscription; and
   - Compatibility with Symbian, Sony Ericsson, Java, Windows Mobile, Android and Blackberry operating systems. While Windows Mobile, Blackberry and Android do not support video ringtones natively, our development team has enabled our application to work on these devices.
2. **The Vringo WAP Site:** While we support over 200 handsets with our application, our application cannot work on many handsets in the market due to technical limitations of the devices. In order to support a much broader segment of the market, we developed a WAP version of the service that provides a streamlined

experience for mobile users who can access the WAP site from the browsers on their mobile phones. In particular, this service includes the following features, subject to the handset's technical capabilities:

- Download and purchase video ringtones;
- Choose a VringForward clip that other users with our application will see when they receive a call from you; and
- Share video ringtones with friends.

3. **The Vringo Website:** While video consumption on mobile phones is growing substantially, the vast majority of video browsing and viewing still takes place on the personal computer, or PC. A core component of our product strategy is to allow users to browse and choose their video ringtones on a personal computer from our website (www.vringo.com), and seamlessly deliver content from our website to their mobile phone. Our website includes the following features for users:
   - Choose and purchase video ringtones;
   - Upload video content stored on their PCs and to create personal video ringtones;
   - Engage in social behavior such as setting up VringForward, inviting friends to our service and posting clips to Facebook and other social networks;
   - Manage their accounts; and
   - Automatic synchronization with the mobile application on the user's phone or WAP account.

4. **The Vringo Studio:** The Vringo Studio is an extension of our website that allows users to access video from multiple websites or from their computer and then edit and send these video clips to their mobile phones as customized video ringtones. We are able to create customized versions of the Vringo Studio for specific content partners and mobile carriers that search only a pre-defined set of content. As with our website, the results are seamlessly synchronized with a user's mobile device. On the Vringo Studio, users may:
   - Transform user-generated or other video from the web into personalized video ringtones;
   - Import clips into their collection via our application or our WAP site; and
   - Share clips via SMS messaging or email and post clips to social networks.

Our Strategy

Our goal is to become the leading global provider of video ringtones via our social video ringtone platform. To achieve this goal, we plan to:

Grow our user base through mobile carrier partnerships. We have built our product to easily integrate with mobile carriers. We believe the mobile carrier channel is the most efficient and cost effective channel to grow our user base and to monetize our product. We have launched our service with four mobile carriers in Turkey, Malaysia, Armenia and the United Arab Emirates. We are in discussions with additional mobile carriers and we plan to aggressively pursue additional mobile carriers globally.

Continue to ensure we have broad handset reach. The breadth of our mobile handset coverage will be critical for us to grow our business. Our application already supports over 200 handsets and we diligently certify new mobile handset devices as quickly as possible. Additionally, the WAP version of our service is compatible with almost any device that supports video. We will continue to expand the features available as part of our WAP service.

Enhance our viral and social tools. We believe that there is substantial opportunity to increase the social and viral nature of our product, which will be critical for our growth. We will continue to add features to the product to enhance its viral and social aspects and which enable users to connect with their existing social networks on platforms such as Facebook and Twitter.

Maintain and grow our product and technology leadership. Our technical team is made up of highly regarded industry professionals that continually ensure that our product is on the cutting-edge both in terms of ease of use, functionality and look and feel. We have filed 23 patent applications for our platform and we continue to create new intellectual property. We also have managed to create video ringtone applications which work on the Blackberry, Android and Windows Mobile operating systems even though those platforms do not natively support video ringtones. We plan to continue to allocate technical resources to remain ahead of our competition and provide users with a product that is easy-to-use and cutting-edge.

Build a strong revenue base of recurring monthly subscription revenue. In the ringback tone business, the bulk of revenue generation is subscription-based. We believe this model is appropriate for our product and are initially launching the commercial version of our product as a monthly subscription service with mobile carriers. We are focused on ensuring that our product drives value and limits churn. As the video ringtone market matures, our business model may evolve to capitalize on changes in the market.

Find new forms of distribution. While we are currently focused on the mobile carrier distribution channel, we believe there are other avenues that could be successful distribution channels for us. Specifically, we believe broadcasters and content owners could greatly benefit by promoting our service to their customers by monetizing either their content or leveraging their relationship with advertisers via ads.

Explore monetization through advertising. The visual nature of our service opens up the possibility of incorporating ads in the ringtone. We have had several expressions of interest in an advertisement-funded version of our service and we will explore this model in the future.

Content leadership. We believe our library of over 4,000 video ringtones is one of the largest video ringtone libraries in the world. We intend to continue to grow our library to enhance our future revenues although in many markets we will rely on our partners to supplement our library with additional locally licensed content.

Risk Factors

Our business is subject to numerous risks as discussed more fully in the section entitled "*Risk Factors*" beginning on page 12. Principal risks of our business include:

- we have generated only losses since inception, which we expect to continue for the foreseeable future;
- we have a limited operating history upon which to base an investment decision;
- our plans depend on us entering into and maintaining content license agreements;
- we are a development stage company with no significant source of income;
- our financial condition has been unsound in the past and may again be so in the future;
- our plans depend significantly on entering into distribution arrangements with major mobile carriers and/or other partners;
- we may be subject to litigation or other damages if it is asserted that we or our users are infringing upon the intellectual property rights of third parties; and
- our business may be adversely affected if there are significant shifts in the political, economic and military conditions in Israel and its neighbors.

Company Information

Our executive offices are located at 18 East 16th Street, 7th Floor, New York, New York 10003 and our telephone number at this location is (646) 448-8210. Our website address is *www.vringo.com*. The information on our website is not part of this prospectus.

We are currently in discussions with several other mobile carriers and we will be pursuing additional agreements with mobile carriers over the next 12 to 24 months.

SUMMARY FINANCIAL DATA

The summary consolidated financial data set forth below is derived from our consolidated financial statements. The consolidated results of operations for the years ended, and consolidated balance sheet data as of December 31, 2008 and 2007 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated balance sheet data as of September 30, 2009, the results of operation data for the nine months ended September 30, 2009 and 2008 and for the period from inception through September 30, 2009, are derived from our unaudited consolidated financial statements included elsewhere in this prospectus.

The per share figures in this section are historical and do not give effect to the anticipated 1-for-6 reverse stock split.

It is important that you read this information together with "Management's Discussion and Analysis of Financial Conditions and Results of Operations," "Risk Factors" and the financial statements and the notes to the financial statements. The historical results presented below are not necessarily indicative of results to be expected in any future periods.

Consolidated Statements of Operations (in thousands):

	Nine Month Period Ended September 30,		For the Year Ended December 31,		Cumulative from Inception to September 30, 2009
	2009	2008	2008	2007	
	U.S.$	U.S.$	U.S.$	U.S.$	U.S.$
Revenue	36	—	—	—	36
Cost of revenue	54	—	—	—	54
Gross margin	**(18)**	**—**	**—**	**—**	**(18)**
Research and development	1,456	2,718	3,110	2,541	7,865
Marketing	1,268	1,954	2,769	1,694	6,040
General and administrative	819	982	1,409	1,025	3,681
Operating loss	**3,561**	**5,654**	**7,288**	**5,260**	**17,604**
Finance expense (income), net	449	(35)	51	(25)	461
Loss before taxes on income (benefit)	**4,010**	**5,619**	**7,339**	**5,235**	**18,065**
Taxes on income (benefit)	54	(44)	(7)	(72)	(25)
Net loss for the period	**4,064**	**5,575**	**7,332**	**5,163**	**18,040**
Basic and diluted net loss per common share	(1.85)	(2.53)	(3.33)	(2.48)	(8.88)
Weighted average number of shares used in computing basic and diluted net loss per common share	2,200,694	2,200,694	2,200,694	2,083,622	2,030,922

Balance Sheet Data (in thousands):

	September 30, 2009 U.S.$	December 31, 2008 U.S.$	December 31, 2007 U.S.$
Total current assets	1,965	6,122	8,580
Long-term deposit	12	12	4
Property and equipment, net	201	259	265
Deferred tax assets—long-term	73	50	72
Total assets	**2,251**	**6,443**	**8,921**
Total current liabilities	1,778	1,281	696
Total long-term liabilities	3,438	4,171	291
Total temporary equity	11,966	11,961	11,954
Total stockholders' equity	(14,931)	(10,970)	(4,020)
Total liabilities and stockholders' equity	**2,251**	**6,443**	**8,921**

THE OFFERING	
Securities offered:	2,400,000 units, each unit consisting of: • one share of common stock; and • two warrants to purchase common stock.
Offering Price:	$
Units: Number outstanding before this offering:	0
Number to be outstanding after this offering:	2,400,000
Common stock: Number outstanding before this offering:	2,631,213
Number to be outstanding after this offering:	5,031,213
Warrants: Number outstanding before this offering:	3,173,610
Number to be outstanding after this offering:	8,693,610
Exercisability:	Each warrant included within the unit is exercisable for one share of common stock commencing on the consummation of this offering and expiring at 5:00 p.m., New York City time, on the fifth anniversary of the date of this prospectus.
Exercise Price:	110% of the offering price of the units sold in this offering
Proposed NASDAQ Capital Market symbols for:	
Units:	“VRNGU”
Common Stock:	“VRNG”
Warrants:	“VRNGW”
	No assurance can be given that such listing will be approved.
Trading commencement and separation of common stock and warrants:	The units will begin trading on or promptly after the date of this prospectus. Each of the common stock and warrants will begin trading separately on or prior to the 90th day after the date of this prospectus. We will issue a press release announcing when such separate trading will begin.

	Following the date that the common stock and warrants begin trading separately, the units will continue to be listed for trading and any securityholder may elect to break apart a unit and trade the common stock and warrants separately or as a unit. Even if the component parts of the units are broken apart and traded separately, the units will continue to be listed as a separate security, and consequently, any subsequent securityholder owning common stock and warrants may elect to combine them together and trade them as a unit. Securityholders will have the ability to trade our securities as a unit until such time as the warrants expire.
Use of Proceeds:	Our current estimate of the use of the net proceeds of this offering, which we expect to be approximately $10,300,000, is as follows: $750,000 for capital expenditures, $2,500,000 for cost of revenue, $2,000,000 for research and development, $2,200,000 for sales and marketing and $2,850,000 for general corporate purposes, including working capital and repayment of a portion of our loan facility. We will, however, have broad discretion over the use of proceeds of this offering and the estimates may change over time.
Risk Factors:	See *"Risk Factors"* and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our units.

Except as otherwise set forth in this prospectus, the share information above and elsewhere in this prospectus is based on 2,631,213 shares of common stock outstanding on September 30, 2009 and also:

- gives retroactive effect to a 1-for-6 reverse stock split effective immediately prior to the consummation of this offering (except as to the disclosure in the financial statements);
- assumes an initial offering price of $5.00, the mid-point of the $4.00 to $6.00 price range for this offering;
- reflects the exchange of all of our outstanding preferred stock into 1,469,231 shares of common stock upon the closing of this offering;
- reflects the automatic conversion of the Bridge Notes into an aggregate of 795,200 shares of common stock upon the closing of this offering;
- assumes that the underwriters do not exercise their over-allotment option to purchase up to an additional 360,000 units; and
- assumes that the representative of the underwriters does not exercise its unit purchase option.

The share information in this prospectus does not include:

- 326,354 shares of common stock issuable upon the exercise of stock options outstanding as of September 30, 2009 at a weighted average exercise price of $2.591 per share;
- 1,590,400 shares of common stock issuable upon exercise of warrants to be issued to the investors in the Bridge Financing, upon conversion of the Bridge Notes, with an exercise price of $5.50;
- 795,200 shares of common stock issuable upon exercise of the Special Bridge Warrants, with an exercise price of $2.75;

- 788,010 shares of common stock issuable upon exercise of additional warrants issued in connection with the Bridge Financing with exercise prices in the range of $0.01 to $3.75;
- 1,891,397 shares of common stock issuable upon the exercise of stock options issuable to management in connection with this offering with an exercise price of $0.01;
- 1,891,397 shares of common stock issuable upon the exercise of stock options issuable to management in connection with this offering with an exercise price of $5.50;
- 4,800,000 shares of common stock issuable upon the exercise of warrants underlying the units sold in this offering;
- 1,080,000 shares of common stock issuable upon exercise in full of the over-allotment option by the underwriters; and
- 720,000 shares of common stock issuable upon exercise of warrants issued to the underwriters in connection with this offering with an exercise price of $5.50.

RISK FACTORS

An investment in our securities involves a high degree of risk and should not be made by anyone who cannot afford to lose his or her entire investment. You should consider carefully the following risks, together with all other information contained in this prospectus, before deciding to invest in our securities. If any of the following events or risks actually occurs, our business, operating results and financial condition would likely suffer materially and you could lose all or part of your investment.

We have a limited operating history upon which to base an investment decision.

We were formed in January 2006 and have a limited operating history. As a result, there is very limited historical performance upon which to evaluate our prospects for achieving our business objectives. Our prospects must be considered in light of the risks, difficulties and uncertainties frequently encountered by development stage entities.

To date, we have generated only losses, which are expected to continue for the foreseeable future.

For the nine months ended September 30, 2009, the years ended December 31, 2008 and 2007 and for the period from January 9, 2006 (inception) to December 31, 2006, we incurred a net loss of approximately $4.06 million, $7.33 million, $5.16 million and $1.49 million, respectively, and used cash in operations of approximately $3.7 million, $7.29 million, $4.3 million and $1.13 million, respectively, in connection with the development of our software for mobile phones and the operations of our subsidiary. As of September 30, 2009, we had unrestricted cash and cash equivalents of approximately $1.75 million and an accumulated deficit of approximately $18.04 million. We expect our net losses and negative cash flow to continue for the foreseeable future, as we continue to develop our platform, launch our service with new mobile carriers and begin to develop additional products. We cannot assure you that our net losses and negative cash flow will not accelerate and surpass our expectations nor can we assure you that we will ever generate any net income or positive cash flow. Furthermore, we might not have sufficient liquidity to meet our obligations to our suppliers and creditors.

We are a development stage company with no significant source of income and, consequently, our financial condition has been unsound in the past and might again be so in the future.

We were incorporated in January 2006 and are still a development stage company. Our operations are subject to all of the risks inherent in development stage companies which do not have significant revenues or operating income. Our potential for success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with a new business, especially technology start-up companies. We cannot provide any assurance that our business objectives will be accomplished. All of our audited consolidated financial statements since inception have contained a statement by our auditors that raises substantial doubt about us being able to continue as a “going concern” unless we are able to raise additional capital. Our financial statements do not include any adjustment relating to the recovery and classification of recorded asset amounts or the amount and classification of liabilities that might be necessary should our operations cease.

The continuation of our business is dependent upon us raising additional financing. The issuance of additional equity securities by us could result in a substantial dilution to our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments. If we should fail to continue as a going concern, you may lose the value of your investment in our securities.

Our expected future growth will place a significant strain on our management, systems and resources.

Our business was formed in January 2006 and has grown quickly. In order to execute our business strategy, we will need to continue to experience growth, which will place a significant strain on our systems, processes, resources, management and other infrastructure and support mechanisms. To manage the anticipated growth of our operations, we will be required to:

- Improve existing and implement new operational, financial and management information controls, reporting systems and procedures;
- Establish relationships with additional vendors and strategic partners and maintain existing relationships; and
- Hire, train, manage and retain additional personnel.

To the extent we are unable to assemble the personnel, controls, systems, procedures and relationships necessary to manage our future growth, if any, management resources may be diverted, and our opportunity for success may be limited.

If we are unable to enter into distribution arrangements with major mobile carriers and/or other partners and develop and maintain strategic relationships with such mobile carriers and/or other partners, we will be unable to distribute our products effectively or generate significant revenue.

Our strategy for pursuing a significant share of the video ringtone market is dependent upon establishing distribution arrangements with major mobile carriers and other partners. We need to develop and maintain strategic relationships with these entities in order for them to market our service to their end users. While we have entered into agreements with certain partners pursuant to which our service may be made available to their end-users, such agreements are not exclusive and generally do not obligate the partner to market or distribute our service. We are dependent upon the subsequent success of these partners in performing their responsibilities and sufficiently marketing our service. We cannot provide you any assurance that we will be able to negotiate, execute and maintain favorable agreements and relationships with any additional partners, that the partners with whom we have a contractual relationship will choose to promote our service or that such partners will be successful and/or will not pursue alternative technologies.

If we are unsuccessful in entering into and maintaining content license agreements, our revenues will be negatively affected.

The success of our service is dependent upon our providing end-users with content they desire. An important aspect of this strategy is establishing licensing relationships with third party content providers that have desirable content. Content license agreements generally have a fixed term, may or may not include provisions for exclusivity and may require us to make significant minimum payments. We have entered into approximately thirty content license agreements with various content providers. While our business is not dependent on any particular content license agreement, there is no assurance that we will enter into a sufficient number of content license agreements or that the ones that we enter into will be profitable and will not be terminated early.

We may not be able to collect payments from a significant percentage of the users that sign up for our service.

We currently operate in markets that have a high percentage of prepaid mobile customers. Many of these users may not have a sufficient balance in their prepaid account when we bill them to cover the charges they incurred in connection with our service. Although we only recognize revenue once these customers have been successfully billed, the failure of the carriers or other partners to collect payments owed to us from these customers will have an adverse effect on our business and our results of operations.

We are dependent on mobile carriers and other partners to make timely payments to us.

We will receive our revenue from mobile carriers and other distribution partners who may delay payment to us, dispute amounts owed to us, or in some cases refuse to pay us at all. Many of these partners are in markets where we may have limited legal recourse to collect payments from these partners. Our failure to collect payments owed to us from our partners will have an adverse effect on our business and our results of operations.

We operate in the digital content market where piracy of content is widespread.

Our business strategy is partially based upon users paying us for access to our content. If users believe they can obtain the same or similar content for free via other means including piracy, they may be unwilling to pay for our service. Additionally, since our own clips do not have any copy protection, they can theoretically be distributed by a paying user to a non-paying user without any additional payment to us. If users or potential users obtain our content or similar content without payment to us, our business and results of operations will be adversely effected.

Major network failures could have an adverse effect on our business.

Major equipment failures, natural disasters, including severe weather, terrorist acts, acts of war, cyber attacks or other breaches of network or information technology security that affect third-party networks, transport facilities, communications switches, routers, microwave links, cell sites or other third-party equipment on which we rely, could cause major network failures and/or unusually high network traffic demands that could have a material adverse effect on our operations or our ability to provide service to our customers. These events could disrupt our operations, require significant resources to resolve, result in a loss of customers or impair our ability to attract new customers, which in turn could have a material adverse effect on our business, results of operations and financial condition.

Our data is hosted at a remote location. Although we have full alternative site data backed up, we do not have data hosting redundancy. Accordingly, we may experience significant service interruptions, which could require significant resources to resolve, result in a loss of customers or impair our ability to attract new customers, which in turn could have a material adverse effect on our business, results of operations and financial condition.

In addition, with the growth of wireless data services, enterprise data interfaces and Internet-based or Internet Protocol-enabled applications, wireless networks and devices are exposed to a greater degree to third-party data or applications over which we have less direct control. As a result, the network infrastructure and information systems on which we rely, as well as our customers' wireless devices, may be subject to a wider array of potential security risks, including viruses and other types of computer-based attacks, which could cause lapses in our service or adversely affect the ability of our customers to access our service. Such lapses could have a material adverse effect on our business and our results of operations.

Our business depends upon our ability to keep pace with the latest technological changes, and our failure to do so could make us less competitive in our industry.

The market for our products and services is characterized by rapid change and technological change, frequent new product innovations, changes in customer requirements and expectations and evolving industry standards. Products using new technologies or emerging industry standards could make our products and services less attractive. Furthermore, our competitors may have access to technology not available to us, which may enable them to produce products of greater interest to consumers or at a more competitive cost. Failure to respond in a timely and cost-effective way to these technological developments may result in serious harm to our business and operating results. As a result, our success will depend, in part, on our ability to develop and market product and service offerings that respond in a timely manner to the technological advances available to our customers, evolving industry standards and changing preferences.

Our inability to identify, hire and retain qualified personnel would adversely affect our business.

Our continued success will depend, to a significant extent, upon the performance and contributions of our senior management and upon our ability to attract, motivate and retain highly qualified management personnel and employees. We depend on our key senior management to effectively manage our business in a highly competitive environment. If one or more of our key officers join a competitor or form a competing company, we may experience interruptions in product development, delays in bringing products to market, difficulties in our relationships with customers and loss of additional personnel, which could significantly harm our business, financial condition, operating results and projected growth.

Regulation concerning consumer privacy may adversely affect our business.

Certain technologies that we currently support, or may in the future support, are capable of collecting personally-identifiable information. We anticipate that as mobile telephone software continues to develop, it will be possible to collect or monitor substantially more of this type of information. A growing body of laws designed to protect the privacy of personally-identifiable information, as well as to protect against its misuse, and the judicial interpretations of such laws, may adversely affect the growth of our business. In the United States, these laws could include the Federal Trade Commission Act, the Electronic Communications Privacy Act, the Fair Credit Reporting Act and the Gramm-Leach Bliley Act, as well as various state laws and related regulations. In addition, certain governmental agencies, like the Federal Trade Commission, have the authority to protect against the misuse of consumer information by targeting companies that collect, disseminate or maintain personal information in an unfair or deceptive manner. In particular, such laws could limit our ability to collect information related to users or our services, to store or process that information in what would otherwise be the most efficient manner, or to commercialize new products based on new technologies. The evolving nature of all of these laws and regulations, as well as the evolving nature of various governmental bodies' enforcement efforts, and the possibility of new laws in this area, may adversely affect our ability to collect and disseminate or share certain information about consumers and may negatively affect our ability to make use of that information. If we fail to successfully comply with applicable regulations in this area, our business and prospects could be harmed.

Consumer avoidance of services which collect, store or use personally-identifiable data could adversely affect our business.

Consumer sentiment regarding privacy issues is constantly evolving. Such consumer sentiment may affect the buying public's interest in our current or future service offerings. In some areas, consumer groups and individual consumers have already begun to vigorously lobby against, or otherwise express significant concern over, the collection, storage and/or use of personally-identifiable information. Accordingly, privacy concerns of consumers may influence mobile carriers to refrain from offering products that could harm the overall mobile telephone industry. Moreover, strong consumer attitudes often precipitate new regulations like the ones described above. If we fail to successfully monitor and consider the privacy concerns of consumers, our business and prospects would be harmed.

We have not been subject to Sarbanes-Oxley regulations and we, therefore, may lack the financial controls and safeguards now required of public companies.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC, or the Sarbanes-Oxley Act, we will be required, beginning with our fiscal year ending December 31, 2011, to include in our annual report our assessment of the effectiveness of our internal control over financial reporting as of the end of the fiscal year ending December 31, 2011. Furthermore, in the following year, our independent registered public accounting firm will be required to report separately on whether it believes that we have maintained, in all material respects, effective internal control over financial reporting. We do not have the internal infrastructure necessary to complete an attestation about our financial controls that would be required under Section 404 of the Sarbanes-Oxley Act. We expect to incur additional expenses and expend management's

time as a result of performing the system and process evaluation, testing and remediation required in order to comply with the management certification and auditor attestation requirements. There can be no assurance that there are no significant deficiencies or material weaknesses in the quality of our financial controls.

We will incur significant increased costs as a public company and our management will be required to devote substantial time to new compliance initiatives.

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. SEC and NASDAQ Capital Market rules and regulations impose heightened requirements on public companies, including requiring changes in corporate governance practices. Our management and other personnel will devote a substantial amount of time to these compliance initiatives. We may also need to hire additional finance and administrative personnel to support our compliance requirements. Moreover, these rules and regulations will increase our legal and financial costs and make some activities more time-consuming.

In addition, as described above, we will be required to maintain effective internal controls over financial reporting and disclosure controls and procedures pursuant to the Sarbanes-Oxley Act. Our testing, and the subsequent testing by our independent registered public accounting firm, may reveal deficiencies or material weaknesses in our internal controls over financial reporting. Our compliance with Section 404 of the Sarbanes-Oxley Act will require that we incur substantial accounting expense and expend significant management effort. We currently do not have an internal audit group and we may need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. If we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our independent registered public accounting firm identifies deficiencies or material weaknesses in our internal controls over financial reporting, the market price of our securities could decline and we could be subject to sanctions or investigations by the NASDAQ Capital Market, SEC or other regulatory authorities, which would require additional financial and management resources.

If we are not able to adequately protect our intellectual property, we may not be able to compete effectively.

Our ability to compete depends in part upon the strength of our proprietary rights in our technologies, brands and content. We rely on a combination of U.S. and foreign patents, copyrights, trademark, trade secret laws and license agreements to establish and protect our intellectual property and proprietary rights. The efforts we have taken to protect our intellectual property and proprietary rights may not be sufficient or effective at stopping unauthorized use of our intellectual property and proprietary rights. In addition, effective trademark, patent, copyright and trade secret protection may not be available or cost-effective in every country in which our services are made available through the Internet. There may be instances where we are not able to fully protect or utilize our intellectual property in a manner that maximizes competitive advantage. If we are unable to protect our intellectual property and proprietary rights from unauthorized use, the value of our products may be reduced, which could negatively impact our business. Our inability to obtain appropriate protections for our intellectual property may also allow competitors to enter our markets and produce or sell the same or similar products. In addition, protecting our intellectual property and other proprietary rights is expensive and diverts critical managerial resources. If any of the foregoing were to occur, or if we are otherwise unable to protect our intellectual property and proprietary rights, our business and financial results could be adversely affected.

If we are forced to resort to legal proceedings to enforce our intellectual property rights, the proceedings could be burdensome and expensive. In addition, our proprietary rights could be at risk if we are unsuccessful in, or cannot afford to pursue, those proceedings.

We also rely on trade secrets and contract law to protect some of our proprietary technology. We have entered into confidentiality and invention agreements with our employees and consultants. Nevertheless, these agreements may not be honored and they may not effectively protect our right to our un-patented trade secrets and know-how. Moreover, others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets and know-how.

The possibility of extensive delays in the patent issuance process could effectively reduce the term during which a marketed product is protected by patents.

We may need to obtain licenses to patents or other proprietary rights from third parties. We may not be able to obtain the licenses required under any patents or proprietary rights or they may not be available on acceptable terms. If we do not obtain required licenses, we may encounter delays in product development or find that the development, manufacture or sale of products requiring licenses could be foreclosed. We may, from time to time, support and collaborate in research conducted by universities and governmental research organizations. We may not be able to acquire exclusive rights to the inventions or technical information derived from these collaborations, and disputes may arise over rights in derivative or related research programs conducted by us or our collaborators.

If we or our users infringe on the intellectual property rights of third parties, we may have to defend against litigation and pay damages and our business and prospects may be adversely affected.

If a third party were to assert that our products infringe on its patent, copyright, trademark, right of publicity, right of privacy, trade secret or other intellectual property rights, we could incur substantial litigation costs and be forced to pay substantial damages. Third-party infringement claims, regardless of their outcome, would not only consume significant financial resources, but would also divert our management's time and attention. Such claims or the lack of available access to certain sites or content could also cause our customers or potential customers to purchase competitors' products if such competitors have access to the sites or contents that we are lacking or defer or limit their purchase or use of our affected products or services until resolution of the claim. In connection with any such claim or litigation, our mobile carriers and other partners may decide to re-assess their relationships with us, especially if they perceive that they may have potential liability or if such claimed infringement is a possible breach of our agreement with such mobile carrier. If any of our products are found to violate third-party intellectual property rights, we may have to re-engineer one or more of our products, or we may have to obtain licenses from third parties to continue offering our products without substantial re-engineering. Our efforts to re-engineer or obtain licenses could require significant expenditures of time and money and may not be successful. Accordingly, any claims or litigation regarding our infringement of intellectual property of a third party by us or our users could have a material adverse effect on our business and prospects.

Third party infringement claims could also significantly limit our Vringo Studio product and the content available in our content library. Our Vringo Studio tool allows users to access video from multiple sites on the web or from their computer and then edit and send these video clips to their mobile phones as customized video ringtones. These websites could choose to block us from accessing their content for violating their terms of service by allowing users to download clips or for any other reason, which could significantly limit the availability of content in the Vringo Studio. Additionally, while we employ special software that seeks to determine whether a clip is copyrighted or otherwise restricted, it is not feasible for us to determine whether users of Vringo Studio own or acquire appropriate intellectual property permissions to use each clip before it is downloaded. Therefore, we require users of the Vringo Studio to certify that they have the rights to use the content which they desire to send to their phone. Additionally, while the majority of the clips in our content library are either licensed by us directly or are public domain or creative commons, our content library contains certain clips which we have not licensed from the content owner. As a result, we may receive cease-and-desist letters, or other threats of litigation, from website hosts and content owners asserting that we are infringing on their intellectual property or violating the terms and conditions of their websites. In such a case, we will remove or attempt to obtain licenses for such content or obtain additional content from other websites. However, there is no assurance that we will be able to enter into license agreements with content owners. Consequently, we may be forced to remove a portion of our content from our library and significantly limit the availability of content in the Vringo Studio. This would negatively impact our user experience and may cause users to cancel our service and make our service less attractive to our partners.

Our ownership is concentrated among a small number of stockholders and if our principal stockholders, directors and officers choose to act together, they may be able to control our management and operations, which may prevent us from taking actions that may be favorable to you.

Our ownership is concentrated among a small number of stockholders, including our founders, directors, officers, Warburg Pincus Private Equity Fund IX, L.P. ("Warburg") and entities related to these persons. Upon the completion of this offering, our founders and Warburg will beneficially own approximately 7.4% and 16.7%, respectively, of our voting interest. Our officers and directors (excluding our founders) will beneficially own 1.9% of our voting interest upon completion of the offering. Accordingly, these stockholders, acting together, will have the ability to exert substantial influence over all matters requiring approval by our stockholders, including the election and removal of directors and any proposed merger, consolidation or sale of all or substantially all of our assets. In addition, they could dictate the management of our business and affairs. This concentration of ownership could have the effect of delaying, deferring or preventing a change in control of us or impeding a merger or consolidation, takeover or other business combination that could be favorable to you.

If an active, liquid trading market for our securities does not develop, you may not be able to sell your shares quickly or at or above the initial offering price.

Although we intend to apply to list our securities on the NASDAQ Capital Market, as of the date of this prospectus, there is currently no market for our securities. An active and liquid trading market for our securities may not develop or be sustained following this offering. You may not be able to sell your shares quickly or at or above the initial offering price if trading in our stock is not active. The initial public offering price may not be indicative of prices that will prevail in the trading market. See *"Underwriting"* for more information regarding the factors that will be considered in determining the initial public offering price.

Purchasers in this offering will experience immediate and substantial dilution in the book value of their investment.

The initial offering price of our units is substantially higher than the net tangible book value per share of our common stock immediately after this offering. Therefore, if you purchase our units in this offering, you will incur an immediate dilution of $3.04 (or 61%) in net tangible book value per share from the price you paid, based upon the initial public offering price of $5.00 per unit. The exercise of outstanding options and warrants and the public warrants will result in further dilution in your investment. In addition, if we raise funds by issuing additional securities, the newly issued securities may further dilute your ownership interest.

Our outstanding options and warrants and the public warrants may have an adverse effect on the market price of our common stock.

As of the date of this prospectus, we had outstanding options to purchase 326,354 shares of common stock. In connection with this offering, we will be issuing warrants to purchase 4,800,000 shares of common stock. In addition, we (i) will grant to our management, in connection with this offering, options to purchase 3,782,794 shares of common stock, (ii) have reserved 1,590,400 shares of common stock issuable upon exercise of warrants to be issued to the investors in the Bridge Financing, upon conversion of the Bridge Notes, (iii) have reserved an additional 795,200 shares of common stock issuable upon exercise of the Special Bridge Warrants, (iv) have reserved 788,010 shares of common stock issuable upon exercise of additional warrants issued in connection with the Bridge Financing, (v) have agreed to issue up to an additional 1,080,000 shares of common stock issuable upon exercise in full of the over-allotment option by the underwriters, and (vi) have agreed to issue to Maxim Group LLC, the representative of the underwriters, warrants to purchase such number of units equal to 10% of the units sold in this offering. Such securities, when exercised, will increase the number of issued and outstanding shares of common stock. Therefore, the sale, or even the possibility of sale, of the shares of common stock underlying the options and warrants could have an adverse effect on the market price for our securities or on our ability to obtain future financing. If and to the extent these options and warrants are exercised, you may experience dilution in your holdings.

If our securityholders exercise their registration rights, it may have an adverse effect on the market price of our common stock.

Certain of our securityholders are entitled to require us to register the resale of their shares of common stock subsequent to the consummation of this offering. If they exercise their registration rights with respect to all of their beneficially owned shares of common stock as of the date of this prospectus, then there will be an additional 1,090,116 shares of common stock eligible for trading in the public market.

In addition, we have agreed to issue to Maxim Group LLC an option to purchase a number of units equal to 10% of the units sold in this offering. Maxim Group LLC is entitled to require us to register the resale of the shares of common stock included in such units and the shares of common stock underlying the warrants included in such units. If Maxim Group LLC exercises its registration rights with respect to all of such shares of common stock, then there will be an additional 720,000 shares of common stock eligible for trading in the public market.

We may allocate net proceeds from this offering in ways with which you may not agree.

Our management will have broad discretion in using the proceeds from this offering and may use the proceeds in ways with which you may disagree. We are not required to allocate the net proceeds from this offering to any specific investment or transaction and, therefore, you cannot determine at this time the value or propriety of our application of the proceeds. Moreover, you will have not have an opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use our proceeds. We may use the proceeds for corporate purposes that do not immediately enhance our prospects for the future or increase the value of your investment. As a result, you and other stockholders may not agree with our decisions. See *"Use of Proceeds"* for additional information.

Future sales of our shares of common stock by our stockholders could cause the market price of our common stock to drop significantly, even if our business is performing well.

After this offering (and assuming exchange of all preferred stock and the conversion of the Bridge Notes), we will have 5,031,213 shares of common stock issued and outstanding. This number includes 2,400,000 shares of common stock included in the units we are selling in this offering, which may be resold in the public market immediately. The remaining 2,631,213 shares will become available for resale in the public market as shown in the chart below.

Number of Restricted Shares/% of Total Shares Outstanding After Offering	Date of Availability for Resale into the Public Market
1,320,964/ 50%	Non-affiliate shares will be eligible for sale following their release from the lock-up agreement these stockholders have with the underwriters.
1,310,249/ 50%	Affiliate shares will be eligible for sale, from time to time, following their release from the lock-up agreement these stockholders have with the underwriters.

At any time and without public notice, the underwriters may, in their sole discretion, release all or some of the securities subject to their lock-up agreements. As shares saleable under Rule 144 are sold after the closing of this offering or as restrictions on resale end, the market price of our stock could drop significantly if the holders of restricted shares sell them or are perceived by the market as intending to sell them. This decline in our stock price could occur even if our business is otherwise performing well. For more detailed information, please see *"Share Eligible for Future Sale"* and *"Underwriting—Lock-up Agreements"*.

If we cannot satisfy, or continue to satisfy, the NASDAQ Capital Market's listing requirements and other rules, including NASDAQ's director independence requirements, our securities may not be listed or may be delisted, which could negatively impact the price of our securities and your ability to sell them.

We will seek to have our securities approved for listing on the NASDAQ Capital Market upon consummation of this offering. We cannot assure you that we will be able to meet those initial listing requirements at that time. Even if our securities are listed on the NASDAQ Capital Market, we cannot assure you that our securities will continue to be listed on the NASDAQ Capital Market.

We plan to utilize the phase-in provisions afforded new public companies under Rule 5165 of the NASDAQ Marketplace Rules with respect to the director independence and independent committee requirements of the NASDAQ Capital Market. As a result, we will have 90 days from the date that our securities become listed on the NASDAQ Capital Market to have a majority of independent members on our board committees and we will have one year from the date of such listing to have a majority of independent directors and have fully independent board committees. Therefore, during such phase-in period, there will be times when we will not have a board of directors comprised of a majority of independent directors or fully independent board committees, which will leave us subject to the control of our existing non-independent directors. Moreover, if we are unable to comply with the director independence and independent committee requirements in the time period provided, we could be delisted from the NASDAQ Capital Market.

In addition, following this offering, in order to maintain our listing on the NASDAQ Capital Market, we will be required to comply with certain NASDAQ Capital Market rules, including those regarding minimum stockholders' equity, minimum share price and certain corporate governance requirements. Even if we initially meet the listing requirements of the NASDAQ Capital Market and other applicable NASDAQ Capital Market rules, we may not be able to continue to satisfy these requirements and rules. If we are unable to satisfy the NASDAQ Capital Market criteria for maintaining our listing, our securities could be subject to delisting.

If the NASDAQ Capital Market does not list our securities, or subsequently delists our securities from trading, we could face significant consequences, including:

- a limited availability for market quotations for our securities;
- reduced liquidity with respect to our securities;
- a determination that our common stock is a "penny stock," which will require brokers trading in our common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our common stock;
- limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

In addition, we would no longer be subject to the NASDAQ Capital Market rules, including rules requiring us to have a certain number of independent directors and to meet other corporate governance standards.

If the NASDAQ Capital Market does not list our securities, any market that develops in shares of our common stock may be subject to the penny stock restrictions which will reduce the liquidity of our securities and make trading difficult or impossible.

SEC Rule 15g-9 establishes the definition of a "penny stock," for purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to a limited number of exceptions. In the event the price of our shares of common stock falls below $5.00 per share, our shares will be considered to be penny stocks. This classification severely and adversely affects the market liquidity for our common stock. For any transaction involving a penny stock, unless exempt, the penny

stock rules require that a broker-dealer approve a person's account for transactions in penny stocks and the broker-dealer receive from the investor a written agreement to the transaction setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker-dealer must obtain financial information and investment experience and objectives of the person and make a reasonable determination that the transactions in penny stocks are suitable for that person and that person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker-dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prepared by the SEC relating to the penny stock market, which, in highlight form, sets forth:

- the basis on which the broker-dealer made the suitability determination, and
- that the broker-dealer received a signed, written agreement from the investor prior to the transaction.

Disclosure also has to be made about the risks of investing in penny stock in both public offerings and in secondary trading and commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

Because of these regulations, broker-dealers may not wish to engage in the above-referenced necessary paperwork and disclosures and/or may encounter difficulties in their attempt to sell securities subject to the penny stock rules. If the NASDAQ Capital Market does not list our securities, our selling stockholders or other holders of our securities may have difficulty selling their shares in the secondary market due to the reduced level of trading activity in the secondary market. These additional sales practice and disclosure requirements could impede the sale of our securities, if and when our securities become publicly traded. In addition, the liquidity for our securities may decrease, with a corresponding decrease in the price of our securities. If the NASDAQ Capital Market does not list our securities, our shares will likely be subject to the penny stock rules for the foreseeable future and our stockholders will, in all likelihood, find it difficult to sell their securities.

If there are significant shifts in the political, economic and military conditions in Israel and its neighbors, it could have a material adverse effect on our business relationships and profitability.

Our research and development facilities and marketing operations are located in Israel and many of our key personnel reside in Israel. Our business is directly affected by the political, economic and military conditions in Israel and its neighbors. Major hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners could have a material adverse effect on our existing business relationships and on our operating results and financial condition. Furthermore, several countries restrict business with Israeli companies, which may impair our ability to create new business relationships or to be, or become, profitable.

We may not be able to enforce covenants not-to-compete under current Israeli law that might result in added competition for our products.

We have non-competition agreements with all of our employees, almost all of which are governed by Israeli law. These agreements generally prohibit our employees from competing with or working for our competitors, during their term of employment and for up to 12 months after termination of their employment. However, Israeli courts are reluctant to enforce non-compete undertakings of former employees and tend, if at all, to enforce those provisions for relatively brief periods of time in restricted geographical areas and only when the employee has unique value specific to that employer's business and not just regarding the professional development of the employee. If we are not able to enforce non-compete covenants, we may be faced with added competition.

Our operations could be disrupted as a result of the obligation of certain of our personnel residing in Israel to perform military service.

Many of our executive officers and key employees reside in Israel and may be required to perform annual military reserve duty. Currently, all adult permanent residents of Israel under the age of 50, depending on military rank, unless exempt, are obligated to perform up to an average of 18-28 days of military reserve duty annually and are subject to being called to active duty at any time under emergency circumstances. Our operations could be disrupted by the absence for a significant period of one or more of our officers or key employees due to military service. Any such disruption could adversely affect our business, results of operations and financial condition.

Because we expect a substantial portion of our revenues will be generated in dollars and euros, while a significant portion of our expenses are incurred in Israeli currency, our revenue may be reduced due to inflation in Israel and currency exchange rate fluctuations.

We expect a substantial portion of our revenues will be generated in dollars and euros, while a significant portion of our expenses, principally salaries and related personnel expenses, is paid in Israeli currency. As a result, we are exposed to the risk that the rate of inflation in Israel will exceed the rate of devaluation of Israeli currency in relation to the dollar or the euro, or that the timing of this devaluation will lag behind inflation in Israel. Because inflation has the effect of increasing the dollar and euro costs of our operations, it would therefore have an adverse effect on our dollar-measured results of operations. The value of the New Israeli Shekel, or NIS, against the United States dollar, the Euro and other currencies may fluctuate and is affected by, among other things, changes in Israel's political and economic conditions. Any significant revaluation of the NIS may materially and adversely affect our cash flows, revenues and financial condition. Fluctuations in the NIS exchange rate, or even the appearance of instability in such exchange rate, could adversely affect our ability to operate our business.

The termination or reduction of tax and other incentives that the Israeli government provides to domestic companies, such as our wholly-owned subsidiary, may increase the costs involved in operating a company in Israel.

The Israeli government currently provides tax and capital investment incentives to domestic companies, as well as grant and loan programs relating to research and development and marketing and export activities. In recent years, the Israeli government has reduced the benefits available under these programs and Israeli governmental authorities have indicated that the government may in the future further reduce or eliminate the benefits of those programs. Our wholly-owned Israeli subsidiary currently takes advantage of some of these programs. We cannot provide you with any assurance that such benefits and programs will continue to be available in the future to our Israeli subsidiary. In addition, it is possible that our subsidiary will fail to meet the criteria required for eligibility of future benefits. If such benefits and programs were terminated or further reduced, it could have an adverse affect on our business, operating results and financial condition.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the definition of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Such forward-looking statements include statements regarding, among others, (a) our expectations about possible business combinations, (b) our growth strategies, (c) our future financing plans, and (d) our anticipated needs for working capital. Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words “may,” “will,” “should,” “expect,” “anticipate,” “approximate,” “estimate,” “believe,” “intend,” “plan,” “budget,” “could,” “forecast,” “might,” “predict,” “shall” or “project,” or the negative of these words or other variations on these words or comparable terminology. This information may involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. These statements may be found in this prospectus. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under “*Risk Factors*” and matters described in this prospectus generally. In light of these risks and uncertainties, the events anticipated in the forward-looking statements may or may not occur.

Forward-looking statements are based on our current expectations and assumptions regarding our business, potential target businesses, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. We caution you therefore that you should not rely on any of these forward-looking statements as statements of historical fact or as guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements include changes in local, regional, national or global political, economic, business, competitive, market (supply and demand) and regulatory conditions and the following:

- expectations regarding our potential growth;
- our inability to have our securities listed for trading on the NASDAQ Capital Market or another national securities exchange;
- our financial performance;
- the loss of any of our strategic relationships;
- an inability to enter into a strategic relationship with additional mobile carriers, content providers or telephone manufacturers, thereby limiting our growth potential;
- our competitive position;
- the introduction and proliferation of competitive products;
- changes in technology;
- an inability to achieve sustained profitability;
- failure to implement our short- or long-term growth strategies;
- operating and capital expenditures by us and the mobile telephone industry;
- the cost of retaining and recruiting our key personnel or the loss of such key personnel;
- risks associated with the expansion of our business in size and geography;
- operational risk;
- geopolitical events and regulatory changes;
- changing interpretations of generally accepted accounting principles;

- general economic conditions;
- our ability to obtain additional financing, if necessary;
- the adverse effect our outstanding warrants and options and the warrants issued pursuant to this offering may have on the market price of our common stock;
- the lack of a market for our securities;
- our and our strategic partners' business strategies;
- foreign currency fluctuations;
- compliance with applicable laws; and
- our liquidity.

These risks and others described under "*Risk Factors*" are not exhaustive.

Any forward-looking statement made by us in this prospectus speaks only as of the date on which we make it, and is expressly qualified in its entirety by the foregoing cautionary statements. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

USE OF PROCEEDS

We estimate that our net proceeds from the sale of 2,400,000 units in this offering will be approximately $10,300,000 assuming an initial public offering price of $5.00 per unit, the mid-point of the $4.00 to $6.00 price range for this offering, and after deducting the estimated underwriting discounts and estimated offering expenses of $1,700,000 payable by us. If the underwriters exercise their over-allotment option in full, we estimate that we will receive additional net proceeds of approximately $1,800,000.

Our current estimate of the use of the net proceeds from this offering is as follows:

	Approximate Allocation of Net Proceeds	Approximate Percentage of Net Proceeds
Capital expenditures (1)	$ 750,000	7%
Cost of revenue (2)	$ 2,500,000	24%
Research and development	$ 2,000,000	20%
Sales and marketing	$ 2,200,000	21%
General corporate purposes, including working capital (3)	$ 2,850,000	28%
Total	**$ 10,300,000**	**100%**

(1) We expect capital expenditures to include equipment for service capacity expansion, disaster recovery system, server upgrades and mobile devices for research and development.

(2) We expect cost of revenue to include engagement of server farms, payment of content royalties, and cost of billing services and short message service (SMS) providers.

(3) We expect that general corporate and working capital expenditures will include costs associated with being a public company, general working capital and payments on a portion of our $5.0 million loan facility from SVB/Gold Hill for the twelve months subsequent to the consummation of this offering. The loan facility bears interest at a rate of 9.5% per annum and an effective interest rate of 13.3%. In connection with the Bridge Financing, we entered into a loan modification agreement whereby principal payments on the facility are deferred until the earlier of six months from the Bridge Financing or the consummation of this offering. Following the recommencement of principal payments, the remaining portion of the loan will be amortized over the period from the consummation of this offering through March 1, 2013. Monthly payments of principal and interest including approximately $1.75 million for the twelve months subsequent to the consummation of this offering will be approximately $145,000 per month.

If we receive the additional net proceeds from the exercise of the over-allotment option, we estimate that our use of the additional funds would be in a manner similar to the purposes and percentages described above.

The allocation of the net proceeds of the offering set forth above represents our estimates based upon our current plans and assumptions regarding industry and general economic conditions, our future revenues and expenditures.

Investors are cautioned, however, that expenditures may vary substantially from these estimates. Investors will be relying on the judgment of our management, who will have broad discretion regarding the application of the proceeds of this offering. The amounts and timing of our actual expenditures will depend upon numerous factors, including market conditions, cash generated by our operations, business developments and related rate of growth. We may find it necessary or advisable to use portions of the proceeds from this offering for other purposes.

Circumstances that may give rise to a change in the use of proceeds include:

- the existence of other opportunities or the need to take advantage of changes in timing of our existing activities;
- the need or desire on our part to accelerate, increase or eliminate existing initiatives due to, among other things, changing market conditions and competitive developments; and/or

- if strategic opportunities of which we are not currently aware present themselves (including acquisitions, joint ventures, licensing and other similar transactions).

From time to time, we evaluate these and other factors and we anticipate continuing to make such evaluations to determine if the existing allocation of resources, including the proceeds of this offering, is being optimized. Pending such uses, we intend to invest the net proceeds of this offering in direct and guaranteed obligations of the United States, interest-bearing, investment-grade instruments or certificates of deposit.

DILUTION

Historical net tangible book value per share is determined by dividing our total tangible assets less total liabilities by the actual number of shares of common stock outstanding. Before giving effect to this offering, our pro forma net tangible book value as of September 30, 2009 was approximately ($447,000), or ($0.17) per share of common stock, based on 2,631,213 shares of common stock outstanding after giving effect to the: (i) exchange of all of our convertible preferred stock into 1,469,231 shares of common stock upon the closing of this offering, and (ii) automatic conversion of all of our outstanding Bridge Notes into 795,200 shares of common stock. Pro forma net tangible book value per share is determined by dividing our total tangible assets less total liabilities by the pro forma number of shares of common stock outstanding at September 30, 2009 before giving effect to this offering.

After giving effect to our sale of 2,400,000 units in this offering, at an assumed initial public offering price of $5.00 per unit, the mid-point of the $4.00 to $6.00 price range for the offering, less estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2009 would have been $9.85 million, or $1.96 per share. This represents an immediate increase in pro forma net tangible book value of $2.13 per share, or 1253%, to existing stockholders and an immediate dilution of $3.04 per share, or 61%, to new investors. Dilution per share represents the difference between the amount per share paid by purchasers of shares of our common stock in this offering and the net tangible book value per share of our common stock immediately afterwards, after giving effect to the sale of 2,400,000 shares in this offering at an assumed public offering price of $5.00 per share, the mid-point of the $4.00 to $6.00 price range for the offering, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table illustrates this dilution, assuming no value is attributed to the warrants issued as part of the units, on a per share basis:

Assumed public offering price per share		$5.00
Net tangible book value (deficit) per share before the offering	(0.17)	
Impact on net tangible book value per share of this offering	2.13	
Pro forma net tangible book value per share after this offering		1.96
Dilution in net tangible book value per share to new investors		$3.04

If the underwriters exercise their over-allotment option to purchase 360,000 additional shares of common stock in this offering in full, the pro forma net tangible book value per share after the offering would be $2.16 per share, the additional and total increase in the pro forma as adjusted net tangible book value per share to existing stockholders would be $0.20 and $2.33, respectively, per share and the dilution to new investors purchasing common stock in this offering would be $2.84 per share or 57%.

The following table summarizes, on a pro forma basis as of September 30, 2009, the differences between the number of shares of common stock owned by existing stockholders and the number of shares of common stock to be owned by new public investors, the aggregate cash consideration paid to us and the average price per share paid by our existing stockholders and to be paid by new public investors purchasing shares of common stock in this offering at an assumed public offering price of $5.00 per share, the mid-point of the $4.00 to $6.00 price range for the offering, calculated before deduction of estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased (1)		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	2,631,213	52%	$17,453,974	78.5%	$ 6.63
New public investors	2,400,000	48%	$12,000,000	21.5%	$ 5.00
Total	**5,031,213**	**100%**	**$29,453,974**	**100%**	**$11.63**

(1) The number of shares disclosed for the existing stockholders includes shares being sold by the selling stockholders in this offering. The number of shares disclosed for the new investors does not include the shares being purchased by the new investors from the selling stockholders in this offering.

The number of shares of common stock outstanding in the table above is based on the number of shares outstanding as of September 30, 2009 and assumes no exercise of the underwriters' over-allotment option to purchase up to an additional 360,000 shares of common stock. If the underwriters' over-allotment option is exercised in full, the number of shares of common stock held by existing stockholders would be reduced to 49% of the total number of shares of common stock outstanding after this offering and the number of shares of common stock held by new investors would be increased to 2,760,000 or 51% of the total number of shares of common stock outstanding after this offering.

The information also assumes no exercise of any outstanding stock options or warrants. As of September 30, 2009, there were 326,354 options outstanding at a weighted average exercise price of $2.59, and 3,782,794 management options outstanding at a weighted average exercise price of $2.76. To the extent that any of these options are exercised, there will be further dilution to new investors. If all of these options had been exercised as of September 30, 2009, net tangible book value per share after this offering would have been $1.078 and total dilution per share to new investors would have been $3.922 or 78%.

As of September 30, 2009, there were 8,693,610 warrants outstanding at a weighted average exercise price of $4.85. To the extent that any of these warrants would be exercised at a price less than $4.00, there would be further dilution to new investors. If all of these warrants, had been exercised as of September 30, 2009, net tangible book value per shares after this offering would have been $0.55 and total dilution per share to new investors would be $4.45 or 89%.

If the underwriters' over-allotment option is exercised in full, and all of the options and warrants had been exercised as of September 30, 2009, net tangible book value per share after this offering would have been $0.62 and total dilution per share to new investors would have been $4.38 or 88%.

DIVIDEND POLICY

We have never paid or declared any cash dividends on our common stock or on our preferred stock. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business.

CAPITALIZATION

The following table describes our cash position and our capitalization as of September 30, 2009:

- on an actual basis;
- on a pro forma basis, after giving effect to the: (i) exchange upon closing of this offering of all outstanding shares of our preferred stock into 1,469,231 shares of common stock based upon an assumed offering price of $5.00 per share the mid-point of the $4.00 to $6.00 price range for the offering, and (ii) conversion upon the closing of this offering of the Bridge Notes into 795,200 shares of common stock based upon an initial public offering price of $5.00 per share; and
- on a pro forma basis as adjusted basis to give effect to the pro forma adjustments described above and the sale of the 2,400,000 units we are offering at an initial public offering price of $5.00 per share, the mid-point of the $4.00 to $6.00 price range for the offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other financial information included elsewhere in this prospectus.

	As of September 30, 2009		
	Actual (in thousands)	Pro Forma (in thousands)	Pro Forma, as Adjusted (in thousands)
Total long-term liabilities, including current maturities	$ 4,568		
Temporary equity (1)			
Series B convertible and redeemable preferred stock, $0.01 par value per share; 816,667 authorized; 765,466 shares issued and outstanding	$ 11,966		
Shareholders’ equity (1)			
Common stock, $0.01 par value per share, 2,333,333 authorized, 366,782 issued and outstanding	22		
Series A convertible preferred stock, $0.01 par value per share; 392,315 authorized, issued and outstanding	24		
Additional paid-in capital	3,063		
Deficit accumulated during development stage	(18,040)		
Total deficit in stockholders’ equity	$ (14,931)		
Total capitalization	$ 1,603		

(1) Share numbers adjusted to give retroactive effect to a 1-for-6 reverse stock split effective immediately prior to the consummation of this offering.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with, and is qualified in its entirety by, our financial statements (and notes related thereto) and other more detailed financial information appearing elsewhere in this prospectus. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" section of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

General

We provide a comprehensive platform that allows users to create, download and share mobile entertainment content in the form of video ringtones for mobile phones. We believe that our service represents the next stage in the evolution of the ringtone market from standard audio ringtones to high-quality video ringtones, with social networking capability and integration with web systems. Our solution, which encompasses a suite of mobile and PC-based tools, enables users to create, download and share video ringtones with ease, and provides our business partners with a consumer-friendly and easy-to-integrate monetization platform.

Our strategy to date has primarily focused on product maturation, research and development and reputation building. We recently started focusing on commercializing our service primarily through agreements with mobile carriers and other partners. We have recently signed agreements to launch our service with four mobile carriers operating in Turkey, Malaysia, Armenia and United Arab Emirates which have an aggregate of approximately 32 million subscribers. As of the fourth quarter of 2009, we began to recognize revenues from our carrier subscription service. We are negotiating with additional mobile carriers in a number of different countries and we expect to scale our carrier business in 2010.

Our Business Model

Our business model entails revenue sharing from our mobile carriers using a subscription-based model where users pay a monthly fee for access to the service as well as additional fees for access to certain premium content. We believe that this is a highly scalable model that can be rolled out to many carriers across the world.

We have launched our service together with mobile carriers in Turkey, Malaysia, Armenia and United Arab Emirates. Our mobile carrier partners co-brand our service and help market it to their subscribers. The pricing for subscriptions and content in various countries will vary substantially based on local economic conditions. In general, we aim to sell the monthly subscription for between $1 and $3 and we expect to generally receive between 30%-50% of the monthly subscription revenue. We expect that premium content will generally be sold for between $1 to $2 per item although this price and the monthly subscription rate may vary substantially by country. Operators usually do not charge us or our users for any data charges associated with using our service and for using the operator's SMS infrastructure to communicate with our subscribers.

Our model consists of the following strategic directives which are discussed in detail below in *"Business—Our Strategy"*: growing our user base through carrier partnerships, continuing to ensure we have broad handset reach, enhancing our viral and social tools, maintaining and growing our product and technology leadership, building a strong revenue base of recurring monthly subscription revenue, finding new forms of distribution, exploring monetization through advertising, and content leadership.

Overview

Our financial statements were prepared using principles applicable to a going concern, which contemplates the realizations of assets and liquidation of liabilities in the normal course of business. We had approximately $1.75 million of cash and cash equivalents at September 30, 2009. Our average monthly burn rate from operations for the three months and nine months ended on that date was $366,000 and $413,000, respectively. In addition, as of April 1, 2009 we commenced repayment of a $5.0 million loan over a thirty-six month period (resulting in repayments amounting to approximately to $524,000 during the nine-month period ending on September 30, 2009.). This loan was subsequently modified to defer principal payments until the earlier of six months from the completion of the Bridge Financing in December 2009 or the consummation of this offering.

We are a development stage company. From inception, we have raised approximately $17.5 million. In May 2006, we raised $2.35 million through the issuance of 588 shares of Series A Preferred Stock. Following a stock dividend in August 2006, the number of Series A Preferred Stock amounted to 2,353,887. In February 2007, we completed a financing of $2.1 million of convertible notes, which was later exchanged and included as part of the Series B Financing. In July 2007, we raised a further $10 million through the issuance of 4,592,794 shares of Series B Preferred Stock and the issuance of 200,694 shares of common stock. In addition, in September 2008, we closed a $5.0 million loan from SVB/Gold Hill Capital. In December 2009, we completed a bridge financing of $2.98 million of convertible notes, which will be converted into equity upon the closing of this offering. These amounts have been used to finance our operation until now as we have not yet generated any significant revenues. From inception until September 30, 2009 we recorded losses of $18.04 million and a net cash outflow from operations of $16.43 million.

While anticipated future revenues and cash from these revenues may be realized in future periods, we do not expect this growth to be sufficient to alleviate our funding requirements described in this prospectus. Thus, our ability to continue as a going concern is contingent upon the successful completion of this offering or obtaining alternate financing. These factors raise substantial doubt as to our ability to continue as a going concern without this offering, and our most recent report from our independent registered public accounting firm contains an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. The financial statements do not include adjustments to the value or classification of our assets and liabilities that we may need to make if we are unable to continue operating as a going concern.

A substantial portion of our cash received and anticipated revenues are based in dollars and euros, while a significant portion of our expenses, principally salaries and related personnel expenses, are paid in Israeli currency by our subsidiary. As a result, we are exposed to an exchange rate risk if the value of the dollar or euro significantly depreciates vis-à-vis the value of the New Israeli Shekel.

Revenue

Revenues are recognized from monthly subscription fees and content purchases upon notification from the billing entity (carrier or other third party) that the transaction has been successfully processed. Revenues from services rendered to partners such as carriers, including set-up fees and customization of the service, are recognized upon receipt of customer acceptance. Revenues from minimum monthly revenue guarantees from carriers are recognized at the end of each billing period.

Costs and Expenses

Cost of revenue

Cost of revenue consists primarily of expenses directly related to providing our service in launched markets. These expenses include the costs associated with production servers serving the end-users, royalty fees for content sales and the direct costs of billing services and SMS providers.

Research and development expenses

Research and development expenses consist primarily of salary expenses of our development and quality assurance engineers in our research and development facility in Israel, outsourcing of certain development activities, preparation of patent filings and server and support functions for our development environment.

Marketing expenses

Marketing expenses include the salary of all business development and marketing personnel, 50% of the CEO's salary, travel expenses relating to business development activity and tradeshows, as well as public relations, advertising and customer acquisition expenses. As we increase our sales, certain commissions to agents will also be included in sales and marketing expenses as well as purchases of content that will increase the attractiveness of our service to end-users. Royalties related to the sale of that content will be recorded in cost of revenue.

General and administrative expenses

General and administrative expenses include 50% of the CEO's salary, the salary of our finance and administrative personnel, rental costs for both the U.S. and Israeli offices, legal and accounting costs and telephone and other office expenses including depreciation. We expect a significant increase in general and administrative expenses in the twelve months following the consummation of this offering as we incur additional costs of being a public company. These costs will include increased legal and accounting costs, additional insurance costs and director compensation costs.

Non-operating expenses (income)

Until September 2008, our non-operating expense (income) was primarily from yields from our cash and cash equivalent deposits. Subsequent to September 2008, some of our cash resources have been depleted, we have received lower yields resulting from lower interest rates and we have drawn on our $5.0 million loan from Silicon Valley Bank and Gold Hill, or the venture loan. Accordingly, our finance expense since that date has been primarily from the interest payments on the venture loan. Until the consummation of this offering, these costs will continue to increase as we accrue interest expenses from the bridge financing while we continue to accrue interest from the venture loan. Non-operating expense also includes gains (losses) from foreign exchange rate differences.

Income taxes

Our effective tax rate differs from the statutory federal rate primarily due to differences between income and expense recognition prescribed by income tax regulations and generally accepted accounting principles. We utilize different methods and useful lives for depreciating and amortizing property, equipment and intangible assets and different methods and timing for certain expenses. Furthermore, permanent differences arise from certain income and expense items recorded for financial reporting purposes but not recognizable for income tax purposes. In addition, our income tax expense has been adjusted for the effect of state and local taxes and foreign income from our wholly owned subsidiary. At September 30, 2009, our deferred tax assets were almost entirely offset by a valuation allowance because realization depends on generating future taxable income, which, in our estimation, is not more likely than not to be realized.

Our subsidiary had net income in 2008 and 2007 resulting from services it provided to us. The subsidiary charges us for research and development and certain management services which it provides us, plus a profit margin on such costs, which is currently 8%. However, the subsidiary is a "beneficiary enterprise" as defined in amendment No. 60 to the Israeli Law for the Encouragement of Capital Investment, 1959, which means that income arising from its approved research and development activities is subject to zero percent tax for a period of two years with a reduced rate for the subsequent five years. The subsidiary elected to receive these benefits for the fiscal years of 2007 and 2008. Beginning in 2009, the subsidiary will be subject to taxes on its income.

Results of Operations

Three Months and Nine Months Ended September 30, 2009 and 2008 and the development stage period (cumulative from inception until September 30, 2009)

The following analysis compares the results of our operations for the three and nine months ended September 30, 2009 to the results of operations for the three and nine months ended September 30, 2008.

Revenue

	Three Months Ended September 30,			Nine Months Ended September 30,			Cumulative from inception to September 30, 2009
	2009	2008	Change	2009	2008	Change	2009
	($ - in thousands)			($ - in thousands)			($ - in thousands)
Revenue	36	-	36	36	-	36	36

During the three and nine months ended September 30, 2009, we recorded revenues of $36,000 as a result of the launching of our service in Armenia. The agreement with our partner in Armenia included a one time setup fee and monthly revenue guarantees. The revenues recorded were primarily from the one-time fee related to customer acceptance of the setting up of the service and three months of the monthly guarantee. Additional revenue beyond the monthly guarantee from this carrier should be insignificant. These revenues are the only revenues from operations that we have recorded since inception. It is expected that in future periods we will be earning the bulk of our revenue from monthly customer subscriptions in areas where we have launched with a carrier or other partner with some additional revenue from content sales to end-users.

Cost of Revenue

	Three Months Ended September 30,			Nine Months Ended September 30,			Cumulative from inception to September 30, 2009
	2009	2008	Change	2009	2008	Change	2009
	($ - in thousands)			($ - in thousands)			($ - in thousands)
Cost of revenue	54	-	54	54	-	54	54

Cost of revenue is comprised of services related to the provision of content to end-users and servers needed to support the service in Armenia and other launch-ready markets. As our service grows and we launch in other territories, we expect that cost of revenue will grow with the need to provide more content and other services directly relating to the revenue we expect to earn. Given the fact that some of these costs are fixed irrespective of our revenues, we expect our gross margin to increase over time. We believe that we currently have enough server capacity to service up to two million global users before needing to expand our server needs.

Research and Development

	Three Months Ended September 30,			Nine Months Ended September 30,			Cumulative from inception to September 30, 2009
	2009	2008	Change	2009	2008	Change	2009
	($ - in thousands)			($ - in thousands)			($ - in thousands)
Research and development	418	827	(409)	1,456	2,718	(1,262)	7,865

During the three months ended September 30, 2009, research and development expenses decreased $409,000, or 50%, to $418,000, from $827,000 in the three months ended September 30, 2008. During the nine months ended September 30, 2009, research and development expenses decreased $1.26 million, or 46%, to

$1.46 million, from $2.72 million in the nine months ended September 30, 2008. From inception through September 30, 2009, research and development expenses amounted to $7.87 million. Of this amount, approximately $5.7 million was attributed to salaries and related expenses, $1.1 million was attributed to sub-contracting and consulting services and $300,000 was attributed to patent expenses.

While our research and development activities had intensified during the first nine months of 2008 in line with our goals to deepen features and add to mobile carrier functionality, we subsequently retracted due to the global economic climate and certain delays in our product development necessitating us to preserve cash in order to reach a possible fundraising milestone in the future. The decrease in research and development expenses, therefore, were due to the resulting reduction in the development and QA teams of 11 employees (or 40%) in the period from November 2008 and through September 2009, and the ending of a contract with a major subcontractor, who had been working on developing a prototype of a Vringo application for Facebook. This development has been discontinued at the present time and is not part of our current business. The total cost of this subcontractor during the first nine months of 2008 amounted to approximately $200,000.

Marketing

	Three Months Ended September 30,			Nine Months Ended September 30,			Cumulative from inception to September 30, 2009
	2009	2008	Change	2009	2008	Change	
	($ - in thousands)			($ - in thousands)			($ - in thousands)
Marketing	373	652	(279)	1,268	1,954	(686)	6,040

During the three months ended September 30, 2009, marketing expenses decreased $279,000, or 43%, to $373,000, from $652,000 in the three months ended September 30, 2008. During the nine months ended September 30, 2009, marketing expenses decreased $686,000, or 35%, to $1.27 million, from $1.95 million in the nine months ended September 30, 2008. From inception through September 30, 2009, marketing expenses totaled $6.04 million. Of this amount, approximately $2.5 million was attributed to salaries and related expenses, $950,000 was attributed to sub-contracting and consulting services, $550,000 was attributed to public relations services and customer acquisition expenses and $1.2 million was attributed to travel and tradeshows.

Our reduction in marketing expenses for the three and nine months periods ended September 30, 2009 was influenced by a change in our advertising strategy which migrated from a “direct-to-consumer” solution whereby we were purchasing advertising clicks in order to acquire users to our service, to a “business-to-business” solution, with less direct marketing. We expect this trend to continue through 2010 as we employ our business-to-business approach in the carrier launched markets. We do, however, expect to complement the carriers’ own marketing efforts with some of our own paid marketing efforts. We also had a reduced presence at the Mobile World Congress trade show in Barcelona and likewise at other trade fairs during this period. There was a resulting reduction in the marketing workforce by four full-time employees (50% of employees) and the reduction in salary of both a full-time consultant and certain full-time employees.

General and Administrative

	Three Months Ended September 30,			Nine Months Ended September 30,			Cumulative from inception to September 30, 2009
	2009	2008	Change	2009	2008	Change	
	($ - in thousands)			($ - in thousands)			($ - in thousands)
General and administrative	245	361	(116)	819	982	(163)	3,681

During the three months ended September 30, 2009, general and administrative expenses decreased $116,000, or 32%, to $245,000, from $361,000 in the three months ended September 30, 2008. During the nine months ended September 30, 2009, general and administrative expenses decreased $163,000, or 17%, to $819,000, from $982,000 in the nine months ended September 30, 2008. From inception through September 30, 2009, general and administrative expenses totaled $3.68 million. Of this amount, approximately $1.1 million was attributed to salaries and related expenses, $425,000 was attributed to rent, $485,000 was attributed to professional fees and $280,000 was attributed to depreciation.

The reduction in general and administrative expenses was due primarily to a reduction in salary of certain employees and a decline in rental expenses in our U.S. offices from a monthly expense of approximately $13,000 during 2008 to a monthly expense of $4,000 from January 2009 to August 2009 and reduced further to $2,000 beginning September 1, 2009. The reason for the reduction in rental costs was due to a reduction in workforce as outlined above and our relocation to smaller premises upon the termination of the lease for our U.S. premises in September 2009. In addition, the 2008 balances reflect a one-time legal cost of $65,000 in January 2008 relating to the SVB/Gold Hill loan. General and administrative expenses are expected to rise significantly in 2010 due to the costs of being a public company which will be reflected on higher accounting and legal expenses as well as higher insurance costs and the need to employ additional personnel to meet are our obligations under the Sarbanes-Oxley Act.

Non-operating Expense (Income), Net

	Three Months Ended September 30,			Nine Months Ended September 30,			Cumulative from inception to September 30, 2009
	2009	2008	Change	2009	2008	Change	
	($ - in thousands)			($ - in thousands)			($ - in thousands)
Non-operating expense (income), net	144	24	120	449	(35)	484	461

During the three months ended September 30, 2009, non-operating expense, net increased $120,000, or 500%, to $144,000, from $24,000 in the three months ended September 30, 2008. The change in non-operating expense, net was due primarily to interest expense (approximately $40,000 monthly) on the SVB/Gold Hill loan drawn in September 2008, a reduction in yield on money market investments during the period due to global factors and amortization expenses related to the warrants granted in connection with the SVB/Gold Hill loan.

During the nine months ended September 30, 2009, non-operating expense, net increased $484,000, from ($35,000) of non-operating income to $449,000 of non-operating expense in the nine months ended September 30, 2008. The change in non-operating expense (income), net was due primarily to the same factors indicated above. Additional interest expense is expected as a result the Bridge Financing in December 2009, until the initial public offering. After the offering, interest expense should decline as the principal of the venture loan is reduced. We also expect higher yields from larger investments in money market funds as a result of the offering. From inception through September 30, 2009, non-operating expenses totaled $461,000. Of this amount, we recorded income from interest on deposits of $461,000 and interest expense on the venture loan of $465,000. In addition, we recorded $141,000 of debt extinguishment expense and $106,000 of warrant amortization.

Income Taxes

	Three Months Ended September 30,			Nine Months Ended September 30,			Cumulative from inception to September 30, 2009
	2009	2008	Change	2009	2008	Change	
	($ - in thousands)			($ - in thousands)			($ - in thousands)
Taxes on income (benefit)	16	7	9	54	(44)	98	(25)

During the three months ended September 30, 2009, taxes on income increased $9,000, or 129%, to $16,000, from $7,000 in the three months ended September 30, 2008. The change in taxes on income was due to profits generated by our subsidiary as a result of the intercompany cost plus agreement between us and the subsidiary, whereby the subsidiary performs development services for us and is reimbursed for its expenses plus 8%. For Financial Statements purposes, these profits are eliminated upon consolidation. The profits of the subsidiary benefitted from a tax holiday in the 2007-2008 tax years but are taxable thereafter. In prior periods, the changes in taxes on income resulted from the change in the deferred tax asset, as those periods were covered by the tax holiday as described above. From inception through September 30, 2009, income tax benefits totaled $25,000.

During the nine months ended September 30, 2009, taxes on income increased $98,000 to $54,000, from ($44,000) in the nine months ended September 30, 2008. The change in taxes on income was due primarily to the same factors indicated above as well as a result of the fact that the revenue of our subsidiary is fully taxable in 2009. This trend will continue as our subsidiary will continue to profit from the cost plus agreement. At a future time, the subsidiary may apply for an extension to its "Beneficiary Enterprise" status under the Israeli Law for the Encouragement of Capital Investments, 1959 whereby part of its profits may be tax-exempt.

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

The following analysis compares the results of operations for the year ended December 31, 2008 to the results of operations for the year ended December 31, 2007.

In the period from inception and through December 31, 2008, we did not generate any revenues.

Research and Development Expenses

	Twelve Months Ended December 31,		
	2008	2007	Change
	($ - in thousands)		
Research and development	3,110	2,541	569

During the year ended December 31, 2008, research and development expenses increased $569,000, or 22%, to $3.11 million from $2.54 million in the year ended December 31, 2007. Following product milestones reached in the latter part of 2007, there was an increase in research and development expenses in 2008, consistent with a proactive focus shift towards the development of the product and the broadening of the application to a wider range of handheld devices. As a result, there was an increase in research and development employees, as well as consultants including a full-time consulting company for the first nine months of 2008 that was the equivalent of two full-time employees.

Marketing

	Twelve Months Ended December 31,		
	2008	2007	Change
	($ - in thousands)		
Marketing	2,769	1,694	1,075

During the year ended December 31, 2008, marketing expenses increased $1.08 million, or 63%, to $2.77 million, from $1.69 million in the year ended December 31, 2007. These expenses consist principally of salaries, travel, advertising and related expenses. The increase in marketing expenses in 2008 was consistent with strategic directives to broaden partner networks and direct-to-consumer advertising, and resulted in the hiring of marketing and business development personnel in the US and UK, and the addition of two more full-time employees in Israel. Consistent with direct to consumer advertising directives, our representation at trade shows was emphasized in 2008.

General and Administrative

	Twelve Months Ended December 31,		
	2008	2007	Change
	($ - in thousands)		
General and administrative	1,409	1,025	384

During the year ended December 31, 2008, general and administrative expenses increased $384,000, or 38%, to $1.41 million, from $1.03 million in the year ended December 31, 2007. The change in general and administrative expenses was due to a number of factors including an increase in salary related expenses of approximately $100,000 resulting from an increase in the salaries, benefits and overhead costs of G&A personnel, an opening of a U.S. office from September 2007 and the increase of space at the U.S. office over the course of 2008. Other factors include an increase of approximately $65,000 in legal expenses as a result of the SVB/Gold Hill loan, and an increase in recruitment expenses.

Non-operating Expense (Income), Net

	Twelve Months Ended December 31,		
	2008	2007	Change
	($ - in thousands)		
Non-operating expense (income), net	51	(25)	76

During the year ended December 31, 2008, non-operating expense (income), net increased $76,000 to $51,000 from ($25,000) in the year ended December 31, 2007. The change in non-operating expense (income), net was due primarily to the payment of interest connected with the SVB/Gold Hill loan during the fourth quarter of 2008 and a reduction of the cash balance of the Company, together with a general reduction in money market yields over the course of 2008. The increase in non-operating income in 2007 was due to better yields on more cash invested in money market funds especially as a result of the Series B financing in July 2007. This increase in non-operating income in 2007 was partly offset by a $141,000 loss on extinguished debt.

Income Taxes

	Twelve Months Ended December 31,		
	2008	2007	Change
	($ - in thousands)		
Taxes on income (benefit)	(7)	(72)	65

During the year ended December 31, 2008, the tax benefit decreased by $65,000, or 91%, to ($7,000), from ($72,000) in the year ended December 31, 2007. The change in taxes on income was due to the tax holiday granted under the Israeli Law for the Encouragement of Capital Investments, 1959. Under this law, the subsidiary was granted two tax-free years on all of its profits. This was applied to the subsidiary's profits generated by the intercompany cost plus agreement.

Off-Balance Sheet Arrangements

We have no obligations, assets or liabilities which would be considered off-balance sheet arrangements. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements.

Liquidity and Capital Resources

As of September 30, 2009, we had a cash position of $1.75 million and working capital of $187,000. The decrease in cash of $1.36 million for the third quarter of 2009 was due to negative cash flow from operations. The reduction in expenses in 2009 is reflected in the decrease in net cash used for operations over the course of the first three quarters of 2009.

We have historically funded our operations primarily through the sale of our securities, including sales of common stock, convertible notes, preferred stock and warrants. In May 2006, we raised $2.35 million through the issuance of 2,353,887 shares of Series A Preferred Stock. In February 2007, we completed a financing of $2.1 million of convertible notes, which was later exchanged and included as part of the Series B Financing in July 2007. In July 2007, we raised $12.1 million through the issuance of 4,592,794 shares of Series B Preferred Stock and the issuance of 200,694 shares of common stock. In addition, in September 2008, we closed a $5.0 million loan from SVB/Gold Hill Capital. In December 2009, we completed a bridge financing of $2.98 million of convertible notes. Upon the consummation of this offering, the Series A Preferred Stock and the Series B Preferred Stock will be exchanged for shares of common stock and the notes issued in the bridge financing will be converted into shares of common stock. For the dilutive effect of this financing, please see section entitled "Dilution" on page 27.

We anticipate that we will continue to issue equity and/or debt securities as the primary source of liquidity, when needed, until we generate positive cash flow to support our operations. We cannot give any assurance that the necessary capital will be raised or that, if funds are raised, it will be on favorable terms. Any future sales of securities to finance our company will dilute existing stockholders' ownership. We cannot guarantee when or if we will ever generate positive cash flow.

As of September 30, 2009, we had 29 full time employees. We expect to increase our workforce by a total of approximately 15-20% in the year following the completion of this offering in the areas of research and development, sales and marketing, and general and administration.

Cash flows for the nine months ended September 30, 2009 and 2008

	Nine Months Ended September 30,		
	2009	2008	Change
	($ - in thousands)		
Net cash used in operating activities	(3,719)	(5,468)	1,749
Net cash used in investing activities	(29)	(102)	73
Net cash provided by (used in) financing activities	(524)	5,000	(5,524)

Operating activities

During the nine months ended September 30, 2009, net cash used in operating activities totaled $3.72 million. During the nine months ended September 30, 2008, net cash used in operating activities totaled $5.47 million. This decrease of $1.75 million was due to a reduction in headcount and activity in an effort to prevent the depletion of our cash resources due to global economic conditions. We expect that net cash used in operating activities will increase in the twelve months following this offering in connection with the increase in our expenses as we hire additional personnel and increase spending on sales and marketing activities in launched markets. As we move towards greater revenue generation, some of these amounts will be offset by incoming revenue. Since we will receive most of our revenues directly from carriers whose payment schedules are generally at net 60 days or net 90 days, and our suppliers' payment schedules are generally net 30 days, the increase in revenue will not initially increase our net cash from operating activities.

Investing activities

During the nine months ended September 30, 2009, net cash used in investing activities totaled $29,000. During the nine months ended September 30, 2008, net cash used in investing activities totaled $102,000. This decrease of $73,000 in investing activities is primarily due to a reduced need for fixed assets as a result of the reduction in headcount and the fact that many of the fixed assets purchased in previous period did not need to be replaced. We expect that net cash used in investing activities will increase in the twelve months following the offering. As we hire new personnel, we will need to purchase fixed assets, such as computers, software and office furniture, to serve these employees. Moreover, as our service continues to grow, we will need to invest in infrastructure to increase our server capacity to meet the needs of our customers.

Financing activities

During the nine months ended September 30, 2009, net cash used in financing activities totaled $524,000 from the repayment of the venture loan beginning April 1, 2009. During the nine months ended September 30, 2008, net cash provided by financing activities totaled $5.0 million as a result of the taking of the venture loan. Notwithstanding the proceeds we will receive from this offering, we expect to continue to experience a net cash outflow from financing activities in the twelve months following the offering as we continue to repay our venture loan.

Bridge Financing

On December 29, 2009, we consummated a private placement of our 5% subordinated convertible promissory notes in the aggregate amount of $2.98 million and warrants to purchase 795,200 shares of common stock for an aggregate purchase price of $2.98 million (the “Bridge Financing”), which will convert into equity upon the closing of this offering. In connection with the Bridge Financing, we issued additional warrants to purchase 788,010 shares of common stock to the lead investors, our senior lenders and our placement agent.

Future operations

As a result of this offering, we believe we will have sufficient cash to meet our planned operating needs for at least the next twelve months, based on our current cash levels, including the cash raised from the Bridge Financing. In estimating our expected cash flow, we have considered the current economic climate and our revenue estimations as discussed above. For further discussion regarding capital and other expenditures please see the section entitled “*Use of Proceeds*”.

We will also assess acquisition opportunities as they arise. We may require additional financing if we decide to make acquisitions. We are not considering any specific acquisition opportunities at this time and there can be no assurance, however, that any such opportunities may arise, or that any such acquisitions may be consummated. Additional financing may not be available on satisfactory terms when required. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience significant dilution.

Venture loan

We have drawn down on a loan facility for $5.0 million. The loan facility bears interest at a rate of 9.5% per annum and an effective interest rate of 13.3%. The contractual repayment schedule requires a 36-month repayment schedule beginning on March 31, 2009 following a six-month interest only period. Pursuant to the Bridge Financing, we entered into a loan modification agreement with our lenders whereby principal payments on the facility are deferred until the earlier of six months from the Bridge Financing or the consummation of this offering. Following the recommencement of principal payments, the remaining portion of the loan will be amortized over the period from the consummation of this offering through March 1, 2013. Future loan payments on the facility, including principal and interest will amount to approximately $145,000 per month.

Contractual obligations

We have a non-cancellable operating lease for our subsidiary's offices in Israel for which we pay approximately $5,000 monthly. This commitment is for the period ending May 31, 2010, with an option for a further two years thereafter. Our U.S. lease is cancellable with 45 days notice and we pay $2,000 monthly for this space. The period covered by this lease expires on August 31, 2010.

The subsidiary leases four motor vehicles for certain employees with variable commencement and expiration dates. All leases are for a total of 36 months whereby the final three months of the contract have been prepaid. Total monthly expenses for these leases amount to $3,000. Expiration dates for the leases are on various dates from December 2010 through August 2011.

Critical Accounting Estimates

While our significant accounting policies are more fully described in the notes to our audited consolidated financial statements for the years ended December 31, 2008 and 2007, and our unaudited consolidated financial statements for the three and nine months ended September 30, 2009 and 2008, we believe the following accounting policies to be the most critical in understanding the judgments and estimates we use in preparing our consolidated financial statements.

Accounting for Stock-based Compensation

We account for stock-based awards under ASC 718, "Compensation — Stock Compensation" (formerly SFAS 123R, "Share-Based Payment"), which requires measurement of compensation cost for stock-based awards at fair value on the date of grant and the recognition of compensation over the service period in which the awards are expected to vest. In addition, for options granted to consultants, FASB ASC 505-50, "Equity-Based Payments to Non Employees" is applied. Under this pronouncement, the measurement date of the option occurs on the earlier of counterparty performance or performance commitment. The grant is revalued at every reporting date until the measurement date. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results differ from our estimates, such amounts will be recorded as a cumulative adjustment in the period estimates are revised. We consider various factors when estimating expected forfeitures, including historical experience. Actual results may differ substantially from these estimates.

We determine the fair value of stock options granted to employees and directors using the Black-Scholes valuation model, which requires significant assumptions regarding the expected stock price volatility, the risk-free interest rate and the dividend yield, and the estimated period of time option grants will be outstanding before they are ultimately exercised. We estimate our expected stock volatility based on historical stock volatility from comparable companies. Had we made different assumptions about our common stock fair value, stock price volatility or the estimated time that option and warrant grants will be outstanding before they are ultimately exercised, the related stock based compensation expense, and our net income (loss) and net earnings (loss) per share amounts could have been significantly different.

Accounting for Income Taxes

As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves management estimating our actual current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet. We must then assess the likelihood that our deferred tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not more likely than not, we must establish a valuation allowance. Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against

our net deferred tax assets. At September 30, 2009, we have fully offset our U.S. net deferred tax asset with a valuation allowance. Our lack of earnings history and the uncertainty surrounding our ability to generate U.S. taxable income prior to the expiration of such deferred tax assets were the primary factors considered by management in establishing the valuation allowance.

ASC 740, "Income Taxes" (formerly FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes — an Interpretation of FASB Statement 109"), prescribes how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. Additionally, for tax positions to qualify for deferred tax benefit recognition under ASC 740, the position must have at least a "more likely than not" chance of being sustained upon challenge by the respective taxing authorities, which criteria is a matter of significant judgment.

Valuation of Instruments in Temporary Equity

Proceeds from our Series B financing have been classified as Temporary Equity. The proceeds were allocated using the relative fair value method. We determined that there are no embedded features that would require bifurcation as derivative instruments. Had management used other assumptions or valuation models, there might have been a material difference in the fair value allocations and the conclusions regarding the accounting treatment for the Series B share issuance.

These shares are redeemable for cash in July 2013. The redemption price is the greater of the original issue price plus declared but unpaid dividends or the fair market value of the Series B preferred shares on the day of the redemption election. In management's opinion, the fair market value of the Series B preferred shares did not rise above the original price from inception and therefore no accretion has been recorded. Had management concluded that the fair market value of the Series B shares had risen above the original issue price, there might have been a material change in our financial statements and results of operations.

Recently Issued Accounting Pronouncements

In October 2009, FASB issued amended revenue recognition guidance for arrangements with multiple deliverables. The new guidance eliminates the residual method of revenue recognition and allows the use of management's best estimate of selling price for individual elements of an arrangement when vendor specific objective evidence or third-party evidence is unavailable. This guidance is effective for us for all new or materially modified arrangements entered into on or after January 1, 2011 with earlier application permitted as of the beginning of a fiscal year. Full retrospective application of the new guidance is optional. We adopted the pronouncement during 2009 and applied the effect retrospectively from the beginning of 2009, which had an effect on the revenues that we recorded in this period.

In May 2008, FASB issued FASB ASC 470-20, "Debt With Conversion and Other Options." FASB ASC 470-20 requires issuers of convertible debt that may be settled wholly or partly in cash when converted to account for the debt and equity components separately. FASB ASC 470-20 is effective for fiscal years beginning after December 15, 2008 and must be applied retrospectively to all periods presented. The adoption of FASB ASC 470-20 is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

BUSINESS

General

We provide a comprehensive platform that allows users to create, download and share mobile entertainment content in the form of video ringtones for mobile phones. We believe that our service represents the next stage in the evolution of the ringtone market from standard audio ringtones to high-quality video ringtones, with social networking capability and integration with web systems. Our solution, which encompasses a suite of mobile and PC-based tools, enables users to create, download and share video ringtones with ease, and provides our business partners with a consumer-friendly and easy-to-integrate monetization platform.

We are active in fast growing mobile markets. According to *Multimedia Intelligence*, the global mobile content market is projected to reach $29 billion by 2012 and Juniper Research projects that the global mobile application market will reach $25 billion in 2014. Our platform combines downloadable mobile applications running on multiple operating systems and hundreds of handsets, a WAP site, which is a simplified website accessible by a user on its mobile phone, and a website together with a robust content integration, management and distribution system.

The mobile products market is very fragmented due to the existence of numerous handsets and operating systems with different capabilities. We have devoted substantial research and development resources to ensure that our platform provides, in our estimation, the best video ringtone experience to each user based on the capabilities of the user's handset. We believe that we have the broadest video ringtone platform available in the mobile products market which provides a level of support for essentially any data and video enabled handset. In addition to our mobile products, we also offer internet tools which synchronize with our mobile products and which allows users to discover and create content on the internet for their phones. Our servers manage the social relationships between our users and ensure that the right content is delivered to each phone and synchronize a user's activities between its mobile device and personal computer.

As part of our plan to provide a complete video ringtone platform, we have amassed (and intend to continue to grow) a library of over 4,000 video ringtones for our users. We currently have more than thirty content license agreements with various content providers. We have also developed tools for users to create their own video ringtones and for carriers and other partners to add their own content and deliver it to their customers.

We have a free version of our product that is available for download in most of the world. To date, 850,000 users have registered for our free product primarily through a direct-to-consumer approach. We are now moving to a paid service model together with mobile carriers around the world. The initial revenue model for our service offered through the carriers will generally be a subscription-based model where users pay a monthly fee for access to the service and additional fees for premium content. We generally discontinue the availability of the free product in markets where we launch the commercial subscription version. We have built our platform with a flexible back-end and front-end that is easy to integrate with the back-end systems of mobile carriers and easy to co-brand to include mobile carrier branding.

We have launched our commercial service with the following four mobile carriers:

- Avea Iletisim Hizmetleri A.S., a mobile carrier in Turkey with 12.1 million subscribers ("Avea");
- Maxis Mobile Services SDN BHD, a mobile carrier in Malaysia with 11.4 million subscribers ("Maxis");
- Vivacell-MTS, a mobile carrier with 2.0 million subscribers in Armenia, where we have launched our products and services, and part of the MTS operator group with over 96.0 million global subscribers ("Vivacell"); and
- Emirates Telcommunications Corporation ("Etisalat"), a mobile carrier with 7.3 million subscribers in the United Arab Emirates, where we have launched our products and services, and over 94.0 million subscribers worldwide.

We are currently in discussions with several other mobile carriers and we will be pursuing additional agreements with mobile carriers over the next 12 to 24 months.

Market Overview

The Ringtone Market

Many mobile phone users choose to personalize their mobile phone by changing the standard manufacturer's ringtone to a ringtone of their choice. Some users select one of the several ringtones installed on the phone by the manufacturer. Since many handsets are now capable of playing conventional digital music files, many mobile users install MP3 and other digital music files as their ringtones to create an even more personalized mobile experience. According to a 2008 study by Ipsos MediaCT, more than one-third of mobile users download ringtones from various sources, and 40% of such users change their ringtones frequently.

Since the early days of mobile phone usage, mobile carriers, mobile media companies and content owners have recognized the sale of ringtones as a source of significant revenues. Ringtones are generally sold as single units or as part of a monthly subscription service in which the user is entitled to a package of ringtones. The ringtone industry was created in 1997 with the first sales of polyphonic ringtones and developed further in 2002 with the creation of the truetone or mastertone.

A significant evolution and innovation in the ringtone business occurred in 2004 with the advent of the ringback tone, which is a tune that the recipient of a call can choose for the caller to hear instead of the standard ring. There has been tremendous growth in ringback tones in recent years. Ringback tones are a network-based service sold by mobile carriers generally on a monthly subscription basis with additional costs for content in some markets. Ringback tones are the first "social ringtones" because users are able to choose the sound that callers will hear when they call the user. According to Multimedia Intelligence, sales in the ringback tone market will triple from 2008 to 2012 to reach $4.7 billion.

Overall, the ringtone business has seen little innovation in recent years and we believe it is ready for the next evolution of products and services. We believe the following factors will contribute to the evolution of the ringtone market in the near future:

Mobile video has arrived. Improved handset technology and the availability of high speed data networks have spurred tremendous growth in mobile video consumption and revenues. According to Pyramid Research, the mobile video market will grow five-fold from 2008 to 2014 to 534.0 million global subscribers, representing $16 billion in revenues in the United States alone. As users begin to consume more mobile video content, they will expect their ringtones to consist of more than plain audio.

Mobile social networking is growing exponentially. Mobile phone users are increasingly engaging in social networking on their phones, using services such as Facebook and Twitter. The commercial success of ringback tones demonstrates that users want a social experience as part of their ringtone experience. According to Juniper Research, global revenues for mobile social networking and user-generated content will rocket from $1.8 billion in 2008 to $11.8 billion in 2013. Our VringForward video ringtone technology allows users to enjoy a rich social experience by sharing video ringtones from our library or generated by a user.

User generated content continues to grow. We believe the growth of user-generated content on sites like YouTube is only at a nascent stage. Furthermore, we believe licensed content may only capture a fraction of the content users are interested in because of the advances in technology that facilitate the creation of user-generated content. Our easy-to-use platform allows users to seamlessly create, edit and share their own user-generated video ringtones.

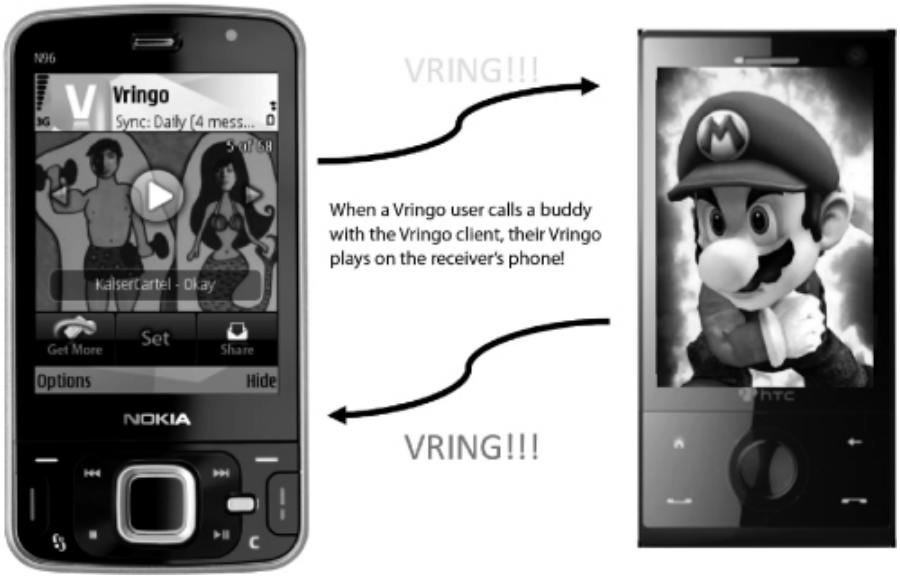
Consumers are no longer afraid of mobile applications. A mobile application can generally provide users with a much richer experience than a wireless application protocol (WAP)-only experience, which requires a user

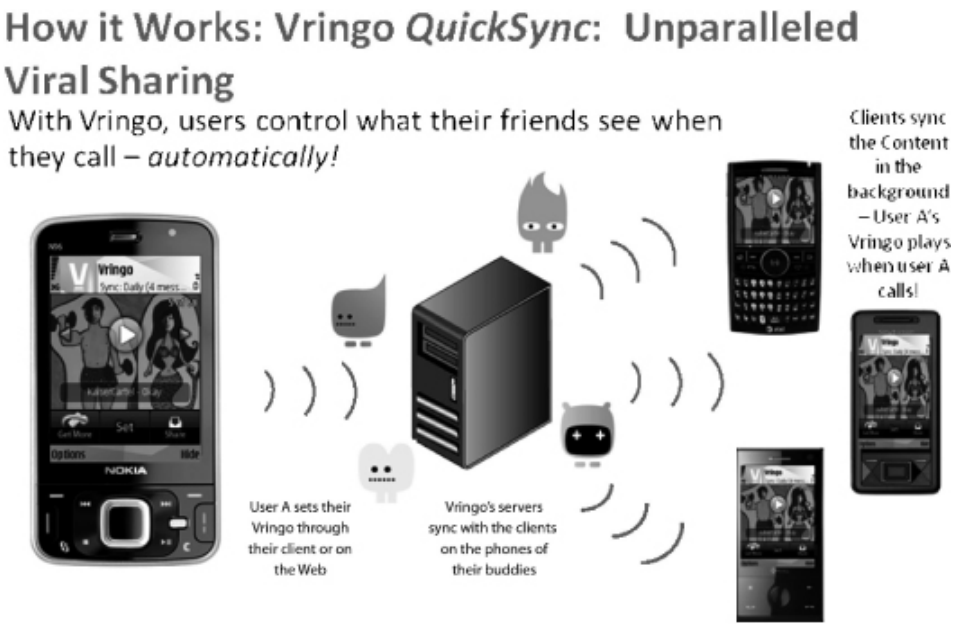
to navigate the browser on its mobile phone to a specific website. However, for years many users were either hesitant or unable to download most mobile applications due to the complexity of downloading applications or security concerns. That has recently changed as smartphones and data plan penetration have increased substantially and Apple Inc. has provided a very simple user experience for downloading applications through its App Store®. The success of the App Store® has led other handset manufacturers and mobile carriers to develop and market their own stores which we believe will accelerate user adoption of mobile applications. We have multiple versions of our mobile application, which work on more than 200 handsets, and which provide users with a much richer experience than can be achieved via WAP.

Our Product

Our product consists of four primary components:

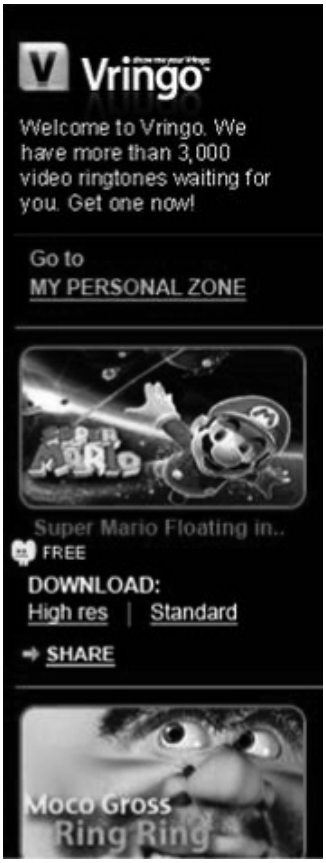
1. **The Vringo Mobile Application:** Our application allows the user to engage in a comprehensive, entertaining, and easy-to-use social video ringtone experience. The application includes many features, such as:
   - Ability for users to set their own personal video ringtones and to create their own video ringtone with their cameras;
   - VringForward™ technology, which enables users to share video ringtones with friends. Users may set a default clip for all of their friends or set specific clips for specific friends;
   - Gallery-based content browsing of video ringtones;
   - Unique “push” technology which allows users to subscribe to content channels and have their video ringtone automatically updated. This may create additional monthly subscription revenue by allowing us to sell various channels of content. Automated delivery ensures users feel they are getting value for their subscription; and
   - Compatibility with Symbian, Sony Ericsson, Java, Windows Mobile, Android and Blackberry operating systems. While Windows Mobile, Blackberry and Android do not support video ringtones natively, our development team has enabled our application to work on these devices.





2. **The Vringo WAP Site:** While we support over 200 handsets with our application, our application cannot work on many handsets in the market due to technical limitations of the devices. In order to support a much broader segment of the market, we developed a WAP version of the service that provides a streamlined experience for mobile users who can access the WAP site from the browsers on their mobile phones. In particular, this service includes the following features, subject to the handset's technical capabilities:

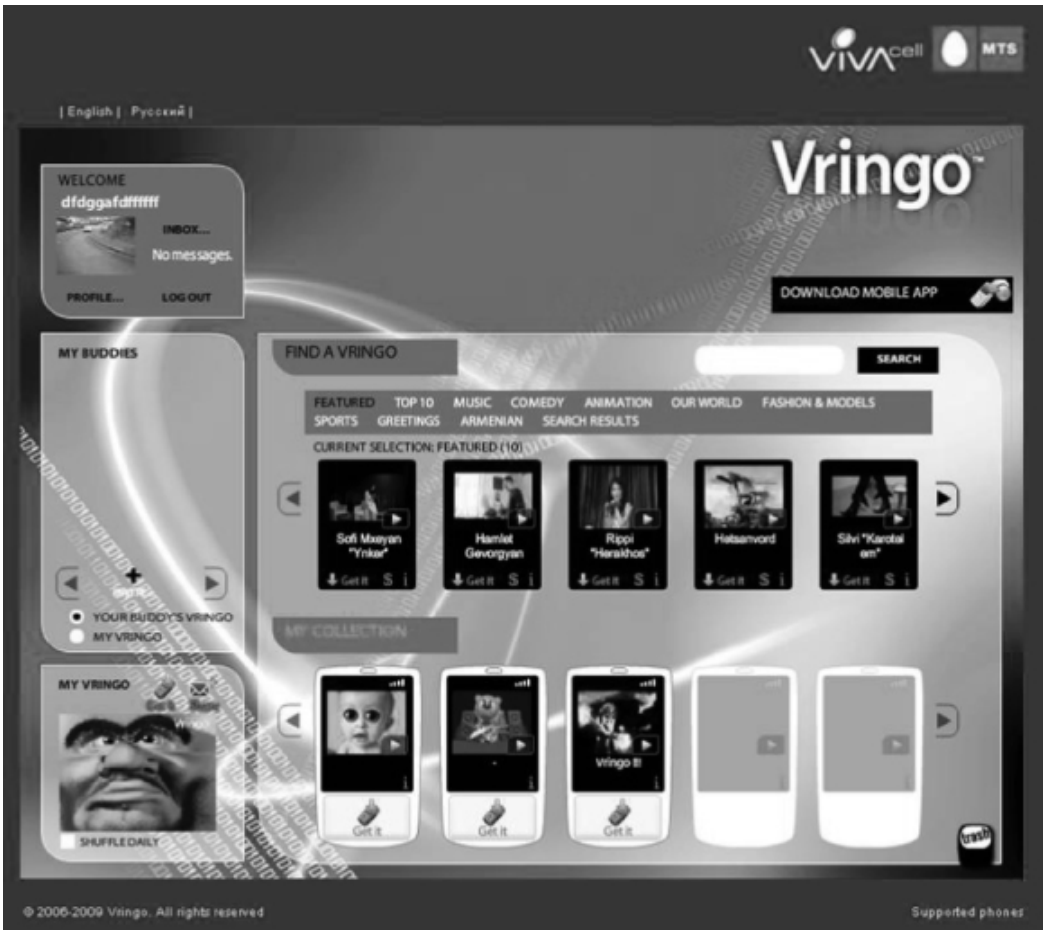
   - Download and purchase video ringtones;
   - Choose a VringForward clip that other users with our application will see when they receive a call from you; and
   - Share video ringtones with friends.



3. **The Vringo Website:** While video consumption on mobile phones is growing substantially, the vast majority of video browsing and viewing still takes place on the personal computer, or PC. A core component of our product strategy is to allow users to browse and choose their video ringtones on a personal computer from our website (www.vringo.com), and seamlessly deliver content from our website to their mobile phone. Our website includes the following features for users:

   - Choose and purchase video ringtones;
   - Upload video content stored on their PCs and to create personal video ringtones;
   - Engage in social behavior such as setting up VringForward, inviting friends to our service and posting clips to Facebook and other social networks;
   - Manage their accounts; and
   - Automatic synchronization with the mobile application on the user's phone or WAP account.

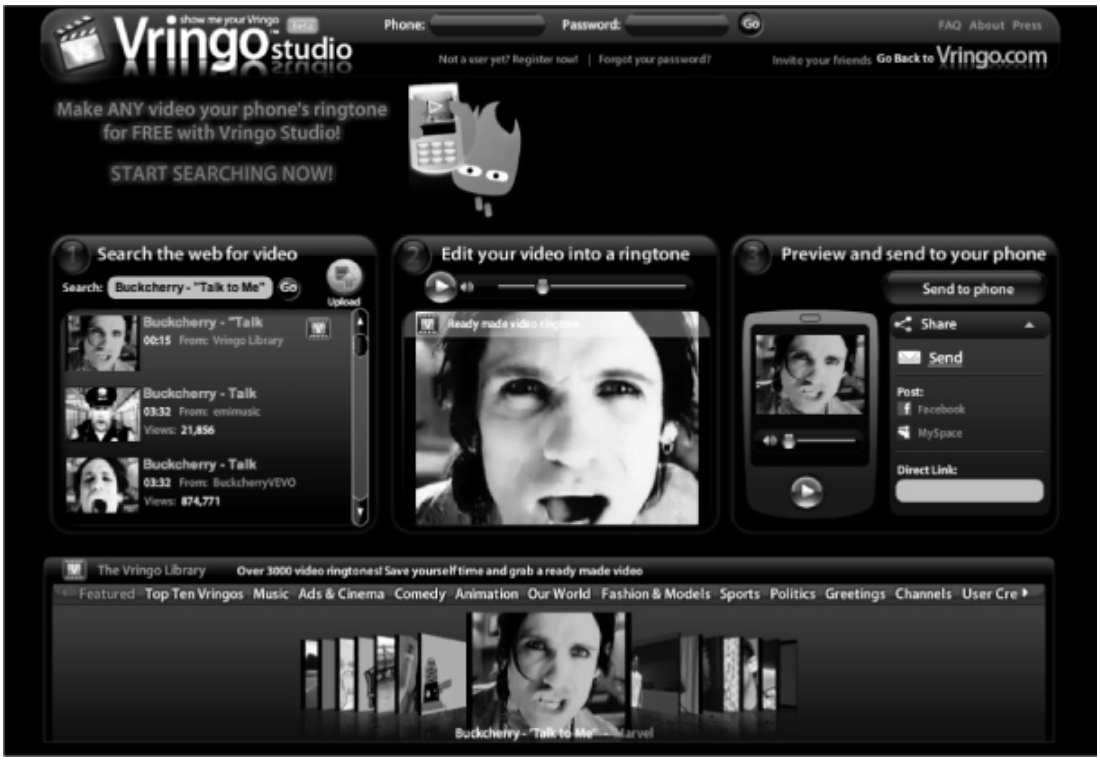
Vringo Co-branded Website for MTS/Vivacell



4. **The Vringo Studio:** The Vringo Studio is an extension of our website that allows users to access video from multiple websites or from their computer and then edit and send these video clips to their mobile phones as customized video ringtones. We are able to create customized versions of the Vringo Studio for specific content partners and mobile carriers that search only a pre-defined set of content. As with our website, the results are seamlessly synchronized with a user's mobile device. On the Vringo Studio, users may:

   - Transform user-generated or other video from the web into personalized video ringtones;
   - Import clips into their collection via our application or our WAP site; and
   - Share clips via SMS messaging or email and post clips to social networks.

The Vringo Studio



Our Strategy

Our goal is to become the leading global provider of video ringtones via our social video ringtone platform. To achieve this goal, we plan to:

Grow our user base through mobile carrier partnerships. We have built our product to easily integrate with mobile carriers. We believe the mobile carrier channel is the most efficient and cost effective channel to grow our user base and to monetize our product. We have launched our service with four mobile carriers in Turkey, Malaysia, Armenia and the United Arab Emirates. We are in discussions with additional mobile carriers and we plan to aggressively pursue additional mobile carriers globally.

Continue to ensure we have broad handset reach. The breadth of our mobile handset coverage will be critical for us to grow our business. Our application already supports over 200 handsets and we diligently certify new mobile handset devices as quickly as possible. Additionally, the WAP version of our service is compatible with almost any device that supports video. We will continue to expand the features available as part of our WAP service.

Enhance our viral and social tools. We believe that there is substantial opportunity to increase the social and viral nature of our product, which will be critical for our growth. We will continue to add features to the product to enhance its viral and social aspects and which enable users to connect with their existing social networks on platforms such as Facebook and Twitter.

Maintain and grow our product and technology leadership. Our technical team is made up of highly regarded industry professionals that continually ensure that our product is on the cutting-edge both in terms of ease of use, functionality and look and feel. We have filed 23 patent applications for our platform and we continue to create new intellectual property. We also have managed to create video ringtone applications which work on the Blackberry, Android and Windows Mobile operating systems even though those platforms do not natively support video ringtones. We plan to continue to allocate technical resources to remain ahead of our competition and provide users with a product that is easy-to-use and cutting-edge.

Build a strong revenue base of recurring monthly subscription revenue. In the ringback tone business, the bulk of revenue generation is subscription-based. We believe this model is appropriate for our product and are initially launching the commercial version of our product as a monthly subscription service with mobile carriers. We are focused on ensuring that our product drives value and limits churn. As the video ringtone market matures, our business model may evolve to capitalize on changes in the market.

Find new forms of distribution. While we are currently focused on the mobile carrier distribution channel, we believe there are other avenues that could be successful distribution channels for us. Specifically, we believe broadcasters and content owners could greatly benefit by promoting our service to their customers by monetizing either their content or leveraging their relationship with advertisers via ads.

Explore monetization through advertising. The visual nature of our service opens up the possibility of incorporating ads in the ringtone. We have had several expressions of interest in an advertisement-funded version of our service and we will explore this model in the future.

Content leadership. We believe our library of over 4,000 video ringtones is one of the largest video ringtone libraries in the world. We intend to continue to grow our library to enhance our future revenues although in many markets we will rely on our partners to supplement our library with additional locally licensed content.

Sales, Marketing and Distribution:

We market our service through three primary channels: mobile carriers, content aggregators and owners, and handset manufacturers. Users can also access our service directly from our website or WAP site. We are also engaged in a minimal amount of direct consumer marketing. If our business model were to change and an emphasis were to be placed on direct consumer marketing, our marketing costs may increase significantly.

Vringo for Mobile Carriers

We offer a robust and flexible platform to mobile carriers that allows them to provide a customized Vringo experience to their customers. Due to the highly flexible Vringo architecture, we can customize the service to meet the needs of the mobile carriers. For example, in some countries there are serious concerns regarding branding, content selection and feature availability. Our service can be customized for individual mobile carriers, who can remove certain features, such as user-generated content or the Vringo Studio, from the service, and can be offered on a co-branded or private label basis.

We believe pursuing agreements with mobile carriers is the most efficient channel to commercialize and monetize our service globally. First, mobile carriers have large embedded customer bases that allow them to engage in simple ‘below the line’ (i.e. free for the mobile carrier) marketing efforts. The mobile carrier’s use of below the line marketing efforts can drive significant volumes of users to our service via links and banners on WAP and internet portals as well as SMS messaging campaigns. Additionally, some mobile carriers may engage in ‘above the line’ (i.e. paid for by the mobile carrier) marketing campaigns of services they provide such as co-branded television commercials. Second, directly integrating our billing system with the mobile carrier enables us to offer the best and most seamless purchase experience for the user. Furthermore, integrating our

service with the mobile carrier's SMS center ensures that any SMS message generated by our service will be delivered to the user from a trusted source and without any costs to us.

When we launch our service with a mobile carrier, we discontinue the free version of our service available in that country. We generally start by making the service available only to subscribers of the mobile carrier with whom we have an arrangement in that particular country either due to an exclusivity clause in our agreement with the mobile carrier or related to practical issues surrounding billing customers of mobile carriers in that market with whom we do not have a relationship. Our preferred business model with consumers via mobile carriers is to offer the service as a monthly subscription service. The monthly subscription package allows users to receive access to our service along with some free content. Many mobile carriers also do not charge users for data while using our service as part of the subscription package. If users want to download premium content, they pay an additional a la carte fee per item.

The pricing for subscriptions and content in various countries will vary substantially based on local economic conditions. In general, we aim to sell the monthly subscription for between $1 and $3 and we expect to generally receive between 30% and 50% of the monthly subscription revenue. We expect that premium content will generally be sold for between $1 and $2 per item but this price as well as the monthly subscription rate may vary substantially by country.

We believe the subscription plus premium content sales business model has been successful globally for mobile carriers in the ringback tone business and we believe it best fits our needs at this stage of our lifecycle. However, there are certain markets where mobile carriers may not agree to such a model and we may rely purely on a subscription or content sales strategy.

We have begun to launch our service with Avea, Maxis, Vivacell and Etisalat. We believe mobile carriers find our service attractive because the service is completely outsourced and hosted by us. Mobile carriers are not required to do any network integration and all we require is access to their billing system and SMS center and their marketing efforts. Due to these factors, we believe that we will be able to enter into agreements with additional mobile carriers in the future.

We have agents in Australia, India, Japan, Malaysia, Pakistan, South Africa and Vietnam who help us penetrate mobile carriers and other partners in those markets. We generally pay the agents a percentage of the net revenue we receive from the agreements they help us enter into with mobile carriers. We believe that this is an effective way for us to grow our mobile carrier distribution and we expect that our network of agents will grow over time.

Content Aggregators and Owners

Content aggregators and local value added service (VAS) providers play a crucial role in the mobile ecosystem. In many cases we may choose to launch our service in a market through a local content aggregator or VAS provider as opposed to entering into a direct relationship with a mobile carrier. This strategy may provide us with a faster time to market, give us access to needed local content or enable us to reach across multiple operators in a country by conducting one integration with a partner. Additionally, sometimes mobile carriers themselves direct us to a local aggregator with whom to integrate. For example, in India, we have entered into an agreement with Hungama Digital Media Entertainment Pvt Ltd., or Hungama, a major aggregator of Bollywood content to distribute our service in India. Hungama is already integrated with all the major mobile carriers in India and sells content through all of them. Once Hungama implements our service, we will be able to do a single billing integration and sell content and services across the nine major operators in India who, in the aggregate, have more than 400.0 million customers.

To enter into individual agreements with each of these operators would likely take years. By contrast, our partner can promote our service across all these carriers. Additionally, our partner will provide us with local

content to be included in our service in India. Our partner believes that offering our service as a content purchase only without any subscription is more likely to succeed in India so we may launch with that model. We have a revenue sharing agreement with our partner which is based on a percentage of the revenue that the billing mobile carrier pays our partner. Mobile carrier payouts in India are generally between 30% and 40% of the gross consumer price. We expect that our revenue per user in India will be substantially lower than in other markets. In general, working through content aggregators and local value added service providers will decrease our share of the gross amount paid by the consumer as the carrier will take a share for billing the transaction and then pay the content aggregator/local value added service provider who will then pay us a percentage of the revenue they receive from the carrier.

Handset Manufacturers

Handset manufacturers are trying to grab a major piece of the mobile application market by launching application stores. This trend has been spurred by the success of Apple's iPhone application store. Nokia has put major efforts into its new Ovi store, Research in Motion recently launched a new application store, Samsung is currently in the process of launching their own application store and Sony Ericsson has its own application store as well. We are or will be present on most or all of these application stores but we don't have immediate plans to monetize the users we gain from these stores. Should the volume of downloads from these sources increase dramatically, we will look at new ways to monetize these users. Our application is also available on mobile carrier application stores in France and the United Kingdom.

In addition to having a presence on application stores, we have an agreement with Sony Ericsson Mobile Communications AB that allows it to preload a link to our service on their phones. They placed our link on several Walkman model mobile phones in many markets, which we believe increases our consumer reach and brand recognition. Subsequently, Sony Ericsson discontinued the Walkman line of phones so we believe it is unlikely that we will be placed on additional Sony Ericsson phones in the short-term.

Content

A key factor for the success of our business is ensuring we have relevant content for users in each market that we launch our service. We have entered into approximately 30 licensing agreements with content owners which provide us with over 4,000 clips. We believe we have one of the largest video ringtone libraries in the world. Our ability to maintain our core library of video ringtone content is important for our success. Additionally, when we enter a market commercially we will look for our partners to bring locally licensed content to our service. Sometimes the mobile carriers will provide content (such as in Armenia), and in other cases we will work with local third party content providers (such as Avrupa Muzik in Turkey) or a combination of sources. Some of our content is free to users while the balance is sold in the markets where our service is commercialized. For content we have licensed (as opposed to the carrier bringing it), we generally pay the content owner approximately 50% of our net revenue from the sale of their clips. We currently do not generally give content owners a share of our subscription revenue but that could change in the future. To date we have spent very little guaranteed money on content licensing although that could change in the future.

Competition

We face competition from companies such as Monikker and Emotive whose Ringjam service provides real time phone-to-phone push audio-only ringtones and from companies like myvtones that offers a video ringtone application for unlocked iPhones. Other indirect competitors include ringtone and video ringtone resellers, such as Jamster, a division of Fox Mobile, and Thumbplay. We also view companies such as GigaFone and Zad Mobile, who offer an advertising platform centered on video ringtones, as competitors.

Currently we believe the competition is minimal as the video ringtone market is still at a nascent stage. As more phones that support video ringtones enter the market and as mobile video services gain in popularity, we

expect the competition will increase. Some of our competitors have significantly greater financial resources than we do and may be able to license premium content from major entertainment companies that we do not work with due to the costs associated with licensing their content. We feel that our competitive advantage will be that we provide a comprehensive platform that includes our application, a WAP site, web functionality and social components. We are not aware of any other company that provides a video ringtone platform with all of these components.

Patent Protection

Although we have not been issued any patents relating to our intellectual property, we have filed various patent applications in the U.S. and Europe. The following table sets forth our filed patent applications as well as the current status of such applications:

Country	Appl. #	*Title*	*Application Status*
USA	11/997,000	Synchronized Voice and Data System	Pre-Examination
USA	11/544,938	Personalization Content Sharing System and Method	Examination
Europe	07706046.5	(same as above)	Pre-Examination
USA	11/744,917	(Continuation-in-part of above)	Examination
PCT	PCT/IL 2008/00625	(same as above)	Examination
USA	11/549,658	Media Content at the End of Communication	Examination
USA	11/768,989	User-Chosen Media Content	Examination
Europe	07766818.4	(same as above)	Examination
USA	11/775,249	Pushed Media Content Delivery	Pre-Examination
Europe	07766888.7	(same as above)	Pre-Examination
USA	11/773,417	System and Method for Digital Rights Management	Pre-Examination
USA	12/186,592	Advertisement-Based Dialing	Pre-Examination
USA	11/776,689	Group Sharing of Media Content	Examination
USA	11/853,117	Media Playing on Another Device	Pre-Examination
USA	11/853,193	Personalized Installation Files	Examination
USA	11/923,831	Method to Play Vendor Videos	Pre-Examination
USA	12/028,938	Triggering Events for Video Ringtones	Pre-Examination
USA	12/043,974	Smart Contact List	Pre-Examination
USA	12/193,785	Roaming Detection	Pre-Examination
USA	12/367,525	Contact Matching of Changing Content Across Platforms	Pre-Examination
USA	61/226,718	Voting System with Content	Filed
USA	61/289,454	Alternative Ringtones for Mobile Telephones	Filed

We may not be able to successfully defend or claim any legal rights in the invention for which an application has been made but for which the relevant government patent office has not issued a patent. If it is determined that our intellectual property is infringing on the patent of another party, we may be required to license or cross-license the patented technology. We perform periodic reviews of our ongoing technology developments and intend to pursue additional patents as appropriate.

Research and Development Expenses

During the year ended December 31, 2008, we spent $3.11 million on research and development activities, and during the year ended December 31, 2007, we spent $2.54 million on research and development activities. None of these expenses are borne directly by our customers.

Employees

We and our subsidiary currently employ 33 people, of whom 29 are full-time employees. Of the full-time employees, 27 are employed by our subsidiary.

Description of Property

Our principal offices are located at 18 East 16th Street, 7th Floor, New York, NY, consisting of 200 square feet of space, which we lease under a contract expiring on August 31, 2010. We also have 4,000 square feet of space under lease for our research and development center at 1 Yigal Allon Blvd., Beit Shemesh, Israel which expires on May 31, 2010.

Legal Proceedings

We are not party to any legal proceedings.

MANAGEMENT

Directors and Executive Officers	Age	Position
Jonathan Medved	54	Chief Executive Officer and Director
Seth M. Siegel	56	Director
Ralph Simon	63	Director
Andrew Perlman	32	Director
Edo Segal	40	Director
David Corre	36	Vice President, Finance and Administration
Stuart Frohlich	42	Chief Operating Officer
Steven Glanz	37	Senior Vice President, Business Development

The following is a brief summary of the background of each of our directors and executive officers. There are no family relationships among any of the directors or executive officers.

Jonathan Medved co-founded our company and has served as our Chief Executive Officer and a director since April 2006. According to the *Washington Post* (December 5, 2007), Mr. Medved is "one of Israel's leading high tech venture capitalists" and was chosen as one of the top 10 most influential Americans who have impacted Israel in the September 2009 *New York Times Supplement "Israel at 60"*. Mr. Medved co-founded Israel Seed Partners and acted as a co-manager of the fund from January 1995 to January 2006. During Mr. Medved's tenure, Israel Seed Partners had $262 million under management in four funds and has been an investor in 60 leading Israeli companies. In addition, Mr. Medved co-managed Israel Seed Partners' successful dispositions of various investments, including the investments in Shopping.com (subsequently acquired by eBay Inc.), Compugen Ltd. (NasdaqCM:CGEN), Answers Corporation (NasdaqCM:ANSW), Cyota Inc. (acquired by RSA Security Inc.**)**, Native Networks (acquired by Alcatel (NYSE:ALA)), Xacct Technologies Inc. (acquired by Amdocs Ltd. (NYSE:DOX)) and Business Layers (acquired by CA, Inc. (NasdaqGS: CA)). Mr. Medved was a member of the founding management team of Accent Software International Ltd., which developed multilingual internet publishing, browsing and email software, and served as its executive vice president of marketing and sales from April 1992 to October 1994. From June 1982 to June 1991, Mr. Medved was a founder of and served as Executive Vice President of Marketing and Sales of MERET Optical Communications, Inc., which was an early pioneer in fiber optic communication systems for video transmission and was acquired by Amoco Corporation (NYSE:BP) in 1990. Mr. Medved serves on the boards of directors of various non-profit organizations, including Ma'aleh and the Jerusalem College of Technology. Mr. Medved studied history at the University of California, Berkeley.

Seth M. Siegel has served as a director since May 2006. Mr. Siegel has been working in the corporate and entertainment licensing industry since 1982. Mr. Siegel is a co-founder of The Beanstalk Group, a leading brand licensing agency and consultancy and a part of Omnicon Group Inc. (NYSE:OMC). He continues his relationship with both The Beanstalk Group (as a Vice Chairman) and Omnicom (as a consultant on special projects). He is also, since 2007, Co-Founder and Co-CEO of Sixpoint Partners, a broker/dealer investment banking boutique and provider of financial advisory and alternative investment solutions for private equity funds and middle market companies. Mr. Siegel has advised many Fortune 500 companies in the proper secondary use of their trademarks, trade dress and copyrights, and has served as an adviser and/or as the licensing agent for such leading brand owners as AT&T, IBM, Harley-Davidson, The Stanley Works, Unilever, Ford Motor Company, Chrysler, Hershey Foods, Campbell Soup, The Rubbermaid Group, and Dr. Scholl's. Mr. Siegel has also served as an adviser to and licensing agent for Hanna-Barbera Productions in the retail and promotional licensed applications of its classic characters, including The Flintstones, The Jetsons and Scooby-Doo. Mr. Siegel has lectured throughout the United States and has written articles, opinion pieces, and a criticism for a wide array of publications, including The New York Times Op-Ed page and The Wall Street Journal. From April 1995 to June 2004, he was a regular columnist for Brandweek magazine, addressing a broad range of issues relating to the licensing industry and pop culture. Mr. Siegel has served on the Board of Trustees of the Abraham Joshua Heschel School, including ten years on its Executive Committee. He also served as chairman of the Cornell University Hillel. Mr. Siegel sits on both the Cornell University Council and the Advisory Council of Cornell

University's School of Industrial and Labor Relations. He is also a member of the national Board of Directors of AIPAC, a leading foreign policy advocacy organization. Before his work in the licensing industry, Mr. Siegel practiced law with an entertainment and constitutional law firm in New York. Mr. Siegel received his bachelors degree from Cornell University and his J.D. from Cornell University Law School.

Ralph Simon has served as a director since September 2009 and previously served as a member of our Advisory Board from January 2008 to September 2009. Since January 1999, Mr. Simon has served as chairman, and is now chairman emeritus, of the Mobile Entertainment Forum Americas, the principal global trade association and leading advocate for the mobile entertainment industry established to represent the commercial interests of content, application and service providers and telecom operators. Since October 2003, Mr. Simon has also served as president and chief executive officer of The Mobilium Group, the mobile strategic advisory firm that guides U.S. and international media companies, networks and brands to grow revenues and market share from mobile content, mobile entertainment properties and technologies. In 1998, Mr. Simon co-founded and funded the first ringtone company in the United States and Europe, Yourmobile/Moviso, which was acquired by Vivendi-Universal in December 2003. Mr. Simon currently advises prominent companies, entertainment properties and artists (including U2) in the U.S. and internationally on ways to maximize and develop their mobile businesses and revenues and create significant commercial opportunities on a global basis. On July 2, 2005, he organized and executive produced the mobile and mobile messaging layer for the Live 8 world concert event that established the validity of cross-platform mobile strategies. In December 2005, Mr. Simon was picked as one of the Top 50 mobile entertainment executives world-wide in a poll conducted by the trade journal, Mobile Entertainment Magazine. Prior to his involvement in the mobile entertainment industry, Mr. Simon co-founded Zomba Label Group LLC, which has grown to become a successful independent record and music publishing company. From 1993 to 1995, Mr. Simon served as Executive Vice President of Capitol Records Inc. (a subsidiary of EMI) and Blue Note Records and created EMI's New Media business. Mr. Simon is a Fellow of the Royal Society of Arts in the United Kingdom and a member of the National Academy of Recording Arts & Sciences in the United States. Mr. Simon was educated at the University of Witwatersrand in Johannesburg, South Africa.

Andrew Perlman has served as a director since September 2009 and served as General Manager of our U.S. operations as well as our Senior Vice President Content & Community from May 2007 to February 2009. In this position, Mr. Perlman managed our United States operations and led our content and social community partnerships. Since February 2009, Mr. Perlman has served as vice president of global digital business development at EMI Music Group, where he is responsible for leading distribution deals with digital partners for EMI's music and video content. Prior to joining us, Mr. Perlman was senior vice president of digital media at Classic Media, Inc., a global media company with a portfolio of kids, family and pop-culture entertainment brands, from June 2005 to May 2007. In his position with Classic Media, Mr. Perlman led the company's partnerships across video gaming, online and mobile distribution. From June 2001 to May 2005, Mr. Perlman served as general manager for the Rights Group, LLC and its predecessors, a mobile content and mobile fan club company, where he oversaw mobile marketing campaigns for major international brands such as Visa and Pepsi. In this role, Mr. Perlman developed and negotiated relationships with technology vendors such as Comverse, Mobile 365 and Mobliss. He was also responsible for selling and executing mobile products including the Britney Spears mobile fan club and Justin Timberlake and American Idol branded karaoke. In addition he also participated in sponsorship deals between Britney Spears and Samsung and Justin Timberlake and Orange U.K. Mr. Perlman holds a Bachelor of Arts in Business Administration from the School of Business and Public Management at George Washington University.

Edo Segal has served as a director since July 2008. Since 1999, Mr. Segal has acted as founder and chief technology officer of The Relegence Corporation, a real-time financial news and information search technology company. Relegence was acquired by AOL Time Warner in November 2006. As chief technology officer of The Relegence Corporation, Mr. Segal has led the expansion of this cutting-edge search technology. After leaving AOL Time Warner, Mr. Segal established Futurity Ventures, a venture and incubation entity and now serves as its chief executive officer.

David Corre has served as Vice President, Finance and Administration since June 2006. Mr. Corre has audit experience in a variety of research and development and technology companies. From January 2005 to May 2006, Mr. Corre served as business administrator of Siemens Computer Aided Diagnosis, a subsidiary of Siemens AG (NYSE:SI). From December 1999 to January 2005, Mr. Corre served as an auditor at KPMG Somekh Chaikin, the Israeli member firm of KPMG. Mr. Corre received a bachelor of science degree in Accounting from Touro College's Jerusalem branch and a bachelor of arts degree in International Relations from the Hebrew University of Jerusalem. Mr. Corre is a certified public accountant in Israel and was admitted into the Institute of Certified Public Accountants in Israel in 2005.

Stuart Frohlich has served as our Chief Operating Officer since January 2007. From July 2001 to December 2006, Mr. Frohlich served as Director of Engineering at NMS Communications Corporation (now LiveWire Mobile, Inc., NasdaqGM:LVWR), during which time he developed NMS's carrier-grade, high-availability Voice Application Platform (HearSay), as well as the mobile applications running it (MyCaller™ & MobilePlace). From December 1996 to June 2001, Mr. Frohlich served as director of engineering at TraderTools™ Inc., a provider of business solutions, software and services to financial institutions trading foreign currency. In this area he specialized in server and enterprise application design and deployment for leading financial institutions in Europe and the US. Mr. Frohlich's former clients include, Vodafone, 3 IT, Swisscom CH, Rogers, Etisalat, Elisa FI, Movilnet VE, Calyon (Credit Lyonnais/CAI), Dresdner Bank, Fimat Group, HETCO (Amerada Hess Energy Trading Co.), Man Financial, Refco Capital Markets, Societe Generale, SunGard, The First International Bank of Israel, and Thomson Financial. Mr. Frohlich holds an associates degree in Mechanical Engineering from Tel Aviv University.

Steven Glanz has served as our Senior Vice President, Business Development since June 2006. From March 2006 to June 2006, Mr. Glanz served as Vice President of Business Development at AxisMobile Plc, a leading provider of mass market mobile e-mail solutions. From April 2000 to March 2006, Mr. Glanz served as Vice President of Business Development at Shopping.com (acquired by EBay Inc. (NasdaqGS:EBAY) and played a key role in its growth from a small company with minimal revenues to a public company with over $100 million in revenues. Mr. Glanz was responsible for the majority of that company's revenue across European countries. From October 1998 to March 2000, Mr. Glanz served as an associate in the financial and health services group at Booz Allen & Hamilton Inc., a strategy and technology consulting firm. Mr. Glanz holds a Bachelor of Arts in Economics from Yeshiva University in New York and a J.D. from Harvard Law School.

Members of the Advisory Board

In addition to our board of directors, we also have access to special advisors who have the background and experience to assist us in evaluating our business strategies and development. The following is a brief summary of the background of each member of our advisory board. There are no family relationships among any of the advisors, executive officers or directors.

Andrew Abramson has served as a member of our Advisory Board since January 2008. Mr. Abramson is the founder and chief executive officer of Communicano, Inc. (previously Strategy Plus). Founded in January 1993, Communicano is an asymmetrical communications consultancy to start-ups, companies in transition and established brands with regard to marketing, advertising, public relations, promotion, events and reputation management. Mr. Abramson has over 36 years of experience in all facets of marketing and corporate communications. During his career, Mr. Abramson has worked with a wide variety of companies, ranging from traditional package goods product and manufacturing companies to technology companies. His clients have operated in numerous industries, including apparel, financial services, online marketplaces, meta-mediaries, mobile, telecommunications, technology, food products, media and entertainment. Mr. Abramson has also worked with sports properties, including teams, athletes, celebrities and facilities. Mr. Abramson also co-hosts "The World Technology Round Up," a daily technology webcast that is heard via KenRadio.com and its syndication partners, by more than 300,000 daily listeners around the globe. Mr. Abramson has also served as the BBC's consumer electronics market analyst in the U.S. Mr. Abramson co-hosts the annual CommNexus'

GadgetFest (formerly the San Diego Telecom Council) each year, which provides a preview event of the newest consumer technology products. Mr. Abramson also authors VoIPWatch, a daily web-log (blog), Working Anywhere and WiMax Watch, and writes a weekly wine column for the Del Mar Times. Mr. Abramson holds a Bachelor of Sciences in Journalism with a concentration in advertising from Temple University.

Howard Handler has served as a member of the Advisory Board since July 2008. Since October 2009, Mr. Handler has served as executive vice president of marketing and sales for Madison Square Garden Entertainment, in which position he manages concerts, family shows/Broadway series, events and productions as Radio City Music Hall, Madison Square Garden, the Theater at MSC, The Beacon Theater, the Chicago Theater and the Wang Theater in Boston. From October 2008 to August 2009, Mr. Handler served as executive vice president of marketing at EMI Music Group and led marketing across EMI Music Group's 13 labels in the United States, Canada and Mexico. From January 2003 to April 2008, Mr. Handler served as chief marketing officer for Virgin Mobile USA, Inc. (NYSE:VM), a mobile virtual network operator in the United States (MVNO) and youth-dedicated wireless service. With Virgin Mobile, Mr. Handler led the team that grew Virgin Mobile's subscriber base to over five million customers resulting in revenues of $1.2 billion, positive EBITDA and net income and receiving the JD Power & Associates award for the #1 rated pre-paid wireless service two years in a row. From June 2000 to August 2002, Mr. Handler served as president and chief executive officer of Burly Bear Network, a venture-backed cable network and youth marketing company, where he more than tripled revenues in two years before selling the business to National Lampoon. From March 1995 to June 2000, Mr. Handler served as senior vice president and marketing and fan development at The National Football League. In this position, Mr. Handler developed and managed the NFL's integrated youth initiative, "Play Football," and built an extensive fan database and direct marketing profit center. From May 1992 to December 1994, Mr. Handler served as senior vice president of marketing for MTV Networks, where he played a central role in the launch of "Beavis & Butt-head," "The Jon Stewart Show," "The Real World," and the Emmy & Peabody Award-winning "Choose or Lose" voter awareness campaign. From January 1990 to April 1992, Mr. Handler served as vice president of marketing and merchandising for Broadway Video Entertainment, producers of "Saturday Night Live" and "Wayne's World—The Movie." Mr. Handler holds a Bachelor of Arts in economics and history and an M.B.A. from The University of Michigan.

Jeffrey Belk has served as a member of our Advisory Board since January 2008. Mr. Belk is a managing director of ICT168 Capital, LLC, an entity focused on developing and guiding global growth opportunities in the information and communication technology industries. For over 14 years, Mr. Belk held various positions with Qualcomm Incorporated (NasdaqGS:QCOM). Most recently, from September 2006 to January 2008, Mr. Belk served as senior vice president of strategy and market development of Qualcomm Incorporated, in which position he focused on examining changes in the wireless ecosystem and formulating approaches to help accelerate mobile broadband adoption and growth. From February 2000 to September 2006, Mr. Belk served as senior vice president, global marketing of Qualcomm Incorporated and led a team responsible of all facets of that company's corporate messaging, communications, and marketing worldwide. From January 1999 to March 2000, Mr. Belk was the vice president and then the senior vice president and general manager of Qualcomm Eudora Products, Qualcomm Incorporated's award-winning email client. In April 1997, Mr. Belk was named vice president of marketing of Qualcomm Consumer Products, and initiated the company's global branding and communications efforts. Mr. Belk holds a Bachelor of Arts in economics from the University of California, San Diego and an M.B.A. from the University of California, Irvine.

Sharon Goldstein has served as a member of our Advisory Board since July 2008. In June 2006, Ms. Goldstein founded SYG LLC and currently serves as its chief executive officer. SYG LLC assists startups and technology companies in fundraising, market positioning, strategic partnerships and product management. From September 2005 to June 2006, Ms. Goldstein served as vice president of content business of Volantis Systems Ltd., which operates in the mobile content adaptation industry, where she managed the hosting services business focused on mobile content adaptation for content brands, including Walt Disney Co. (NYSE:DIS), Discovery Communications, LLC, Ebay Inc. (NadaqGS:EBAY), and World Wrestling Entertainment (NYSE:WWE). From February 2003 to June 2005, Ms. Goldstein served as a director of RealNetworks Inc.,

where she built the mobile products business and developed relationships with operators and handset manufacturers including Nokia Corp. (NYSE:NOK) and Vodafone Group PLC (NYSE:VOD). Under her leadership, RealNetwork's platform was deployed at over 40 mobile carriers and the mobile player grew from an install base of zero to over 25 million units. Ms. Goldstein holds a Bachelor of Science in industrial and systems and engineering from Georgia Institute of Technology, an M.B.A. from Kellogg Graduate School of Management at Northwestern University and a Masters of Engineering Management from McCormick School of Engineering at Northwestern University. Ms. Goldstein is involved with several philanthropies, including Share Our Strength, which feeds at risk children, the Jewish Community Federation and the Juvenile Diabetes Research Foundation.

Director Independence

A majority of our board of directors will be comprised of independent directors as such term is defined in the rules of The NASDAQ OMX Group, Inc. listing standards and Rule 10A-3 promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Committee of the Board of Directors

Our board of directors has formed a compensation committee, which is described below. Prior to the completion of this offering, our board of directors will form an audit committee and a nominating committee, each of which is described below. We will adopt new charter for such committees, as well as other corporate governance guidelines, prior to the closing of this offering in accordance with the applicable requirements of the SEC and The NASDAQ OMX Group, Inc.

Compensation Committee

Our compensation committee will be comprised of three members and will be authorized to:

- review and recommend the compensation arrangements for management, including the compensation for our chief executive officer;
- establish and review general compensation policies with the objective of attracting and retaining superior talent, rewarding individual performance and achieving our financial goals;
- administer our stock incentive plans; and
- prepare the report of the compensation committee that SEC rules require to be included in our annual meeting proxy statement.

Audit Committee

Our audit committee will be comprised of three members and will be authorized to:

- approve and retain the independent auditors to conduct the annual audit of our books and records;
- review the proposed scope and results of the audit;
- review and pre-approve the independent auditor's audit and non-audit services rendered;
- approve the audit fees to be paid;
- review accounting and financial controls with the independent auditors and our financial and accounting staff;
- review and approve transactions between us and our directors, officers and affiliates;
- recognize and prevent prohibited non-audit services;
- establish procedures for complaints received by us regarding accounting matters;

- oversee internal audit functions; and
- prepare the report of the audit committee that SEC rules require to be included in our annual meeting proxy statement.

Prior to the closing of this offering, we expect that our board of directors will identify a director who will qualify as our audit committee financial expert.

Somekh Chaikin, a member firm of KPMG International, has been our independent registered public accounting firm since inception.

Nominating Committee

Our nominating and governance committee will be comprised of three members and will be authorized to:

- identify and nominate members of the board of directors; and
- oversee the evaluation of the board of directors and management.

Code of Ethics

We will adopt a code of ethics that applies to our officers, directors and employees. We will file copies of our code of ethics and our board committee charters as exhibits to the registration statement of which this prospectus is a part. You will be able to review these documents by accessing our public filings at the SEC's website at www.sec.gov. In addition, a copy of the code of ethics will be provided without charge upon request to us. We intend to disclose any amendments to or waivers of certain provisions of our code of ethics in a current report on Form 8-K.

Executive Compensation

Summary Compensation Table

The table below summarizes the compensation paid by the Company to the CEO and other named executive officers for the fiscal years ended December 31, 2009 and 2008.

Name and principal position	Year	Salary ($) (1)(2)	Bonus ($) (3)	Option awards ($) (4)	All other compensation ($) (5)	Total ($)
Jonathan Medved,	2009	$ 195,138	—	$ 16,159	$ 12,947	$ 224,244
Chief Executive Officer (principal executive officer)	2008	$ 247,149	$ 14,295	$ 12,372	$ 13,782	$ 287,598
David Corre,	2009	$ 71,627	—	$ 7,071	—	$ 78,698
Vice President, Finance and Administration (principal financial and accounting officer)	2008	$ 86,352	—	$ 2,718	—	$ 89,070
Steven Glanz,	2009	$ 110,196	—	$ 7,669	—	$ 117,865
Senior Vice President, Business Development	2008	$ 132,849	—	$ 6,146	—	$ 138,995
Stuart Frohlich,	2009	$ 110,196	—	$ 8,877	$ 10,421	$ 129,494
Chief Operating Officer	2008	$ 133,539	—	$ 2,491	$ 12,100	$ 148,130

(1) Based upon an average exchange rate of 3.92 and 3.55 between the NIS and U.S. Dollar for 2009 and 2008, respectively.
(2) Salary amounts reflect reduction in salaries effective as of November 2008.
(3) Bonus reflects amounts waived in lieu of pension compensation.
(4) Amount expensed using Black-Scholes method for FAS 123 purposes.
(5) Reflects car lease payments paid on behalf of employee.

Employment Agreements

Jonathan Medved Employment Agreement

Jonathan Medved entered into an employment agreement, dated July 29, 2007 and as amended on August 5, 2008, with Vringo (Israel) Ltd. to act as Chief Executive Officer. Pursuant to the terms of his employment agreement, Mr. Medved's term of employment is at the will of the parties and may be terminated by either party for any reason or for no reason by giving advance written notice of 90 days. Pursuant to the terms of his employment agreement, Mr. Medved's gross monthly salary is NIS 75,000, or an aggregate of NIS 900,000 per year, (approximately $239,500 as of September 30, 2009) and is reviewed by the board of directors annually. In August 2008, the compensation committee of the Board of Directors amended Mr. Medved's employment agreement retroactively from January 2008 to fix the exchange ratio between the U.S. Dollar and NIS. In October 2008, in an effort to conserve cash, the Company asked and Mr. Medved agreed to reduce his base salary by 15% in exchange for a monthly grant of stock options to purchase 8,766 shares (prior to the anticipated reverse split) of common stock for a period of twelve months. Upon the consummation of this offering, the original base salary will be reinstated.

Mr. Medved may also receive a bonus reflecting personal performance and our general success. There are no specific performance targets set by the board of directors for purposes of determining the amount of the bonus. In connection with the execution of his employment agreement, Mr. Medved was granted options to purchase 125,000 shares of our common stock pursuant to our 2006 Stock Option Plan vesting over four year with an exercise price of $0.50 per share (prior to the anticipated reverse split). Mr. Medved further agreed that we would have the right to repurchase 500,000 of the 800,000 shares of our common stock held by him (prior to the anticipated reverse split) as of July 30, 2007. Mr. Medved will be reimbursed for all pre-approved expenses incurred in connection with his duties pursuant to the employment agreement and he will receive a monthly car allowance of $1,000.

To fulfill obligations to pay severance in certain circumstances pursuant to Israeli law, a Manager's Policy has been established for Mr. Medved and an amount equal to 15.83% of Mr. Medved's annual salary shall be deposited towards such Manager's Policy, which amount will be split among an account for severance pay, disability insurance and a pension fund. Except in circumstances that would not require the payment of severance pursuant to Israeli law, in the event of the termination of Mr. Medved's employment agreement, the Manager's Policy will be transferred to him personally. The Manager's Policy would not be transferred to Mr. Medved in certain circumstances, including breach of confidentiality and non-competition provisions or the breach of fiduciary duties. During the term of Mr. Medved's employment agreement, an amount equal to 7.5% of his base salary will be deposited into a Further Education Fund recognized by Israeli income tax authorities. The funds may be released to Mr. Medved upon his written request.

If Mr. Medved is terminated without Cause (as defined in his employment agreement) or if Mr. Medved resigns for Good Reason (as defined in his employment agreement), Mr. Medved will be entitled to receive his then current base salary and benefits for a period equal to (i) six months after the date of termination if terminated within the first 18 months following the effective date of the employment agreement and (ii) nine months after the date of termination if terminated after the first 18 months following the effective date of the employment agreement. If Mr. Medved is terminated without Cause or if Mr. Medved resigns with Good Reason following a Change-in-Control (as defined in his employment agreement), Mr. Medved will be entitled to receive severance payments for a period of 12 months from the date of termination or resignation. If Mr. Medved is terminated as a result of the subsidiary's ceasing its business activities, then Mr. Medved is not entitled to any severance payments. If Mr. Medved is terminated for Cause, then his employment will end immediately and he will not be entitled to any severance payments.

The employment agreement requires Mr. Medved to assign inventions and other intellectual property which he conceives or reduces to practice during employment to us and to maintain our confidential information during employment and thereafter. Mr. Medved is also subject to a non-competition and a non-solicitation provision that extends for a period of twelve months following termination of his employment.

David Corre Employment Agreement

David Corre entered into an employment agreement with Vringo (Israel) Ltd., dated June 1, 2006 and amended on January 1, 2010, to serve as Vice President, Finance and Administration. Pursuant to the terms of his employment agreement, Mr. Corre's term of employment is at the will of the parties and may be terminated by either party for any reason or for no reason by giving advance written notice of 30 days. Notwithstanding the foregoing, Mr. Corre may be dismissed immediately, without prior notice, and with no rights to receive further compensation pursuant to his employment agreement upon the occurrence of any event in which severance payments, in whole or in part, may be denied to Mr. Corre pursuant to Israeli law. Such events include, without limitation: (i) indictment for an offense constituting a felony or involving moral turpitude, theft or embezzlement, whether or not involving the Company; (ii) Mr. Corre's breach of his confidentiality or non-competition obligations pursuant to his employment agreement; or (iii) an act of bad faith by Mr. Corre towards the Company or any other breach of a fiduciary duty towards the Company or any other breach of his employment agreement.

During the term of his employment, Mr. Corre's gross monthly salary is NIS 26,000, or an aggregate of NIS 312,000 per year (approximately $83,000 as of September 30, 2009). In October 2008, in an effort to conserve cash, the Company asked and Mr. Corre agreed to reduce this base salary by 10% in exchange for a monthly grant of stock options to purchase 2,025 shares (prior to the anticipated reverse split) of common stock for a period of twelve months. Upon the consummation of this offering, his original base salary will be reinstated. Mr. Corre shall be reimbursed for all pre-approved expenses incurred in connection with his duties pursuant to the employment agreement.

To fulfill obligations to pay severance in certain circumstances pursuant to Israeli law, a Manager's Policy has been established for Mr. Corre and an amount equal to 15.83% of Mr. Corre's annual salary will be deposited towards such Manager's Policy, which amount will be split among an account for severance pay, disability insurance and a pension fund. Except in circumstances that would not require the payment of severance pursuant to Israeli law, in the event of the termination of Mr. Corre's employment agreement, the Manager's Policy will be transferred to him personally. The Manager's Policy would not be transferred to Mr. Corre in certain circumstances, including breach of confidentiality and non-competition provisions or the breach of fiduciary duties. During the term of Mr. Corre's employment agreement, an amount equal to 7.5% of his base salary will be deposited into a Further Education Fund recognized by Israeli income tax authorities. The funds may be released to Mr. Corre upon his written request.

The employment agreement requires Mr. Corre to assign inventions and other intellectual property which he conceives or reduces to practice during employment to us and to maintain our confidential information during employment and thereafter. Mr. Corre is also subject to a non-competition and a non-solicitation provision that extends for a period of twelve months following termination of his agreement.

Steven Glanz Employment Agreement

Steven Glanz entered into an employment agreement with Vringo (Israel) Ltd., dated June 18, 2006 and as amended on July 29, 2007 and as further amended on January 1, 2010, to act as Senior Vice President, Business Development. Pursuant to the terms of his employment agreement, Mr. Glanz's term of employment is at the will of the parties and may be terminated by either party for any reason or for no reason by giving advance written notice of 30 days. Notwithstanding the foregoing, Mr. Glanz may be dismissed immediately, without prior notice, and with rights to receive no further compensation pursuant to this employment agreement upon the occurrence of any event in which severance payments, in whole or in part, may be denied to Mr. Glanz pursuant to Israeli law. Such events include, without limitation: (i) indictment for an offense constituting a felony or involving moral turpitude, theft or embezzlement, whether or not involving the Company; (ii) Mr. Glanz's breach of his confidentiality or non-competition obligations pursuant to his employment agreement; or (iii) an act of bad faith by Mr. Glanz towards the Company or any other breach of a fiduciary duty towards the Company or any other breach of his employment agreement.

During the term of his employment, Mr. Glanz's gross monthly salary is NIS 40,000, or an aggregate of NIS 480,000 per year (approximately $128,000 as of September 30, 2009). In October 2008, in an effort to conserve cash, the Company asked and Mr. Glanz agreed to reduce this base salary by 10% in exchange for a monthly grant of stock options to purchase 3,116 shares (prior to the anticipated reverse split) of common stock for a period of twelve months. Upon the consummation of this offering, his original base salary will be reinstated. Mr. Glanz shall be reimbursed for all pre-approved expenses incurred in connection with his duties pursuant to the employment agreement.

To fulfill obligations to pay severance in certain circumstances pursuant to Israeli law, a Manager's Policy has been established for Mr. Glanz and an amount equal to 15.83% of Mr. Glanz's annual salary will be deposited towards such Manager's Policy, which amount will be split among an account for severance pay, disability insurance and a pension fund. Except in circumstances that would not require the payment of severance pursuant to Israeli law, in the event of the termination of Mr. Glanz's employment agreement, the Manager's Policy will be transferred to him personally. The Manager's Policy would not be transferred to Mr. Glanz in certain circumstances, including breach of confidentiality and non-competition provisions or the breach of fiduciary duties. During the term of Mr. Glanz's employment agreement, an amount equal to 7.5% of his base salary will be deposited into a Further Education Fund recognized by Israeli income tax authorities. The funds may be released to Mr. Glanz upon his written request.

In the event the Company is acquired by another entity, Mr. Glanz will be entitled to a 50% acceleration of the vesting of any stock options he holds if his employment is terminated without "cause" or if he resigns with "good reason" as defined in the amendment to his employment agreement.

The employment agreement requires Mr. Glanz to assign inventions and other intellectual property which he conceives or reduces to practice during employment to us and to maintain our confidential information during employment and thereafter. Mr. Glanz is also subject to a non-competition and a non-solicitation provision that extends for a period of 12 months following termination of his agreement.

Stuart Frohlich Employment Agreement

On January 1, 2007, Stuart Frohlich entered into an employment agreement with Vringo (Israel) Ltd. and amended on January 1, 2010 to act as Chief Operating Officer. Pursuant to the terms of his employment agreement, Mr. Frohlich's term of employment is at the will of the parties and may be terminated by either party for any reason or for no reason by giving advance written notice of 30 days. Notwithstanding the foregoing, Mr. Frohlich may be dismissed immediately, without prior notice, and with rights to receive no further compensation pursuant to this employment agreement upon the occurrence of any event in which severance payments, in whole or in part, may be denied to Mr. Frohlich pursuant to Israeli law. Such events include, without limitation: (i) indictment for an offense constituting a felony or involving moral turpitude, theft or embezzlement, whether or not involving the Company; (ii) Mr. Frohlich's breach of his confidentiality or non-competition obligations pursuant to his employment agreement; or (iii) an act of bad faith by Mr. Frohlich towards the Company or any other breach of a fiduciary duty towards the Company or any other breach of his employment agreement.

During the term of his employment, Mr. Frohlich receives a gross monthly salary of NIS 40,000, or an aggregate of NIS 480,000 per year (approximately $128,000 as of September 30, 2009). In October 2008, in an effort to conserve cash, the Company asked and Mr. Frohlich agreed to reduce this base salary by 10% in exchange for a monthly grant of stock options to purchase 3,116 shares (prior to the anticipated reverse split) of common stock for a period of twelve months. Upon the consummation of this offering, his original base salary will be reinstated. Mr. Frohlich shall be reimbursed for all pre-approved expenses incurred in connection with his duties pursuant to the employment agreement. In addition, the Company shall pay the lease for Mr. Frohlich's car.

To fulfill obligations to pay severance in certain circumstances pursuant to Israeli law, a Manager's Policy has been established for Mr. Frohlich and an amount equal to 15.83% of Mr. Frohlich's annual salary will be deposited towards such Manager's Policy, which amount will be split among an account for severance pay,

disability insurance and a pension fund. Except in circumstances that would not require the payment of severance pursuant to Israeli law, in the event of the termination of Mr. Frohlich's employment agreement, the Manager's Policy will be transferred to him personally. The Manager's Policy would not be transferred to Mr. Frohlich in certain circumstances, including breach of confidentiality and non-competition provisions or the breach of fiduciary duties. During the term of Mr. Frohlich's employment agreement, an amount equal to 7.5% of his base salary will be deposited into a Further Education Fund recognized by Israeli income tax authorities. The funds may be released to Mr. Frohlich upon his written request.

The employment agreement requires Mr. Frohlich to assign inventions and other intellectual property which he conceives or reduces to practice during employment to us and to maintain our confidential information during employment and thereafter. Mr. Frohlich is also subject to a non-competition and a non-solicitation provision that extends for a period of 12 months following termination of his agreement.

Outstanding Equity Awards at 2009 Fiscal Year End

The table below sets forth information regarding outstanding equity awards held by our named executive officers as of the end of 2009 granted under our 2006 Stock Option Plan. We have omitted from this table the columns pertaining to stock awards because they are inapplicable. All figures included in this table are historical in nature and do not reflect the anticipated reverse split.

	Option awards				
Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#)	Option exercise price ($)	Option expiration date
Jonathan Medved (1)	70,312	54,688	—	0.50	7/30/2013
Jonathan Medved (1)	4,383	13,149	—	0.25	6/25/2015
Jonathan Medved (1)	—	52,596	—	0.25	6/25/2015
Stuart Frohlich (1)	20,625	9,375	—	0.25	1/1/2013
Stuart Frohlich (1)	4,375	5,625	—	0.75	1/20/2014
Stuart Frohlich (1)	3,125	6,875	—	0.75	7/29/2014
Stuart Frohlich (1)	1,558	4,674	—	0.25	6/25/2015
Stuart Frohlich (1)	—	18,696	—	0.25	6/25/2015
David Corre (2)	17,500	2,500	—	0.25	10/30/2012
David Corre (1)	6,562	8,438	—	0.75	1/20/2014
David Corre (1)	3,125	6,875	—	0.75	7/29/2014
David Corre (1)	1,012	3,038	—	0.25	6/25/2015
David Corre (1)	—	12,150	—	0.25	6/25/2015
Steven Glanz (2)	43,750	6,250	—	0.25	10/30/2012
Steven Glanz (1)	17,500	22,500	—	0.75	1/20/2014
Steven Glanz (1)	1,558	4,674	—	0.25	6/25/2015
Steven Glanz (1)	—	18,696	—	0.25	6/25/2015

(1) 25% of the options shall vest in arrears on the date which is twelve months after the vesting commencement date set forth above, subject to the optionee's continuous service status on such date. The remaining 75% of the options shall vest in twelve equal increments, quarterly in arrears (that is, 6.25% per quarter), over the following three years, in each case subject to the optionee's continuous service status on the relevant vesting date.

(2) Vesting schedule: 42 month vesting schedule with the first 25% vesting in arrears only after completion of the first six months of continuing service commencing as of the date of adoption of the Plan (October 30, 2006, meaning the first 25% shall vest as of April 30, 2007), and the remaining 75% to vest in 12 equal quarterly installments (6.25% per quarter), in arrears, over the 3 year period beginning on the six-month anniversary of the adoption of the Plan, but such vesting to occur only if optionee remains employed or affiliated with us as of such date.

Employee Benefit Plans

Under Israeli law, our subsidiary is required to make severance payments to terminated employees and employees leaving employment in certain other circumstances, based on the most recent monthly salary for each year of an employee's service. All of the subsidiary's employees have signed agreements with the subsidiary limiting its severance liability to actual deposits in the above mentioned severance plans, pursuant to Section 14 of the Severance Payment Law of 1963.

2006 Stock Option Plan

On October 30, 2006, we adopted the 2006 Stock Option Plan, or Option Plan, pursuant to which we reserved, prior to the anticipated 1 for 6 reverse split, 880,000 shares of common stock for issuance. On July 30, 2007, we amended and restated the original plan in its entirety, which increased the number of common stock reserved for issuance to 2,791,000. On January 27, 2010, we amended the Option Plan to increase the number of shares of common stock reserved for issuance to 14,139,342. The awards issuable under the Option Plan include incentive stock options, nonqualified stock options and other options issued pursuant to Israeli law. The Option Plan is administered by our board of directors or a committee appointed by our board of directors, who have the discretion to determine the terms and conditions of awards issued thereunder, including the exercise price and vesting period. The options are exercisable for six years from the effective date. The Option Plan provides for grants or sales of common stock options to employees, directors and consultants.

As of the date hereof and prior to the anticipated reverse split, we have issued options to purchase an aggregate of 1,968,124 shares of our common stock at prices ranging from $0.25 to $0.75 per share pursuant to the Option Plan. Of these outstanding options, 775,184 are issued to our current directors and officers. The outstanding options include options reserved for issued warrants to purchase 120,000 shares of our common stock at $0.25 per share. In connection with this offering, and after giving effect to the reverse split, we will issue options to our management to purchase (i) 1,891,397 shares of our common stock at an exercise price of $0.01 per share and (ii) 1,891,397 shares of our common stock at an exercise price of $5.50 per share pursuant to the Option Plan. For additional details regarding options outstanding, please refer to the Stockholders' Equity note to the Financial Statements.

Director Compensation

The following table and text discuss the compensation of persons who served as a member of our Board of Directors during all or part of 2009, other than Mr. Medved whose compensation is discussed under "Executive Compensation" above and who was not separately compensated for Board service.

Name	Option awards ($)	All other compensation ($)	Total ($)
Seth Siegel	$ 4,982	—	$ 4,982
Edo Segal	$ 6,323	—	$ 6,323
Andrew Perlman	$ 1,100	$ 22,846(1)	$23,946
Ralph Simon	$ 606	—	$ 606

(1) Represents employee salary for January and February 2009.

Limitation on Liability and Indemnification of Directors and Officers

Our amended and restated certificate of incorporation provides that, to the fullest extent permitted by Delaware law, as it may be amended from time to time, none of our directors will be personally liable to us or our stockholders for monetary damages resulting from a breach of fiduciary duty as a director.

Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- Any breach of their duty of loyalty to us or our stockholders;
- Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- Unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; and
- Any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation also provides discretionary indemnification for the benefit of our directors, officers, and employees, to the fullest extent permitted by Delaware law, as it may be amended from time to time. Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the Securities Act, may be permitted to our directors or officers, or persons controlling us, pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Pursuant to our amended and restated bylaws, we are required to indemnify our directors, officers, employees and agents, and we have the discretion to advance his or her related expenses, to the fullest extent permitted by law.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Furthermore, a stockholder’s investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. At present, there is no pending litigation or proceeding involving any of our directors, officers or employees regarding which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

PRINCIPAL STOCKHOLDERS

The table below sets forth the beneficial ownership of our common stock as of December 31, 2009 and as adjusted to reflect the sale of our common stock included in the units offering by this prospectus (assuming none of the individuals listed purchase units in this offering), by:

- each person who owns more than 5% of our outstanding shares of common stock;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. Except as otherwise indicated, each person or entity named in the table has sole voting and investment power with respect to all shares of our capital stock shown as beneficially owned, subject to applicable community property laws.

We have assumed no exercise of the outstanding warrants or options (other than, in the case of each individual or entity listed in the table below, warrants or stock options held by that individual or entity that will be exercisable for our common stock within sixty days of December 31, 2009).

The number of shares of common stock issued and outstanding before this offering is 2,631,213, which includes 366,782 shares of common stock outstanding on the date of this prospectus and shares of common stock that will be acquired by our existing preferred stock and Bridge Note holders at the closing of this offering upon the (i) exchange of all outstanding shares of our preferred stock and (ii) conversion of all outstanding Bridge Notes payable based upon an assumed offering price of $5.00, the mid-point of the $4.00 to $6.00 price range for the offering.

The percentage of common stock beneficially owned after this offering is based on 5,031,213 shares of common stock to be outstanding after this offering, which includes (i) the shares of common stock that will be acquired by our existing preferred stock holders and holders of the Bridge Notes at the closing of this offering upon exchange of all outstanding shares of preferred stock and conversion of all outstanding Bridge Notes payable and (ii) 2,400,000 shares of common stock being offered for sale in this offering but assumes no exercise of the warrants comprising the units offered for sale or the underwriters' over-allotment option.

Name of beneficial owner (1)	Common Stock Before the Offering: Number of Shares (2) (3)	Common Stock Before the Offering: Percentage of Common Stock (4)	Common Stock As Adjusted for the Offering: Percentage of Common Stock (4)
Five percent or more beneficial owners:			
Warburg Pincus Private Equity IX, L.P. 450 Lexington Ave New York, NY 10017	840,117	31.9%	16.7%
David Goldfarb	202,562	7.2%	3.8%
Iroquois Master Fund Ltd. 641 Lexington Ave 26FL New York, NY 10022	132,458	5.0%	2.6%
Directors and named executive officers:			
Jonathan Medved	193,821	6.9%	3.6%
Seth M. Siegel	96,014	3.2%	1.7%
Steven Glanz	20,047	*	*
Edo Segal	12,917	*	*
Andrew Perlman	6,667	*	*
Stuart Frohlich	4,947	*	*
David Corre	4,700	*	*
Ralph Simon	1,278	*	*
All current directors and officers as a group (8 individuals)	340,391	10.5%	5.5%

* Less than 1%

(1) Unless otherwise indicated, the business address of the individuals is c/o Vringo (Israel) Ltd., BIG Center, 1 Yigal Allon Blvd, Bet Shemesh 99062, Israel.

(2) Assumes the full exercise of all options and warrants held by the holder that are exercisable within 60 days of December 31, 2009, except for warrants held by existing holders of our Preferred Stock, which will be cancelled upon the consummation of this offering.

(3) All ownership is direct beneficial ownership, except for 29,296 shares held in a trust controlled by Seth Siegel.

(4) Percentage of common stock excludes the exercise of all options and warrants held by the holder that are not exercisable within 60 days of December 31, 2009.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of transactions that were entered into with our executive officers, directors or 5% stockholders during the past two years. We believe that all of the transactions described below were made on terms no less favorable to us than could have been obtained from unaffiliated third parties. All future related party transactions will be approved by our audit committee or a majority of our independent directors who do not have an interest in the transaction and who will have access, at our expense, to our independent legal counsel.

On May 8, 2006, the Company consummated a private placement of 2,353,887 shares of its Series A Preferred Stock for an aggregate purchase price of $2,353,887 (the "Series A Financing"). Investors in the Series A Financing included the following directors and officers of the Company and their affiliates and 5% stockholders: Jonathan Medved, our Chief Executive Officer ($50,000), Steven Glanz, our Senior Vice President, Business Development ($50,000), Daniel T. Ciporin, a director at the time ($100,000), Seth M. Siegel, a director ($100,000), Seth Mitchell Siegel Family Trust, a trust controlled by Seth M. Siegel ($100,000) and Smithfield Fiduciary LLC, a 5% stockholder at the time of the transaction ($276,000). On December 29, 2009, the holders of the Series A Preferred Stock, including the directors, officers and 5% stockholders named above, have agreed to exchange all shares of the Series A Preferred Stock into an aggregate of 451,161 shares of common stock of the Company and to terminate the Investor Rights Agreement in connection with and upon the consummation of this offering.

On February 26, 2007, the Company entered into a convertible loan agreement pursuant to which it received loans in the aggregate amount of $2,064,000 from the lenders named therein (collectively the "Convertible Loan"), which included: Jonathan Medved ($50,000), Daniel T. Ciporin ($25,000) ,Seth M. Siegel ($200,000), Smithfield Fiduciary Trust LLC, a 5% stockholder at the time of the transaction ($234,000) and Shea Ventures LLC, a 5% stockholder at the time of the transaction ($750,000). Pursuant to the terms of the Convertible Loan, the outstanding principal amount and any accrued and unpaid interest thereon may be converted into a subsequent financing meeting certain conditions at a discount to the offering pricing of the securities in such subsequent offering. The amounts outstanding pursuant to the Convertible Loan were converted into the Series B Financing, which is described below.

On July 30, 2007, the Company consummated a private placement of 4,592,794 shares of Series B Preferred Stock, 200,694 shares of common stock and warrants to purchase 1,201,471 shares of common stock for an aggregate purchase price of $12,118,213 (the "Series B Financing"), which amount included the conversion of the Convertible Loan, including the amounts indicated above. Investors and those converting outstanding loan amounts in the Series B Financing included the following directors and officers of the Company and their affiliates and 5% stockholders: Jonathan Medved, Seth M. Siegel, Shea Ventures LLC, a 5% stockholder at the time of the transaction, Warburg Pincus Private Equity (purchased $10,000,000 of securities in the Series B Financing). On December 29, 2009, the holders of the Series B Preferred Stock have agreed to exchange all shares of the Series B Preferred Stock into an aggregate of 1,018,069 shares of common stock of the Company and to terminate the Investor Rights Agreement in connection with and upon the consummation of this offering.

Mr. Medved and Mr. David Goldfarb, co-founders and the original stockholders of our company, are deemed to be our "promoters" as these terms are defined under the federal securities laws.

Our intellectual property counsel is Heidi Brun Associates, a patent firm owned by Heidi Brun, the wife of our co-founder and chief technology officer, David Goldfarb. We paid the patent firm approximately $76,000 in 2009, including $60,000 for legal services and $16,000 for the sub-lease of approximately 10% of our office space.

We paid Degel Software Limited, or Degel, approximately $85,000 for consulting services rendered in 2009. Degel is owned by David Goldfarb, our chief technology officer and co-founder. As of December 31, 2009, Mr. Goldfarb held 7.2% of our outstanding shares of common stock. He has previously served as one of our officers and directors.

DESCRIPTION OF SECURITIES

Upon the closing of this offering, our authorized capital stock will consist of 28,000,000 shares of common stock and 5,000,000 shares of preferred stock. Prior to the anticipated reverse split, we have 2,200,694 shares of common stock issued and outstanding and 2,353,887 shares of Series A Convertible Preferred Stock and 4,592,794 shares of Series B Convertible Preferred Stock issued and outstanding. Upon the closing of this offering and subsequent to the reverse split: (i) our outstanding shares of Series A Convertible Preferred Stock will be exchanged for 451,162 shares of common stock; (ii) our outstanding shares of Series B Convertible Preferred Stock will be exchanged for 1,018,069 shares of common stock; and (iii) all of our Bridge Notes will convert into an aggregate of 795,200 shares of common stock. Assuming such exchange and conversion, as of the date of this prospectus, we have 2,631,213 shares of common stock outstanding held of record by fifty seven stockholders and no outstanding shares of preferred stock. As of the date of this prospectus, there were outstanding options to purchase 4,109,148 shares of common stock and warrants to purchase 3,173,610 shares of common stock.

Units

Each unit consists of one share of common stock and two warrants. Each warrant entitles the holder to purchase one share of common stock. The units will continue to trade and the common stock and warrants comprising the units will begin separate trading on or prior to the 90th day following the date of this prospectus. We will issue a press release announcing when such separate trading will begin.

Common Stock

Holders of our common stock are entitled to one vote for each share held on matters submitted to a vote of the stockholders and do not have cumulative voting rights. Holders of our common stock are entitled to receive proportionately any dividends that may be declared by our board of directors, subject to any preferential dividend rights of our outstanding preferred stock. Upon our liquidation, dissolution or winding up, the holders of our common stock are entitled to receive proportionately our net assets available after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock. Holders of our common stock have no preemptive, subscription, redemption or conversion rights. Our outstanding shares of common stock are fully paid and non-assessable. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock which we have designated and issued or which we may designate and issue in the future.

Series A Convertible Preferred Stock

The Series A Convertible Preferred Stock ranks junior to the Series B Convertible Preferred Stock and senior to the common stock and any of our other equity securities of the Company with respect to all rights, privileges and preferences.

After payment in full or setting aside for payment the dividends on the Series B Convertible Preferred Stock, any additional dividends or distributions (other than dividends on the common stock payable solely in common stock) shall be declared or paid among the holders of the preferred stock and common stock then outstanding in proportion to the number of shares held as if all shares of preferred stock were converted to common stock at the then-applicable conversion price.

After the payment of the liquidation preference to the holders of the Series B Convertible Preferred Stock, the holders of the Series A Convertible Preferred Stock shall be entitled to receive liquidation distributions.

The holders of the Series A Convertible Preferred Stock are entitled to one vote for each share of common stock into which the Series A Convertible Preferred Stock are convertible voting together with the common stock as a single class at all meetings of stockholders. In addition, the holders of a majority of the then-outstanding shares of Series A Convertible Preferred Stock, voting together with the common stock as a class, and the then-outstanding shares of Series B Convertible Preferred Stock, shall be entitled to elect three members of the

Company's board of directors. The vote of a majority of the then-outstanding Series A Convertible Preferred Stock shall also be required to permit the Company to take a variety of corporate actions.

Each share of Series A Convertible Preferred Stock is convertible into one share of common stock. Each share of Series A Convertible Preferred Stock shall automatically convert into shares of common stock upon the earlier of the date specified by vote or agreement of holders of a majority of the shares of Series A Convertible Preferred Stock then outstanding or immediately upon the closing of a "qualified IPO".

All shares of the Series A Convertible Preferred Stock will be exchanged into 451,162 shares of our common stock upon the closing of this offering.

Series B Convertible Preferred Stock

The Series B Convertible Preferred Stock rank senior to any share of the Series A Convertible Preferred Stock or common stock and any other equity securities of the Company with respect to all rights, privileges and preferences. The holders of our Series B Convertible Preferred Stock are entitled to receive non-cumulative dividends at the rate of $0.21108 if and when declared by the Company.

No dividends or other distributions shall be paid with respect to any shares of the Series A Convertible Preferred Stock or the common unless and until all accrued and unpaid dividends on the Series B Convertible referred Stock shall have been paid or declared and set apart for payment. After payment in full or setting side for payment the dividends on the Series B Convertible Preferred Stock, any additional dividends or distributions (other than dividends on the common stock payable solely in common stock) shall be declared or paid among the holders of the preferred stock and common stock then outstanding in proportion to the number of shares held as if all shares of preferred stock were converted to common stock at the then-applicable conversion price.

The holders of the Series B Convertible Preferred Stock shall be entitled to receive liquidation distributions prior to the holders of the Series A Convertible Preferred Stock and the common stock. In addition, after payment to the Series B Convertible Preferred Stock as described above and after payment of liquidation distributions to the holders of the Series A Convertible Preferred Stock, the remaining assets of the Company shall be available for distribution among the holders of the Series B Convertible Preferred Stock and the common stock in proportion to the number of shares of common stock held by them with the shares of Series B Convertible Preferred Stock being treated as if they had been converted into shares of common stock at the then-effective conversion price.

The holders of the Series B Convertible Preferred Stock are entitled to one vote for each share of common stock into which the Series B Convertible Preferred Stock are convertible voting together with the common stock as a single class at all meetings of stockholders. In addition, the holders of a majority of the then-outstanding shares of Series B Convertible Preferred Stock, voting as a class, shall be entitled to elect two members of the Company's board of directors. Moreover, the holders of a majority of the then-outstanding shares of Series A Convertible Preferred Stock, voting together with the common stock as a class, and the then-outstanding shares of Series B Convertible Preferred Stock, shall be entitled to elect three members of the Company's board of directors. The vote of a majority of the then-outstanding Series B Convertible Preferred Stock shall also be required to permit the Company to take a variety of corporate actions.

The holders of a majority of the then-outstanding shares of Series B Convertible Preferred Stock may, at any time after July 30, 2013, require the Company to redeem all or any number of shares of the Series B Convertible Preferred Stock at the redemption price, which is the greater of the original issue price plus declared but unpaid dividends or the fair market value of the Series B preferred shares on the day of the redemption election.

Each share of Series B Convertible Preferred Stock is convertible into one share of common stock. Each share of Series B Convertible Preferred Stock shall automatically convert into shares of common stock upon the

earlier of the date specified by vote or agreement of holders of a majority of the shares of Series B Convertible Preferred Stock then outstanding or immediately upon the closing of a “qualified IPO”.

All shares of our Series B Preferred Stock, including all dividends accrued thereon, if any, will be exchanged for 1,018,069 shares of our common stock upon the closing of this offering. Upon conversion, the holders of the Series B Preferred Stock shall not retain the right to accrue additional dividends.

New Preferred Stock

Upon the closing of this offering, our amended and restated certificate of incorporation will authorize the issuance of 5,000,000 shares of blank check preferred stock with such designation, rights and preferences as may be determined from time to time by our board of directors. Accordingly, our board of directors is empowered, without stockholder approval, to issue preferred stock with dividend, liquidation, redemption, voting or other rights which could adversely affect the voting power or other rights of the holders of common stock. We may issue some or all of the preferred stock to effect a business transaction. In addition, the preferred stock could be utilized as a method of discouraging, delaying or preventing a change in control of us. Although we do not currently intend to issue any shares of blank check preferred stock, we cannot assure you that we will not do so in the future.

Bridge Notes

On December 29, 2009, we issued 5% subordinated convertible promissory notes, or the Bridge Notes, in the aggregate amount of $2.98 million in a private placement, or the Bridge Financing. Upon consummation of this offering, the Bridge Notes will automatically convert into one share of common stock and two warrants at a conversion price equal to the lesser of (i) $3.75 and (ii) 75% of the offering price of the units in this offering. The Bridge Notes will mature six months from the date of the closing of the Bridge Financing, unless converted earlier upon the consummation of this offering. The Bridge Notes bear an interest at the rate of 5% per annum. The Interest on the Bridge Notes will accrue until maturity and all accrued but unpaid interest will be paid in cash upon maturity or conversion.

Options Outstanding

As of the date hereof and prior to the anticipated reverse split, we have issued options to purchase an aggregate of 1,968,124 shares of our common stock at prices ranging from $0.25 to $0.75 per share pursuant to the Option Plan. Of these outstanding options, 775,184 are issued to our current directors and officers. The outstanding options include options reserved for issued warrants to purchase 120,000 shares of our common stock at $0.25 per share. In connection with this offering, and after giving effect to the reverse split, we will issue options to our management to purchase (i) 1,891,397 shares of our common stock at an exercise price of $0.01 per share and (ii) 1,891,397 shares of our common stock at an exercise price of $5.50 per share pursuant to the Option Plan. For additional details regarding options outstanding, please refer to the Stockholders’ Equity note to the Financial Statements.

Warrants

Existing Warrants

Prior to the consummation of this offering and prior to the anticipated reverse split, there are 1,201,471 warrants, or Existing Warrants, to purchase common stock outstanding exercisable at $5.02 per share for a period beginning on July 30, 2007 and terminating on the earlier of: (i) 5:00 p.m. on July 30, 2010 or (ii) the closing of a bona fide equity financing for the principal purpose of raising capital, pursuant to which the Company raises at least $10,000,000 from the sale of shares of preferred stock.

The exercise price and number of shares of common stock issuable upon exercise of the Existing Warrants may be adjusted in certain circumstances, including in the event of any stock dividend, reclassification, capital reorganization, change in the capital stock of the Company or a change in control (as defined in the warrants).

The Existing Warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at our offices with the exercise form included with the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of common stock, including any voting rights, until they exercise their warrants and receive shares of common stock. After the issuance of shares of common stock upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

No fractional shares of common stock will be issued upon exercise of the Existing Warrants. If, upon exercise of the Existing Warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, make a cash payment therefore on the basis of the exercise price then in effect.

Bridge Warrants

In connection with the Bridge Financing, we issued to the purchasers of the Bridge Notes warrants to purchase 795,200 shares of common stock. These warrants are exercisable for five years to purchase one share of our common stock at an exercise price of $2.75 per share. The lead investors in the Bridge Financing received additional warrants to purchase 482,346 shares of common stock at $0.01 per share. These warrants will be exerciseable 65 days subsequent to the consummation of this offering, will expire four years after issuance and will be subject to a lock-up agreement for six months subsequent to exercise. Our senior lenders received warrants to purchase 250,000 shares of our common stock in exchange for granting us a six-month moratorium on principal payments on our venture loan in connection with the Bridge Financing. These warrants may be exercised at $2.75 per share and expire ten years after issuance. In connection with its services as placement agent for the Bridge Financing, Maxim Group LLC received warrants to purchase 55,664 shares of common stock. These warrants may be exercised at $3.75 per share and expire five years after issuance.

The exercise price and number of shares of common stock issuable upon exercise of the foregoing warrants may be adjusted in certain circumstances, including in the event of any stock split or dividend. These warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at our offices with the exercise form included with the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of common stock, including any voting rights, until they exercise their warrants and receive shares of common stock. After the issuance of shares of common stock upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

No fractional shares of common stock will be issued upon exercise of these warrants. If, upon exercise of the Existing Warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round the number of shares issuable to the nearest whole share.

Public Warrants

The public warrants entitle the registered holder to purchase one share of our common stock at a price equal to 110% of the price of the units sold in the offering, subject to adjustment as discussed below, at any time commencing upon consummation of this offering and terminating at 5:00 p.m., New York City time, on the fifth anniversary of the date of this prospectus. The public warrants shall begin trading separately on or prior to the 90th day after the date of this prospectus. We will issue a press release announcing when such separate trading will begin.

The public warrants will be issued in registered form under a warrant agreement between us and our warrant agent. The material provisions of the public warrants are set forth herein and a copy of the warrant agreement has been filed as an exhibit to the registration statement of which this prospectus forms a part.

The exercise price and number of shares of common stock issuable upon exercise of the warrants may be adjusted in certain circumstances, including in the event of a stock dividend, extraordinary dividend on or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuances of common stock at a price below their respective exercise prices.

The public warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the public warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price, by certified or official bank check payable to us, for the number of public warrants being exercised. The public warrant holders do not have the rights or privileges of holders of common stock and any voting rights until they exercise their public warrants and receive shares of common stock. After the issuance of shares of common stock upon exercise of the public warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

No public warrants will be exercisable unless at the time of the exercise a prospectus relating to common stock issuable upon exercise of the public warrants is current and the common stock has been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the public warrants. Under the terms of the warrant agreement, we have agreed to use our best efforts to maintain a current prospectus relating to common stock issuable upon exercise of the warrants until the expiration of the warrants. If we are unable to maintain the effectiveness of such registration statement until the expiration of the warrants, and therefore are unable to deliver registered shares of common stock, the warrants may become worthless. Such expiration would result in each holder paying the full unit purchase price solely for the shares of common stock underlying the units. Additionally, the market for the public warrants may be limited if the prospectus relating to the common stock issuable upon exercise of the public warrants is not current or if the common stock is not qualified or exempt from qualification in the jurisdictions in which the holders of such warrants reside. In no event will the registered holders of a public warrant be entitled to receive a net-cash settlement, stock or other consideration in lieu of physical settlement in shares of our common stock.

We may redeem the outstanding warrants without the consent of any third party or the representatives of the underwriters:

- in whole and not in part;
- at a price of $0.01 per warrant at any time after the warrants become exercisable;
- upon not less than 30 days prior written notice of redemption; and
- if, and only if, the last sales price of our common stock equals or exceeds $ per share (subject to adjustment for splits, dividends, recapitalization and other similar events) for any 20 trading days within a 30 trading day period ending three business days before we send the notice of redemption;

provided that on the date we give notice of redemption and during the entire period thereafter until the time we redeem the warrants, we have an effective registration statement covering shares of common stock issuable upon exercise of the warrants and a current prospectus relating to such common stock.

No fractional shares of common stock will be issued upon exercise of the warrants. If, upon exercise of the public warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round up to the nearest whole number the number of shares of common stock to be issued to the warrantholder. If multiple warrants are exercised by the holder at the same time, we will aggregate the number of whole shares issuable upon exercise of all the warrants.

The price of the warrants has been arbitrarily established by us and the representative of the underwriters after giving consideration to numerous factors, including but not limited to, the pricing of the units in this offering. No particular weighting was given to any one aspect of those factors considered. We have not performed any method of valuation of the warrants.

Representative's Warrants

We have agreed to grant to Maxim Group LLC, the representative of the underwriters, warrants to purchase a number of units equal to 10% of the total number of units sold in this offering at a price equal to 110% of the price of this units in this offering. The units issuable upon exercise of this option are identical to those offered by this prospectus. The warrants will contain a cashless exercise feature. For a more complete description of the purchase option, see the section entitled "*Underwriting — Underwriter Warrants*."

Registration Rights

We agreed with the investors in the Bridge Financing to register the resale of the shares of common stock issuable upon conversion of the Bridge Notes and the shares of common stock issuable upon exercise of the Bridge Warrants and the Special Bridge Warrants on the registration statement filed with the SEC in connection with this offering. In the event we are unable to register all the shares of common stock in connection with this offering, we agreed to file an additional registration statement to cover any such unregistered shares within six months of the consummation of this offering and to use our best efforts to cause the registration statement to be declared effective as promptly as possible after filing and to keep the registration statement continuously effective until all such shares may be sold pursuant to Rule 144. We agreed to pay all fees and expenses related to the filing of such registration statements.

We have granted to Maxim Group LLC, the representative of the underwriters, the following registration rights with respect to the shares of common stock included in the units and the shares of common stock issuable upon exercise of the warrants included in the units issuable upon exercise of the representative's warrants: (i) one demand at the expense of Maxim Group LLC (ii) one demand at the expense of the holders of the representative's warrants and (iii) unlimited "piggyback" registration rights at our expense for a period of five (5) years from the consummation of this offering.

Anti-takeover Provisions

The provisions of Delaware law, our amended and restated certificate of incorporation and our restated bylaws could discourage or make it more difficult to accomplish a proxy contest or other change in our management or the acquisition of control by a holder of a substantial amount of our voting stock. It is possible that these provisions could make it more difficult to accomplish, or could deter, transactions that stockholders may otherwise consider to be in their best interests or in our best interest.

These provisions are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and in the policies formulated by the board of directors and to discourage certain types of transactions that may involve an actual or threatened change of our control. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal and to discourage certain tactics that may be used in proxy fights. Such provisions also may have the effect of preventing changes in our management.

Delaware Statutory Business Combinations Provision. We are subject to the anti-takeover provisions of Section 203 of the Delaware General Corporations Law. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder's becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding those shares owned by persons who are directors and also officers, and employee stock plans in which employee participants do not have the right to determine confidentially whether shares held under the plan will be tendered in a tender or exchange offer; or

- on or subsequent to the date, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 defines "business combination" to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- in general, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an "interested stockholder" as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Transfer Agent and Registrar

The transfer agent and registrar for the units, common stock and warrants will be .

Listing

We intend to apply to list our units, common stock and warrants on the NASDAQ Capital Market under the symbols "VRNGU," "VRNG" and "VRNGW," respectively.

Shares Eligible for Future Sale

Prior to this offering, there was no public market for our securities. When a public market develops, future sales of substantial amounts of our securities in the public market could adversely affect market prices. Upon consummation of this offering, we will have 5,031,213 shares of common stock issued and outstanding.

Approximate Number of Shares Eligible for Future Sale	Date
2,400,000	Upon consummation of this offering, freely tradeable shares of common stock sold in this offering.
2,631,213	Upon consummation of this offering, freely tradeable shares subject to the lock-up agreements described above. These shares include shares of common stock issued upon (i) conversion of the Bridge Notes and (ii) exchange of our outstanding shares of preferred stock.

Rule 144

Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 promulgated under the Securities Act. In general, under Rule 144 as currently in effect, a person, or persons whose shares are aggregated, who has beneficially owned shares of our common stock for at least six months, including the holding period of any prior owner, except if the prior owner was one of our affiliates, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding (which will equal approximately 50,312 shares immediately after this offering); or
- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale, assuming that our common stock is trading at such time.

Sales by a person deemed to be our affiliate under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

UNDERWRITING

Subject to the terms and conditions of the underwriting agreement, the underwriters named below, through their representative, Maxim Group LLC, have severally agreed to purchase from us on a firm commitment basis the following respective number of units at a public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus:

Underwriter	Number of Shares
Maxim Group LLC	
Total	

The underwriting agreement provides that the obligation of the underwriters to purchase all of the 2,400,000 units being offered to the public is subject to specific conditions, including the absence of any material adverse change in our business or in the financial markets and the receipt of certain legal opinions, certificates and letters from us, our counsel and the independent auditors. Subject to the terms of the underwriting agreement, the underwriters will purchase all of the 2,400,000 units being offered to the public, other than those covered by the over-allotment option described below, if any of these units are purchased.

Over-Allotment Option

We have granted to the underwriters an option, exercisable not later than 45 days after the effective date of the registration statement, to purchase up to 360,000 additional units at the public offering price less the underwriting discounts and commissions set forth on the cover of this prospectus. The underwriters may exercise this option only to cover over-allotments made in connection with the sale of the units offered by this prospectus. The over-allotment option will only be used to cover the net syndicate short position resulting from the initial distribution. To the extent that the underwriters exercise this option, each of the underwriters will become obligated, subject to conditions, to purchase approximately the same percentage of these additional units as the number of units to be purchased by it in the above table bears to the total number of units offered by this prospectus. We will be obligated, pursuant to the option, to sell these additional units to the underwriters to the extent the option is exercised. If any additional units are purchased, the underwriters will offer the additional units on the same terms as those on which the other units are being offered hereunder.

Commissions and Discounts

The underwriting discounts and commissions are % of the initial public offering price. We have agreed to pay the underwriters the discounts and commissions set forth below, assuming either no exercise or full exercise by the underwriters of the underwriters' over-allotment option. In addition, we have agreed to pay to the underwriters a corporate finance fee equal to 2% of the gross proceeds of this offering for the structuring of the terms of the offering.

The representative has advised us that the underwriters propose to offer the units directly to the public at the public offering price set forth on the cover of this prospectus. In addition, the representative may offer some of the units to other securities dealers at such price less a concession of $ per unit. The underwriters may also allow, and such dealers may reallow, a concession not in excess of $ per unit to other dealers. After the common stock is released for sale to the public, the representative may change the offering price and other selling terms at various times.

The following table summarizes the underwriting discounts and commissions we will pay to the underwriters. The underwriting discounts and commissions are equal to the public offering price per share less the amount per share the underwriters pay us for the shares.

	Per Unit	Total Without Over-Allotment	Total With Over-Allotment
Public offering price			
Underwriting discount (1)			
Proceeds, before expenses, to us			

(1) Does not include the over-allotment option granted to the underwriters and the corporate finance fee in the amount of 2.0% of the gross proceeds payable to the underwriters for the structuring of the terms of the offering.

We have been advised by the representative of the underwriters that the underwriters propose to offer the units to the public at the public offering price set forth on the cover of this prospectus and to dealers at a price that represents a concession not in excess of $ per unit under the public offering price of $ per unit. The underwriters may allow, and these dealers may re-allow, a concession of not more than $ per unit to other dealers.

We estimate that the total expenses of the offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding underwriting discounts and commissions, will be approximately $1,700,000, all of which are payable by us.

Representative's Warrants

We have also agreed to issue to the underwriters warrants to purchase a number of our units equal to an aggregate of 10% of the units sold in this offering. The warrants will have an exercise price equal to 110% of the offering price of the units sold in this offering and may be exercised on a cashless basis. The warrants are exercisable commencing twelve months after the effective date of the registration statement related to this offering, and will be exercisable for five years thereafter. The warrants are not redeemable by us. The warrants also provide for one demand registration of the shares of common stock underlying the warrants at our expense, an additional demand at the warrant holder's expense and unlimited "piggyback" registration rights at our expense with respect to the underlying shares of common stock during the five year period commencing the closing date of this offering. The warrants and the units (including the shares of common stock and warrants underlying the units) have been deemed compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to Rule 5110(g)(1) of FINRA. The underwriters (or permitted assignees under the Rule) may not sell, transfer, assign, pledge, or hypothecate the warrants or the securities underlying the warrants, nor will they engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the warrants or the underlying securities for a period of 180 days from the date of this prospectus. Additionally, the representative's warrants may not be sold transferred, assigned, pledged or hypothecated for a twelve (12) months following the effective date of the registration statement except to any successor, officer, manager or member of Maxim Group LLC (or to officers, managers or members of any such successor or member), or to the underwriter participating in the offering. The warrants will provide for adjustment in the number and price of such warrants (and the shares of common stock and warrants underlying such warrants) in the event of recapitalization, merger or other structural transaction to prevent mechanical dilution.

Lock-Up Agreements

We and each of our officers, directors, and existing stockholders have agreed, subject to certain exceptions, not to offer, issue, sell, contract to sell, encumber, grant any option for the sale of or otherwise dispose of any shares of our common stock or other securities convertible into or exercisable or exchangeable for shares of our common stock for a period of twelve (12) months after the effective date of the registration statement of which

this prospectus is a part without the prior written consent of Maxim Group LLC, including the issuance of shares of common stock upon the exercise of outstanding options. Notwithstanding the foregoing, our officers, directors and existing stockholders may transfer up to ten percent (10%) of the shares of common stock they beneficially own to a bona fide charity; provided, however, that such charity must agree to be subject to the same lock-up provisions described above for a period of six (6) months from the consummation of this offering.

Each of the purchasers in the Bridge Financing have agreed, subject to certain exceptions, not to offer, sell, grant any option with respect to, pledge or otherwise dispose of any shares of our common stock or other securities convertible into or exercisable or exchangeable for shares of our common stock for a period of six (6) months after the effective date of the registration statement of which this prospectus is a part. Notwithstanding the foregoing, each of the purchasers may sell all or a portion of our securities in the event our stock price meets various specified thresholds for five consecutive trading days.

Pricing of this Offering

Prior to this offering there has been no public market for any of our securities. The public offering price of the units and the terms of the warrants were negotiated between us and Maxim Group LLC. Factors considered in determining the prices and terms of the units, including the common stock and warrants underlying the units, include:

- the history and prospects of companies in our industry;
- prior offerings of those companies;
- our prospects for developing and commercializing our products; our capital structure;
- an assessment of our management and their experience; general conditions of the securities markets at the time of the offering; and
- other factors as were deemed relevant.

However, although these factors were considered, the determination of our offering price is more arbitrary than the pricing of securities for an operating company in a particular industry since the underwriters are unable to compare our financial results and prospects with those of public companies operating in the same industry.

In connection with this offering, the underwriters may distribute prospectuses electronically. No forms of prospectus other than printed prospectuses and electronically distributed prospectuses that are printable in Adobe® PDF format will be used in connection with this offering.

The underwriters have informed us that they do not expect to confirm sales of units offered by this prospectus to accounts over which they exercise discretionary authority without obtaining the specific approval of the account holder.

Price Stabilization, Short Positions and Penalty Bids

The underwriters may engage in over-allotment, stabilizing transactions, syndicate covering transactions, and penalty bids or purchasers for the purpose of pegging, fixing or maintaining the price of the common stock, in accordance with Regulation M under the Exchange Act:

- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any short position by either exercising their over-allotment option and/or purchasing shares in the open market.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum;
- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor any of the underwriters make representation that the underwriters will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Other Terms

For a period of eighteen months from the consummation of this offering, we have granted Maxim Group LLC, on any transaction where we elect to employ a banker, the right of first refusal to act as a co- lead manager and book runner, for any and all future public and private equity offerings by us or any of our successors or subsidiaries.

We have further agreed, for a period of three (3) years from the consummation of the offering, to engage a designee of Maxim Group LLC as an observer to our board of directors, where the observer shall attend all meetings of our board of directors and receive all notices and other correspondence and communications sent by us to members of our board of directors. The observer shall be entitled to receive compensation equal to the highest compensation of non-employee directors, exclusive the chairperson of our Audit Committee. The observer also shall be entitled to indemnification by us, coverage under our liability insurance policy for officers and directors, if possible, and reimbursement by us for all costs incurred by him or her in attending any meetings of our board of directors.

We have also agreed that if following the successful completion of the offering, Maxim Group LLC conducts a solicitation for the exercise of outstanding warrants, we will pay to Maxim Group LLC a warrant solicitation fee equal to 3% of the total proceeds received from the exercise of any and all warrants for a period of twelve (12) months following the consummation of this offering.

Indemnification

We have agreed to indemnify the underwriters against liabilities relating to the offering arising under the Securities Act, liabilities arising from breaches of some or all of the representations and warranties contained in the underwriting agreement, and to contribute to payments that the underwriters may be required to make for these liabilities.

Electronic Distribution

A prospectus in electronic format may be made available on a website maintained by the representatives of the underwriters and may also be made available on a website maintained by other underwriters. The underwriters may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives of the underwriters to underwriters that may make Internet distributions on the same basis as other allocations. In connection with the offering, the underwriters or syndicate members may distribute prospectuses electronically. No forms of electronic prospectus other than prospectuses that are printable as Adobe® PDF will be used in connection with this offering.

The underwriters have informed us that they do not expect to confirm sales of units offered by this prospectus to accounts over which they exercise discretionary authority

Other than the prospectus in electronic format, the information on any underwriter's website and any information contained in any other website maintained by an underwriter is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or any underwriter in its capacity as underwriter and should not be relied upon by investors.

Relationships

Certain of the underwriters or their affiliates have provided from time to time and may in the future provide investment banking, lending, financial advisory and other related services to us and our affiliates for which they have received and may continue to receive customary fees and commissions.

Foreign Regulatory Restrictions on Purchase of Units

We have not taken any action to permit a public offering of the units outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to this offering of units and the distribution of the prospectus outside the United States.

Italy. This offering of the units has not been cleared by Consob, the Italian Stock Exchanges regulatory agency of public companies, pursuant to Italian securities legislation and, accordingly, no units may be offered, sold or delivered, nor may copies of this prospectus or of any other document relating to the units to be distributed in Italy, except (1) to professional investors (operatori qualificati); or (2) in circumstances which are exempted from the rules on solicitation of investments pursuant to Decree No. 58 and Article 33, first paragraph, of Consob Regulation No. 11971 of May 14, 1999, as amended. Any offer, sale or delivery of the securities or distribution of copies of this prospectus or any other document relating to the securities in Italy under (1) or (2) above must be (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Decree No. 58 and Legislative Decree No. 385 of September 1, 1993, or the Banking Act; and (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the issue or the offer of securities in Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending, *inter alia*, on the aggregate value of the securities issued or offered in Italy and their characteristics; and (iii) in compliance with any other applicable laws and regulations.

Germany. The offering of the units is not a public offering in the Federal Republic of Germany. The units may only be acquired in accordance with the provisions of the Securities Sales Prospectus Act (Wertpapier-Verkaufsprospektgesetz), as amended, and any other applicable German law. No application has been made under German law to publicly market the securities in or out of the Federal Republic of Germany. The units are not registered or authorized for distribution under the Securities Sales Prospectus Act and accordingly may not

be, and are not being, offered or advertised publicly or by public promotion. Therefore, this prospectus is strictly for private use and the offering is only being made to recipients to whom the document is personally addressed and does not constitute an offer or advertisement to the public. The units will only be available to persons who, by profession, trade or business, buy or sell securities for their own or a third party's account.

France. The units offered by this prospectus may not be offered or sold, directly or indirectly, to the public in France. This prospectus has not been or will not be submitted to the clearance procedure of the Autorité des Marchés Financiers, or the AMF, and may not be released or distributed to the public in France. Investors in France may only purchase the securities offered by this prospectus for their own account and in accordance with articles L. 411-1, L. 441-2 and L. 412-1 of the Code Monétaire et Financier and decree no. 98-880 dated October 1, 1998, provided they are "qualified investors" within the meaning of said decree. Each French investor must represent in writing that it is a qualified investor within the meaning of the aforesaid decree. Any resale, directly or indirectly, to the public of the units offered by this prospectus may be effected only in compliance with the above mentioned regulations.

"Les actions offertes par ce document d'information ne peuvent pas être, directement ou indirectement, offertes ou vendues au public en France. Ce document d'information n'a pas été ou ne sera pas soumis au visa de l'Autorité des Marchés Financiers et ne peut être diffusé ou distribué au public en France. Les investisseurs en France ne peuvent acheter les actions offertes par ce document d'information que pour leur compte propre et conformément aux articles L. 411-1, L. 441-2 et L. 412-1 du Code Monétaire et Financier et du décret no. 98-880 du 1 octobre 1998, sous réserve qu'ils soient des investisseurs qualifiés au sens du décret susvisé. Chaque investisseur doit déclarer par écrit qu'il est un investisseur qualifié au sens du décret susvisé. Toute revente, directe ou indirecte, des actions offertes par ce document d'information au public ne peut être effectuée que conformément à la réglementation susmentionnée."

Switzerland. This prospectus may only be used by those persons to whom it has been directly handed out by the offeror or its designated distributors in connection with the offer described therein. The units are only offered to those persons and/or entities directly solicited by the offeror or its designated distributors, and are not offered to the public in Switzerland. This prospectus constitutes neither a public offer in Switzerland nor an issue prospectus in accordance with the respective Swiss legislation, in particular but not limited to Article 652A Swiss Code Obligations. Accordingly, this prospectus may not be used in connection with any other offer, whether private or public and shall in particular not be distributed to the public in Switzerland.

United Kingdom. In the United Kingdom, the units offered by this prospectus are directed to and will only be available for purchase to a person who is an exempt person as referred to at paragraph (c) below and who warrants, represents and agrees that: (a) it has not offered or sold, will not offer or sell, any units offered by this prospectus to any person in the United Kingdom except in circumstances which do not constitute an offer to the public in the United Kingdom for the purposes of the section 85 of the Financial Services and Markets Act 2000 (as amended) ("FSMA"); and (b) it has complied and will comply with all applicable provisions of FSMA and the regulations made thereunder in respect of anything done by it in relation to the units offered by this prospectus in, from or otherwise involving the United Kingdom; and (c) it is a person who falls within the exemptions to Section 21 of the FSMA as set out in The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("the Order"), being either an investment professional as described under Article 19 or any body corporate (which itself has or a group undertaking has a called up share capital or net assets of not less than £500,000 (if more than 20 members) or otherwise £5 million) or an unincorporated association or partnership (with net assets of not less than £5 million) or is a trustee of a high value trust or any person acting in the capacity of director, officer or employee of such entities as defined under Article 49(2)(a) to (d) of the Order, or a person to whom the invitation or inducement may otherwise lawfully be communicated or cause to be communicated. The investment activity to which this document relates will only be available to and engaged in only with exempt persons referred to above. Persons who are not investment professionals and do not have professional experience in matters relating to investments or are not an exempt

person as described above, should not review nor rely or act upon this document and should return this document immediately. It should be noted that this document is not a prospectus in the United Kingdom as defined in the Prospectus Regulations 2005 and has not been approved by the Financial Services Authority or any competent authority in the United Kingdom.

Norway. This prospectus has not been produced in accordance with the prospectus requirements laid down in the Norwegian Securities Trading Act 1997 as amended. This prospectus has not been approved or disapproved by, or registered with, neither the Oslo Stock Exchange nor the Norwegian Registry of Business Enterprises. This prospectus may not, either directly or indirectly be distributed to other Norwegian potential investors than the addressees without the prior consent of Vringo, Inc.

Denmark. This prospectus has not been prepared in the context of a public offering of securities in Denmark within the meaning of the Danish Securities Trading Act No. 171 of 17 March 2005 as amended from time to time or any Executive Orders issued on the basis thereof and has not been and will not be filed with or approved by or filed with the Danish Financial Supervisory Authority or any other public authorities in Denmark. The offering of units will only be made to persons pursuant to one or more of the exemptions set out in Executive Order No. 306 of 28 April 2005 on Prospectuses for Securities Admitted for Listing or Trade on a Regulated Market and on the First Public Offer of Securities exceeding EUR 2,500,000 or Executive Order No. 307 of 28 April 2005 on Prospectuses for the First Public Offer of Certain Securities between EUR 100,000 and EUR 2,500,000, as applicable.

Sweden. Neither this prospectus nor the units offered hereunder have been registered with or approved by the Swedish Financial Supervisory Authority under the Swedish Financial Instruments Trading Act (1991:980) (as amended), nor will such registration or approval be sought. Accordingly, this prospectus may not be made available nor may the units offered hereunder be marketed or offered for sale in Sweden other than in circumstances which are deemed not to be an offer to the public in Sweden under the Financial Instruments Trading Act. This prospectus may not be distributed to the public in Sweden and a Swedish recipient of the prospectus may not in any way forward the prospectus to the public in Sweden.

Israel. The units offered by this prospectus have not been approved or disapproved by the Israeli Securities Authority (ISA). The units may not be offered or sold, directly or indirectly, to the public in Israel. The ISA has not issued permits, approvals or licenses in connection with the offering of the units or publishing the prospectus; nor has it authenticated the details included herein, confirmed their reliability or completeness, or rendered an opinion as to the quality of the securities being offered. Any resale, directly or indirectly, to the public of the units offered by this prospectus is subject to restrictions on transferability and must be effected only in compliance with the Israeli securities laws and regulations.

European Economic Area. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date) an offer of securities to the public in that relevant member state prior to the publication of a prospectus in relation to the securities that have been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:

- to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of for any such offer; or
- in any other circumstances which do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of securities described in this prospectus located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

British Virgin Islands. No shares, warrants or units of the Company shall be offered or sold, directly or indirectly, to the public or any member of the public in the British Virgin Islands.

LEGAL MATTERS

Ellenoff Grossman & Schole LLP, 150 East 42nd Street, New York, New York 10017, will pass upon the validity of the securities offered in this prospectus. Ellenoff Grossman & Schole LLP has previously represented Maxim Group LLC and may do so again in the future. Mintz, Levin, Cohn, Ferris, Glovsky and Popeo P.C., New York, New York, has acted as counsel to the underwriters in connection with this offering.

EXPERTS

The consolidated financial statements of Vringo, Inc. (a development stage company) as of December 31, 2008 and 2007 and for each of the years in the two-year period from December 31, 2008 and for the cumulative period from January 9, 2006 (inception) through December 31, 2008 have been included herein in reliance upon the report of Somekh Chaikin, a member firm of KPMG International, an independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The audit report covering the December 31, 2008 consolidated financial statements contains an explanatory paragraph that states that our recurring losses from operations raise substantial doubt about our ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of that uncertainty.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act with respect to the units offered by this prospectus. This prospectus, which is part of the registration statement filed with the SEC, does not contain all of the information set forth in the registration statement or the exhibits filed therewith. For further information with respect to us and the units offered by this prospectus, please see the registration statement and exhibits filed with the registration statement.

You may also read and copy any materials we have filed with the SEC at the SEC's public reference room, located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition, our SEC filings, including reports, proxy statements and other information regarding issuers that file electronically with the SEC, are also available to the public at no cost from the SEC's website at http://www.sec.gov. You also may request a copy of the registration statement and these filings by writing us at 18 East 16 th Street, 7th Floor, New York, New York 10003 or calling us at (646) 448-8210.

Upon closing of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act and, accordingly will file annual reports containing financial statements audited by an independent public accounting firm, quarterly reports containing unaudited financial data, current reports, proxy statements and other information with the SEC. You will be able to inspect and copy such periodic reports, proxy statements and other information at the SEC's public reference room and the SEC's website referred to above.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Vringo, Inc. (a Development Stage Company):

We have audited the accompanying consolidated balance sheets of Vringo, Inc. (a Development Stage Company) and Subsidiary (collectively "the Company") as of December 31, 2008 and 2007 and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the years then ended and for the cumulative period from inception of operations through December 31, 2008. These consolidated financial statements are the responsibility of the Company's Board of Directors and of its management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with 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 financial statements are free of material misstatement. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Vringo, Inc. (a Development Stage Company) and Subsidiary as of December 31, 2008 and 2007 and the results of their operations, changes in stockholders' equity and their cash flows for each of the years then ended and for the cumulative period from inception of operations through December 31, 2008, in conformity with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Somekh Chaikin
Certified Public Accountants (Isr.)

Jerusalem, Israel
January 28, 2010

Vringo, Inc. and Subsidiary
(a Development Stage Company)

Consolidated Balance Sheets as of December 31,
(in thousands except share and per share data)

	Note	2008 U.S.$	2007 U.S.$
Current assets			
Cash and cash equivalents	3	**6,004**	8,453
Prepaid expenses and other current assets	4	**69**	107
Short-term deposit (restricted)		**20**	20
Deferred tax assets—short-term	12	**29**	—
Total current assets		**6,122**	8,580
Long-term deposit		**12**	4
Property and equipment, net	5	**259**	265
Deferred tax assets—long-term	12	**50**	72
Total assets		**6,443**	8,921

The accompanying notes form an integral part of these financial statements.

Vringo, Inc. and Subsidiary
(a Development Stage Company)

Consolidated Balance Sheets as of December 31,—(Continued)
(in thousands except share and per share data)

	Note	2008 U.S.$	2007 U.S.$
Current liabilities			
Accounts payable and accrued expenses	6	**585**	696
Current maturities of venture loan	8	**696**	—
Total current liabilities		**1,281**	696
Long-term liabilities			
Accrued severance pay	7	**201**	291
Venture loan	8	**3,970**	—
Total long-term liabilities		**4,171**	291
Commitments and contingencies	14		
Temporary equity			
Series B convertible and redeemable preferred stock, $0.01 par value per share; 4,900,000 and 4,700,000 authorized, as of December 31, 2008 and 2007, respectively; 4,592,794 shares issued and outstanding as of December 31, 2008 and 2007 (liquidation preference of, and redeemable at, the greater of fair value or $2.6385 per share, or $12.1 million, plus declared but unpaid dividends, if any)	9	**11,961**	11,954
Stockholders' equity	10		
Common stock, $0.01 par value per share, 14,000,000 authorized; 2,200,694 issued and outstanding as of December 31, 2008 and 2007		**22**	22
Series A convertible preferred stock, $0.01 par value per share; 2,353,887 authorized; 2,353,887 issued and outstanding as of December 31, 2008 and 2007 (liquidation preference of $1.00 per share, or $2.35 million, plus declared but unpaid dividends, if any)		**24**	24
Additional paid-in capital		**2,960**	2,578
Deficit accumulated during development stage		**(13,976)**	(6,644)
Total deficit in stockholders' equity		**(10,970)**	(4,020)
Total liabilities and stockholders' equity		**6,443**	8,921

The accompanying notes form an integral part of these financial statements.

Vringo, Inc. and Subsidiary
(a Development Stage Company)

Consolidated Statements of Operations
(in thousands except share and per share data)

	Note	For the year ended December 31, 2008 U.S.$	For the year ended December 31, 2007 U.S.$	Cumulative from inception to December 31, 2008 U.S.$
Operating expenses				
Research and development		**3,110**	2,541	**6,409**
Marketing		**2,769**	1,694	**4,772**
General and administrative		**1,409**	1,025	**2,862**
Operating loss		**7,288**	5,260	**14,043**
Non-operating income	11	**(159)**	(228)	**(429)**
Interest and amortization of debt discount expense	11	**157**	54	**211**
Non-operating expenses	11	**53**	8	**89**
Loss on extinguishment of debt	9	**—**	141	**141**
Loss before taxes on income		**7,339**	5,235	**14,055**
Taxes on income (benefit)	12	**(7)**	(72)	**(79)**
Net loss		**7,332**	5,163	**13,976**
Basic and diluted net loss per share		**(3.33)**	(2.48)	**(6.67)**
Weighted average number of shares used in computing basic and dilutive net loss per common share		**2,200,694**	2,083,622	**2,094,772**

The accompanying notes form an integral part of these financial statements.

Vringo, Inc. and Subsidiary
(a Development Stage Company)

Statement of Changes in Stockholders' Equity
(in thousands)

	Common stock U.S.$	Series A convertible preferred stock U.S.$	Additional paid-in capital U.S.$	Accumulated deficit U.S.$	Total U.S.$
Balance as of January 9, 2006 (inception)	—	—	—	—	—
Issuance of common stock	*—	—	—	—	*—
Issuance of series A convertible preferred stock, net of issuance costs of $33	—	*—	2,321	—	2,321
Stock dividend	20	24	(44)	—	—
Grants of stock options, net of forfeitures-employees	—	—	7	—	7
Grants of stock options, net of forfeitures-non employees	—	—	4	—	4
Net loss for the period	—	—	—	(1,481)	(1,481)
Balance as of December 31, 2006	20	24	2,288	(1,481)	851
Issuance of common stock as part of conversion of convertible loan	2	—	138	—	140
Discounts to temporary equity	—	—	43	—	43
Amortization of discounts to temporary equity	—	—	(4)	—	(4)
Grants of stock options, net of forfeitures-employees	—	—	98	—	98
Grants of stock options, net of forfeitures-non employees	—	—	15	—	15
Net loss for the year	—	—	—	(5,163)	(5,163)
Balance as of December 31, 2007	22	24	2,578	(6,644)	(4,020)
Issuance of warrants	**—**	**—**	**360**	**—**	**360**
Amortization of discounts to temporary equity	**—**	**—**	**(7)**	**—**	**(7)**
Grants of stock options, net of forfeitures-employees	**—**	**—**	**18**	**—**	**18**
Grants of stock options, net of forfeitures-non employees	**—**	**—**	**11**	**—**	**11**
Net loss for the year	**—**	**—**	**—**	**(7,332)**	**(7,332)**
Balance as of December 31, 2008	**22**	**24**	**2,960**	**(13,976)**	**(10,970)**

* Consideration for less than $1

The accompanying notes form an integral part of these financial statements.

Vringo, Inc. and Subsidiary
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Consolidated Statements of Cash Flows
(in thousands)

	For the year ended December 31		Cumulative from inception to December 31
	2008	2007	2008
	U.S.$	U.S.$	U.S.$
Cash flows from operating activities			
Net loss	**(7,332)**	(5,163)	**(13,976)**
Adjustments to reconcile net cash flows from operating activities:			
Items not affecting cash flows:			
Depreciation	**107**	68	**193**
Deferred tax assets, short-term	**(29)**	—	**(29)**
Accrued severance pay	**(90)**	275	**201**
Share-based payment expenses	**29**	113	**153**
Deferred tax assets, long-term	**22**	(72)	**(50)**
Accrued interest on convertible loan	**—**	54	**54**
Loss on extinguishment of debt	**—**	141	**141**
Amortization of loan warrants	**26**	—	**26**
Exchange rate losses	**48**	7	**81**
Changes in current assets and liabilities:			
(Increase) decrease in prepaid expenses and other current assets	**38**	(81)	**(72)**
Increase (decrease) in payables and accruals	**(115)**	368	**566**
Net cash used in operating activities	**(7,296)**	(4,290)	**(12,712)**
Cash flows from investing activities			
Acquisition of property and equipment	**(101)**	(158)	**(452)**
Short-term deposit	**—**	—	**(20)**
Long-term deposits	**(8)**	(3)	**(12)**
Net cash used in investing activities	**(109)**	(161)	**(484)**
Cash flows from financing activities			
Venture loan	**5,000**	—	**5,000**
Convertible loans	**—**	2,064	**2,064**
Issuance of convertible preferred stock	**—**	9,874	**12,195**
Net cash provided by financing activities	**5,000**	11,938	**19,259**
Effect of exchange rate changes on cash and cash equivalents	**(44)**	(7)	**(59)**
Increase (decrease) in cash and cash equivalents	**(2,449)**	7,480	**6,004**
Cash and cash equivalents at beginning of period	**8,453**	973	**—**
Cash and cash equivalents at end of period	**6,004**	8,453	**6,004**
Supplemental disclosure of cash flows Information			
Interest paid	**90**	—	**90**
Non-cash transactions			
Conversion of convertible loan into convertible preferred stock	**—**	1,964	**1,964**
Extinguishment of debt	**—**	141	**141**
Discount to the series B convertible preferred stock	**—**	43	**43**
Allocation of fair value of loan warrants	**334**	—	**334**
Amortization of discount on temporary equity	**7**	4	**11**

The accompanying notes form an integral part of these financial statements.

Vringo, Inc. and Subsidiary
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Notes to the Consolidated Financial Statements as of December 31, 2008

Note 1—General

Vringo, Inc. (the Parent) was incorporated in Delaware on January 9, 2006 and commenced operations during the first quarter of 2006. The Parent formed a wholly-owned subsidiary, Vringo (Israel) Ltd. (the Subsidiary) in March 2006, primarily for the purpose of providing research and development services, as detailed in the intercompany service agreement. Vringo Inc. and the Subsidiary are collectively referred to herein as the Company.

The Company is engaged in developing software for mobile phones. The Company provides a comprehensive platform allowing users to obtain, create and share video ringtones. The Company's proprietary ringtone platform integrates high quality video and social networking capability with Web systems.

The Company is in the development stage. Therefore, there is no certainty regarding the Company's ability to complete the product's development and success of its marketing. The continuation of the stages of development and the realization of assets related to the planned activities depend on future events, including the receipt of interim financing and achieving operational profitability in the future. The Company has incurred only losses since its inception and expects that it will continue to operate at a net loss over the coming years. The Company is initiating activities to raise capital for ensuring future operations although there are still significant doubts as to the ability of the Company to continue operating as a "going concern". The Company believes that, subsequent to the successful initial filing with the U.S. Securities and Exchange Commission , it will have sufficient cash to meet its planned operating needs until the end of June 2010, as a result of the release of funds from the bridge financing. It is not possible to estimate the final outcome of these activities. These financial statements do not include any adjustments to the value of assets and liabilities and their classification, which may be required if the Company cannot continue operating as a "going concern".

The high-tech industry in which the Company is involved is highly competitive and is characterized by the risks of rapidly changing technologies. Penetration into world markets requires investment of considerable resources and continuous development efforts. The Company's future success depends upon several factors including the technological quality, price and performance of its product relative to those of its competitors.

On May 8, 2006 and July 30, 2007, the Company raised approximately $2 million and $12 million respectively, before related fees and costs, in separate private placement offerings. See Notes 9 and 10 for further details.

As of December 31, 2008, approximately $1.2 million of the Company's net assets were located outside of the United States.

Note 2—Significant Accounting and Reporting Policies

(a) Basis of presentation

These financial statements have been prepared on a consolidated basis in conformity with generally accepted accounting principles in the United States. For purposes of consolidation, all material intercompany transactions and balances have been eliminated.

The 2008 financial statements as previously presented by the Company to their stockholders, have been modified to account for an immaterial error in the calculation of accrued severance pay and consequently deferred taxes on the Consolidated Balance Sheets and their related impact on the Consolidated Statement of Operations.

Vringo, Inc. and Subsidiary
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Notes to the Consolidated Financial Statements as of December 31, 2008—(Continued)

(b) Development stage enterprise

The Company's principal activities to date have been the research and development of its products and the Company has not generated revenues from its planned, principal operations. Accordingly, the Company's financial statements are presented as those of a development stage enterprise, as prescribed by Statement of Financial Accounting Standards (SFAS) No. 7, *Accounting and Reporting by Development Stage Enterprises*.

(c) Translation into U.S. dollars

The currency of the primary economic environment in which the operations of the Company are conducted is the U.S. dollar ("dollar"). Therefore, the dollar has been determined to be the Company's functional currency. Non-dollar transactions and balances have been translated into dollars in accordance with the principles set forth in Statement of Financial Accounting Standards (SFAS) No. 52, "*Foreign Currency Translation*" transactions in foreign currency (primarily in New Israeli Shekels "NIS") are recorded at the exchange rate as of the transaction date. All exchange gains and losses from remeasurement of monetary balance sheet items denominated in non-dollar currencies are reflected in the statement of operations, as finance expense (income), as they arise.

At December 31, 2008 the exchange rate was U.S.$1 = NIS 3.802 (2007 – U.S.$1 = NIS 3.846). The average exchange rate for 2008 was U.S.$1 = NIS 3.568 (2007 – U.S.$1 = NIS 4.085).

The translation should not be construed as a representation that the foreign currency amounts upon which the translation is based actually represent, or could be converted into, U.S. dollars.

(d) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from such estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, deferred tax assets, valuation of convertible preferred and common stock share-based compensation, income tax uncertainties and other contingencies. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

(e) Cash and cash equivalents

For the purpose of these financial statements, all highly liquid investments with original maturities of three months or less are considered cash equivalents.

(f) Property and equipment, net

Property and equipment, net are stated at historical cost, net of accumulated depreciation. Depreciation is calculated according to the straight-line method over the estimated useful life of the assets. Annual depreciation rates are as follows:

	%
Office furniture and equipment	7-33
Computers and related equipment	33

Vringo, Inc. and Subsidiary
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Notes to the Consolidated Financial Statements as of December 31, 2008—(Continued)

Leasehold improvements are amortized over the shorter of the useful life of the asset or the term of the lease.

(g) Research and development

Software development costs are expensed as incurred until the phase where technological feasibility has been established, at which time subsequent costs are capitalized until the product is available for general release to customers. To date, either the establishment of technological feasibility of the Company's products or their general release has substantially coincided or costs incurred subsequent to the achievement of technological feasibility have not been material. Accordingly, no software development costs have been capitalized by the Company.

(h) Convertible preferred stock

The series B convertible preferred stock has been classified as temporary equity, in accordance with SFAS No. 150 *"Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity"* and the guidance in EITF D-98, *"Classification and Measurement of Redeemable Securities"*. The series A convertible preferred stock have been classified in permanent equity, in accordance with EITF 00-19, *"Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock"*.

(i) Accounting for share-based compensation

The Company accounts for share-based compensation in accordance with SFAS No. 123(R), *"Share-Based Payment"* (SFAS 123(R)). SFAS 123(R) requires that all share-based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the award. In addition, for options granted to consultants, EITF 96-18, "*Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring or in Conjunction with Selling, Goods or Services*" is applied.

The fair value of stock options granted to employees and directors, is estimated at the date of grant using the Black-Scholes option-pricing model, which takes into consideration the share price at the date of grant, the exercise price of the option, the expected life of the option, the risk-free interest rates, the expected volatility and dividend yield. The value of stock options, as noted, is recognized as compensation expense on a straight-line basis, over the requisite service period of the entire award, net of estimated forfeitures. The assumptions used in calculating the fair value can be found in note 10(c) below.

The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the option.

The expected volatility is based on an economic valuation incorporating the volatility of a similar company traded on the NASDAQ, and the industry volatility of hi-tech companies during the respective periods.

The expected life represents the average period of time that options granted are expected to be outstanding. The expected life of the options granted to employees and directors during 2008 and 2007, is calculated based on the simplified method, giving consideration to the contractual term of the options and their vesting schedules. The expected life of options granted to consultants is the maximum contractual term.

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Notes to the Consolidated Financial Statements as of December 31, 2008—(Continued)

(j) Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. 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 income in the period that includes the enactment date. A valuation allowance is provided for the amount of deferred tax assets that, based on available evidence, are not more likely than not to be realized.

As of January 1, 2007, the Company adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 48, *"Accounting for Uncertainty in Income Taxes—An Interpretation of FASB Statement No. 109"* (FIN 48). FIN 48 clarifies the accounting for uncertainties in income taxes recognized in a company's financial statements in accordance with SFAS No. 109, *"Accounting for Income Taxes"*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Interest and penalties related to unrecognized tax benefits are recognized as a component of income tax expense.

(k) Net loss per share data

In accordance with SFAS No. 128, *"Earnings Per Share"* (SFAS 128), basic net loss per share is computed by dividing the net loss for the period by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss for the period by the weighted-average number of common shares plus dilutive potential common stock considered outstanding during the period. However, as the Company generated net losses in all periods presented, potentially dilutive securities, comprised of incremental common shares issuable upon the conversion of series A convertible preferred stock and the exercise of warrants and stock options, are not reflected in diluted net loss per share because such shares are anti-dilutive.

The following table summarizes the securities (including those issuable pursuant to contingent stock agreements) that could potentially dilute basic earnings per share in the future and were not included in the computation of basic and diluted net loss per share because doing so would have been anti-dilutive for the periods presented:

	December 31, 2008	December 31, 2007
	No. of shares	No. of shares
Common stock warrant issued as a donation	**120,000**	120,000
Common stock warrants issued to series B convertible preferred stockholders	**1,201,471**	1,201,471
Series B convertible preferred stock related warrants issued in connection with venture loan (Note 8)	**151,602**	—
Stock options to employees, directors and consultants under the Stock Option Plan	**2,670,809**	2,670,809
	4,143,882	3,992,280

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(l) Recently issued accounting standards

In May 2009, the Financial Accounting Standards Board ("FASB") issued Statement No. 165, *Subsequent Events* (SFAS 165), addressing accounting and disclosure requirements related to subsequent events. SFAS 165 requires management to evaluate subsequent events through the date the financial statements are either issued or available to be issued, depending on the company's expectation of whether it will widely distribute its financial statements to its shareholders and other financial statement users. Companies will be required to disclose the date through which subsequent events have been evaluated. Statement 165 is effective for interim or annual financial periods ending after June 15, 2009 and should be applied prospectively. The adoption of SFAS 165 is not expected to have a material effect on the Company's consolidated financial position, results of operations or cash flows.

In May 2009, the FASB issued SFAS No. 168, *"The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162"* (SFAS 168). Upon adoption, the FASB Accounting Standards Codification ("Codification") will be the single source of authoritative nongovernmental U.S. generally accepted accounting principles. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. SFAS 168 is effective for interim and annual periods ending after September 15, 2009. All existing accounting standards are superseded as described in SFAS 168. All other accounting literature not included in the Codification is non-authoritative. The adoption of SFAS 168 is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In June 2008, the FASB ratified the consensus of EITF Issue No. 07-5, *"Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock"* (EITF 07-5). EITF 07-5 responded to practice questions about whether an instrument or embedded feature is indexed to the reporting company's own stock by establishing a framework for the determinations and by nullifying some previous requirements. The adoption of EITF 07-5's requirements will affect issuers' accounting for warrants and many convertible instruments with provisions that protect holders from declines in the stock price ("down-round" provisions). Warrants with such provisions will no longer be recorded in equity, and many of the convertible instruments with such provisions will have to be "bifurcated," with the conversion option separately accounted for as a derivative under SFAS 133. EITF 07-5 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. It will initially be applied by recording a cumulative-effect adjustment to opening retained earnings at the date of adoption for the effect on outstanding instruments. The adoption of EITF 07-5 is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In May 2008, the FASB issued FASB Staff Position No. APB 14-1(FSP APB 14-1), *"Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)"*. FSP APB 14-1 requires issuers of convertible debt that may be settled wholly or partly in cash when converted to account for the debt and equity components separately. FSP APB 14-1 is effective for fiscal years beginning after December 15, 2008 and must be applied retrospectively to all periods presented. The adoption of FSP APB 14-1 is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In October 2009, the Financial Accounting Standards Board (FASB) issued EITF 08-1 which amended revenue recognition guidance for arrangements with multiple deliverables. The new guidance eliminates the residual method of revenue recognition and allows the use of management's best estimate of selling price for individual elements of an arrangement when vendor specific objective evidence (VSOE), vendor objective evidence (VOE) or third-party evidence (TPE) is unavailable. For the company, this guidance is effective for all

new or materially modified arrangements entered into on or after January 1, 2011 with earlier application permitted as of the beginning of a fiscal year. Full retrospective application of the new guidance is optional. The Company adopted the pronouncement during 2009 and applied the effect retrospectively from the beginning of the 2009 fiscal year.

Note 3—Cash and Cash Equivalents

	As of December 31,	
	2008	2007
	U.S.$ thousands	U.S.$ thousands
In US dollars		
Cash	**828**	304
Cash equivalents (money market funds)	**5,021**	7,992
In foreign currency (cash only)	**155**	157
	6,004	8,453

Note 4—Prepaid Expenses and Other Current Assets

	As of December 31,	
	2008	2007
	U.S.$ thousands	U.S.$ thousands
Government institutions	**30**	48
Prepaid expenses and others	**30**	25
Interest receivable	**9**	34
	69	107

Note 5—Property and Equipment, Net

	As of December 31,	
	2008	2007
	U.S.$ thousands	U.S.$ thousands
Computer equipment	**255**	194
Furniture and fixtures	**116**	85
Leasehold improvements	**81**	72
	452	351
Less: accumulated depreciation and amortization	**(193)**	(86)
	259	265

As of December 31, 2008 and 2007, approximately $208 thousand and $236 thousand, respectively, of the aggregate value of the Company's net book value of property and equipment were located in Israel.

During the years 2008 and 2007, the Company recorded $107 thousand and $68 thousand of depreciation expense, respectively.

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Notes to the Consolidated Financial Statements as of December 31, 2008—(Continued)

Note 6—Accounts Payable and Accrued Expenses

	As of December 31,	
	2008	2007
	U.S.$ thousands	U.S.$ thousands
Employee related expenses	**276**	335
Accrued vacation	**113**	107
Suppliers	**78**	138
Accrued expenses and others	**118**	116
	585	696

Note 7—Accrued Severance Pay

Under Israeli law, the Subsidiary is required to make severance payments to dismissed employees, and employees leaving employment in certain other circumstances, on the basis of the latest monthly salary for each year of service. All of the Subsidiary's employees signed agreements with the Subsidiary, limiting the Subsidiary's severance liability to actual deposits in the above mentioned severance plans, under section 14 of the Severance Payment Law of 1963.

The severance liability presented represents special contractual amounts to be paid to two senior officers of the Subsidiary upon termination of their respective employment agreements.

There are no statutory or agreed-upon severance arrangements with U.S. employees.

Note 8—Venture Loan

On January 29, 2008 the Company signed an agreement by which the Company was able to receive a venture loan of up to $5 million under the following conditions: $3 million is available to the Company at the time of signing and through December 31, 2008; a further $2 million becomes available in two installments, but in any event no later than March 31, 2009.

On the agreement date, the venture loan granted the lenders a warrant to purchase up to 66,326 shares of series B convertible preferred stock at the series B convertible preferred stock share price of $2.6385 per share, with additional warrants to be granted upon further drawings against the loan facility at the same terms.

On September 24, 2008, the Company satisfied all the conditions of the loan facility and drew down the full amount of $5 million. As a result of the draw-down, the Company issued to the lenders warrants to purchase a further 85,276 shares of series B convertible preferred stock (bringing the total warrants granted to 151,602). As of the date of the receipt of the loan, $360 thousand was allocated to additional paid-in capital on account of these warrants, with a corresponding discount to the venture loan to be amortized as interest expense over the repayment period of the loan. Amortization expenses for the year ended December 31, 2008 amounted to $26 thousand.

The loan facility bears interest at a rate of 9.5% per annum, effective interest rate of 13.3%, and a repayment schedule over 36 months following an interest-only period ending on the earlier of six months from the first

draw-down or March 31, 2009. The repayment schedule of the loan requires the principal to be considered a 48-month, 36-month and 24-month loan for the purposes of repayment, for each of the first, second and third years, respectively.

As per the agreement, the Company began making interest payments in September 2008 and principal repayments will begin in March 2009.

	2008 U.S.$ thousands	2007 U.S.$ thousands
Venture loan	**5,000**	—
Discount in respect of warrants	**(360)**	—
	4,640	—
Amortization of loan warrants	**26**	
Loan balance	**4,666**	—
Less: current maturities	**(696)**	—
Long-term loan balance	**3,970**	—

Future principal repayment schedule is as follows:

	U.S.$ thousands
Year ending December 31	
2009	696
2010	1,494
2011	1,947
2012	529
	4,666

The venture loan agreement provides the lenders with collateral, consisting of first priority security interests in the Parent's properties, rights and assets, subject to certain exceptions including intellectual property. Pursuant to the terms of a negative pledge arrangement with the lenders, the Parent has agreed not to encumber any of its copyright rights, trademarks or patents. The agreement further stipulates that the Subsidiary would own no assets, except for office furniture and furnishings, including servers, laptops and similar office equipment. In the event that the Subsidiary owns any other assets, other than described above, then the Subsidiary would become a co-borrower to the loan and would grant a first priority security interest in all assets, except for intellectual property, to the lenders.

Further indebtedness incurred pursuant to the Bridge Financing Agreement, subsequent to the balance sheet date (see Note 16), ranks junior to this venture loan agreement.

Note 9—Temporary Equity

On February 26, 2007, the Company entered into a convertible loan agreement pursuant to which it received loans in the aggregate amount of $2 million from the lenders named therein. The loans accrue interest at a rate of 8% per annum and are payable monthly commencing on the date of the convertible loan agreement and ending when all amounts due thereunder are paid in full or converted in full. At the time, the loan agreement stipulated

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that if within 12 months following the closing of the convertible loan agreements, the Company sells securities in a transaction whereby the Company receives cash proceeds of at least $3,000,000, then the principal and any accrued and unpaid interest shall be converted into the securities sold by the Company in such transaction at a price per share discounted at 15%-20% depending upon the timing of such transaction ("beneficial conversion feature").

On July 30, 2007, the Company closed a financing round in which it received an additional $10 million, bringing the total proceeds from the convertible loan agreement to $12.1 million (including the outstanding convertible loan principal and accrued but unpaid interest of $54 thousand), net of $126 thousand of share issuance costs. This financing triggered the conversion of the loan and issuance of 4,592,794 shares of series B convertible preferred stock. These shares are redeemable for cash in July 2013. The redemption price is the greater of the original issue price plus declared but unpaid dividends or the fair market value of the series B preferred shares on the day of the redemption election. As the fair market value of the series B preferred shares did not rise above the original issue price from inception, no accretion has been recorded. Series B convertible preferred stockholders have priority liquidation preferences (see Note 10 (f)1).

In addition, as part of the conversion, the lenders received an additional 200,694 shares of common stock in lieu of the abovementioned beneficial conversion feature. The Company accounted for this modification of the original agreement as extinguishment of debt under EITF 06-6 *Debtor's Accounting for a Modification (or Exchange) of Convertible Debt Instruments*, which resulted in a loss upon extinguishment in the amount of $141 thousand.

Furthermore, in connection with the financing on July 30, 2007, the Company granted to the series B convertible preferred stockholders 1,201,471 warrants to acquire that number of common shares. The warrants which are exercisable at $5.02 per share, shall survive a change of control and expire in July 2010 or upon the successful completion of an equity fundraise of at least $10 million.

Discounts to the series B convertible preferred stock, relating to the warrants, have been applied against temporary equity on the consolidated balance sheets. As of December 31, 2008 and 2007, the unamortized balance of the discount relating to warrants was $32 thousand and $39 thousand, respectively. The Company used the relative fair value method to calculate the value of the convertible preferred stock and the discount in respect of the warrants. The assumptions used in calculating the fair value include risk free interest rate of 3.07%, expected life of warrants of three years, expected volatility of 65%, and no dividend yield.

Note 10—Stockholders' Equity

(a) Share capital

On January 11, 2006, the Company issued 500 shares of common stock to its two founders for a net amount of $5.

On May 8, 2006, the Company issued 588 shares of series A convertible preferred stock for a net amount of $2.35 million.

On August 8, 2006, the Company declared a stock dividend of 3,999 shares of each share of outstanding stock in their respective classes. The Company treated this transaction as a stock dividend with no adjustment to the par value per respective share due to legal restrictions.

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On July 30, 2007, the Company issued 200,694 shares of common stock in lieu of beneficial conversion terms contained in the convertible loan agreement (see Note 9).

On July 30, 2007, the Company further issued 4,592,794 shares of series B convertible preferred stock which is categorized as temporary equity (see Note 9).

(b) Common stock reserved for issuance of share-based options

On October 30, 2006, the Company adopted the 2006 Stock Option Plan, pursuant to which 880 thousand shares of common stock were reserved for issuance. On July 30, 2007 (the "effective date"), the Company amended and restated the original plan in its entirety by adopting Amendment No. 1 to Stock Option Plan (the "Stock Option Plan"), which increased the number of common stock reserved for issuance to 2,791 thousand.

Through December 31, 2008, 2,671 thousand of these common stock shares were reserved for issuance upon the exercise of options, and the remaining 120 thousand of these common stock shares was reserved in respect of the issuance of a charitable warrant (see Note 10(e)).

(c) Share-based options

Options granted in connection with the Company's Stock Option Plan are exercisable for six years from the effective date, and generally vest over a four-year period, commencing after the first year. The Stock Option Plan provides for grants or sales of common stock options to employees, directors and consultants. The Company issues new shares upon share option exercises. Options are generally forfeited, if not exercised, within ninety days of termination of employment or service to the Company.

For the years ended December 31, 2008, 2007 and 2006, the Company granted a total of 600 thousand, 563 thousand and 754 thousand stock options to its employees, directors and consultants at an average exercise price of $0.75, $0.42 and $0.25 per share, respectively. Additionally, during the same periods, there were no stock options exercised.

The Company applies SFAS No. 123R in respect of options granted to employees and directors. The Company applies EITF 96-18 for grants to consultants. The Company recorded compensation expense of $29 thousand and $113 thousand for the years ended December 31, 2008 and 2007, respectively. Cumulative from inception the Company has recorded compensation expense of $153 thousand.

Compensation expense is calculated using Black-Scholes model, and the following assumptions:

Year	Risk-free interest rates	Expected life of options (in years)	Expected Volatility	Dividend yield
2007	4.58-4.7%	3-4	0.65-0.71	—
2008	1.96-3.17%	3-4	0.65	—

As of December 31, 2008 and 2007, there were 988 thousand and 1,403 thousand options available for grant under the Stock Option Plan, respectively.

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Notes to the Consolidated Financial Statements as of December 31, 2008—(Continued)

(d) Stock option activity

The following table summarizes information about stock option activity. As of December 31, 2008 no stock options had expired.

	No. of shares Employees	No. of shares Non Employees	Weighted average exercise price U.S.$
Outstanding at January 1, 2008	**1,141,000**	**127,500**	**0.32**
Granted	**393,000**	**207,000**	**0.75**
Forfeited	**(185,625)**	**—**	**0.37**
Outstanding at December 31, 2008	**1,348,375**	**334,500**	**0.47**
Exercisable at December 31, 2008	**688,740**	**137,125**	**0.34**

The weighted average fair value of options granted during 2008 and 2007, was $0.38 and $0.39, respectively. There was no aggregate intrinsic value of options granted during 2008 and 2007.

The weighted average remaining contractual life was 4.5 years for stock options outstanding and 4.1 years for stock options exercisable, as of December 31, 2008.

As of December 31, 2008, there was approximately $266 thousand of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the incentive plans. That cost is expected to be recognized over a weighted-average period of 4 years. The effect of forfeitures was considered immaterial to unrecognized compensation cost.

The following table represents respective annual amortization of unrecognized share based compensation expense, as mentioned above:

Year ending December 31	U.S.$ thousands
2009	106
2010	87
2011	61
2012	12
	266

(e) Warrants

On October 30, 2006, the Company issued a warrant as a donation. The warrant entitles the donee to purchase 120,000 shares of common stock in the Company at a purchase price of $0.25 per share. The warrant expires in October 2016.

Regarding the warrants issued relating the venture loan and the issuance of series B preferred stock (temporary equity), please see Note 8 and Note 9, respectively.

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Notes to the Consolidated Financial Statements as of December 31, 2008—(Continued)

(f) Liquidation preferences

1. Series B convertible preferred stock liquidation preference

The holders of shares of series B convertible preferred stock shall be entitled to receive out of the assets or surplus funds of the Company legally available for distribution to stockholders before any payment or distribution shall be made to the holders of any class of preferred stock ranking junior to the series B convertible preferred stock or to the common stock, but after distribution of such assets among, or payment thereof over to, creditors of the Company, if any, an amount for each share of series B convertible preferred stock held by such holder equal to the series B convertible preferred stock original issue price of $2.6385 per share, plus any declared but unpaid dividends on the series B convertible preferred stock attributable to such share. If the assets or consideration distributable to holders of the series B convertible preferred stock upon such liquidation shall be insufficient to pay the series B convertible preferred stock liquidation amount to the holders of shares of the series B convertible preferred stock, then such assets or the proceeds thereof shall be distributed among the holders of the series B convertible preferred stock ratably in proportion to the respective amounts to which they otherwise would be entitled.

2. Series A convertible preferred stock liquidation preference

After the payment of the series B convertible preferred stock liquidation amount has been made in full, but before any distribution or payment shall be made to the holders of common stock, the holders of the series A convertible preferred stock shall be entitled to be receive out of the assets or surplus funds of the Company legally available for distribution to stockholders. If the assets or consideration distributable to holders of the series A convertible preferred stock upon such liquidation shall be insufficient to pay the series A convertible preferred stock liquidation amount to the holders of shares of the series A convertible preferred stock, then such assets or the proceeds thereof shall be distributed among the holders of the series A convertible preferred stock ratably in proportion to the respective amounts to which they otherwise would be entitled.

3. Additional liquidation distribution

After the payment of the series A convertible preferred stock liquidation preference has been made in full, the remaining assets of the Company available for distribution to stockholders, if any, shall be distributed with equal priority and pro rata among the holders of the common stock and series B convertible preferred stock in proportion to the number of shares of common stock held by them, with the shares of series B convertible preferred stock being treated for this purpose as if they had been converted to shares of common stock at the then effective series B convertible preferred stock conversion price.

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Notes to the Consolidated Financial Statements as of December 31, 2008—(Continued)

Note 11—Non-Operating Income and Expense

	For the year ended December 31		Cumulative from inception to December 31
	2008 U.S.$ thousands	2007 U.S.$ thousands	2008 U.S.$ thousands
Non-operating income			
Interest income	**(159)**	(228)	**(429)**
Interest and amortization of debt discount expense			
Interest expense from venture loan (Note 8)	**131**	—	**131**
Interest expense from warrant amortization (Note 8)	**26**	—	**26**
Interest expense from convertible loan (Note 9)	**—**	54	**54**
	157	54	**211**
Non-operating expenses			
Exchange rate translation expenses	**48**	7	**81**
Other	**5**	1	**8**
	53	8	**89**

Note 12—Income Taxes

(a) The components of income (loss) before income taxes were:

	For the year ended December 31		Cumulative from inception to December 31
	2008 U.S.$ thousands	2007 U.S.$ thousands	2008 U.S.$ thousands
U.S.	**(7,875)**	(5,391)	**(14,643)**
Non-U.S.	**536**	156	**588**
	(7,339)	(5,235)	**(14,055)**

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Income tax benefit attributable to the operating loss consists of the following:

	For the year ended December 31		Cumulative from inception to December 31
	2008 U.S.$ thousands	2007 U.S.$ thousands	2008 U.S.$ thousands
U.S.			
Current	—	—	—
Deferred	—	—	—
	—	—	—
Non-U.S.			
Current	—	—	—
Deferred	**7**	72	**79**
	7	72	**79**

Income tax benefit for the years ended December 31, 2008 and 2007, and for the cumulative period from inception until December 31, 2008, differed from the amounts computed by applying the U.S. federal income tax rate of 34% to loss before income taxes, as a result of the following:

	For the year ended December 31		Cumulative from inception to December 31
	2008 U.S.$ thousands	2007 U.S.$ thousands	2008 U.S.$ thousands
Computed “expected” tax benefit	**2,495**	1,780	**4,779**
Foreign tax rate differential	**22**	9	**34**
Tax benefit of “Beneficiary Enterprise” tax holiday	**79**	(22)	**57**
Change in valuation allowance	**(2,539)**	(1,652)	**(4,639)**
Non-deductible expenses	**(120)**	(50)	**(178)**
Other items	**70**	7	**26**
Income tax benefit	**7**	72	**79**

(b) The Company has net tax loss carryforwards (“NOL”) for U.S. federal purposes in the amount of approximately $ 13.95 million expiring 20 years from the respective tax years to which they relate beginning with 2006. The Tax Reform Act of 1986 imposed substantial restrictions on the utilization of NOL and tax credits in the event of an ownership change of a corporation. Thus, in accordance with Internal Revenue Code, Section 382, the Company’s IPO and recent financing activities may limit the Parent’s ability to utilize its NOL and credit carryforwards although the Parent has not yet determined to what extent. A deferred tax asset in respect to the tax loss carryforwards has not been recorded as in the opinion of the Company’s management, it is more likely than not that the tax loss carryforwards will not be utilized in the foreseeable future.

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The net deferred assets of $79 thousand ($50 thousand long-term and $29 thousand short-term) are in respect of deferred tax assets of the Subsidiary expected to be utilized in future years. These deferred tax assets arise from the following types of temporary differences (in thousands):

	Year ended December 31	
	2008	2007
	U.S.$ thousands	U.S.$ thousands
Deferred tax assets:		
Liability for accrued employee vacation pay	**29**	—
Liability for accrued severance pay	**50**	72
Net operating loss carryforwards	**4,745**	2,100
Total gross deferred tax assets	**4,824**	2,172
Deferred tax liability:		
Interest expense—warrant allocation (See Note 8)	**(106)**	—
Total gross deferred tax liability	**(106)**	—
Less valuation allowance	**(4,639)**	(2,100)
Deferred tax assets, net	**79**	72

No valuation allowance has been provided for the non-U.S. deferred tax assets as, based on available evidence, they are more likely than not to be realized.

(c) Subsidiary tax benefits under the Israeli Law for the Encouragement of Capital Investments, 1959 (the “Law”)

The Subsidiary has qualified as a “Beneficiary Enterprise” under the 2005 amendment to the Israeli Law for the Encouragement of Capital Investments, 1959 (the “investment Law”). As a Beneficiary Enterprise the Subsidiary is entitled to receive future tax benefits which are limited to a period of seven years. The year in which a company elects to commence its tax benefits is designated as the year of election (“Year of Election”). A company may choose its Year of Election by notifying the Israeli Tax Authorities (the “ITA”) in its annual tax return or within twelve months after the end of the Year of Election, whichever is earlier, or by requesting a pre-ruling from the ITA, no later than six months after the end of the Year of Election. The Subsidiary has elected 2007 as its Year of Election and has received a two year tax holiday for profits accumulated in the years 2007-2008 and a reduced tax rate of 25% for the following five years. Pursuant to Israel’s Economic Efficiency Law, effective from July 14, 2009, the Subsidiary would pay tax on its profits as follows: In the 2009 tax year—26%, in the 2010 tax year—25%, in the 2011 tax year—24%, in the 2012 tax year—23%, in the 2013 tax year—22%, in the 2014 tax year—21%, in the 2015 tax year—20% and as from the 2016 tax year the Subsidiary tax rate will be 18%.

As of the balance sheet dates, the Subsidiary believes that it is in compliance with the conditions of the Beneficiary Enterprise program.

(d) The Parent files U.S. federal, New York state and local jurisdictions income tax returns.

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Notes to the Consolidated Financial Statements as of December 31, 2008—(Continued)

Note 13—Fair Value Measurements

The fair value of the Company's cash and cash equivalents and security deposits at December 31, 2008 and 2007, approximate the carrying value amounts of all the aforementioned financial instruments, as they reflect the amounts at which the financial instruments will be settled. The fair value of the venture loan was consistent with the carrying value, at December 31, 2008.

Note 14—Commitments and Contingencies

Future minimum lease payments under non-cancelable operating leases for office space and cars, as of December 31, 2008, are as follows:

	U.S.$ thousands
Year ending December 31	
2009	97
2010	55
2011	2
	154

Rental expense for operating leases for the years ended 2008 and 2007 and for the cumulative period from inception until December 31, 2008, was $167 thousand, $65 thousand and $256 thousand, respectively.

Note 15—Risks and Uncertainties

(a) The Company's primary business is to provide video ringtones globally by partnering with international telecommunication carriers. Principle markets targeted are the U.S., Europe and the Far East. The Company's business depends on the technological infrastructures, wireless networks and information systems of our international carrier partners.

(b) The wireless industry in which the Company conducts their business is characterized by rapid technological changes, frequent new product innovations, changes in customer requirements and expectations and evolving industry standards.

(c) The Company's data is hosted at a remote location. Although the Company has full alternative site data backed up, they do not have data hosting redundancy and are thus exposed to the business risk of significant service interruptions.

(d) A significant portion of the Company's expenses are denominated in NIS. The Company expects this level of NIS expenses to continue for the foreseeable future. Although the average value of the dollar during the second quarter of 2009 increased 0.5% as compared to its value in the first quarter of 2009, it still has not recovered the declines in its average value during the years 2008 and 2007 (12.7% and 7.8%, respectively, as compared to its value in the years immediately preceding such years). If the value of the U.S. dollar weakens against the value of NIS, there will be a negative impact on the Company's operating costs. In addition, to the extent the Company holds monetary assets and liabilities that are denominated in currencies other than the U.S. dollar, the Company will be subject to the risk of exchange rate fluctuations.

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Notes to the Consolidated Financial Statements as of December 31, 2008—(Continued)

Note 16—Subsequent Events

(a) Letter of Engagement towards IPO

On November 11, 2009, the Company entered into a Letter of Engagement ("LOE") with Underwriters to conduct an initial public offering (the "IPO"). The IPO shall consist of the sale of up to $12 million worth of units, defined as consisting of one share of common stock and two warrants (the "IPO Warrants"), (collectively the "IPO Units").

The IPO Units will be at an offering price per IPO Unit to be determined at the consummation of the IPO ("Offering Price"). Each IPO Warrant exercisable at a price equal to 110% of the Offering Price of the common stock.

The LOE stipulates that upon closing of the IPO, the Company shall grant to the Underwriters share purchase warrants (the "Underwriter's Warrants") covering a number of IPO Units equal to 10% of the total number of IPO Units being sold in the IPO. The Underwriter's Warrants will be non-exercisable for twelve months after the date of the IPO and will expire five years after such date. The Underwriter's Warrants will be exercisable at a price equal to 110% of the Offering Price of the Common Stock.

The LOE further stipulates that the Company shall grant to the Underwriters an option, exercisable within 45 days after the closing of the IPO, to acquire up to an additional 15% of the total number of IPO Units to be offered by the Company, on the same terms and conditions as the IPO, solely for the purpose of covering over-allotments (the "Over-allotment Units").

(b) Exchange of Preferred Shares

On December 29, 2009, the Company entered into Exchange Offer Agreements with the respective preferred shareholders whereby prior to the consummation of the IPO, shares of the series A preferred stock and the series B preferred stock would be exchanged into shares of common stock at a respective ratio which is dependent on the actual Offering Price. In the event the IPO is not consummated, the preferred stock will not be converted into shares of common stock and holders of the preferred stock will retain their rights and preferences.

(c) Bridge Financing Agreement—Convertible Promissory Notes

On December 29, 2009, the Company entered into a Bridge Financing Agreement, in which the Company raised convertible promissory notes ("Notes") of $2,982,000. The Notes will mature six months from the date of the closing of the Bridge Financing, unless converted earlier upon the consummation of the IPO. The Notes bear interest at the rate of 5% per annum. Interest on the Notes will accrue until maturity and all accrued but unpaid interest will be paid in cash upon maturity, or conversion—mandatory or voluntary (see (d) below).

The Notes will be subordinated to the Company's outstanding bank loan (Note 8), except in certain circumstances with respect to the intellectual property collateral.

(d) Bridge Financing Agreement—Mandatory and Voluntary Conversion

Pursuant to the Bridge Financing Agreement, upon the consummation of the IPO, the principal amount of the Notes (excluding all accrued interest) would automatically convert (the "Mandatory Conversion") into the same type of securities issued in the IPO Units except that the warrants issued upon conversion (the "Conversion Warrants") would not be fungible with the IPO Warrants, due to additional features with respect to fundamental transactions, cashless exercise, ownership limitations and dilution.

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The conversion price of the Notes (the "Conversion Price") will equal to the lesser of (i) seventy five percent (75%) of the IPO Offering Price, or (ii) $3.75* (the "Fixed Conversion Price"). If the Reverse Split (see (e) below) is not effected or is effected in a proportion other than as anticipated, the Conversion Price will be adjusted proportionally.

In the event the IPO is not consummated, holders of the Notes will have the right to voluntarily convert the Notes into the securities offered in any subsequent financing by the Company at an adjusted conversion price equal to the lesser of (i) $3.75* (provided that the securities offered in such subsequent financing are substantially similar to the IPO Units) and (ii) seventy percent (70%) of the offering price for the securities sold in the subsequent financing.

(e) Reverse Split

As part of the Bridge Financing Agreement, immediately prior to the consummation of the IPO and after the preferred share conversions, the Company will execute a reverse stock split of all shares of common stock in a range between 1 for 6 and 1 for 6.4 (the "Reverse Split"). The Reverse Split will occur subsequent to the exchange of the preferred stock into common stock, as described in (b) above.

(f) Bridge Financing Agreement and IPO—Additional Warrants

For each purchase of Notes, in the aggregate amount of $37,500, the purchaser would receive 10,000* warrants ("Special Bridge Warrants"). The Company agreed to issue 666,666* Special Bridge Warrants, assuming the minimum amount is raised. The Special Bridge Warrants would be exercisable for five years to purchase one share of the Company's common stock, $0.01 par value, at an exercise price of $2.75* per share.

The Lead Investors of this bridge financing, or their affiliates, would receive warrants ("Lead Investor Warrants") to purchase 482,346* shares of common stock at $0.01* per share. The Lead Investor Warrants (i) may be exercised 65 days subsequent to the consummation of the IPO, (ii) will expire four years after issuance and (iii) will be subject to a lock-up agreement for six months subsequent to exercise.

The senior lenders of the Company's venture loan (note 8), would receive warrants ("Senior Lenders Warrants") to purchase 250,000* shares of common stock, at an exercise price of $2.75* per share, in exchange for granting the Company a six month moratorium on principal payments for the venture loan. The Senior Lender Warrants may be exercised before the tenth anniversary of the date they are issued.

In connection with the IPO, the Company will issue new stock options to its management ("Management Options") equal to 20% of the fully diluted equity of the post-IPO Company. The Management Options will vest over a four-year period commencing from the date of the consummation of the IPO. The exercise prices for the Management Options will be $0.01* per share for 50% of the options and $5.50* per share for the other 50% of the options.

(g) Venture Loan Modification Agreement

On December 29, 2009, the Company entered into a Loan Modification Agreement with the Lenders of the Venture Loan (note 8) in which principal payments are deferred until the earlier of six months from the Bridge Financing Agreement (note 16(c)) or the consummation of the IPO.

(h) Impact on the Financial Statements

The Company has not completed its assessment of this transaction. The application of relevant accounting literature in respect of this transaction may have a material impact on its financial statements.

* On a post reverse split basis. See Footnote 16(e).

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Consolidated Balance Sheets as of September 30, 2009 (Unaudited)
(in thousands except share and per share data)

	September 30, 2009 U.S.$	December 31, 2008 U.S.$
Current assets		
Cash and cash equivalents	**1,754**	6,004
Prepaid expenses and other current assets	**84**	69
Short-term deposit (restricted)	**20**	20
Deferred tax assets—short-term	**20**	29
Deferred issuance costs	**87**	—
Total current assets	**1,965**	6,122
Long-term deposit	**12**	12
Property and equipment, net of $280 and $193 accumulated depreciation as of September 30, 2009 and December 31, 2008, respectively	**201**	259
Deferred tax assets—long-term	**73**	50
Total assets	**2,251**	6,443

The accompanying notes form an integral part of these financial statements.

Vringo, Inc. and Subsidiary
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Consolidated Balance Sheets as of September 30, 2009 (Unaudited)
(in thousands except share and per share data)

	Note	September 30, 2009 U.S.$	December 31, 2008 U.S.$
Current liabilities			
Accounts payable and accrued expenses		**580**	585
Income tax payable—current portion		**68**	—
Current maturities of venture loan		**1,130**	696
Total current liabilities		**1,778**	1,281
Long-term liabilities			
Accrued severance pay		**305**	201
Venture loan		**3,133**	3,970
Total long-term liabilities		**3,438**	4,171
Commitments and contingencies	6		
Temporary equity			
Series B convertible and redeemable preferred stock, $0.01 par value per share; 4,900,000 authorized; 4,592,794 shares issued and outstanding as of September 30, 2009 and December 31, 2008 (liquidation preference of, and redeemable at, the greater of fair value or $2.6385 per share, or $12.1 million, plus declared but unpaid dividends, if any)	3	**11,966**	11,961
Shareholders' equity	4		
Common stock, $0.01 par value per share, 14,000,000 authorized; 2,200,694 issued and outstanding as of September 30, 2009 and December 31, 2008		**22**	22
Series A convertible preferred stock, $0.01 par value per share; 2,353,887 authorized; 2,353,887 issued and outstanding as of September 30, 2009 and December 31, 2008 (liquidation preference of $1.00 per share, or $2.35 million, plus declared but unpaid dividends, if any)		**24**	24
Additional paid-in capital		**3,063**	2,960
Deficit accumulated during development stage		**(18,040)**	(13,976)
Total deficit in stockholders' equity		**(14,931)**	(10,970)
Total liabilities and stockholders' equity		**2,251**	6,443

The accompanying notes form an integral part of these financial statements.

Vringo, Inc. and Subsidiary
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Consolidated Statements of Operations (Unaudited)
(in thousands except share and per share data)

	Three months ended September 30,		Nine months ended September 30,		Cumulative from inception to September 30,
	2009	2008	2009	2008	2009
	U.S.$	U.S.$	U.S.$	U.S.$	U.S.$
Revenue	**36**	—	**36**	—	**36**
Costs and Expenses					
Cost of revenue	**54**	—	**54**	—	**54**
Research and development	**418**	827	**1,456**	2,718	**7,865**
Marketing	**373**	652	**1,268**	1,954	**6,040**
General and administrative	**245**	361	**819**	982	**3,681**
Total operating expenses	**1,090**	1,840	**3,597**	5,654	**17,640**
Operating loss	**1,054**	1,840	**3,561**	5,654	**17,604**
Non-operating income	**(17)**	(22)	**(32)**	(124)	**(461)**
Interest and amortization of debt discount expense	**149**	9	**470**	9	**681**
Non-operating expenses	**12**	37	**11**	80	**100**
Loss on extinguishment of Debt	**—**	—	**—**	—	**141**
Loss before taxes on Income	**1,198**	1,864	**4,010**	5,619	**18,065**
Taxes on income (benefit)	**16**	7	**54**	(44)	**(25)**
Net loss for the period	**1,214**	1,871	**4,064**	5,575	**18,040**
Basic and diluted net loss per common share	**(0.55)**	(0.85)	**(1.85)**	(2.53)	**(8.88)**
Weighted average number of shares used in computing basic and dilutive net loss per common share	**2,200,694**	2,200,694	**2,200,694**	2,200,694	**2,030,922**

The accompanying notes form an integral part of these financial statements.

Vringo, Inc. and Subsidiary
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Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Three months ended September 30,		Nine months ended September 30,		Cumulative from inception to September 30,
	2009	2008	2009	2008	2009
	U.S.$	U.S.$	U.S.$	U.S.$	U.S.$
Cash flows from operating activities					
Net loss	**(1,214)**	(1,871)	**(4,064)**	(5,575)	**(18,040)**
Adjustments to reconcile cash flows from operating activities:					
Items not affecting cash flows:					
Depreciation	**27**	28	**87**	78	**280**
Change in deferred tax assets, short-term	**19**	11	**9**	(36)	**(20)**
Change in deferred issuance cost	**(87)**	—	**(87)**	—	**(87)**
Change in accrued severance pay	**13**	50	**104**	69	**305**
Share based compensation expenses	**35**	8	**108**	23	**261**
Change in deferred tax assets, long-term	**(3)**	(13)	**(23)**	(17)	**(73)**
Accrued interest on convertible loan	**—**	—	**—**	—	**54**
Loss on extinguishment of debt	**—**	—	**—**	—	**141**
Amortization of loan warrants	**36**	—	**121**	—	**147**
Exchange rate (gains) losses	**(10)**	(6)	**(19)**	25	**62**
Changes in current assets and liabilities:					
Increase in prepaid expenses and other current assets	**(20)**	(59)	**(14)**	(17)	**(86)**
(Decrease) increase in payables and accruals	**105**	(19)	**59**	(18)	**625**
Net cash used in operating activities	**(1,099)**	(1,871)	**(3,719)**	(5,468)	**(16,431)**
Cash flows from investing activities					
Acquisition of property and equipment	**(7)**	(23)	**(29)**	(94)	**(481)**
Short-term deposit	**—**	—	**—**	—	**(20)**
Increase in long-term deposits	**—**	(4)	**—**	(8)	**(12)**
Net cash used in investing activities	**(7)**	(27)	**(29)**	(102)	**(513)**

The accompanying notes form an integral part of these financial statements.

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Consolidated Statements of Cash Flows (Unaudited)—(Continued)
(in thousands)

	Three months ended September 30,		Nine months ended September 30,		Cumulative from inception to September 30,
	2009	2008	2009	2008	2009
	U.S.$	U.S.$	U.S.$	U.S.$	U.S.$
Cash flows from financing activities					
Venture loan	**—**	5,000	**—**	5,000	**5,000**
Repayment of venture loan	**(265)**	—	**(524)**	—	**(524)**
Convertible loans	**—**	—	**—**	—	**2,064**
Issuance of preferred stock	**—**	—	**—**	—	**12,195**
Net cash provided by (used in) financing activities	**(265)**	5,000	**(524)**	5,000	**18,735**
Effect of exchange rate changes on cash and cash equivalents	**13**	4	**22**	(8)	**(37)**
Increase (decrease) in cash and cash equivalents	**(1,358)**	3,106	**(4,250)**	(578)	**1,754**
Cash and cash equivalents at beginning of period	**3,112**	4,769	**6,004**	8,453	**—**
Cash and cash equivalents at end of period	**1,754**	7,875	**1,754**	7,875	**1,754**
Supplemental disclosure of cash flows information					
Interest paid	**114**	—	**352**	—	**442**
Non-cash transactions					
Conversion of convertible loan into convertible preferred stock	**—**	—	**—**	—	**1,964**
Extinguishment of debt	**—**	—	**—**	—	**141**
Discount to series B convertible preferred stock	**—**	—	**—**	—	**43**
Allocation of fair value of loan warrants	**213**	360	**213**	360	**213**
Amortization of discount on equity	**2**	2	**5**	5	**16**

The accompanying notes form an integral part of these financial statements.

Vringo, Inc. and Subsidiary
(a Development Stage Company)

Notes to the Consolidated Financial Statements as of September 30, 2009 (Unaudited)

Note 1—General

Vringo, Inc. (the Parent) was incorporated in Delaware on January 9, 2006 and commenced operations during the first quarter of 2006. The Parent formed a wholly-owned subsidiary, Vringo (Israel) Ltd. (the Subsidiary) in March 2006, primarily for the purpose of providing research and development services, as detailed in the intercompany service agreement. Vringo Inc. and the Subsidiary are collectively referred to herein as the Company.

The Company is engaged in developing software for mobile phones. The Company provides a comprehensive platform allowing users to obtain, create and share video ringtones. The Company's proprietary ringtone platform integrates high quality video and social networking capability with Web systems.

The Company is in the development stage. Therefore, there is no certainty regarding the Company's ability to complete the product's development and success of its marketing. The continuation of the stages of development and the realization of assets related to the planned activities depend on future events, including the receipt of interim financing and achieving operational profitability in the future. The Company has incurred only losses since its inception and expects that it will continue to operate at a net loss over the coming years. The Company is initiating activities to raise capital for ensuring future operations although there are still significant doubts as to the ability of the Company to continue operating as a "going concern". The Company believes that, subsequent to the successful initial filing with the U.S. Securities and Exchange Commission (SEC), it will have sufficient cash to meet its planned operating needs until the end of June 2010, as a result of the release of funds from the bridge financing (Note 8(c)). It is not possible to estimate the final outcome of these activities. These financial statements do not include any adjustments to the value of assets and liabilities and their classification, which may be required if the Company cannot continue operating as a "going concern".

The high-tech industry in which the Company is involved is highly competitive and is characterized by the risks of rapidly changing technologies. Penetration into world markets requires investment of considerable resources and continuous development efforts. The Company's future success depends upon several factors including the technological quality, price and performance of its product relative to those of its competitors.

On May 8, 2006 and July 30, 2007, the Company raised approximately $2 million and $12 million respectively, before related fees and costs, in separate private placement offerings.

As of September 30, 2009, approximately $482 thousand of the Company's net assets were located outside of the United States.

Note 2—Significant Accounting and Reporting Policies

(a) Basis of presentation

The accompanying consolidated financial statements include the accounts of the Parent and the Subsidiary and are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany balances and transactions have been eliminated in consolidation. During the third quarter of 2009, the new Accounting Standards Codification (ASC) as issued by the Financial Accounting Standards Board (FASB) became effective. The ASC has become the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. The ASC does not change Generally Accepted Accounting Principles in the U.S. (U.S. GAAP); and, therefore, does not have any impact on the

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Notes to the Consolidated Financial Statements as of September 30, 2009 (Unaudited)—(Continued)

Company's consolidated financial statements. Beginning with this quarterly report, all references to GAAP in the notes to the consolidated financial statements use the new Codification numbering system.

The Company has evaluated subsequent events for recognition or disclosure through January 28, 2010, which was the date these financial statements were filed with the SEC.

The accompanying unaudited consolidated financial statements were prepared in accordance with Rule 8-03 of Regulation S-X of the SEC and, therefore, do not include all disclosures necessary for a complete presentation of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. Nevertheless, these financial statements should be read in conjunction with the consolidated financial statements and related notes for the year ended December 31, 2008. The results of operations for the three and nine months ended September 30, 2009 are not necessarily indicative of the results that may be expected for the entire fiscal year or any other interim period.

(b) Development stage enterprise

The Company's principal activities to date have been the research and development of its products and the Company has not generated significant revenues from its planned, principal operations. Accordingly, the Company's financial statements are presented as those of a development stage enterprise.

(c) Translation into U.S. dollars

The currency of the primary economic environment in which the operations of the Company are conducted is the U.S. dollar ("dollar"). Therefore, the dollar has been determined to be the Company's functional currency.

Transactions in foreign currency (primarily in New Israeli Shekels "NIS") are recorded at the exchange rate as of the transaction date. All exchange gains and losses from remeasurement of monetary balance sheet items denominated in non-dollar currencies are reflected as finance expense in the statement of operations, as they arise.

The September 30, 2009 exchange rate was U.S.$1 = NIS 3.758 (December 31, 2008 – U.S.$1 = NIS 3.802. The average exchange rate for the nine months ended September 30, 2009 was U.S.$1 = NIS 3.979 (Twelve months ended December 31, 2008 – U.S.$1 = NIS 3.568).

The translation should not be construed as a representation that the foreign currency amounts upon which the translation is based actually represent, or could be converted into, U.S. dollars.

(d) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from such estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, deferred tax assets, valuation of convertible preferred and common stock share-based compensation, income tax uncertainties and other contingencies. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

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Notes to the Consolidated Financial Statements as of September 30, 2009 (Unaudited)—(Continued)

(e) Revenue recognition

Revenues are recognized from subscription services upon distributor's verification of end-user billability for monthly subscription fee charges. Revenues from non-subscription based services are recognized upon receipt of customer acceptance. The Company has elected to early adopt recently issued EITF 08-1, and therefore for multiple-element arrangements the Company uses management's best estimate of selling price for individual elements where other sources of evidence are unavailable.

(f) Accounting for share-based compensation

Share-based compensation is recognized as an expense in the financial statements and such cost is measured at the grant-date fair value of the equity-settled award. The fair value of stock options granted to employees and directors, is estimated at the date of grant using the Black-Scholes option-pricing model, which takes into consideration the share price at the date of grant, the exercise price of the option, the expected life of the option, risk free interest rates and the expected volatility. The fair value of stock options granted to consultants is estimated at the date of grant using the Black-Scholes option-pricing model and reevaluated at every reporting period using the share price, the exercise price of the option, the expected life of the option, risk free interest rates and the expected volatility, at the reporting period date.

(g) Net loss per share data

Basic net loss per share is computed by dividing the net loss for the period by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss for the period by the weighted-average number of common shares plus dilutive potential common stock considered outstanding during the period. However, as the Company generated net losses in all periods presented, potentially dilutive securities, comprised of incremental common shares issuable upon the conversion of series A convertible preferred stock and the exercise of warrants and stock options, are not reflected in diluted net loss per share because such shares are anti-dilutive.

(h) Recent accounting pronouncements

In October 2009, the Financial Accounting Standards Board (FASB) issued amended revenue recognition guidance for arrangements with multiple deliverables. The new guidance eliminates the residual method of revenue recognition and allows the use of management's best estimate of selling price for individual elements of an arrangement when vendor specific objective evidence (VSOE), vendor objective evidence (VOE) or third-party evidence (TPE) is unavailable. For the company, this guidance is effective for all new or materially modified arrangements entered into on or after January 1, 2011 with earlier application permitted as of the beginning of a fiscal year. Full retrospective application of the new guidance is optional. The Company adopted the pronouncement during 2009 and applied the effect retrospectively from the beginning of the 2009 fiscal year, as mentioned above.

Note 3—Temporary Equity

The discounts to the series B convertible preferred stock, relating to the warrants, have been applied against temporary equity on the consolidated balance sheets. As of September 30, 2009 and December 31, 2008, the unamortized balance of the discount relating to warrants was $27 thousand and $32 thousand, respectively. The Company used the relative fair value method to calculate the value of the convertible preferred stock and the

Vringo, Inc. and Subsidiary
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Notes to the Consolidated Financial Statements as of September 30, 2009 (Unaudited)—(Continued)

discount in respect of the warrants. The assumptions used in calculating the fair value include risk free interest rate of 3.07%, expected life of warrants of three years, expected volatility of 65%, and no dividend yield.

For the nine month period ending September 30, 2009, and the twelve month period ending December 30, 2008, amortization of discount of the warrant relating from the series B convertible stock issuance, amounted to $5 and $7, respectively.

Note 4—Shareholders' Equity

General

The following table summarizes the changes in the Company's stockholders' equity during the nine-month period ending September 30, 2009:

	$ (in thousands)
December 31, 2008	(10,970)
Amortization of discounts to temporary equity	(5)
Grants of stock options, net of forfeitures—employees	79
Grants of stock options, net of forfeitures—non employees	29
Net loss for the period	(4,064)
September 30, 2009	**(14,931)**

Stock Options

During the nine months ended September 30, 2009, the Company granted a total of 424,624 stock options to its directors and employees at an average exercise price of $0.25 per share. Additionally, during the same period, 191,875 stock options were forfeited and there were no stock options exercised.

The weighted average fair value of options granted during the nine months ending September 30, 2009 was $0.38. There was no aggregate intrinsic value of options granted during the same period.

As of September 30, 2009, there was approximately $159 thousand of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the incentive plans. That cost is expected to be recognized over a weighted-average period of 4 years.

Note 5—Fair Value Measurements

The fair value of the Company's cash and cash equivalents and security deposit at September 30, 2009 and December 31, 2008, approximate the carrying value amounts of all the aforementioned financial instruments, as they reflect the amounts at which the financial instruments will be settled. The fair value of the venture loan at September 30, 2009 was $4.21 million.

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Notes to the Consolidated Financial Statements as of September 30, 2009 (Unaudited)—(Continued)

Note 6—Commitments and Contingencies

Future minimum lease payments under non-cancelable operating leases for office space and cars, as of September 30, 2009, are as follows:

	$ (in thousands)
Year ending December 31	
2009 (three months ending December 31, 2009)	25
2010	58
2011	3
	86

Rental expense for operating leases for the three months ended September 30, 2009 and 2008 was $38 thousand, and $58 thousand, respectively. Rental expense for operating leases for the nine months ended September 30, 2009 and 2008 was $118 thousand, and $169 thousand, respectively.

Note 7—Risks and Uncertainties

(a) The Company's primary business is to provide video ringtones globally by partnering with international telecommunication carriers. Principal markets targeted are the U.S., Europe and the Far East. The Company's business depends on the technological infrastructures, wireless networks and information systems of our international carrier partners.

(b) The wireless industry in which the Company conducts their business is characterized by rapid technological changes, frequent new product innovations, changes in customer requirements and expectations and evolving industry standards.

(c) The Company's data is hosted at a remote location. Although the Company has full alternative site data backed up, they do not have data hosting redundancy and are thus exposed to the business risk of significant service interruptions.

(d) A significant portion of the Company's expenses are denominated in NIS. The Company expects this level of NIS expenses to continue for the foreseeable future. The average value of the dollar during the third quarter of 2009 decreased 8.5% and 5.6% as compared to its value in the first and second quarters of 2009, respectively. The declines in its average value during the years 2008 and 2007 were 12.7% and 7.8%, respectively, as compared to its value in the years immediately preceding such years. If the value of the U.S. dollar weakens against the value of NIS, there will be a negative impact on the Company's operating costs. In addition, to the extent the Company holds monetary assets and liabilities that are denominated in currencies other than the U.S. dollar, the Company will be subject to the risk of exchange rate fluctuations.

Note 8—Subsequent Events

(a) Letter of Engagement towards IPO

On November 11, 2009, the Company entered into a Letter of Engagement ("LOE") with Underwriters to conduct an initial public offering (the "IPO"). The IPO shall consist of the sale of up to $12 million worth of units, defined as consisting of one share of common stock and two warrants (the "IPO Warrants"), (collectively the "IPO Units").

The IPO Units will be at an offering price per IPO Unit to be determined at the consummation of the IPO ("Offering Price"). Each IPO Warrant exercisable at a price equal to 110% of the Offering Price of the common stock.

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Notes to the Consolidated Financial Statements as of September 30, 2009 (Unaudited)—(Continued)

The LOE stipulates that upon closing of the IPO, the Company shall grant to the Underwriters share purchase warrants (the "Underwriter's Warrants") covering a number of IPO Units equal to 10% of the total number of IPO Units being sold in the IPO. The Underwriter's Warrants will be non-exercisable for twelve months after the date of the IPO and will expire five years after such date. The Underwriter's Warrants will be exercisable at a price equal to 110% of the Offering Price of the Common Stock.

The LOE further stipulates that the Company shall grant to the Underwriters an option, exercisable within 45 days after the closing of the IPO, to acquire up to an additional 15% of the total number of IPO Units to be offered by the Company, on the same terms and conditions as the IPO, solely for the purpose of covering over-allotments (the "Over-allotment Units").

(b) Exchange of Preferred Shares

On December 29, 2009, the Company entered into Exchange Offer Agreements with the respective preferred shareholders whereby prior to the consummation of the IPO, shares of the series A preferred stock and the series B preferred stock would be exchanged into shares of common stock at a respective ratio which is dependent on the actual Offering Price. In the event the IPO is not consummated, the preferred stock will not be converted into shares of common stock and holders of the preferred stock will retain their rights and preferences.

(c) Bridge Financing Agreement—Convertible Promissory Notes

On December 29, 2009, the Company entered into a Bridge Financing Agreement, in which the Company offered convertible promissory notes ("Notes") of a minimum amount of $2,500,000. The Notes will mature six months from the date of the closing of the Bridge Financing, unless converted earlier upon the consummation of the IPO. The Notes bear an interest at the rate of 5% per annum. Interest on the Notes will accrue until maturity and all accrued but unpaid interest will be paid in cash upon maturity, or conversion—mandatory or voluntary (see 8(d) below).

The Notes will be subordinated to the Company's outstanding venture loan, except in certain circumstances with respect to the intellectual property collateral.

(d) Bridge Financing Agreement—Mandatory and Voluntary Conversion

Pursuant to the Bridge Financing Agreement, upon the consummation of the IPO, the principal amount of the Notes (excluding all accrued interest) would automatically convert (the "Mandatory Conversion") into the same type of securities issued in the IPO Units except that the warrants issued upon conversion (the "Conversion Warrants") would not be fungible with the IPO Warrants, due to additional features with respect to fundamental transactions, cashless exercise, ownership limitations and dilution.

The conversion price of the Notes (the "Conversion Price") will be equal to the lesser of (i) seventy five percent (75%) of the IPO Offering Price, or (ii) $3.75* (the "Fixed Conversion Price"). If the Reverse Split (see 8(e) below) is not effected or is effected in a proportion other than as anticipated, the Conversion Price will be adjusted proportionally.

In the event the IPO is not consummated, holders of the Notes will have the right to voluntarily convert the Notes into the securities offered in any subsequent financing by the Company at an adjusted conversion price equal to the lesser of (i) $3.75* (provided that the securities offered in such subsequent financing are substantially similar to the IPO Units) and (ii) seventy percent (70%) of the offering price for the securities sold in the subsequent financing.

* On a post reverse split basis. See Note 8(e).

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Notes to the Consolidated Financial Statements as of September 30, 2009 (Unaudited)—(Continued)

(e) Reverse Split

As part of the Bridge Financing Agreement, immediately prior to the consummation of the IPO and after the preferred share conversions, the Company will execute a reverse stock split of all shares of common stock in a range between 1 for 6 and 1 for 6.4 (the "Reverse Split"). The Reverse Split will occur subsequent to the exchange of the preferred stock into common stock, as described in 8(b) above.

(f) Bridge Financing Agreement and IPO—Additional Warrants

For each purchase of Notes, in the aggregate amount of $37,500, the purchaser would receive 10,000* warrants ("Special Bridge Warrants"). The Company agreed to issue 666,666* Special Bridge Warrants, assuming the minimum amount is raised. The Special Bridge Warrants would be exercisable for five years to purchase one share of the Company's common stock, $0.01 par value, at an exercise price of $2.75* per share.

The Lead Investors of this bridge financing, or their affiliates, would receive warrants ("Lead Investor Warrants") to purchase 482,346* shares of common stock at $0.01* per share. The Lead Investor Warrants (i) may be exercised 65 days subsequent to the consummation of the IPO, (ii) will expire four years after issuance and (iii) will be subject to a lock-up agreement for six months subsequent to exercise.

The senior lenders of the Company's venture loan, would receive warrants ("Senior Lenders Warrants") to purchase 250,000* shares of common stock, at an exercise price of $2.75* per share, in exchange for granting the Company a six month moratorium on principal payments for the venture loan. The Senior Lender Warrants may be exercised before the tenth anniversary of the date they are issued.

In connection with the IPO, the Company will issue new stock options to its management ("Management Options") equal to 20% of the fully diluted equity of the post-IPO Company. The Management Options will vest over a four-year period commencing from the date of the consummation of the IPO. The exercise prices for the Management Options will be $0.01* per share for 50% of the options and $5.50* per share for the other 50% of the options.

(g) Venture Loan Modification Agreement

On December 29, 2009, the Company entered into a Loan Modification Agreement with the lenders of the venture loan in which principal payments are deferred until the earlier of six months from the Bridge Financing Agreement (note 8(c)) or the consummation of the IPO.

(h) Impact on the Financial Statements

The Company has not completed its assessment of this transaction. The application of relevant accounting literature in respect of this transaction may have a material impact on its financial statements.

* On a post reverse split basis. See Note 8(e).

Until , 2010, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

You should rely only on the information contained in or incorporated by reference in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with any different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock. Our business, financial conditions, results of operations and prospects may have changed since that date. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the securities offered by this prospectus or an offer to sell or a solicitation of an offer to buy any securities by anyone in any jurisdiction in which the offer or solicitation is not authorized or is unlawful.

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2,400,000 Units

VRINGO, INC.

PROSPECTUS

Maxim Group LLC

, 2010

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SUBJECT TO COMPLETION, DATED JANUARY 28, 2010

PROSPECTUS

VRINGO, INC.

3,180,800 Shares of Common Stock

This prospectus relates to the offer for sale of 3,180,800 shares of common stock, par value $0.01 per share, by the existing holders of the securities named in this prospectus, referred to as selling stockholders throughout this prospectus.

The distribution of securities offered hereby may be effected in one or more transactions that may take place in the NASDAQ Capital Market, including ordinary brokers' transactions, privately negotiated transactions or through sales to one or more dealers for resale of such securities as principals, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. Usual and customary or specifically negotiated brokerage fees or commissions may be paid by the selling securityholders.

The selling securityholders and intermediaries through whom such securities are sold may be deemed "underwriters" within the meaning of the Securities Act of 1933, as amended, with respect to the securities offered hereby, and any profits realized or commissions received may be deemed underwriting compensation. We have agreed to indemnify the selling securityholders against certain liabilities, including liabilities under the Securities Act.

On , 2010, a registration statement under the Securities Act with respect to a public offering by us underwritten by Maxim Group LLC of 2,400,000 units was declared effective by the Securities and Exchange Commission. We received approximately $10.3 million in net proceeds from the offering (assuming no exercise of the underwriters' over-allotment option) after payment of underwriting discounts and commissions and estimated expenses of the offering.

Investing in our common stock involves a high degree of risk. You should carefully consider the matters discussed under the section entitled "Risk Factors" beginning on page 12 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2010.

[Alternate Page for Selling Securityholder Prospectus]

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the common stock by the selling securityholders named in this prospectus. All proceeds from the sale of the common stock will be paid directly to the selling securityholders. We may receive proceeds from the exercise of the warrants. If all of the warrants exercisable for shares of common stock being registered in this offering are exercised, we could receive net proceeds of up to approximately $10.9 million. The holders of the warrants are not obligated to exercise the warrants and we cannot assure that the holders of the warrants will choose to exercise all or any of the warrants.

We intend to use the estimated net proceeds received upon exercise of the warrants, if any, for working capital and general corporate purposes.

[Alternate Page for Selling Securityholder Prospectus]

SELLING SECURITYHOLDERS

An aggregate of up to 3,180,800 shares may be offered by certain securityholders who received notes and warrants in connection with our private placement. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*" and "*Description of Securities*."

The following table sets forth certain information with respect to each selling securityholder for whom we are registering shares for resale to the public. No material relationships exist between any of the selling securityholders and us nor have any such material relationships existed within the past three years, except that David Goldfarb, is one of our co-founders and is our chief technology officer and was previously one of our officers and directors, and Seth M. Siegel serves on our board of directors.

Substantially all of the shares of common stock held by the selling securityholders are subject to a lock-up agreement under which the sale of such shares will be restricted for a period of up to six months after the date of this prospectus depending on the trading volume and market price of our common stock following the date of our initial public offering. The representative of the underwriters in our initial public offering may waive the terms of these lock-ups.

			Common Stock Beneficially Owned After Offering	
Selling Securityholder	Number of Shares of Common Stock Beneficially Owned	Shares Being Offered	Number of Shares Outstanding	Percent of Shares
David Goldfarb +	190,600	13,333	177,267	9.7%
Seth M. Siegel +	85,459	26,667	58,792	3.2%
Iroquois Master Fund Ltd.+(2)	132,458	89,333	43,125	2.3%
EL Equities, LLC(3)	32,500	13,333	19,167	1.0%
South Ferry #2, LP(4)	47,708	33,333	14,375	*
Aaron Wolfson	16,250	6,667	9,583	*
Daniel S. Senor	13,135	5,333	7,802	*
John Engelman	25,833	6,667	19,167	1.0%
Neil Cohen	9,803	4,000	5,803	*
David Dossetter	33,836	13,333	20,503	1.1%
Isaac Applbaum	12,549	10,000	2,549	*
Dan Laor	10,000	10,000	0	*
Nathan Ron Lawyers Company(5)	20,000	20,000	0	*
Jeffrey Belk	40,000	40,000	0	*
Charles A. Steiger	26,667	26,667	0	*
Derek G. Fogt	26,667	26,667	0	*
Todd Kronshage	26,667	26,667	0	*
Mike Heller	26,667	26,667	0	*
Robert B. Harpcastle	13,333	13,333	0	*
Gary D. Elliston	10,000	10,000	0	*
George F. Gilder	9,867	9,867	0	*
Silver Mountain Partners LP(6)	53,333	53,333	0	*
Mitchell Kopin	13,333	13,333	0	*
David M. Schneider	10,000	10,000	0	*
Joseph L. Obrant	20,000	20,000	0	*
KB/V LLC(7)	20,000	20,000	0	*
Kingsbrook Opportunities Master Fund LP(8)	6,667	6,667	0	*
KLW Investments LLC(9)	20,000	20,000	0	*
Brio Capital L.P.(10)	20,000	20,000	0	*

Selling Securityholder	Number of Shares of Common Stock Beneficially Owned	Shares Being Offered	Common Stock Beneficially Owned After Offering	
			Number of Shares Outstanding	Percent of Shares
Ellis International Ltd.(11)	26,667	26,667	0	*
Rockmore Investment Master Fund Ltd.(12)	20,000	20,000	0	*
Lilac Ventures Master Fund Ltd.(13)	20,000	20,000	0	*
Cranshire Capital LP(14)	13,333	13,333	0	*
Post Family Trust(15)	13,333	13,333	0	*
Alpha Capital Anstalt(16)	106,667	106,667	0	*

* Less than 1%

\+ Except as indicated by +, no selling securityholder is an officer, director, affiliate or 5% securityholder.

^ Except as indicated by a ^, no selling securityholder is a broker dealer or an affiliate of a broker-dealer.

(1) The number of shares of common stock beneficially owned before this offering is 2,631,213, which includes 366,782 shares of common stock outstanding on the date of this prospectus and shares of common stock that will be acquired by our existing preferred stock and Bridge Note holders at the closing of this offering upon the (i) exchange of all outstanding shares of our preferred stock and (ii) conversion of all outstanding Bridge Notes payable based upon an initial offering price of $5.00 the mid-point of the $4.00 to $6.00 price range for the offering.

(2) Richard Abbe has voting and investment control over such securities.

(3) Aaron Wolfson has voting and investment control over such securities.

(4) Aaron Wolfson has voting and investment control over such securities.

(5) Nathan Ron has voting and investment control over such securities.

(6) Colin Smith has voting and investment control over such securities.

(7) Ari Storch has voting and investment control over such securities.

(8) Ari Storch has voting and investment control over such securities.

(9) Lee Lasher, Mitchell Weitzner, and Robert Koppel has voting and investment control over such securities.

(10) Shaye Hirsh has voting and investment control over such securities.

(11) Mendy Sheen has voting and investment control over such securities.

(12) Bruce Bernstein has voting and investment control over such securities.

(13) Bruce Bernstein has voting and investment control over such securities.

(14) Mitchell Kopin has voting and investment control over such securities.

(15) Larry Post has voting and investment control over such securities.

(16) Ari Rabinowitz has voting and investment control over such securities.

Each of the selling securityholders that is an affiliate of a broker-dealer has represented to us that it purchased the shares offered by this prospectus in the ordinary course of business and, at the time of purchase of those shares, did not have any agreements, understandings or other plans, directly or indirectly, with any person to distribute those shares.

[Alternate Page for Selling Securityholder Prospectus]

PLAN OF DISTRIBUTION

The selling securityholders, which as used herein includes donees, pledgees, transferees or other successors-in-interest selling shares of common stock or interests in shares of common stock received after the date of this prospectus from a selling securityholder as a gift, pledge, partnership distribution or other transfer, may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of common stock or interests in shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These dispositions may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices.

The selling securityholders may use any one or more of the following methods when disposing of shares or interests therein:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- broker-dealers may agree with the selling securityholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling securityholders may, from time to time, pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock, from time to time, under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of selling securityholders to include the pledgee, transferee or other successors in interest as selling securityholders under this prospectus. The selling securityholders also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus; provided, however, that prior to any such transfer the following information (or such other information as may be required by the federal securities laws from time to time) with respect to each such selling beneficial owner must be added to the prospectus by way of a prospectus supplement or post-effective amendment, as appropriate: (1) the name of the selling beneficial owner; (2) any material relationship the selling beneficial owner has had within the past three years with us or any of our predecessors or affiliates; (3) the amount of securities of the class owned by such security beneficial owner before the offering; (4) the amount to be offered for the security beneficial owner’s account; and (5) the amount and (if one percent or more) the percentage of the class to be owned by such security beneficial owner after the offering is complete.

In connection with the sale of our common stock or interests therein, the selling securityholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short

sales of the common stock in the course of hedging the positions they assume. The selling securityholders may also sell shares of our common stock short and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The selling securityholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The aggregate proceeds to the selling securityholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts or commissions, if any. Each of the selling securityholders reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from this offering. Upon any exercise of the warrants by payment of cash, however, we will receive the exercise price of the warrants.

The selling securityholders also may resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act of 1933, provided that they meet the criteria and conform to the requirements of that rule.

The selling securityholders and any underwriters, broker-dealers or agents that participate in the sale of the common stock or interests therein may be “underwriters” within the meaning of Section 2(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of the shares may be underwriting discounts and commissions under the Securities Act. Selling securityholders who are “underwriters” within the meaning of Section 2(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act.

To the extent required, the shares of our common stock to be sold, the names of the selling securityholders, the respective purchase prices and public offering prices, the names of any agents, dealer or underwriter, any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

The maximum amount of compensation to be received by any FINRA member or independent broker-dealer for the sale of any securities registered under this prospectus will not be greater than 8.0% of the gross proceeds from the sale of such securities.

In order to comply with the securities laws of some states, if applicable, the common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the common stock may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have advised the selling securityholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling securityholders and their affiliates. In addition, we will make copies of this prospectus (as it may be supplemented or amended from time to time) available to the selling securityholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling securityholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

We have agreed to indemnify the selling securityholders against liabilities, including liabilities under the Securities Act and state securities laws, relating to the registration of the shares offered by this prospectus.

We have agreed with the selling securityholders to keep the registration statement of which this prospectus constitutes a part effective until the earlier of (1) such time as all of the shares covered by this prospectus have been disposed of pursuant to and in accordance with the registration statement or (2) the date on which the shares may be sold pursuant to Rule 144 of the Securities Act.

To our knowledge, no selling securityholder is a broker-dealer or an affiliate of a broker-dealer.

[Alternate Page for Selling Securityholder Prospectus]

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement of Form S-1 relating to the securities being offered through this prospectus. As permitted by the rules and regulations of the SEC, the prospectus does not contain all the information described in the registration statement. For further information about us and our securities, you should read our registration statement, including the exhibits and schedules. In addition, we will be subject to the requirements of the Securities Exchange Act of 1934, as amended, following the offering and thus will file reports, proxy statements and other information with the SEC. These SEC filings and the registration statement are available to you over the Internet at the SEC's website at http://www.sec.gov/. You may also read and copy any document we file with the SEC at the SEC's public reference room in at 100 F. Street, N.E., Room 1580, Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. Statements contained in this prospectus as to the contents of any agreement or other document are not necessarily complete and, in each instance, you should review the agreement or document which has been filed as an exhibit to the registration statement.

VRINGO, INC.

3,180,800 shares

Common Stock

, 2010

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, if any, payable by us relating to the sale of the common stock being registered. All amounts are estimates except the SEC registration fee.

SEC registration fee	$	4,584.78
FINRA fee	$	6,537.00
NASDAQ Capital Market fee	$	40,000.00
Printing and engraving expenses	$	100,000.00
Legal fees and expenses	$	
Accounting fees and expenses	$	
Miscellaneous	$	
Total	$	

Item 14. Indemnification of Directors and Officers.

The amended and restated certificate of incorporation of the Company provides that all directors, officers, employees and agents of the registrant shall be entitled to be indemnified by the Company to the fullest extent permitted by Section 145 of the Delaware General Corporation Law ("DGCL").

Article V of the Company's certificate of incorporation provides:

"The Corporation shall, to the fullest extent permitted by the provisions of Section 145 of the DGCL, as the same may be amended and supplemented from time to time, indemnify any and all persons whom it shall have power to indemnify under said section from and against any and all of the expenses, liabilities or other matters referred to in or covered by said section as amended or supplemented (or any successor), and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person."

Pursuant to the Company's bylaws, the directors and officers of the Company shall, to the fullest extent permitted by the DGCL, also have the right to receive from the Company an advancement of expenses incurred in defending any proceeding in advance of its final disposition. To the extent required under the DGCL, an advancement of expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such individual, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Company of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified for such expenses. The Company is not required to provide indemnification or advance expenses in connection with (i) any proceeding initiated by a director or officer of the Company unless such proceeding was authorized by the Board of Directors or otherwise required by law; (ii) any proceeding providing for disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended; (iii) and for amounts for which payment is actually made to or on behalf of such person under any statute, insurance policy or indemnity provisions or law; or (iv) any prohibition by applicable law.

Pursuant to the Company's certificate of incorporation, the Company may also maintain a directors' and officers' insurance policy which insures the Company and any of its directors, officers, employees, agents or other entities, against expense, liability or loss asserted against such persons in such capacity whether or not the Company would have the power to indemnify such person under the DGCL.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Company's directors, officers, and controlling persons pursuant to the foregoing provisions, or otherwise, the Company has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment of expenses incurred or paid by a director, officer or controlling person in a successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to the court of appropriate jurisdiction the question whether such indemnification by the Company is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Item 15. Recent Sales of Unregistered Securities.

The figures in this Item 15 are historical and do not give effect to the anticipated 1-for-6 reverse stock split.

Issuances of Capital Stock and Warrants

On January 11, 2006, we issued 250 shares of our common stock to each of Jonathan Medved, our chief executive officer and co-founder, and David Goldfarb, our chief technology officer and co-founder, for an aggregate amount of $5.00 in cash at a purchase price of $0.01 per share. The sale and issuance of these securities was deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act, as transactions by an issuer not involving a public offering. No underwriting discounts or commissions were paid with respect to such sales.

On May 8, 2006, the Company consummated a private placement of 2,353,887 shares of its Series A Preferred Stock for an aggregate purchase price of $2,353,887. No underwriting discounts or commissions were paid with respect to such sales.

On February 26, 2007, the Company entered into a convertible loan agreement pursuant to which it received loans in the aggregate amount of $2,063,974 from the lenders named therein.

On July 30, 2007, the Company consummated a private placement of 4,592,794 shares of Series B Preferred Stock, 200,694 shares of common stock and warrants to purchase 1,201,471 shares of common stock for an aggregate purchase price of $12,118,214 (the "Series B Financing"), which amount included the conversions of the Convertible Loan, including the amounts indicated above. Investors and those converting outstanding loan amounts in the Series B Financing included the following directors and officers of the Company and their affiliates and 5% stockholders: Jonathan Medved, Seth M. Siegel, Shea Ventures LLC, a 5% stockholder at the time of the transaction, Warburg Pincus Private Equity (purchased $10,000,000 of securities in the Series B Financing). The holders of the Series B Preferred Stock have agreed to convert all shares of the Series B Preferred Stock into an aggregate of 6,108,416 shares of common stock of the Company and to forgo certain rights contained in the Investor Rights Agreement in connection with and upon the consummation of this offering.

On December 29, 2009, the Company consummated a private placement of its 5% subordinated convertible promissory notes in the aggregate amount of $2.98 million and warrants to purchase 4,771,200 shares of common stock for an aggregate purchase price of $2.98 million (the "Bridge Financing"). The lead investors in the Bridge Financing also received additional warrants to purchase 2,894,076 shares of common stock. The senior lenders of the Company's venture loan received warrants to purchase 1,500,000 shares of common stock in exchange for granting the Company a six-month moratorium on its principal payments in connection with the Bridge Financing. Maxim Group LLC was the placement agent for the Bridge Financing and it received $208,740 and warrants to purchase 333,984 shares of common stock for their services. All of the purchasers in the private placement were accredited investors. The sale and issuance of these securities was deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act, as transactions by an issuer not involving a public offering.

Certain Grants and Exercises of Stock Options

The sale and issuance of the securities described below were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act, as transactions by an issuer not involving a public offering.

Pursuant to our 2006 Stock Option Plan and certain stand-alone stock option agreements, we have issued options to purchase an aggregate of 2,691,000 shares of common stock. Of these options, as of September 30, 2009:

- options to purchase 832,878 shares of common stock have been canceled or lapsed without being exercised;
- no options to purchase shares of common stock have been exercised; and
- options to purchase a total of 1,958,121 shares of common stock are currently outstanding at prices ranging from $0.25 to $0.75 per share.

Item 16. Exhibits and Financial Statements.

Exhibit No.	Description
1.1	Form of Underwriting Agreement*
3.1	Amended and Restated Certificate of Incorporation*
3.2	Amended and Restated Bylaws
4.1	Specimen unit certificate*
4.2	Specimen common stock certificate*
4.3	Specimen warrant certificate*
4.4	Form of Warrant Agreement*
5.1	Opinion of Ellenoff Grossman & Schole LLP*
10.1	Employment Agreement, dated July 29, 2007, by and between the Registrant and Jonathan Medved, as amended to date
10.2	Employment Agreement, dated June 1, 2006, by and between the Registrant and David Corre, as amended to date
10.3	Employment Agreement, dated January 1, 2007, by and between the Registrant and Stuart Frohlich, as amended to date
10.4	Employment Agreement, dated June 18, 2006, by and between the Registrant and Steven Glanz, as amended to date
10.5	Amended and Restated 2006 Stock Option Plan, as amended
10.6^	Master Content Provider Agreement, dated June 3, 2009, with Maxis Mobile Services SDN BHD
10.7^	Marketing Agreement, dated August 8, 2008, with Avea Iletisim Hizmetleri A.S.
10.8^	Marketing Agreement, dated June 30, 2009, with Emirates Telecommunications Corporation
10.9^	Marketing Agreement, dated December 29, 2009, with Hungama Digital Media Entertainment Pvt. Ltd.
10.10	Loan and Security Agreement, dated January 29, 2008, by and between Registrant and Silicon Valley Bank, as agent, and the lenders thereto (the “Loan Agreement”)

Exhibit No.	Description
10.11	First Loan Modification Agreement, dated December 29, 2009, by and between Registrant and Silicon Valley Bank, as agent, and the lenders thereto
10.12	Intellectual Property Security Agreement, dated December 29, 2009, by and between Registrant and Silicon Valley Bank, as agent, and the lenders to the Loan Agreement
10.13	Registration Rights Agreement, dated December 29, 2009, by and between Registrant and the signatories thereto
10.14	Summary of Rental Agreement, dated March 27, 2006, by and between Registrant and BIG Power Centers
10.15	Form of 5% Subordinated Convertible Promissory Note, dated December 29, 2009
10.16	Form of Special Bridge Warrants, dated December 29, 2009
10.17	Form of Lead Investor Warrants, dated December 29, 2009
10.18	Form of Senior Lender Warrants, dated December 29, 2009
14	Code of Ethics*
21	List of Subsidiaries
23.1	Consent of independent registered public accounting firm
23.2	Consent of Ellenoff Grossman & Schole LLP (included in Exhibit 5.1)*
24.1	Power of Attorney (included on signature page)
99.1	Audit Committee Charter*
99.2	Compensation Committee Charter*
99.3	Nominating Committee Charter*

^ Certain portions have been omitted pursuant to a confidential treatment request. Omitted information has been filed separately with the SEC.
* To be filed by amendment

Item 17. Undertakings.

(A) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increases or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) For the purpose of determining liability under the Securities Act of 1933 to any purchaser, if the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(B) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of New York, State of New York, on January 28, 2010.

VRINGO, INC.

By: /s/ JONATHAN MEDVED
Name: **Jonathan Medved**
Title: **Chief Executive Officer**

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jonathan Medved his true and lawful attorney-in-fact, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities to sign any and all amendments including post-effective amendments to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the SEC, hereby ratifying and confirming all that said attorney-in-fact or his substitute, each acting alone, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Position	Date
/s/ JONATHAN MEDVED **Jonathan Medved**	Chief Executive Officer and Director (*principal executive officer)*	January 28, 2010
/s/ DAVID CORRE **David Corre**	Vice President, Finance and Administration *(principal financial officer and principal accounting officer)*	January 28, 2010
/s/ SETH M. SIEGEL **Seth M. Siegel**	Director	January 28, 2010
/s/ RALPH SIMON **Ralph Simon**	Director	January 28, 2010
/s/ ANDREW PERLMAN **Andrew Perlman**	Director	January 28, 2010
/s/ EDO SEGAL **Edo Segal**	Director	January 28, 2010

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Exhibit Index

The agreements included as exhibits to this registration statement contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the parties to the applicable agreement and (i) should not be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) have been qualified by disclosures that ere made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments. Accordingly, these representations and warranties may not describe the actual state of affairs of the date they were made or at any other time. The registrant acknowledges that, notwithstanding the inclusion of the foregoing cautionary language, it is responsible for considering whether additional specific disclosure of material information regarding material contractual provisions are required to make the statements in this registration statement not misleading. Additional information about the registrant may be found elsewhere in this registration statement and in the registrant's other public filings, which are available without charge through the SEC's website at www.sec.gov.

Exhibit No.	Description
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21	List of Subsidiaries
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23.2	Consent of Ellenoff Grossman & Schole LLP (included in Exhibit 5.1)*
24.1	Power of Attorney (included on signature page)
99.1	Audit Committee Charter*
99.2	Compensation Committee Charter*
99.3	Nominating Committee Charter*

^ Certain portions have been omitted pursuant to a confidential treatment request. Omitted information has been filed separately with the SEC.
* To be filed by amendment

AMENDED AND RESTATED

BYLAWS OF

VRINGO, INC.

Adopted July 30, 2007

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BYLAWS

ARTICLE I — MEETINGS OF STOCKHOLDERS

1.1 ***Place of Meetings***. Meetings of stockholders of Vringo, Inc. (the "**Company**") shall be held at any place, within or outside the State of Delaware, determined by the Company's board of directors (the "**Board**"). The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the "**DGCL**"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Company's principal executive office.

1.2 ***Annual Meeting***. An annual meeting of stockholders shall be held for the election of directors at such date and time as may be designated by resolution of the Board from time to time. Any other proper business may be transacted at the annual meeting. The Company shall not be required to hold an annual meeting of stockholders, *provided* that (i) the stockholders are permitted to act by written consent under the Company's certificate of incorporation and these bylaws, (ii) the stockholders take action by written consent to elect directors and (iii) the stockholders unanimously consent to such action or, if such consent is less than unanimous, all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

1.3 ***Special Meeting***. A special meeting of the stockholders may be called at any time by the Board, Chairperson of the Board, Chief Executive Officer or President (in the absence of a Chief Executive Officer) or by one or more stockholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting.

If any person(s) other than the Board calls a special meeting, the request shall:

(i) be in writing;

(ii) specify the time of such meeting and the general nature of the business proposed to be transacted; and

(iii) be delivered personally or sent by registered mail or by facsimile transmission to the Chairperson of the Board, the Chief Executive Officer, the President (in the absence of a Chief Executive Officer) or the Secretary of the Company.

The officer(s) receiving the request shall cause notice to be promptly given to the stockholders entitled to vote at such meeting, in accordance with these bylaws, that a meeting will be held at the time requested by the person or persons calling the meeting. No business may be transacted at such special meeting other than the business specified in such notice to stockholders. Nothing contained in this paragraph of this **section 1.3** shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board may be held.

1.4 ***Notice of Stockholders' Meetings***. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the written notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting.

1.5 ***Quorum***. Except as otherwise provided by law, the certificate of incorporation or these bylaws, at each meeting of stockholders the presence in person or by proxy of the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. If, however, such quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, in the manner provided in **section 1.6**, until a quorum is present or represented.

1.6 ***Adjourned Meeting; Notice***. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

1.7 ***Conduct of Business***. Meetings of stockholders shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by the Chief Executive Officer, or in the absence of the foregoing persons by the President, or in the absence of the foregoing persons by a Vice President, or in the absence of the foregoing persons by a chairperson designated by the Board, or in the absence of such designation by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting. The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business.

1.8 ***Voting***. The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of **section 1.10** of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of capital stock held by such stockholder which has voting power upon the matter in question. Voting at meetings of stockholders need not be by written ballot and, unless otherwise required by law, need not be conducted by inspectors of election unless so determined by the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote thereon which are present in person or by proxy at such meeting. If authorized by the Board, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission (as defined in **section 7.2** of these bylaws), *provided* that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder or proxy holder.

Except as otherwise required by law, the certificate of incorporation or these bylaws, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

1.9 ***Stockholder Action by Written Consent Without a Meeting***. Unless otherwise provided in the certificate of incorporation, any action required by the DGCL to be taken at any annual or special meeting of stockholders of a corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

An electronic transmission (as defined in **section 7.2**) consenting to an action to be taken and transmitted by a stockholder or proxy holder, or by a person or persons authorized to act for a stockholder or proxy holder, shall be deemed to be written, signed and dated for purposes of this section, *provided* that any such electronic transmission sets forth or is delivered with information from which the Company can determine (i) that the electronic transmission was transmitted by the stockholder or proxy holder or by a person or persons authorized to act for the stockholder or proxy holder and (ii) the date on which such stockholder or proxy holder or authorized person or persons transmitted such electronic transmission.

In the event that the Board shall have instructed the officers of the Company to solicit the vote or written consent of the stockholders of the Company, an electronic transmission of a stockholder written consent given pursuant to such solicitation may be delivered to the Secretary or the President of the Company or to a person designated by the Secretary or the President. The Secretary or the President of the Company or a designee of the Secretary or the President shall cause any such written consent by electronic transmission to be reproduced in paper form and inserted into the corporate records.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Company as provided in Section 228 of the DGCL. In the event that the action which is consented to is such as would have required the filing of a certificate under any provision of the DGCL, if such action had been voted on by stockholders at a meeting thereof, the certificate filed under such provision shall state, in lieu of any statement required by such provision concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

1.10 ***Record Date for Stockholder Notice; Voting; Giving Consents***. In order that the Company may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which record date:

(i) in the case of determination of stockholders entitled to notice of or to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting;

(ii) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board; and

(iii) in the case of determination of stockholders for any other action, shall not be more than 60 days prior to such other action.

If no record date is fixed by the Board:

(i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;

(ii) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting when no prior action of the Board is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Company in accordance with applicable law, or, if prior action by the Board is required by law, shall be at the close of business on the day on which the Board adopts the resolution taking such prior action; and

(iii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, *provided* that the Board may fix a new record date for the adjourned meeting.

1.11 ***Proxies***. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL.

1.12 ***List of Stockholders Entitled to Vote***. The officer who has charge of the stock ledger of the Company shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Company shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least ten days prior to the meeting: (i) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the Company's principal place of business. In the event that the Company determines to make the list available on an electronic network, the Company may take reasonable steps to ensure that such information is available only to stockholders of the Company. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

ARTICLE II — DIRECTORS

2.1 ***Powers***. The business and affairs of the Company shall be managed by or under the direction of the Board, except as may be otherwise provided in the DGCL or the certificate of incorporation.

2.2 ***Number of Directors***. The Board shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time by resolution of the Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

2.3 ***Election, Qualification and Term of Office of Directors***. Except as provided in **section 2.4** of these bylaws, and subject to **sections 1.2** and **1.9** of these bylaws, directors shall be elected at each annual meeting of stockholders. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors. Each director shall hold office until such director's successor is elected and qualified or until such director's earlier death, resignation or removal.

2.4 ***Resignation and Vacancies***. Any director may resign at any time upon notice given in writing or by electronic transmission to the Company. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the certificate of incorporation or these bylaws:

(i) Vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

(ii) Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

If at any time, by reason of death or resignation or other cause, the Company should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the DGCL.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole Board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the voting stock at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the DGCL as far as applicable.

A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and until such director's successor is elected and qualified, or until such director's earlier death, resignation or removal.

2.5 ***Place of Meetings; Meetings by Telephone***. The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

2.6 ***Conduct of Business***. Meetings of the Board shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by a chairperson designated by the Board, or in the absence of such designation by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

2.7 ***Regular Meetings***. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board.

2.8 ***Special Meetings; Notice***. Special meetings of the Board for any purpose or purposes may be called at any time by the Chairperson of the Board, the Chief Executive Officer, the President, the Secretary or any two directors.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile; or

(iv) sent by electronic mail,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the Company's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the Company's principal executive office) nor the purpose of the meeting.

2.9 ***Quorum; Voting***. At all meetings of the Board, a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

2.10 ***Board Action by Written Consent Without a Meeting***. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board

or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

2.11 ***Fees and Compensation of Directors***. Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board shall have the authority to fix the compensation of directors.

2.12 ***Removal of Directors***. Unless otherwise restricted by statute, the certificate of incorporation or these bylaws, any director or the entire Board may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

ARTICLE III — COMMITTEES

3.1 ***Committees of Directors***. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Company. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board or in these bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the Company.

3.2 ***Committee Minutes***. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

3.3 ***Meetings and Actions of Committees***. Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) **section 2.5** (Place of Meetings; Meetings by Telephone);

(ii) **section 2.7** (Regular Meetings);

(iii) **section 2.8** (Special Meetings; Notice);

(iv) **section 2.9** (Quorum; Voting);

(v) **section 2.10** (Board Action by Written Consent Without a Meeting); and

(vi) **section 7.5** (Waiver of Notice)

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members. *However*:

(i) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the Board; and

(iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

3.4 ***Subcommittees***. Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE IV — OFFICERS

4.1 ***Officers***. The officers of the Company shall be a President and a Secretary. The Company may also have, at the discretion of the Board, a Chairperson of the Board, a Vice Chairperson of the Board, a Chief Executive Officer, one or more Vice Presidents, a Chief Financial Officer, a Treasurer, one or more Assistant Treasurers, one or more Assistant Secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

4.2 ***Appointment of Officers***. The Board shall appoint the officers of the Company, except such officers as may be appointed in accordance with the provisions of **section 4.3** of these bylaws.

4.3 ***Subordinate Officers***. The Board may appoint, or empower the Chief Executive Officer or, in the absence of a Chief Executive Officer, the President, to appoint, such other officers and agents as the business of the Company may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board may from time to time determine.

4.4 ***Removal and Resignation of Officers***. Any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board at any regular or special meeting of the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Company. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Company under any contract to which the officer is a party.

4.5 ***Vacancies in Offices***. Any vacancy occurring in any office of the Company shall be filled by the Board or as provided in **section 4.3**.

4.6 ***Representation of Shares of Other Corporations***. Unless otherwise directed by the Board, the President or any other person authorized by the Board or the President is authorized to vote, represent and exercise on behalf of the Company all rights incident to any and all shares of any other corporation or corporations standing in the name of the Company. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

4.7 ***Authority and Duties of Officers***. Except as otherwise provided in these bylaws, the officers of the Company shall have such powers and duties in the management of the Company as may be designated from time to time by the Board and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

ARTICLE V — INDEMNIFICATION

5.1 ***Indemnification of Directors and Officers in Third Party Proceedings***. Subject to the other provisions of this **Article V**, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") (other than an action by or in the right of the Company) by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's

conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

5.2 ***Indemnification of Directors and Officers in Actions by or in the Right of the Company***. Subject to the other provisions of this **Article V**, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

5.3 ***Successful Defense***. To the extent that a present or former director or officer of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding described in **section 5.1** or **section 5.2**, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

5.4 ***Indemnification of Others***. Subject to the other provisions of this **Article V**, the Company shall have power to indemnify its employees and agents to the extent not prohibited by the DGCL or other applicable law. The Board shall have the power to delegate to such person or persons the determination of whether employees or agents shall be indemnified.

5.5 ***Advanced Payment of Expenses***. Expenses (including attorneys' fees) incurred by an officer or director of the Company in defending any Proceeding shall be paid by the Company in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this **Article V** or the DGCL. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Company deems appropriate.

Notwithstanding the foregoing, unless otherwise determined pursuant to **section 5.8**, no advance shall be made by the Company to an officer of the Company (except by reason of the fact that such officer is or was a director of the Company, in which event this paragraph shall not apply) in any Proceeding if a determination is reasonably and promptly made (i) by a majority vote of the directors who are not parties to such Proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Company.

5.6 ***Limitation on Indemnification and Advancement of Expenses***. Subject to the requirements in **section 5.3** and the DGCL, the Company shall not be required to provide indemnification or, with respect to clauses (i), (iii) and (iv) below, advance expenses to any person pursuant to this **Article V**:

(i) in connection with any Proceeding (or part thereof) initiated by such person except (i) as otherwise required by law, (ii) in specific cases if the Proceeding was authorized by the Board, or (iii) as is required to be made under **section 5.7**;

(ii) in connection with any Proceeding (or part thereof) against such person providing for an accounting or disgorgement of profits pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of any federal, state or local statutory law or common law;

(iii) for amounts for which payment has actually been made to or on behalf of such person under any statute, insurance policy or indemnity provision, except with respect to any excess beyond the amount paid; or

(iv) if prohibited by applicable law.

5.7 ***Determination; Claim***. If a claim for indemnification or advancement of expenses under this **Article V** is not paid in full within 60 days after a written claim therefor has been received by the Company, the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such suit, the Company shall have the burden of proving that the claimant was not entitled to the requested indemnification or advancement of expenses under applicable law.

5.8 ***Non-Exclusivity of Rights***. The indemnification and advancement of expenses provided by, or granted pursuant to, this **Article V** shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of

incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The Company is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

5.9 ***Insurance***. The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Company would have the power to indemnify such person against such liability under the provisions of the DGCL.

5.10 ***Survival***. The rights to indemnification and advancement of expenses conferred by this **Article V** shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

5.11 ***Effect of Repeal or Modification***. Any repeal or modification of this **Article V** shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

5.12 ***Certain Definitions***. For purposes of this **Article V**, references to the "**Company**" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this **Article V** with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this **Article V**, references to "**other enterprises**" shall include employee benefit plans; references to "**fines**" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "**serving at the request of the Company**" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "**not opposed to the best interests of the Company**" as referred to in this **Article V**.

ARTICLE VI — STOCK

6.1 ***Stock Certificates; Partly Paid Shares***. The shares of the Company shall be represented by certificates, *provided* that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Company. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Company by the Chairperson of the Board or Vice-Chairperson of the Board, or the President or a Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Company representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Company shall not have power to issue a certificate in bearer form.

The Company may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, or upon the books and records of the Company in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Company shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

6.2 ***Special Designation on Certificates***. If the Company is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Company shall issue to represent such class or series of stock; *provided* that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the Company shall issue to represent such class or series of stock a statement that the Company will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

6.3 ***Lost Certificates***. Except as provided in this **section 6.3**, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Company and cancelled at the same time. The Company may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Company may require the owner of the lost, stolen or destroyed certificate, or such

owner's legal representative, to give the Company a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

6.4 ***Dividends***. The Board, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the Company's capital stock. Dividends may be paid in cash, in property, or in shares of the Company's capital stock, subject to the provisions of the certificate of incorporation.

The Board may set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

6.5 ***Stock Transfer Agreements***. The Company shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Company to restrict the transfer of shares of stock of the Company of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.6 ***Registered Stockholders***. The Company:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

6.7 ***Transfers***. Transfers of record of shares of stock of the Company shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer.

ARTICLE VII — MANNER OF GIVING NOTICE AND WAIVER

7.1 ***Notice of Stockholder Meetings***. Notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the Company's records. An affidavit of the Secretary or an Assistant Secretary of the Company or of the transfer agent or other agent of the Company that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

7.2 ***Notice by Electronic Transmission***. Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the Company under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Company. Any such consent shall be deemed revoked if:

(i) the Company is unable to deliver by electronic transmission two consecutive notices given by the Company in accordance with such consent; and

(ii) such inability becomes known to the Secretary or an Assistant Secretary of the Company or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(iv) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Company that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

An "**electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Notice by a form of electronic transmission shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

7.3 ***Notice to Stockholders Sharing an Address***. Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Company under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the Company. Any stockholder who fails to object in writing to the Company, within 60 days of having been given written notice by the Company of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice.

7.4 ***Notice to Person with Whom Communication is Unlawful***. Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Company is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.5 ***Waiver of Notice***. Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII

[This Article will be removed, effective as of the consummation of the Company’s initial public offering.]

ARTICLE IX — GENERAL MATTERS

9.1 ***Fiscal Year***. The fiscal year of the Company shall be fixed by resolution of the Board and may be changed by the Board.

9.2 ***Seal***. The Company may adopt a corporate seal, which shall be in such form as may be approved from time to time by the Board. The Company may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

9.3 ***Annual Report***. The Company shall cause an annual report to be sent to the stockholders of the Company to the extent required by applicable law. If and so long as there are fewer than 100 holders of record of the Company's shares, the requirement of sending an annual report to the stockholders of the Company is expressly waived (to the extent permitted under applicable law).

9.4 ***Construction; Definitions***. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

ARTICLE X — AMENDMENTS

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote. However, the Company may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal bylaws.

A bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the Board.

Exhibit 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**") is made and entered into as of July 29, 2007 (the "**Effective Date**"), by and between Vringo (Israel) Ltd., an Israeli company, with principal offices located in Bet Shemesh, Israel (hereinafter: the "**Company**"), and Jon Medved, Israeli I.D no. _____, of Jerusalem, Israel (hereinafter: the "**Executive**").

WHEREAS, the Company and the Executive desire to enter into a written employment agreement which will set forth the terms and conditions upon which the Executive shall be employed full-time by the Company as Chief Executive Officer.

NOW, THEREFORE, the Parties hereby agree, declare and covenant as follows:

1. Preamble and Interpretation

The preamble to this Agreement constitutes an integral part hereof. The section headings are intended for convenience purposes only and shall not be used for the interpretation of this Agreement.

2. Declaration of the Parties

The Parties hereby declare and affirm as follows:

2.1 The Agreement is personal and special, and reflects the relationship between the Company and the Executive, and thus, no general and/or special collective labor agreements shall apply to the relationship between the Parties.

2.2 The Agreement contains all the payments and/or benefits and/or other conditions of any kind to which the Executive is entitled from the Company, and the Executive shall not be entitled to any other remuneration and/or benefit from the Company, unless explicitly provided for hereunder. It is acknowledged and understood however that the Executive began his employment with the Company on April 1, 2006 (the "**Start Date**") and therefore his tenure in the Company, for the purpose of examining his entitlement to severance payments which under law or under this Agreement, and for the purpose of calculating all such severance payments, commenced on the Start Date, and stands, as of the Effective Date, at approximately 16 months.

2.3 No practice and/or custom which applies between the Company and other employees, if any exist, shall apply to the relationship between the Executive and the Company unless explicitly incorporated into the Agreement, and then only to the extent so incorporated. If the Company grants to the Executive, on any occasion(s), any benefit of any kind, which is not specified in the Agreement, such grant shall not constitute a practice and/or custom and/or precedent between the Parties which shall obligate the Company similarly on additional and/or other occasions.

2.4 The Executive hereby represents towards the Company that:

(a) no provision of any law, regulation, agreement or other document prohibits him from entering into this Agreement;

(b) the execution and delivery of this Agreement and the fulfillment of the terms hereof will not constitute a default under or breach of any agreement or other instrument to which he is a party or by which he is bound, including without limitation, any confidentiality or non-competition agreement, and do not require the consent of any person or entity (including without limitation, of any academic institution).

3. Description of Position

3.1 During the term hereof, the Executive shall provide services as the Chief Executive Officer to the Company. Without derogating from the generality of the foregoing, the Executive shall perform such further duties consistent with such position as shall, from time to time, be delegated or assigned to him by the Board of the Company.

3.2 The Executive shall perform his duties in accordance with the instructions of the Board, or any other person nominated by the Board, and shall be obligated to report to the Board of the Company or to any other person nominated by the Board.

4. Obligations and Undertakings of the Executive

4.1 The Executive shall be employed by the Company in the framework of a full-time position, it being understood that the Executive has been and will be, from time to time, an active investor in and advisor to other start-up and business activities. The Executive undertakes during the period of his employment to devote the necessary attention, energies, talents, skills, knowledge and experience to the diligent and conscientious performance of his duties and responsibilities hereunder.

4.2 The Executive shall render his services in a faithful, responsible and competent manner—all in accordance with the terms and conditions set forth hereunder and with standards that may be established and maintained by the Company from time to time.

4.3 Save as provided hereunder, the Executive shall not receive in connection with his work for the Company any compensation or benefit of any kind from any source, including any customer or supplier of the Company, whether directly or indirectly.

4.4 The Executive undertakes to notify the Company in writing immediately regarding any matter in which he has a personal interest and which may potentially create a conflict of interest between himself and his work in the Company.

4.5 The Executive's duties shall be in the nature of management duties that demand a special level of loyalty and do not enable the Company full control or supervision of his work hours and rest hours, and accordingly the Law of Work Hours and Rest, 5711-1951 shall not apply to the employment relationship between the Company and the Executive.

The Executive hereby declares and confirms that he is aware and agrees that his employment in the Company may require working at extra and unusual hours as well as on days of rest and holidays (other than the Jewish Sabbath and Holidays). The Executive undertakes to work overtime, at the request of the Company and in

accordance with the needs of his position, and declares and confirms that the Salary and all other benefits to which the Executive is entitled in accordance herewith includes full compensation for any hours which the Executive will work in excess of the hours provided in the Law of Work and Rest Hours, 5711-1951, and the Executive shall not be entitled to any extra payment therefor.

5. Compensation

5.1 In consideration for services to be performed by the Executive under this Agreement, the Company shall pay the Executive a gross monthly salary (from time to time, the "**Salary**") of the New Israel Shekels (NIS) equivalent of US$18,750; provided however that the Board shall formally review such salary at least once annually, which review may include a bonus reflecting personal performance and the general success of the Company. The Salary shall be paid to the Executive by the ninth day of the month following the month for which it is due. Payment of the Salary shall be made in NIS, pursuant to the representative rate of exchange of the US Dollar, as at the time of payment.

5.2 All taxes, levies and other impositions with respect to any of the amounts which will be paid to or on behalf of the Executive under this Agreement, shall be borne by the Executive. The Company shall deduct and withhold income tax, health insurance and national insurance from the Executive's Salary, and any other deductions or withholdings that may be required from time to time, pursuant to law.

5.3 Severance Pay and Manager's Insurance Fund

5.3.1 Effective as of the Effective Date, the Company shall effect a manager's insurance policy (the "**Manager's Policy**") for the Executive, and shall pay a sum equal to 15.83% of the Salary towards such Manager's Policy, of which 8.33% will be on account of severance pay, up to 2.5% on account of disability insurance (the "**Disability Policy**"), and 5% on account of a pension fund (the "**Pension Fund**"). The Company shall deduct 5% from the Salary to be paid on behalf of the Executive towards such Pension Fund. If so requested by the Executive, and subject to applicable tax and other laws, the Company shall designate the Executive's Manager's Policy and/or Disability Policy which is/are in effect immediately prior to the execution of this Agreement as the respective Manager's Policy and/or Disability Policy for the purposes of this Agreement.

5.3.2 Payments by the Company towards the Manager's Policy under this Section 5.3 shall be on account of and not in addition to any statutory obligation to pay severance pay.

5.3.3 In the event that a portion of the contributions made under this Section 5.3 becomes subject to tax liability (the "**Portion**"), then the Executive will be given the option to have the Portion deducted from the contributions to be made hereunder and added to the Salary.

5.3.4 The aforementioned allocations shall be in lieu of any severance payment in compliance with the General Approval of the Minister of Labor pursuant to Section 14 of the Severance Payment Law of 1963, attached hereto as Exhibit A.

5.3.5 In the event of termination of the Executive's employment by either the Executive or the Company, the Company shall transfer to the Executive's possession the Manager's Policy, provided that no such transfer shall be made under circumstances which would entitle the Company to deprive the Executive of severance pay under Israeli Law, including the breach of the confidentiality and non-competition provisions of this Agreement, and/or breach of fiduciary duties.

5.4 Further Education Fund (Keren Hishtalmut) Contributions

The Company shall, during the period of the Executive's employment with the Company, make monthly contributions on behalf of the Executive to a recognized Further Education Fund (the "**Keren Hishtalmut**") recognized by the Income Tax Authorities in an amount equal to 7.5% of the Salary. In addition, the Company shall deduct 2.5% of the Salary from the Salary which deduction shall also be paid to such Keren Hishtalmut. Subject to any tax payable in respect of such contributions to such Keren Hishtalmut (whether now applicable or arising under any future law), which shall be borne and paid solely by the Executive, all funds accumulating in the Keren Hishtalmut shall belong to the Executive, and upon the Executive's written request, the Company shall submit a written request to the Keren Hishtalmut for the release of such funds to the Executive. In the event that a portion of the contributions made under this Section 5.4 becomes subject to tax liability (the "Portion"), then the Executive will be given the option to have the Portion deducted from the contributions to be made hereunder and added to the Salary.

6. Certain Benefits

6.1 Expenses.

6.1.1 General. The Company will reimburse the Executive for all pre-approved expenses and disbursements incurred by him in carrying out his duties under this Agreement, in accordance with the regular practices of the Company regarding the reimbursement of such expenses and against the submission of the receipts therefor.

6.1.2 Car. The Company will pay all the maintenance, usage and related expenses with respect to the automobile used by the Executive during the employment period (the "**Car**"), up to a maximum of US$1,000 per month. All liability for any parking or traffic fines shall be borne by the Executive. The Executive shall be liable for any and all income tax liability applicable to his use of the Car.

6.1.3 Airfare. Executive shall travel business class when flying overseas.

6.2 Options. The Company's parent company, Vringo, Inc. ("**Parent**") shall grant the Executive options to purchase 125,000 shares of the Parent's Common Stock, par value $0.01 per share (the "**Common Stock**"), on or about the execution hereof, subject to the terms of the Parent's stock option plan and subject to the Executive executing the Parent's standard form Option Agreement in respect thereof, which shall include standard provisions regarding the vesting of such options, including without limitation linking such vesting to continued employment hereunder.

7. Parent Stock Repurchase Option

As of the date hereof, the Executive holds 800,000 shares of Common Stock of the Parent. The Executive hereby agrees that 500,000 of such shares (the "**Restricted Shares**") shall be restricted by a right of repurchase set out in Exhibit B attached hereto. It is acknowledged that the remaining 300,000 shares are not subject to the restrictions of this Section 7 and Exhibit B. The Parent is hereby explicitly made a third-party beneficiary of this Section 7 and Exhibit B.

8. Recuperation Pay; Sick Leave; Vacation

8.1 The Executive shall be entitled to recuperation pay (D'may Havra'a) according to the law.

8.2 The Executive shall be entitled to sick leave according to the law.

8.3 The Executive shall be entitled to 25 days of annual vacation according to applicable law, and may accrue up to 15 days in the aggregate. The Company will be closed on Saturday, for Jewish and Israeli holidays pursuant to the Company's policies as in effect from time to time, and on Hol HaMoed of Pessach and Succot each day will only be a half day of work. Executive's working week shall consist of 43 hours subject to Section 4.5.

9. Termination of Employment

9.1 Each of the Company and the Executive shall each be entitled to bring the Executive's employment to an end for any reason or for no reason by giving advance written notice ("**Prior Notice**") to the other party of ninety (90) days (the "**Notice Period**"). In the event of a termination of the Executive's employment hereunder by the Company without Cause pursuant to this Section 9.1, or in the event of resignation by the Executive for Good Reason, the Executive shall be entitled to receive severance payments, payable on a monthly basis in accordance with the Company's normal payroll policies, in an amount equal to the then current Salary and benefits hereunder (less applicable mandatory withholding and other taxes) for a period equal to (i) six (6) months after the date of such termination or resignation, if terminated within the first eighteen (18) months following the Effective Date; (ii) nine (9) months after the date of such termination or resignation, if terminated after the first 18 months following the Effective Date; provided that if such termination or resignation took place after a Change of Control (as defined below), such severance payments shall be provided to Executive during a period equal to twelve (12) months after the date of such termination or resignation. Notwithstanding the foregoing, if Executive's

employment with the Company is terminated as a result of the Company ceasing all or substantially all of its business activities, then Executive shall not be entitled to receive any such severance payment.

9.2 Notwithstanding the above, the Company shall be entitled to dismiss the Executive immediately without Prior Notice upon the occurrence of any event in which severance payments can be denied to the Executive, whether in whole or in part, according to the law prevailing in Israel, from time to time (such events collectively with the event listed below, "**Cause**" hereunder), and in any one of the following events: (i) an indictment of the Executive of an offense constituting a felony or involving moral turpitude, theft or embezzlement, whether or not involving the Company; (ii) the breach by the Executive of any of his confidentiality and/or non-competition obligations under Sections 10 and 12 hereunder; or (iii) an act of Employee in bad faith towards the Company or any other breach of a fiduciary duty towards the Company or any breach of this Agreement. In such event the employment of the Executive shall cease immediately upon the notice provided by the Company and he shall be entitled to no further compensation under this Agreement that had not accrued by such termination.

9.3 The Executive undertakes that in the event he ceases to work for the Company, for any reason whatsoever, he will transfer, in an organized manner and according to the procedures determined by the Company, his position and the documents and projects which he is dealing with or are in his possession or under his control at such time, to whomever the Company shall determine, in a manner which will enable that person to responsibly perform the duties of the Executive and such that no damage will be caused to the Company. If such transfer of his position, documents and projects shall require the Executive to expend time on Company affairs after the expiration of the relevant Notice Period, the Executive shall be compensated for such time on an hourly basis.

10. Confidentiality

10.1 The Executive hereby acknowledges that he may be exposed (in the framework of his employment with the Company) to research undertaken by the Company (the "**Research**"). The Executive hereby undertakes to keep secret and maintain in confidence at all times and to do everything in his power to prevent unauthorized disclosure of all information in his possession, brought to his knowledge or which he has acquired and/or will acquire regarding the Research and/or the Company. The Executive consents to refrain from disclosing to any third party, and not to, directly or indirectly, whether in writing or otherwise, communicate, publish, reveal, describe, allow access to, divulge or otherwise expose or make available to any person or entity, any work, report of work, or any other information concerning the Research, in whole or in part, or to present to any third party in any other manner any work, report or information in writing and/or orally, without prior written approval from the Company. The Executive hereby undertakes not to use any information regarding the Research for any purpose whatsoever.

10.2 The Executive further acknowledges that in the course of or as a result of, or otherwise in connection with, his engagement with the Company he may receive, learn, be exposed to, obtain, or have access to the Confidential Information (as defined below).

10.3 The Executive hereby declares and confirms that he is aware that the Confidential Information, as defined below, is highly confidential and sensitive and its disclosure will cause immeasurable damage and loss to the Company and its affiliates.

10.4 The term "**Confidential Information**" as used herein, shall mean all information regarding the Company and its affiliates and their respective business and operations, including, without limitation, any commercial, business, financial or technical information, any technology, know-how, inventions, developments, processes, methods, formulae, specifications, trade secrets, marketing, operations, plans, activities, business information, Company contracts and other documented materials, names of suppliers, distributors, agents, customers, business partners, sources, costs, software, designs, drawings, engineering, hardware configuration information and/or any other private, confidential and/or proprietary information with regard to the Company and its affiliates. The Executive recognizes that the Company may receive confidential or proprietary information from third parties, subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. In connection with such duties, such information shall be deemed Confidential Information hereunder, *mutatis mutandis*.

10.5 The Executive undertakes not to make any use of the Confidential Information other than for the purpose of fulfilling his obligations hereunder and to protect and maintain the Confidential Information in strict confidence at all times subject to the following provisions. The Executive shall not disclose, transfer, use, communicate, disseminate, publish, or in any other manner reveal or divulge, directly or indirectly, to any third party at any time during or after the term of this Agreement, the Confidential Information or any part thereof, for any purpose whatsoever, unless it is in fulfillment of the Executive's position and undertakings hereunder and to the extent necessary.

10.6 Notwithstanding the foregoing, Confidential Information shall not include information which: (i) is in, or enters, the public domain otherwise than by reason of a breach hereof by the Executive or any third party; or (ii) is required to be disclosed pursuant to an order of a court of competent jurisdiction or by applicable law or regulation, provided however, that in such event, the Executive be obliged to inform the Company of such disclosure as soon as possible and the Executive shall disclose only that portion of information required by law to be disclosed.

10.7 All Confidential Information made available to, received by, or generated by the Executive shall remain the exclusive property of the Company, and no license or other rights in or to the Confidential Information are granted hereby. All files, records, documents, drawings, specifications, equipment, notebooks, notes, memoranda, diagrams, blueprints, bulletins, formula, reports, analyses, computer programs, and other data of any kind relating to the business of the Company, whether prepared by the Executive or otherwise coming into his possession, and whether classified as Confidential Information or not, shall remain the exclusive property of the Company. Upon the earlier to occur of the termination or expiration of this Agreement, or upon request by the Company, the Executive shall promptly turn over to the Company all such files, records, documents, drawings, specifications, equipment, notebooks, notes, memoranda, diagrams, blueprints, bulletins, formulae, reports, analyses, computer

progress and other data of any kind concerning the Company which the Executive obtained, received or prepared pursuant to this Agreement.

10.8 For the purpose of this Section 10 the term Company shall include any subsidiaries or parent companies of the Company.

11. Development Rights

11.1 In this Section, **"Inventions"** shall mean: All inventions, processes, technology, formulae, patents, improvements, mask works, modifications, discoveries, concepts, ideas, techniques, methods, know-how, designs, and enhancements, products, specifications and drawings, computer programs, whether or not patentable or otherwise protectable, and all intellectual property rights associated therewith (including copyrights, trade secrets and trademarks), which are invented, made, developed, discovered, conceived or generated in whole or in part, by the Executive, independently, or jointly with others, during the period of Executive's employment by the Company, or which are either:

11.1.1 related to the Company's business or research and development, and invented, made, developed, discovered, or conceived prior to the Executive's employment by the Company; or

11.1.2 developed in whole or in part with the use of any of the Company's equipment, supplies, facilities (or with facilities rented by the Company or outsourced), or proprietary information.

11.2 The Executive shall promptly disclose to the Company all Inventions and keep records relating to the conception and reduction to practice of all Inventions. Such records shall be the sole and exclusive property of the Company, and the Executive shall surrender possession of such records to the Company upon any suspension or termination of the Executive's employment with the Company.

11.3 The Executive hereby agrees and declares that all Inventions and any and all rights, title and interests in and to the Inventions, including, without limitation all intellectual property rights associated therewith (such as copyrights, patents, mask work rights, etc.) shall be the sole and exclusive property of the Company.

The Executive hereby assigns and will in the future assign to the Company (if and to the extent required) all rights, title and interest worldwide he may have or acquire in all Inventions and in all intellectual property rights based upon such Inventions or derived therefrom, and agrees that all Inventions and all intellectual property rights based on such Inventions or derived therefrom shall be the sole property of the Company and its assignees, and the Company and its assignees shall be the sole owner of all intellectual property rights and other rights in connection therewith.

11.4 The Executive shall have no rights, claims or interest of whatsoever kind, in the Inventions or with respect thereto, nor shall the Executive be entitled to any additional compensation and consideration for fulfilling his duties under this Section 11 or with respect to the Inventions.

11.5 The Executive shall during and after the term of this Agreement provide the Company with all reasonable information, documentation, and assistance, including the preparation or execution, as applicable of documents, declarations, assignments, drawings and other data, that the Company may request in order to perfect, enforce, or defend the proprietary rights based on the Inventions or derived therefrom and to effectuate its title and interest therein. All such actions and assistance shall be provided at the reasonable expense of the Company if occur after termination of Executive's employment with the Company. In addition, if the Company is unable because of the Executive's mental or physical incapacity or for any other reason to secure Executive's signature to application for any Israeli or foreign patent or copyright registration covering Inventions or original works of authorship assigned to the Company as set forth above, Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act on behalf of and in Executive's stead to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of letter patent or copyright registration thereon with same legal force and effect as if executed by Executive.

11.6 For the purpose of this Section 11 the term Company shall include any subsidiaries thereof or any parent companies of the Company.

12. <u>Non-Competition</u>

12.1 The Executive undertakes that for so long as he is employed by the Company, he will not be involved, whether directly or indirectly, in any manner, in any other research, activity or business conflicting with the business of the Company.

12.2 The Executive further undertakes in consideration for a portion of his salary and benefits, that for a period of 12 months following termination or expiration of his employment with the Company, he will not be involved, directly or indirectly, in any way, in any research, activity or business which is competitive with the Company or its business in the specific field of its business, including without limitation the development, production, marketing, distribution and sales of any products and/or services relating to its specific field of business, which compete with the products and/or services developed, or produced by or for the Company and/or marketed, distributed or sold by the Company in its specific field of business.

The Executive hereby expressly acknowledges that the business and operating market of the Company is worldwide, and consequently the obligations prescribed in this section shall apply on a worldwide basis.

For the purpose of this Section 12 "directly or indirectly" includes doing business as an owner, an independent contractor, shareholder, director, partner, manager, agent, employee or advisor, but does not, however, include the holding of up to 2% of free market shares of publicly traded companies.

12.3 The Executive also hereby undertakes that for a period of 12 (twelve) months after the termination of the Executive-employer relationship between himself and the Company for any reason whatsoever, he will not employ, offer to employ or otherwise engage or solicit for employment any person who is or was, during the 12 (twelve) month period

prior to the termination of Employee's employment with the Company, an employee or exclusive consultant, an exclusive supplier or exclusive contractor of the Company, and shall not conduct, whether directly or indirectly, any activity which intervenes in the relationship between the Company and any of its employees, contractors, suppliers or consultants. This Section 12.3 shall not apply if the Company has ceased all of its operations. Furthermore, this Section 12.3 shall not prohibit the Executive from employing, offering to employ or otherwise engaging or soliciting for employment any person who was terminated by Vringo for reasons other than a material breach by such person, provided that for purposes of this section the Company's determination as to such material breach shall be conclusive and final.

12.4 For the purpose of this Section 12 the term Company shall include any subsidiaries or parent companies of the Company.

12.5 The Executive acknowledges that the provisions of Sections 10-12 are reasonable and necessary to legitimately protect the Company's Confidential Information and property (including intellectual property and goodwill).

13. Miscellaneous

13.1 Entire Agreement. This Agreement fully embraces the legal relationship between the Parties with respect to the subject matter hereof, and no previous agreements, memorandum of agreements, including without limitation that certain Employment Agreement by and between the parties dated April 1, 2006 which is hereby cancelled and superseded hereby, negotiations, promises, consents, undertakings, representations, warranties or documents which were applied, exchanged or signed by or between any of the Parties prior to the signing of this Agreement, shall have any force or effect.

13.2 Waiver. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right of such Party at a later time to enforce the same. No waiver by any Party of the breach of any of the terms or covenants in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any breach, or a waiver of any of the terms or covenants contained herein.

13.3 Modification. There will be no validity to any change in this Agreement, and none of its conditions can be amended other than by a written document containing the signatures of both Parties.

13.4 Notice. The addresses of the Parties for the purposes of this Agreement will be as detailed in the Preamble to it, and any notice which is sent via registered mail from one Party to the other, according to the said address, will be considered as if it were received by the addressee 72 hours after it was sent for delivery at a post office in Israel, and if delivered by hand, at the time at which it was delivered.

13.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.6 Inure to the Benefit. This Agreement shall inure to the benefit of the Company and its successors and assigns.

13.7 Severability. If any provision in this Agreement (or portion thereof) shall be found or be held to be invalid or unenforceable, then the meaning of said provision shall be construed, to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement which shall remain in full force and effect unless the severed provision is essential and material to the rights or benefits received by any Party. In such event, the Parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the Parties' intent in entering into this Agreement. In the event that the scope or duration of the Executive's obligations under this Agreement is deemed to exceed the scope or duration permitted by law, the maximum scope or duration permitted by law shall substitute for the former.

13.8 Survival. It is hereby clarified that any and all provisions herein which by their terms and/or by their nature, should operate or should have effect following the termination of the Executive's employment hereunder or the termination or expiration of this Agreement, including without limitation, the provisions of Sections 10, 11 and 12 herein, shall survive any such termination.

13.9 Breach of Obligations. The Executive is aware that a breach of his obligations in Sections 10 and 12 of this Agreement, or part of them, will cause the Company and/or the companies related thereto, serious and irreparable damage, and therefore hereby agrees, that if such breach occurs, the Company shall be entitled without prejudice, to take all legal means necessary, and all and any injunctive relief as is necessary to restrain any further or continuing breach.

13.10 Choice of Law and Jurisdiction. This Agreement shall be governed by, and construed in accordance with the laws of the State of Israel, and the competent courts of Jerusalem shall have exclusive jurisdiction to the exclusion of all other courts, in all matters which pertain to this Agreement.

13.11 Notification of Employment Terms. It is agreed that this Agreement constitutes, inter alia, notification under the Notification to Employee (Employment Terms) Law, 5762-2002. It is clarified that nothing in the Agreement derogates from any right to which the Executive is entitled under any law, extension order, collective agreement, if and to the extent applicable.

14. Definitions. For the purposes hereof:

(a) "**Change in Control**" shall mean (i) the sale, conveyance, exchange, license or other transfer of all or substantially all of the intellectual property or assets of the Parent, (ii) any acquisition of the Parent by means of a consolidation, stock exchange, merger or other form of corporate reorganization of the Parent with any other corporation in which the Parent's stockholders prior to the consolidation or merger own less than a majority of the voting securities of the surviving entity or (iii) any transaction or series of related transactions following which the Parent's stockholders prior to such transaction or series of related transactions own less than a majority of

the voting securities of the Parent (excluding the issuance of equity securities solely for capital raising purposes); provided that in each case that a reorganization by the Company shall not constitute a "Change in Control".

(b) "**Good Reason**" shall mean (i) a significant reduction without Executive's written approval in the Salary and/or benefits taken as a whole under this Agreement unless the salaries and benefits of all management are reduced as part of a decision of the Board to cut expenses by implementing broad cost-cutting measures in response to company or market conditions and/or (ii) Executive's removal as CEO of the Company and the Parent without Cause when a replacement for him in such position is approved by the Parent's Board of Directors including a director appointed by the holders of the majority of the issued and outstanding shares of Series B Preferred Stock of the Parent.

[Remainder of page left intentionally blank; signature page to follow]

The Parties hereto have hereunto set their hands and signatures on this Employment Agreement as of July 29, 2007:

COMPANY

Vringo (Israel) Ltd.

/S/ DAVID GOLDFARB

By: /S/ DAVID GOLDFARB
Title: **CTO**

JON MEDVED

/S/ JON MEDVED

Agreed and Acknowledged in respect of Sections 6.2, 7 and Exhibit B.

Vringo, Inc.

/S/ DAVID GOLDFARB

By: /S/ DAVID GOLDFARB
Title: **CTO**

EXHIBIT A

GENERAL APPROVAL REGARDING PAYMENTS BY EMPLOYERS TO A PENSION FUND AND INSURANCE FUND IN LIEU OF SEVERANCE PAY UNDER THE SEVERANCE PAY LAW, 5723-1963

By virtue of my power under Section 14 of the Severance Pay Law, 5723-1963 (hereinafter: the "Law"), I certify that payments made by an employer commencing from the date of the publication of this approval for the sake of his employee to a comprehensive pension provident fund that is not an insurance fund within the meaning set forth in the Income Tax Regulations (Rules for the Approval and Conduct of Provident Funds), 5724-1964 (hereinafter: the "Pension Fund") or to managers' insurance which includes the possibility to receive annuity payments or a combination of payments to a non-annuity fund under an insurance fund as aforesaid, (hereinafter: the "Insurance Fund"), including payments made by the employer by a combination of payments to a Pension Fund and an Insurance Fund whether or not the Insurance Fund included an annuity plan (hereinafter: "Employer's Payments"), shall be made in lieu of severance pay due to said employee with respect to the salary from which said payments were made and for the period they were paid (hereinafter: the "Exempt Salary"), provided that all the following conditions are fulfilled:

(1) The Employer's Payments -

(a) to the Pension Fund are not less than 14 1/3% of the Exempt Salary or 12% of the Exempt Salary if the employer pays, for the sake of his employee, in addition thereto, payments to supplement severance pay to a severance pay provident fund or to an Insurance Fund in the employee's name, in the amount of 2 1/3 % of the Exempt Salary. In the event that the employer has not paid the above mentioned 2 1/3% in addition to said 12%, his payments shall come in lieu of only 72% of the employee's severance pay;

(b) to the Insurance Fund are not less than one of the following:

(i) 13 1/3% of the Exempt Salary, provided that, in addition thereto, the employer pays, for the sake of his employee, payments to secure monthly income in the event of disability, in

a plan approved by the Commissioner of the Capital Market, Insurance and Savings Department of the Ministry of Finance, in an amount equivalent to the lower of either an amount required to secure at least 75% of the Exempt Salary or in an amount of 2 1/2% of the Exempt Salary (hereinafter: "Disability Insurance Payment");

(ii) 11% of the Exempt Salary, if the employer paid, in addition, the Disability Insurance Payment; and in such case, the Employer's Payments shall come in lieu of only 72% of the employee's severance pay. In the event that the employer has made payments in the employee's name, in addition to the foregoing payments, to a severance pay provident fund or to an Insurance Fund in the employee's name, to supplement severance pay in an amount of 2 1/3% of the Exempt Salary, the Employer's Payments shall come in lieu of 100% of the employee's severance pay.

(2) No later than three months from the commencement of the Employer's Payment, a written agreement was executed between the employer and the employee, which includes:

(a) the employee's consent to an arrangement pursuant to this approval, in an agreement specifying the Employer's Payments, the Pension Fund and the Insurance Fund, as the case may be; said agreement shall also incorporate the text of this approval;

(b) an advance waiver by the employer of any right which he may have to a refund of monies from his payments, except in cases in which the employee's right to severance pay was denied by a final judgment pursuant to Section 16 or 17 of the Law, and in such a case or in cases in which the employee withdrew monies from the Pension Fund or Insurance Fund, other than by reason of an entitling event; for these purposes an "Entitling Event" means death, disability or retirement at or after the age of 60.

(3) This approval shall not derogate from the employee's right to severance pay pursuant to any law, collective agreement, extension order or employment agreement with respect to compensation in excess of the Exempt Salary.

15th Sivan 5758 (June 9th, 1998).

EXHIBIT B

REPURCHASE OPTION

Capitalized but undefined terms in this Exhibit shall have the meanings ascribed to them in the Employment Agreement to which this Exhibit is attached.

1. **Basic Right**.

(a) **Right of Repurchase**. In the event of the termination of Executive's employment hereunder by the Company for Cause, or by Executive without Good Reason, the Parent or any of its assignees or transferees shall have a right (but not an obligation) (the "Right of Repurchase") to repurchase all or any portion of the Restricted Shares that are then Unvested Shares at a price per share equal to US$0.01 (the "**Purchase Price**"). The Right of Repurchase shall be exercisable during the 90-day period beginning at the end of the Notice Period (the "**Repurchase Period**"). Subject to the provisions of Subsection 1(b) below, all of the Restricted Shares shall initially be subject to the right or repurchase set forth in this Section 1(a) ("**Unvested Shares**"). All Restricted Shares for which the Right of Repurchase has lapsed pursuant to Subsection 1(b) below shall no longer be Unvested Shares.

(b) **Lapse of Repurchase Right**. The Right of Repurchase shall lapse as to 1/36 of the Unvested Shares outstanding as of the date hereof when the Executive completes each month of continuous employment following the execution of the Agreement. Notwithstanding the above, all of the remaining Unvested Shares shall be freed from the Right of Repurchase (A) if (i) the Parent is subject to a Change in Control and (ii) (a) the Right of Repurchase is not assumed by the acquirer or (b) the Executive's employment with the Company is terminated without Cause within 12 months after the Change in Control; other than as set forth above, the Right of Repurchase shall not lapse with respect to any additional Restricted Shares after the effective date of the Executive's termination or resignation, or (B) if the Executive's employment with the Company is terminated without Cause, or (C) if the Executive's resigns for Good Reason, or (D) if Executive dies.

(c) **Exercise of Repurchase Right**. The Parent or any of its assignee(s) or transferee(s) may exercise its Right of Repurchase for some or all Unvested Shares by giving written notice to the Executive prior to the expiration of the Repurchase Period. The notice shall set forth the date on which the repurchase is to be effected. Such date shall not be more than 15 Business Days after the date of the notice. The certificate(s) representing the Unvested Shares to be repurchased shall, prior to the close of business on the date specified for the repurchase, be delivered to the Parent properly endorsed for transfer. The Parent or its assignee(s) or transferee(s) shall, concurrently with the receipt of such certificate(s), pay to the Executive the aggregate Purchase Price for the Unvested Shares being repurchased. Notwithstanding the foregoing, the Parent or its assignee(s) or transferee(s) shall be deemed to have exercised their Right of Repurchase with respect to all of the Unvested Shares at the close of the Repurchase Period unless the Parent notifies the Executive in writing prior to the end of the Repurchase Period that the Right of Repurchase will not be exercised with respect to some or all of the Unvested Shares.

(d) **Termination of Rights as Shareholder**. If the Right of Repurchase is exercised in accordance herewith and the Parent pays to Executive the aggregate Purchase Price for the Unvested Shares to be repurchased, then the Executive shall no longer have any rights as a holder of the Unvested Shares (other than the right to receive payment of such consideration).

Such Unvested Shares shall be deemed to have been repurchased pursuant hereto, whether or not the certificate(s) therefor have been delivered to the Parent.

(e) **Additional or Exchanged Securities and Property**. In the event of the declaration of a share dividend, the declaration of an extraordinary dividend payable in a form other than shares, a spin-off, a share split, an adjustment in conversion ratio, a recapitalization, a merger or consolidation of the Parent with or into another entity or any other corporate reorganization or similar transaction affecting the Parent's outstanding securities, any new, substituted or additional securities or other property (including money paid other than as an ordinary cash dividend) that by reason of such transaction are distributed with respect to any Unvested Shares or into which such Unvested Shares thereby become convertible shall immediately be subject to the Right of Repurchase, subject to the partial or full acceleration rules set forth in Section 1(b) above in the event of a Change in Control. Appropriate adjustments to reflect the distribution of such securities or property shall be made to the number and/or class of the Unvested Shares. Appropriate adjustments shall also be made to the Repurchase Price, provided that the aggregate purchase price payable for the Unvested Shares shall remain the same. For the avoidance of doubt, in the event of a merger or consolidation of the Parent with or into another entity or any other corporate reorganization, the Right of Repurchase may be exercised by the Parent's successor.

(f) **Transfer of Unvested Shares**. The Executive shall not transfer, assign, encumber or otherwise dispose of any Unvested Shares, except that the Executive may transfer Unvested Shares (i) by will or intestate succession or (ii) to the Executive's immediate family and/or to a trust established by or for the Executive, and maintained, principally for the benefit of the Executive and/or the Executive's immediate family (each of such transferees, a "**Permitted Transferee**"). Unvested Shares held by a Permitted Transferee shall be subject to the Right of Repurchase (and the lapsing thereof) in the same manner as if held by the Executive based on the Executive's employment and the transfer shall not be made effective until the Permitted Transferee agrees in writing on a form prescribed by or reasonably acceptable to the Parent stating the same.

2. **Additional Transfer Restrictions**

(a) **Securities Law Restrictions**. The Parent at its discretion may impose restrictions upon the sale, pledge or other transfer of the Restricted Shares (including the placement of appropriate legends on share certificates or the imposition of stop-transfer instructions) if, in the judgment of the Parent, such restrictions are necessary or desirable in order to achieve compliance with the United States Securities Act of 1933, as amended (the "**Securities Act**"), the securities laws of any state or any other law.

(b) **Rights of the Parent**. The Parent shall not be required to (i) transfer on its books any Restricted Shares that have been sold or transferred in contravention of this Agreement or (ii) treat as the owner of Restricted Shares, or otherwise to accord voting, dividend or liquidation rights to, any transferee to whom Restricted Shares have been transferred in contravention of this Agreement.

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**") is made and entered into as of June 01, 2006 (the "**Effective Date**"), by and between Vringo (Israel) Ltd., an Israeli company, with principal offices located in Bet Shemesh, Israel (hereinafter: the "**Company**"), and David Corre, Israeli I.D no. 317757979 of Nachal Shimshon 20/1, Ramat Bet Shemesh, Israel (hereinafter: the "**Employee**").

WHEREAS, the Company and the Employee desire to enter into a written employment agreement which will set forth the terms and conditions upon which the Employee shall be employed full-time by the Company as VP Finance & Administration.

NOW, THEREFORE, the Parties hereby agree, declare and covenant as follows:

1. Preamble and Interpretation

The preamble to this Employment Agreement (this "**Agreement**") constitutes an integral part hereof. The section headings are intended for convenience purposes only and shall not be used for the interpretation of this Agreement.

2. Declaration of the Parties

The Parties hereby declare and affirm as follows:

2.1 The Agreement is personal and special, and reflects the relationship between the Company and the Employee, and thus, no general and/or special collective labor agreements shall apply to the relationship between the Parties.

2.2 The Agreement contains all the payments and/or benefits and/or other conditions of any kind to which the Employee is entitled from the Company, and the Employee shall not be entitled to any other remuneration and/or benefit from the Company, unless explicitly provided for hereunder.

2.3 No practice and/or custom which applies between the Company and other employees, if any exist, shall apply to the relationship between the Employee and the Company unless explicitly incorporated into the Agreement, and then only to the extent so incorporated. If the Company grants to the Employee, on any occasion(s), any benefit of any kind, which is not specified in the Agreement, such grant shall not constitute a practice and/or custom and/or precedent between the Parties which shall obligate the Company similarly on additional and/or other occasions.

2.4 The Employee hereby represents towards the Company that:

(a) no provision of any law, regulation, agreement or other document prohibits him from entering into this Agreement;

(b) the execution and delivery of this Agreement and the fulfillment of the terms hereof will not constitute a default under or breach of any agreement or other instrument to which he is a party or by which he is bound, including without limitation, any non-competition agreement or confidentiality agreement (particularly as such confidentiality agreement may relate to the divulgence or use of any proprietary software code known to Employee from prior work experiences), and do not require the consent of any person or entity (including without limitation, of any academic institution).

3. Description of Position

3.1 During the term hereof, the Employee shall provide services as VP Finance & Administration to the Company. Without derogating from the generality of the foregoing, the Employee shall perform such further duties consistent with such position as shall, from time to time, be delegated or assigned to him by his supervisor.

3.2 The Employee shall perform his duties in accordance with the instructions of the Company's CEO, or any other person nominated from time to time by the Company, and shall be obligated to report to his supervisor or to any other person nominated by the Company.

4. Obligations and Undertakings of the Employee

4.1 The Employee shall be employed by the Company in the framework of a full-time position. The Employee undertakes during the period of his employment to devote the necessary attention, energies, talents, skills, knowledge and experience to the diligent and conscientious performance of his duties and responsibilities hereunder.

4.2 The Employee shall render his services in a faithful, responsible and competent manner - all in accordance with the terms and conditions set forth hereunder and with standards that may be established and maintained by the Company from time to time.

4.3 Save as provided hereunder, the Employee shall not receive in connection with his work for the Company any compensation or benefit of any kind from any source, including any customer or supplier of the Company, whether directly or indirectly.

4.4 The Employee undertakes to notify the Company immediately regarding any matter in which he has a personal interest and which may potentially create a conflict of interest between himself and his work in the Company.

4.5 The Employee's duties shall be in the nature of management duties that demand a special level of loyalty and do not enable the Company full control or supervision of his work hours and rest hours, and accordingly the Law of Work Hours and Rest, 5711-1951 shall not apply to the employment relationship between the Company and the Employee.

The Employee hereby declares and confirms that he is aware and agrees that his employment in the Company may require working at extra and unusual hours as well as on days of rest and holidays (other than the Jewish Sabbath and Holidays). The Employee undertakes to work overtime, at the request of the Company and in accordance with the needs of his position, and declares and confirms that the Salary and all other benefits to which the Employee is entitled in accordance herewith

includes full compensation for any hours which the Employee will work in excess of the hours provided in the Law of Work and Rest Hours, 5711-1951, and the Employee shall not be entitled to any extra payment therefor.

5. Compensation

5.1 In consideration for services to be performed by the Employee under this Agreement, the Company shall pay the Employee a gross monthly salary (from time to time, the "**Salary**") of 16,000 New Israel Shekels (NIS), which shall be paid to the Employee by the ninth day of the month following the month for which it is due.

5.2 All taxes, levies and other impositions with respect to any of the amounts which will be paid to or on behalf of the Employee under this Agreement, shall be borne by the Employee. The Company shall deduct and withhold income tax, health insurance and national insurance from the Employee's Salary, and any other deductions or withholdings that may be required from time to time, pursuant to law.

5.3 Severance Pay and Manager's Insurance Fund

5.3.1 Effective as of the Effective Date, the Company shall institute a manager's insurance policy (the "**Manager's Policy**") for the Employee, and shall pay a sum equal to 15.83% of the Salary towards such Manager's Policy, of which 8.33% will be on account of severance pay, up to 2.5% on account of disability insurance (the "**Disability Policy**"), and the remainder on account of a pension fund (the "**Pension Fund**"). Pursuant to the Employee's instructions, the Company shall deduct 5% from the Employee's Salary to be paid on behalf of the Employee towards such Pension Fund.

5.3.2 Payments by the Company towards the Manager's Policy under this Section 5.3 shall be on account of and not in addition to any statutory obligation to pay severance pay.

5.3.3 In the event that a portion of the contributions made under this Section 5.3 becomes subject to tax liability (the "**Portion**"), then the Employee will be given the option to have the Portion deducted from the contributions to be made hereunder and added to the Salary.

5.3.4 The aforementioned allocations shall be in lieu of any severance payment in compliance with the General Approval of the Minister of Labor which was promulgated pursuant to Section 14 of the Severance Payment Law of 1963, which General Approval is attached hereto as Exhibit A.

5.3.5 In the event of termination of the Employee's employment by either the Employee or the Company, the Company shall transfer to the Employee's possession the Manager's Policy, provided that no such transfer shall be made under circumstances which would entitle the Company to deprive the Employee of severance pay under Israeli Law, including the breach of the confidentiality and non-competition provisions of this Agreement, and/or breach of fiduciary duties.

5.4 Further Education Fund (Keren Hishtalmut) Contributions

The Company shall, during the period of the Employee's employment with the Company, make monthly contributions on behalf of the Employee to a recognized Further Education Fund (the "**Keren Hishtalmut**") recognized by the Income Tax Authorities in an amount equal to 7.5% of the Salary. In addition, pursuant to the Employee's request, the Company shall deduct 2.5% of the Employee's Salary which deduction shall also be paid to such Keren Hishtalmut. Subject to any tax payable in respect of such contributions to such Keren Hishtalmut (whether now applicable or arising under any future law), which shall be borne and paid solely by the Employee, all funds accumulating in the Keren Hishtalmut shall belong to the Employee, and upon the Employee's written request, the Company shall submit a written request to the Keren Hishtalmut for the release of such funds to the Employee. The Company's contributions under this Section 5.4 will continue only up to the applicable tax-exempt "ceiling" under the income tax regulations in effect from time to time.

6. Expenses

The Company will reimburse the Employee for all pre-approved expenses and disbursements incurred by him in carrying out his duties under this Agreement, in accordance with the regular practices of the Company regarding the reimbursement of such expenses and against the submission of the receipts therefor.

7. Vacation

The Employee shall be entitled to 16 days of annual vacation. The Employee shall not be allowed to accrue more than twice such number of vacation days. The Company will be closed for all Jewish and Israeli holidays and on Hol HaMoed of Pessach and Succot each day will constitute a half day of work.

8. Recuperation Pay and Sick Leave

8.1 The Employee shall be entitled to recuperation pay (D'may Havra'a) according to the law.

8.2 The Employee shall be entitled to sick leave according to the law set forth in the Sickness Pay Law - 1976.

9. Termination of Employment

9.1 The employment of the Employee by the Company shall commence as of the Effective Date. Each of the Company and the Employee shall each be entitled to bring the Employee's employment to an end for any reason or for no reason by giving advance written notice ("**Prior Notice**") to the other party of thirty (30) days (the "**Notice Period**").

9.2 Notwithstanding the above, the Company shall be entitled to dismiss the Employee immediately without Prior Notice upon the occurrence of any event in which severance payments can be denied to the Employee, whether in whole or in part, according to the law prevailing in Israel, from time to time, including without limitation, in any one of the following events: (i) an indictment of the Employee of an offense constituting a felony or involving moral turpitude, theft or embezzlement, whether or not involving the Company; (ii) the breach by the Employee of any of his confidentiality and/or non-competition obligations under Sections 10 and 12 hereunder; or (iii) an act of Employee in bad faith towards the Company or any other breach of a fiduciary duty towards the Company or any breach of this Agreement. In such event the employment of the Employee shall cease immediately upon the notice provided by the Company and he shall be entitled to no further compensation under this Agreement that had not accrued by such termination.

9.3 The Employee undertakes that in the event he ceases to work for the Company, for any reason whatsoever, he will transfer, in an organized manner and according to the procedures determined by the Company, his position and the documents and projects which he is dealing with or are in his possession or under his control at such time, to whomever the Company shall determine, in a manner which will enable that person to responsibly perform the duties of the Employee and such that no damage will be caused to the Company.

10. <u>Confidentiality</u>

10.1 The Employee hereby acknowledges that he may be exposed (in the framework of his employment with the Company) to various forms of developments and research undertaken by the Company (the "**Research**"). The Employee hereby undertakes to keep secret and maintain in confidence at all times and to do everything in his power to prevent unauthorized disclosure of all information in his possession, brought to his knowledge or which he has acquired and/or will acquire regarding the Research and/or the Company. The Employee consents to refrain from disclosing to any third party, and not to, directly or indirectly, whether in writing or otherwise, communicate, publish, reveal, describe, allow access to, divulge or otherwise expose or make available to any person or entity, any work, report of work, or any other information concerning the Research, in whole or in part, or to present to any third party in any other manner any work, report or information in writing and/or orally, without prior written approval from the Company. The Employee hereby undertakes not to use any information regarding the Research for any purpose whatsoever.

10.2 The Employee further acknowledges that in the course of or as a result of, or otherwise in connection with, his engagement with the Company he may receive, learn, be exposed to, obtain, or have access to the Confidential Information (as defined below).

10.3 The Employee hereby declares and confirms that he is aware that the Confidential Information, as defined below, is highly confidential and sensitive and its disclosure will cause immeasurable damage and loss to the Company and its affiliates.

10.4 The term "**Confidential Information**" as used herein, shall mean all information regarding the Company and its affiliates and their respective business and operations, including, without limitation, any commercial, business, financial or technical information, any technology, know-how, inventions, developments, processes, methods, formulae, specifications, trade secrets, marketing, operations, plans, activities, business information, Company contracts and other documented materials, names of suppliers, distributors, agents, customers, business partners, sources, costs, software, designs, drawings, engineering, hardware configuration information and/or any other private, confidential and/or proprietary information with regard to the Company and its affiliates. The Employee recognizes that the Company may receive confidential or proprietary information from third parties, subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. In connection with such duties, such information shall be deemed Confidential Information hereunder, *mutatis mutandis*.

10.5 The Employee undertakes not to make any use of the Confidential Information other than for the purpose of fulfilling his obligations hereunder and to protect and maintain the Confidential Information in strict confidence at all times subject to the following provisions. The Employee shall not disclose, transfer, use, communicate, disseminate, publish, or in any other manner reveal or divulge, directly or indirectly, to any third party at any time during or after the term of this Agreement, the Confidential Information or any part thereof, for any purpose whatsoever, unless it is in fulfillment of the Employee's position and undertakings hereunder and to the extent necessary.

10.6 Notwithstanding the foregoing, Confidential Information shall not include information which: (i) is in, or enters, the public domain otherwise than by reason of a breach hereof by the Employee or any third party; or (ii) is required to be disclosed pursuant to an order of a court of competent jurisdiction or by applicable law or regulation, provided however, that in such event, the Employee be obliged to inform the Company of such disclosure as soon as possible and the Employee shall disclose only that portion of information required by law to be disclosed.

10.7 All Confidential Information made available to, received by, or generated by the Employee shall remain the exclusive property of the Company, and no license or other rights in or to the Confidential Information are granted hereby. All files, records, documents, drawings, specifications, equipment, notebooks, notes, memoranda, diagrams, blueprints, bulletins, formula, reports, analyses, computer programs, and other data of any kind relating to the business of the Company, whether prepared by the Employee or otherwise coming into his possession, and whether classified as Confidential Information or not, shall remain the exclusive property of the Company. Upon the earlier to occur of the termination or expiration of this Agreement, or upon request by the Company, the Employee shall promptly turn over to the Company all such files, records, documents, drawings, specifications, equipment, notebooks, notes, memoranda, diagrams, blueprints, bulletins, formulae, reports, analyses, computer progress and other data of any kind concerning the Company which the Employee obtained, received or prepared pursuant to this Agreement, unless specific written consent is obtained from the Company to release any such record.

10.8 For the purpose of this Section 10 the term Company shall include any subsidiaries or parent companies of the Company.

11. Development Rights

11.1 In this Section, **"Inventions"** shall mean: All inventions, processes, technology, formulae, patents, improvements, mask works, modifications, discoveries, concepts, ideas, techniques, methods, know-how, designs, and enhancements, products, specifications and drawings, computer programs, whether or not patentable or otherwise protectable, and all intellectual property rights associated therewith (including copyrights, trade secrets and trademarks), which are invented, made, developed, discovered, conceived or generated in whole or in part, by the Employee, independently, or jointly with others, and which are either:

11.1.1 related to the Company's business or research and development, and invented, made, developed, discovered, or conceived during the Employee's employment by the Company; or

11.1.2 developed in whole or in part with the use of any of the Company's equipment, supplies, facilities (or with facilities rented by the Company or outsourced), or proprietary information.

11.2 The Employee shall promptly disclose to the Company all Inventions and keep records relating to the conception and reduction to practice of all Inventions. Such records shall be the sole and exclusive property of the Company, and the Employee shall surrender possession of such records to the Company upon any suspension or termination of the Employee's employment with the Company.

11.3 The Employee hereby agrees and declares that all Inventions and any and all rights, title and interests in and to the Inventions, including, without limitation all intellectual property rights associated therewith (such as copyrights, patents, mask work rights, etc.) shall be the sole and exclusive property of the Company.

The Employee hereby assigns and will in the future assign to the Company (if and to the extent required) all rights, title and interest worldwide he may have or acquire in all Inventions and in all intellectual property rights based upon such Inventions or derived therefrom, and agrees that all Inventions and all intellectual property rights based on such Inventions or derived therefrom shall be the sole property of the Company and its assignees, and the Company and its assignees shall be the sole owner of all intellectual property rights and other rights in connection therewith.

11.4 The Employee shall have no rights, claims or interest of whatsoever kind, in the Inventions or with respect thereto, nor shall the Employee be entitled to any additional compensation and consideration for fulfilling his duties under this Section 11 or with respect to the Inventions.

11.5 The Employee shall during and after the term of this Agreement provide the Company with all reasonable information, documentation, and assistance, including the preparation or execution, as applicable of documents, declarations, assignments, drawings and other data, that the Company may request in order to perfect, enforce, or defend the proprietary rights based on the Inventions or derived therefrom and to effectuate its title and interest therein. All such actions and assistance shall be provided at the expense of the Company.

11.6 For the purpose of this Section 11 the term Company shall include any subsidiaries thereof or any parent companies of the Company.

12. <u>Non-Competition</u>

12.1 The Employee undertakes that, absent the prior written consent of the Company, for so long as he is employed by the Company, he will not be involved, whether directly or indirectly, in any manner, in any other research, activity or business conflicting with the business of the Company.

12.2 The Employee further undertakes that, absent the prior written consent of the Company, for a period of 12 months following termination or expiration of his employment with the Company, he will not be involved, directly or indirectly, in any way, in any research, activity or business which is competitive with the Company or its business in the specific field of its business, including without limitation the development, production, marketing, distribution and sales of any products and/or services relating to its specific field of business, which compete with the products and/or services developed, or produced by or for the Company and/or marketed, distributed or sold by the Company in its specific field of business.

The Employee hereby expressly acknowledges that the business and operating market of the Company is worldwide, and consequently the obligations prescribed in this section shall apply on a worldwide basis.

For the purpose of this Section 12 “directly or indirectly” includes doing business as an owner, an independent contractor, shareholder, director, partner, manager, agent, employee or advisor, but does not, however, include the holding of up to 2% of free market shares of publicly traded companies.

12.3 The Employee also hereby undertakes that for a period of 12 (twelve) months after the termination of the Employee-employer relationship between himself and the Company for any reason whatsoever, he will not employ, offer to employ or otherwise engage or solicit for employment any person who is or was, during the 12 (twelve) month period prior to the termination of Employee’s employment with the Company, an employee or exclusive consultant, an exclusive supplier or exclusive contractor of the Company, and shall not conduct, whether directly or indirectly, any activity which intervenes in the commercial relationship between the Company and any of its employees, contractors, customers, distributors, suppliers or consultants.

12.4 For the purpose of this Section 12 the term Company shall include any subsidiaries or parent companies of the Company.

12.5 The Employee acknowledges that the provisions of Sections 10-12 are reasonable and necessary to legitimately protect the Company’s Confidential Information and property (including intellectual property and goodwill).

13. Miscellaneous

13.1 Entire Agreement. This Agreement fully embraces the legal relationship between the Parties with respect to the subject matter hereof, and no previous agreements, memorandum of agreements, negotiations, promises, consents, undertakings, representations, warranties or documents which were applied, exchanged or signed by or between any of the Parties prior to the signing of this Agreement, shall have any force or effect.

13.2 Waiver. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right of such Party at a later time to enforce the same. No waiver by any Party of the breach of any of the terms or covenants in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any breach, or a waiver of any of the terms or covenants contained herein.

13.3 Modification. There will be no validity to any change in this Agreement, and none of its conditions can be amended other than by a written document containing the signatures of both Parties.

13.4 Notice. The addresses of the Parties for the purposes of this Agreement will be as detailed in the Preamble to it, and any notice which is sent via registered mail from one Party to the other, according to the said address, will be considered as if it were received by the addressee 72 hours after it was sent for delivery at a post office in Israel, and if delivered by hand, at the time at which it was delivered.

13.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.6 Inure to the Benefit. This Agreement shall inure to the benefit of the Company and its successors and assigns.

13.7 Severability. If any provision in this Agreement (or portion thereof) shall be found or be held to be invalid or unenforceable, then the meaning of said provision shall be construed, to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement which shall remain in full force and effect unless the severed provision is essential and material to the rights or benefits received by any Party. In such event, the Parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the Parties' intent in entering into this Agreement. In the event that the scope or duration of the Employee's obligations under this Agreement is deemed to exceed the scope or duration permitted by law, the maximum scope or duration permitted by law shall substitute for the former.

13.8 Survival. It is hereby clarified that any and all provisions herein which by their terms and/or by their nature, should operate or should have effect following the termination of the Employee's employment hereunder or the termination or expiration of this Agreement, including without limitation, the provisions of Sections 10, 11 and 12 herein, shall survive any such termination.

13.9 Breach of Obligations. The Employee is aware that a breach of his obligations in Sections 10 and 12 of this Agreement, or part of them, will cause the Company and/or the companies related thereto, serious and irreparable damage, and therefore hereby agrees, that if such breach occurs, the Company shall be entitled without prejudice, to take all legal means necessary, and all and any injunctive relief as is necessary to restrain any further or continuing breach.

13.10 Choice of Law and Jurisdiction. This Agreement shall be governed by, and construed in accordance with the laws of the State of Israel, and the competent courts of Jerusalem shall have exclusive jurisdiction to the exclusion of all other courts, in all matters which pertain to this Agreement.

13.11 It is agreed that this Agreement constitutes, inter alia, notification under the Notification to Employee (Employment Terms) Law, 5762-2002. It is clarified that nothing in the Agreement derogates from any right to which the Employee is entitled under any law, extension order, collective agreement, if and to the extent applicable.

The Parties hereto have hereunto set their hands and signatures on this Employment Agreement as of the 1st day of June , 2006:

COMPANY

Vringo (Israel) Ltd.

/s/ Jonathan Medved

By: Jonathan Medved
Title: Chief Executive Officer

EMPLOYEE

/s/ David Corre

EXHIBIT A

GENERAL APPROVAL REGARDING PAYMENTS BY EMPLOYERS TO A PENSION FUND AND INSURANCE FUND IN LIEU OF SEVERANCE PAY UNDER THE SEVERANCE PAY LAW, 5723-1963

By virtue of my power under Section 14 of the Severance Pay Law, 5723-1963 (hereinafter: the "Law"), I certify that payments made by an employer commencing from the date of the publication of this approval for the sake of his employee to a comprehensive pension provident fund that is not an insurance fund within the meaning set forth in the Income Tax Regulations (Rules for the Approval and Conduct of Provident Funds), 5724-1964 (hereinafter: the "Pension Fund") or to managers' insurance which includes the possibility to receive annuity payments or a combination of payments to a non-annuity fund under an insurance fund as aforesaid, (hereinafter: the "Insurance Fund"), including payments made by the employer by a combination of payments to a Pension Fund and an Insurance Fund whether or not the Insurance Fund included an annuity plan (hereinafter: "Employer's Payments"), shall be made in lieu of severance pay due to said employee with respect to the salary from which said payments were made and for the period they were paid (hereinafter: the "Exempt Salary"), provided that all the following conditions are fulfilled:

(1) The Employer's Payments -

(a) to the Pension Fund are not less than 14 1/3% of the Exempt Salary or 12% of the Exempt Salary if the employer pays, for the sake of his employee, in addition thereto, payments to supplement severance pay to a severance pay provident fund or to an Insurance Fund in the employee's name, in the amount of 2 1/3 % of the Exempt Salary. In the event that the employer has not paid the above mentioned 2 1/3% in addition to said 12%, his payments shall come in lieu of only 72% of the employee's severance pay;

(b) to the Insurance Fund are not less than one of the following:

(i) 13 1/3% of the Exempt Salary, provided that, in addition thereto, the employer pays, for the sake of his employee, payments to secure monthly income in the event of disability, in a plan approved by the Commissioner of the Capital Market, Insurance and Savings Department of the Ministry of Finance, in an amount equivalent to the lower of either an amount required to secure at least 75% of the Exempt Salary or in an amount of 2 1/2% of the Exempt Salary (hereinafter: "Disability Insurance Payment");

(ii) 11% of the Exempt Salary, if the employer paid, in addition, the Disability Insurance Payment; and in such case, the Employer's Payments shall come in lieu of only 72% of the employee's severance pay. In the event that the employer has made payments in the employee's name, in addition to the foregoing payments, to a severance pay provident fund or to an Insurance Fund in the employee's name, to supplement severance pay in an amount of 2 1/3% of the Exempt Salary, the Employer's Payments shall come in lieu of 100% of the employee's severance pay.

(2) No later than three months from the commencement of the Employer's Payment, a written agreement was executed between the employer and the employee, which includes:

(a) the employee's consent to an arrangement pursuant to this approval, in an agreement specifying the Employer's Payments, the Pension Fund and the Insurance Fund, as the case may be; said agreement shall also incorporate the text of this approval;

(b) an advance waiver by the employer of any right which he may have to a refund of monies from his payments, except in cases in which the employee's right to severance pay was denied by a final judgment pursuant to Section 16 or 17 of the Law, and in such a case or in cases in which the employee withdrew monies from the Pension Fund or Insurance Fund, other than by reason of an entitling event; for these purposes an "Entitling Event" means death, disability or retirement at or after the age of 60.

(3) This approval shall not derogate from the employee's right to severance pay pursuant to any law, collective agreement, extension order or employment agreement with respect to compensation in excess of the Exempt Salary.

15th Sivan 5758 (June 9th, 1998).

January 1, 2010

AMENDMENT TO EMPLOYEE AGREEMENT DATED JUNE 1, 2006 BY AND BETWEEN VRINGO (ISRAEL) LTD. AND DAVID CORRE

Section 5.1 shall be replaced with the following wording:

In consideration for services to be performed by the Employee under this Agreement, the Company shall pay the Employee a gross monthly salary (from time to time, the "Salary") of 26,000 New Israel Shekels (NIS), which shall be paid to the Employee by the ninth day of the month following the month for which it is due.

No other amendments are made to the referenced agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective on the date and year first above written.

VRINGO (ISRAEL) LTD.

/s/ Jonathan Medved

By: Jonathan Medved
Title: Chief Executive Officer

EMPLOYEE

/s/ David Corre

David Corre

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**") is made and entered into as of January 1, 2007 (the "**Effective Date**"), by and between Vringo (Israel) Ltd., an Israeli company, with principal offices located in Bet Shemesh, Israel (hereinafter: the "**Company**"), and Dov Frohlich, Israeli I.D no. _____ of Nachal Maor 9/3, Ramat Bet Shemesh, Israel (hereinafter: the "**Employee**").

WHEREAS, the Company and the Employee desire to enter into a written employment agreement which will set forth the terms and conditions upon which the Employee shall be employed full-time by the Company as Senior Vice President, and General Manager of the Vringo Carrier Division.

NOW, THEREFORE, the Parties hereby agree, declare and covenant as follows:

1. Preamble and Interpretation

The preamble to this Employment Agreement (this "**Agreement**") constitutes an integral part hereof. The section headings are intended for convenience purposes only and shall not be used for the interpretation of this Agreement.

2. Declaration of the Parties

The Parties hereby declare and affirm as follows:

2.1 The Agreement is personal and special, and reflects the relationship between the Company and the Employee, and thus, no general and/or special collective labor agreements shall apply to the relationship between the Parties.

2.2 The Agreement contains all the payments and/or benefits and/or other conditions of any kind to which the Employee is entitled from the Company, and the Employee shall not be entitled to any other remuneration and/or benefit from the Company, unless explicitly provided for hereunder.

2.3 No practice and/or custom which applies between the Company and other employees, if any exist, shall apply to the relationship between the Employee and the Company unless explicitly incorporated into the Agreement, and then only to the extent so incorporated. If the Company grants to the Employee, on any occasion(s), any benefit of any kind, which is not specified in the Agreement, such grant shall not constitute a practice and/or custom and/or precedent between the Parties which shall obligate the Company similarly on additional and/or other occasions.

2.4 The Employee hereby represents towards the Company that:

(a) no provision of any law, regulation, agreement or other document prohibits him from entering into this Agreement;

(b) the execution and delivery of this Agreement and the fulfillment of the terms hereof will not constitute a default under or breach of any agreement or other instrument to which he is a party or by which he is bound, including without limitation, any non-competition agreement or confidentiality agreement (particularly as such confidentiality agreement may relate to the divulgence or use of any proprietary software code known to Employee from prior work experiences), and do not require the consent of any person or entity (including without limitation, of any academic institution).

3. Description of Position

3.1 During the term hereof, the Employee shall provide services as Senior Vice President, and General Manager of the Vringo Carrier Division to the Company. Without derogating from the generality of the foregoing, the Employee shall perform such further duties consistent with such position as shall, from time to time, be delegated or assigned to him by his supervisor.

3.2 The Employee shall perform his duties in accordance with the instructions of the Company's CEO, or any other person nominated from time to time by the Company, and shall be obligated to report to his supervisor or to any other person nominated by the Company.

4. Obligations and Undertakings of the Employee

4.1 The Employee shall be employed by the Company in the framework of a full-time position. The Employee undertakes during the period of his employment to devote the necessary attention, energies, talents, skills, knowledge and experience to the diligent and conscientious performance of his duties and responsibilities hereunder.

4.2 The Employee shall render his services in a faithful, responsible and competent manner - all in accordance with the terms and conditions set forth hereunder and with standards that may be established and maintained by the Company from time to time.

4.3 Save as provided hereunder, the Employee shall not receive in connection with his work for the Company any compensation or benefit of any kind from any source, including any customer or supplier of the Company, whether directly or indirectly.

4.4 The Employee undertakes to notify the Company immediately regarding any matter in which he has a personal interest and which may potentially create a conflict of interest between himself and his work in the Company.

4.5 The Employee's duties shall be in the nature of management duties that demand a special level of loyalty and do not enable the Company full control or supervision of his work hours and rest hours, and accordingly the Law of Work Hours and Rest, 5711-1951 shall not apply to the employment relationship between the Company and the Employee.

The Employee hereby declares and confirms that he is aware and agrees that his employment in the Company may require working at extra and unusual hours as well as on days of rest and holidays (other than the Jewish Sabbath and Holidays). The Employee undertakes to work overtime, at the request of the Company and in accordance with the needs of his position, and declares and confirms that the Salary

and all other benefits to which the Employee is entitled in accordance herewith includes full compensation for any hours which the Employee will work in excess of the hours provided in the Law of Work and Rest Hours, 5711-1951, and the Employee shall not be entitled to any extra payment therefor.

5. Compensation

5.1 In consideration for services to be performed by the Employee under this Agreement, the Company shall pay the Employee a gross monthly salary (from time to time, the "**Salary**") of 33,000 New Israel Shekels (NIS), which shall be paid to the Employee by the ninth day of the month following the month for which it is due. At the conclusion of the raising of at least $5 million additional financing, through a Series B Financing round, the employee's salary will be raised to NIS 40,000 subject to the fulfilling of milestones as set by the Company's CEO and Board of Directors.

5.1.1 In addition to the gross monthly salary, the employee shall be entitled to a bonus of up to 30% of his yearly base salary based on the successful completion of milestones and goals that will be determined from time to time by the Company's compensation committee and Board of Directors. Nothing in this article should be interpreted as a commitment or guarantee to any sum of this bonus amount.

5.2 All taxes, levies and other impositions with respect to any of the amounts which will be paid to or on behalf of the Employee under this Agreement, shall be borne by the Employee. The Company shall deduct and withhold income tax, health insurance and national insurance from the Employee's Salary, and any other deductions or withholdings that may be required from time to time, pursuant to law.

5.3 Severance Pay and Manager's Insurance Fund

5.3.1 Effective as of the Effective Date, the Company shall institute a manager's insurance policy (the "**Manager's Policy**") for the Employee, and shall pay a sum equal to 15.83% of the Salary towards such Manager's Policy, of which 8.33% will be on account of severance pay, up to 2.5% on account of disability insurance (the "**Disability Policy**"), and the remainder on account of a pension fund (the "**Pension Fund**"). Pursuant to the Employee's instructions, the Company shall deduct 5% from the Employee's Salary to be paid on behalf of the Employee towards such Pension Fund.

5.3.2 Payments by the Company towards the Manager's Policy under this Section 5.3 shall be on account of and not in addition to any statutory obligation to pay severance pay.

5.3.3 In the event that a portion of the contributions made under this Section 5.3 becomes subject to tax liability (the "**Portion**"), then the Employee will be given the option to have the Portion deducted from the contributions to be made hereunder and added to the Salary.

5.3.4 The aforementioned allocations shall be in lieu of any severance payment in compliance with the General Approval of the Minister of Labor which was promulgated pursuant to Section 14 of the Severance Payment Law of 1963, which General Approval is attached hereto as Exhibit A.

5.3.5 In the event of termination of the Employee's employment by either the Employee or the Company, the Company shall transfer to the Employee's possession the Manager's Policy, provided that no such transfer shall be made under circumstances which would entitle the Company to deprive the Employee of severance pay under Israeli Law, including the breach of the confidentiality and non-competition provisions of this Agreement, and/or breach of fiduciary duties.

5.4 Further Education Fund (Keren Hishtalmut) Contributions

The Company shall, during the period of the Employee's employment with the Company, make monthly contributions on behalf of the Employee to a recognized Further Education Fund (the "**Keren Hishtalmut**") recognized by the Income Tax Authorities in an amount equal to 7.5% of the Salary. In addition, pursuant to the Employee's request, the Company shall deduct 2.5% of the Employee's Salary which deduction shall also be paid to such Keren Hishtalmut. Subject to any tax payable in respect of such contributions to such Keren Hishtalmut (whether now applicable or arising under any future law), which shall be borne and paid solely by the Employee, all funds accumulating in the Keren Hishtalmut shall belong to the Employee, and upon the Employee's written request, the Company shall submit a written request to the Keren Hishtalmut for the release of such funds to the Employee. The Company's contributions under this Section 5.4 will continue only up to the applicable tax-exempt "ceiling" under the income tax regulations in effect from time to time.

6. Expenses

The Company will reimburse the Employee for all pre-approved expenses and disbursements incurred by him in carrying out his duties under this Agreement, in accordance with the regular practices of the Company regarding the reimbursement of such expenses and against the submission of the receipts therefor.

7. Vacation

The Employee shall be entitled to 20 days of annual vacation. The Employee shall not be allowed to accrue more than twice such number of vacation days. The Company will be closed for all Jewish and Israeli holidays and on Hol HaMoed of Pessach and Succot each day will constitute a half day of work.

8. Recuperation Pay and Sick Leave

8.1 The Employee shall be entitled to recuperation pay (D'may Havra'a) according to the law.

8.2 The Employee shall be entitled to sick leave according to the law set forth in the Sickness Pay Law - 1976.

9. Termination of Employment

9.1 The employment of the Employee by the Company shall commence as of the Effective Date. Each of the Company and the Employee shall each be entitled to bring the Employee's employment to an end for any reason or for no reason by giving advance written notice ("**Prior Notice**") to the other party of thirty (30) days (the "**Notice Period**").

9.2 Notwithstanding the above, the Company shall be entitled to dismiss the Employee immediately without Prior Notice upon the occurrence of any event in which severance payments can be denied to the Employee, whether in whole or in part, according to the law prevailing in Israel, from time to time, including without limitation, in any one of the following events: (i) an indictment of the Employee of an offense constituting a felony or involving moral turpitude, theft or embezzlement, whether or not involving the Company; (ii) the breach by the Employee of any of his confidentiality and/or non-competition obligations under Sections 10 and 12 hereunder; or (iii) an act of Employee in bad faith towards the Company or any other breach of a fiduciary duty towards the Company or any breach of this Agreement. In such event the employment of the Employee shall cease immediately upon the notice provided by the Company and he shall be entitled to no further compensation under this Agreement that had not accrued by such termination.

9.3 The Employee undertakes that in the event he ceases to work for the Company, for any reason whatsoever, he will transfer, in an organized manner and according to the procedures determined by the Company, his position and the documents and projects which he is dealing with or are in his possession or under his control at such time, to whomever the Company shall determine, in a manner which will enable that person to responsibly perform the duties of the Employee and such that no damage will be caused to the Company.

10. Confidentiality

10.1 The Employee hereby acknowledges that he may be exposed (in the framework of his employment with the Company) to various forms of developments and research undertaken by the Company (the "**Research**"). The Employee hereby undertakes to keep secret and maintain in confidence at all times and to do everything in his power to prevent unauthorized disclosure of all information in his possession, brought to his knowledge or which he has acquired and/or will acquire regarding the Research and/or the Company. The Employee consents to refrain from disclosing to any third party, and not to, directly or indirectly, whether in writing or otherwise, communicate, publish, reveal, describe, allow access to, divulge or otherwise expose or make available to any person or entity, any work, report of work, or any other information concerning the Research, in whole or in part, or to present to any third party in any other manner any work, report or information in writing and/or orally, without prior written approval from the Company. The Employee hereby undertakes not to use any information regarding the Research for any purpose whatsoever.

10.2 The Employee further acknowledges that in the course of or as a result of, or otherwise in connection with, his engagement with the Company he may receive, learn, be exposed to, obtain, or have access to the Confidential Information (as defined below).

10.3 The Employee hereby declares and confirms that he is aware that the Confidential Information, as defined below, is highly confidential and sensitive and its disclosure will cause immeasurable damage and loss to the Company and its affiliates.

10.4 The term "**Confidential Information**" as used herein, shall mean all information regarding the Company and its affiliates and their respective business and operations, including, without limitation, any commercial, business, financial or technical information, any technology, know-how, inventions, developments, processes, methods, formulae, specifications, trade secrets, marketing, operations, plans, activities, business information, Company contracts and other documented materials, names of suppliers, distributors, agents, customers, business partners, sources, costs, software, designs, drawings, engineering, hardware configuration information and/or any other private, confidential and/or proprietary information with regard to the Company and its affiliates. The Employee recognizes that the Company may receive confidential or proprietary information from third parties, subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. In connection with such duties, such information shall be deemed Confidential Information hereunder, *mutatis mutandis*.

10.5 The Employee undertakes not to make any use of the Confidential Information other than for the purpose of fulfilling his obligations hereunder and to protect and maintain the Confidential Information in strict confidence at all times subject to the following provisions. The Employee shall not disclose, transfer, use, communicate, disseminate, publish, or in any other manner reveal or divulge, directly or indirectly, to any third party at any time during or after the term of this Agreement, the Confidential Information or any part thereof, for any purpose whatsoever, unless it is in fulfillment of the Employee's position and undertakings hereunder and to the extent necessary.

10.6 Notwithstanding the foregoing, Confidential Information shall not include information which: (i) is in, or enters, the public domain otherwise than by reason of a breach hereof by the Employee or any third party; or (ii) is required to be disclosed pursuant to an order of a court of competent jurisdiction or by applicable law or regulation, provided however, that in such event, the Employee be obliged to inform the Company of such disclosure as soon as possible and the Employee shall disclose only that portion of information required by law to be disclosed.

10.7 All Confidential Information made available to, received by, or generated by the Employee shall remain the exclusive property of the Company, and no license or other rights in or to the Confidential Information are granted hereby. All files, records, documents, drawings, specifications, equipment, notebooks, notes, memoranda, diagrams, blueprints, bulletins, formula, reports, analyses, computer programs, and other data of any kind relating to the business of the Company, whether prepared by the Employee or otherwise coming into his possession, and whether classified as Confidential Information or not, shall remain the exclusive property of the Company. Upon the earlier to occur of the termination or expiration of this Agreement, or upon

request by the Company, the Employee shall promptly turn over to the Company all such files, records, documents, drawings, specifications, equipment, notebooks, notes, memoranda, diagrams, blueprints, bulletins, formulae, reports, analyses, computer progress and other data of any kind concerning the Company which the Employee obtained, received or prepared pursuant to this Agreement, unless specific written consent is obtained from the Company to release any such record.

10.8 For the purpose of this Section 10 the term Company shall include any subsidiaries or parent companies of the Company.

11. Development Rights

11.1 In this Section, **"Inventions"** shall mean: All inventions, processes, technology, formulae, patents, improvements, mask works, modifications, discoveries, concepts, ideas, techniques, methods, know-how, designs, and enhancements, products, specifications and drawings, computer programs, whether or not patentable or otherwise protectable, and all intellectual property rights associated therewith (including copyrights, trade secrets and trademarks), which are invented, made, developed, discovered, conceived or generated in whole or in part, by the Employee, independently, or jointly with others, and which are either:

11.1.1 related to the Company's business or research and development, and invented, made, developed, discovered, or conceived during the Employee's employment by the Company; or

11.1.2 developed in whole or in part with the use of any of the Company's equipment, supplies, facilities (or with facilities rented by the Company or outsourced), or proprietary information.

11.2 The Employee shall promptly disclose to the Company all Inventions and keep records relating to the conception and reduction to practice of all Inventions. Such records shall be the sole and exclusive property of the Company, and the Employee shall surrender possession of such records to the Company upon any suspension or termination of the Employee's employment with the Company.

11.3 The Employee hereby agrees and declares that all Inventions and any and all rights, title and interests in and to the Inventions, including, without limitation all intellectual property rights associated therewith (such as copyrights, patents, mask work rights, etc.) shall be the sole and exclusive property of the Company.

The Employee hereby assigns and will in the future assign to the Company (if and to the extent required) all rights, title and interest worldwide he may have or acquire in all Inventions and in all intellectual property rights based upon such Inventions or derived therefrom, and agrees that all Inventions and all intellectual property rights based on such Inventions or derived therefrom shall be the sole property of the Company and its assignees, and the Company and its assignees shall be the sole owner of all intellectual property rights and other rights in connection therewith.

11.4 The Employee shall have no rights, claims or interest of whatsoever kind, in the Inventions or with respect thereto, nor shall the Employee be entitled to any additional compensation and consideration for fulfilling his duties under this Section 11 or with respect to the Inventions.

11.5 The Employee shall during and after the term of this Agreement provide the Company with all reasonable information, documentation, and assistance, including the preparation or execution, as applicable of documents, declarations, assignments, drawings and other data, that the Company may request in order to perfect, enforce, or defend the proprietary rights based on the Inventions or derived therefrom and to effectuate its title and interest therein. All such actions and assistance shall be provided at the expense of the Company.

11.6 For the purpose of this Section 11 the term Company shall include any subsidiaries thereof or any parent companies of the Company.

12. Non-Competition

12.1 The Employee undertakes that, absent the prior written consent of the Company, for so long as he is employed by the Company, he will not be involved, whether directly or indirectly, in any manner, in any other research, activity or business conflicting with the business of the Company.

12.2 The Employee further undertakes that, absent the prior written consent of the Company, for a period of 12 months following termination or expiration of his employment with the Company, he will not be involved, directly or indirectly, in any way, in any research, activity or business which is competitive with the Company or its business in the specific field of its business, including without limitation the development, production, marketing, distribution and sales of any products and/or services relating to its specific field of business, which compete with the products and/or services developed, or produced by or for the Company and/or marketed, distributed or sold by the Company in its specific field of business.

The Employee hereby expressly acknowledges that the business and operating market of the Company is worldwide, and consequently the obligations prescribed in this section shall apply on a worldwide basis.

For the purpose of this Section 12 “directly or indirectly” includes doing business as an owner, an independent contractor, shareholder, director, partner, manager, agent, employee or advisor, but does not, however, include the holding of up to 2% of free market shares of publicly traded companies.

12.3 The Employee also hereby undertakes that for a period of 12 (twelve) months after the termination of the Employee-employer relationship between himself and the Company for any reason whatsoever, he will not employ, offer to employ or otherwise engage or solicit for employment any person who is or was, during the 12 (twelve) month period prior to the termination of Employee’s employment with the Company, an employee or exclusive consultant, an exclusive supplier or exclusive contractor of the Company, and shall not conduct, whether directly or indirectly, any activity which intervenes in the commercial relationship between the Company and any of its employees, contractors, customers, distributors, suppliers or consultants.

12.4 For the purpose of this Section 12 the term Company shall include any subsidiaries or parent companies of the Company.

12.5 The Employee acknowledges that the provisions of Sections 10-12 are reasonable and necessary to legitimately protect the Company's Confidential Information and property (including intellectual property and goodwill).

13. Miscellaneous

13.1 Entire Agreement. This Agreement fully embraces the legal relationship between the Parties with respect to the subject matter hereof, and no previous agreements, memorandum of agreements, negotiations, promises, consents, undertakings, representations, warranties or documents which were applied, exchanged or signed by or between any of the Parties prior to the signing of this Agreement, shall have any force or effect.

13.2 Waiver. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right of such Party at a later time to enforce the same. No waiver by any Party of the breach of any of the terms or covenants in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any breach, or a waiver of any of the terms or covenants contained herein.

13.3 Modification. There will be no validity to any change in this Agreement, and none of its conditions can be amended other than by a written document containing the signatures of both Parties.

13.4 Notice. The addresses of the Parties for the purposes of this Agreement will be as detailed in the Preamble to it, and any notice which is sent via registered mail from one Party to the other, according to the said address, will be considered as if it were received by the addressee 72 hours after it was sent for delivery at a post office in Israel, and if delivered by hand, at the time at which it was delivered.

13.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.6 Inure to the Benefit. This Agreement shall inure to the benefit of the Company and its successors and assigns.

13.7 Severability. If any provision in this Agreement (or portion thereof) shall be found or be held to be invalid or unenforceable, then the meaning of said provision shall be construed, to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement which shall remain in full force and effect unless the severed provision is essential and material to the rights or benefits received by any Party. In such event, the Parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the Parties' intent in entering into this Agreement. In the event that the scope or duration of the Employee's obligations under this Agreement is deemed to exceed the scope or duration permitted by law, the maximum scope or duration permitted by law shall substitute for the former.

13.8 Survival. It is hereby clarified that any and all provisions herein which by their terms and/or by their nature, should operate or should have effect following the termination of the Employee's employment hereunder or the termination or expiration of this Agreement, including without limitation, the provisions of Sections 10, 11 and 12 herein, shall survive any such termination.

13.9 Breach of Obligations. The Employee is aware that a breach of his obligations in Sections 10 and 12 of this Agreement, or part of them, will cause the Company and/or the companies related thereto, serious and irreparable damage, and therefore hereby agrees, that if such breach occurs, the Company shall be entitled without prejudice, to take all legal means necessary, and all and any injunctive relief as is necessary to restrain any further or continuing breach.

13.10 Choice of Law and Jurisdiction. This Agreement shall be governed by, and construed in accordance with the laws of the State of Israel, and the competent courts of Jerusalem shall have exclusive jurisdiction to the exclusion of all other courts, in all matters which pertain to this Agreement.

13.11 It is agreed that this Agreement constitutes, inter alia, notification under the Notification to Employee (Employment Terms) Law, 5762-2002. It is clarified that nothing in the Agreement derogates from any right to which the Employee is entitled under any law, extension order, collective agreement, if and to the extent applicable.

The Parties hereto have hereunto set their hands and signatures on this Employment Agreement as of the 1st day of January, 2007:

COMPANY	**EMPLOYEE**
Vringo (Israel) Ltd.	
/s/ Jonathan Medved	/s/ Dov Frohlich
By: Jonathan Medved Title: CEO	

EXHIBIT A

GENERAL APPROVAL REGARDING PAYMENTS BY EMPLOYERS TO A PENSION FUND AND INSURANCE FUND IN LIEU OF SEVERANCE PAY UNDER THE SEVERANCE PAY LAW, 5723-1963

By virtue of my power under Section 14 of the Severance Pay Law, 5723-1963 (hereinafter: the "Law"), I certify that payments made by an employer commencing from the date of the publication of this approval for the sake of his employee to a comprehensive pension provident fund that is not an insurance fund within the meaning set forth in the Income Tax Regulations (Rules for the Approval and Conduct of Provident Funds), 5724-1964 (hereinafter: the "Pension Fund") or to managers' insurance which includes the possibility to receive annuity payments or a combination of payments to a non-annuity fund under an insurance fund as aforesaid, (hereinafter: the "Insurance Fund"), including payments made by the employer by a combination of payments to a Pension Fund and an Insurance Fund whether or not the Insurance Fund included an annuity plan (hereinafter: "Employer's Payments"), shall be made in lieu of severance pay due to said employee with respect to the salary from which said payments were made and for the period they were paid (hereinafter: the "Exempt Salary"), provided that all the following conditions are fulfilled:

(1) The Employer's Payments -

(a) to the Pension Fund are not less than 14 1/3% of the Exempt Salary or 12% of the Exempt Salary if the employer pays, for the sake of his employee, in addition thereto, payments to supplement severance pay to a severance pay provident fund or to an Insurance Fund in the employee's name, in the amount of 2 1/3 % of the Exempt Salary. In the event that the employer has not paid the above mentioned 2 1/3% in addition to said 12%, his payments shall come in lieu of only 72% of the employee's severance pay;

(b) to the Insurance Fund are not less than one of the following:

(i) 13 1/3% of the Exempt Salary, provided that, in addition thereto, the employer pays, for the sake of his employee, payments to secure monthly income in the event of disability, in a plan approved by the Commissioner of the Capital Market, Insurance and Savings Department of the Ministry of Finance, in an amount equivalent to the lower of either an amount required to secure at least 75% of the Exempt Salary or in an amount of 2 1/2% of the Exempt Salary (hereinafter: "Disability Insurance Payment");

(ii) 11% of the Exempt Salary, if the employer paid, in addition, the Disability Insurance Payment; and in such case, the Employer's Payments shall come in lieu of only 72% of the employee's severance pay. In the event that the employer has made payments in the employee's name, in addition to the foregoing payments, to a severance pay provident fund or to an Insurance Fund in the employee's name, to supplement severance pay in an amount of 2 1/3% of the Exempt Salary, the Employer's Payments shall come in lieu of 100% of the employee's severance pay.

(2) No later than three months from the commencement of the Employer's Payment, a written agreement was executed between the employer and the employee, which includes:

(a) the employee's consent to an arrangement pursuant to this approval, in an agreement specifying the Employer's Payments, the Pension Fund and the Insurance Fund, as the case may be; said agreement shall also incorporate the text of this approval;

(b) an advance waiver by the employer of any right which he may have to a refund of monies from his payments, except in cases in which the employee's right to severance pay was denied by a final judgment pursuant to Section 16 or 17 of the Law, and in such a case or in cases in which the employee withdrew monies from the Pension Fund or Insurance Fund, other than by reason of an entitling event; for these purposes an "Entitling Event" means death, disability or retirement at or after the age of 60.

(3) This approval shall not derogate from the employee's right to severance pay pursuant to any law, collective agreement, extension order or employment agreement with respect to compensation in excess of the Exempt Salary.

15th Sivan 5758 (June 9th, 1998).

January 1, 2010

AMENDMENT TO EMPLOYEE AGREEMENT DATED JANUARY 1, 2007 BY AND BETWEEN VRINGO (ISRAEL) LTD. AND STUART (DOV) FROHLICH

Section 3.1 shall be replaced with the following wording:

During the term hereof, the Employee shall provide services as Chief Operating Officer to the Company. Without derogating from the generality of the foregoing, the Employee shall perform such further duties consistent with such position as shall, from time to time, be delegated or assigned to him by his supervisor.

Section 5.1 shall be replaced with the following wording:

In consideration for services to be performed by the Employee under this Agreement, the Company shall pay the Employee a gross monthly salary (from time to time, the "Salary") of 40,000 New Israel Shekels (NIS), which shall be paid to the Employee by the ninth day of the month following the month for which it is due

Section 5.1.1 shall be removed in its entirety.

No other amendments are made to the referenced agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective on the date and year first above written.

VRINGO (ISRAEL) LTD.

/s/ Jonathan Medved
By: Jonathan Medved
Title: Chief Executive Officer

EMPLOYEE

/s/ Dov Frohlich
Stuart (Dov) Frohlich

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**") is made and entered into as of June 18, 2006 (the "**Effective Date**"), by and between Vringo (Israel) Ltd., an Israeli company, with principal offices located in Bet Shemesh, Israel (hereinafter: the "**Company**"), and Steven Glanz, Israeli I.D no. 327122594 of Nachal El Al 4/1, Ramat Bet Shemesh, Israel (hereinafter: the "**Employee**").

WHEREAS, the Company and the Employee desire to enter into a written employment agreement which will set forth the terms and conditions upon which the Employee shall be employed full-time by the Company as VP Business Development.

NOW, THEREFORE, the Parties hereby agree, declare and covenant as follows:

1. **Preamble and Interpretation**

The preamble to this Employment Agreement (this "**Agreement**") constitutes an integral part hereof. The section headings are intended for convenience purposes only and shall not be used for the interpretation of this Agreement.

2. Declaration of the Parties

The Parties hereby declare and affirm as follows:

2.1 The Agreement is personal and special, and reflects the relationship between the Company and the Employee, and thus, no general and/or special collective labor agreements shall apply to the relationship between the Parties.

2.2 The Agreement contains all the payments and/or benefits and/or other conditions of any kind to which the Employee is entitled from the Company, and the Employee shall not be entitled to any other remuneration and/or benefit from the Company, unless explicitly provided for hereunder.

2.3 No practice and/or custom which applies between the Company and other employees, if any exist, shall apply to the relationship between the Employee and the Company unless explicitly incorporated into the Agreement, and then only to the extent so incorporated. If the Company grants to the Employee, on any occasion(s), any benefit of any kind, which is not specified in the Agreement, such grant shall not constitute a practice and/or custom and/or precedent between the Parties which shall obligate the Company similarly on additional and/or other occasions.

2.4 The Employee hereby represents towards the Company that:

(a) no provision of any law, regulation, agreement or other document prohibits him from entering into this Agreement;

(b) the execution and delivery of this Agreement and the fulfillment of the terms hereof will not constitute a default under or breach of any agreement or other instrument to which he is a party or by which he is bound, including without limitation, any non-competition agreement or confidentiality agreement (particularly as such confidentiality agreement may relate to the divulgence or use of any proprietary software code known to Employee from prior work experiences), and do not require the consent of any person or entity (including without limitation, of any academic institution).

3. Description of Position

3.1 During the term hereof, the Employee shall provide services as VP Business Development to the Company. Without derogating from the generality of the foregoing, the Employee shall perform such further duties consistent with such position as shall, from time to time, be delegated or assigned to him by his supervisor.

3.2 The Employee shall perform his duties in accordance with the instructions of the Company's CEO, or any other person nominated from time to time by the Company, and shall be obligated to report to his supervisor or to any other person nominated by the Company.

4. Obligations and Undertakings of the Employee

4.1 The Employee shall be employed by the Company in the framework of a full-time position. The Employee undertakes during the period of his employment to devote the necessary attention, energies, talents, skills, knowledge and experience to the diligent and conscientious performance of his duties and responsibilities hereunder.

4.2 The Employee shall render his services in a faithful, responsible and competent manner - all in accordance with the terms and conditions set forth hereunder and with standards that may be established and maintained by the Company from time to time.

4.3 Save as provided hereunder, the Employee shall not receive in connection with his work for the Company any compensation or benefit of any kind from any source, including any customer or supplier of the Company, whether directly or indirectly.

4.4 The Employee undertakes to notify the Company immediately regarding any matter in which he has a personal interest and which may potentially create a conflict of interest between himself and his work in the Company.

4.5 The Employee's duties shall be in the nature of management duties that demand a special level of loyalty and do not enable the Company full control or supervision of his work hours and rest hours, and accordingly the Law of Work Hours and Rest, 5711-1951 shall not apply to the employment relationship between the Company and the Employee.

The Employee hereby declares and confirms that he is aware and agrees that his employment in the Company may require working at extra and unusual hours as well as on days of rest and holidays (other than the Jewish Sabbath and Holidays). The Employee undertakes to work overtime, at the request of the Company and in accordance with the needs of his position, and declares and confirms that the Salary and all other benefits to which the Employee is entitled in accordance herewith

includes full compensation for any hours which the Employee will work in excess of the hours provided in the Law of Work and Rest Hours, 5711-1951, and the Employee shall not be entitled to any extra payment therefor.

5. Compensation

5.1 In consideration for services to be performed by the Employee under this Agreement, the Company shall pay the Employee a gross monthly salary (from time to time, the "**Salary**") of 30,000 New Israel Shekels (NIS), which shall be paid to the Employee by the ninth day of the month following the month for which it is due.

5.1.1 In addition to the gross monthly salary, the employee shall be entitled to a bonus of up to 60% of his yearly base salary based on the completion of milestones that will be determined from time to time by the Company's compensation committee and Board of Directors. The employee will receive, at the end of each quarter, an advance of NIS 10,000 towards this annual sum.

5.1.2 In addition to the ESOP package that will be signed between the company and its employees, the employee will be entitled to 50% acceleration on the vesting of his options if the company is acquired by another company

5.2 All taxes, levies and other impositions with respect to any of the amounts which will be paid to or on behalf of the Employee under this Agreement, shall be borne by the Employee. The Company shall deduct and withhold income tax, health insurance and national insurance from the Employee's Salary, and any other deductions or withholdings that may be required from time to time, pursuant to law.

5.3 Severance Pay and Manager's Insurance Fund

5.3.1 Effective as of the Effective Date, the Company shall institute a manager's insurance policy (the "**Manager's Policy**") for the Employee, and shall pay a sum equal to 15.83% of the Salary towards such Manager's Policy, of which 8.33% will be on account of severance pay, up to 2.5% on account of disability insurance (the "**Disability Policy**"), and the remainder on account of a pension fund (the "**Pension Fund**"). Pursuant to the Employee's instructions, the Company shall deduct 5% from the Employee's Salary to be paid on behalf of the Employee towards such Pension Fund.

5.3.2 Payments by the Company towards the Manager's Policy under this Section 5.3 shall be on account of and not in addition to any statutory obligation to pay severance pay.

5.3.3 In the event that a portion of the contributions made under this Section 5.3 becomes subject to tax liability (the "**Portion**"), then the Employee will be given the option to have the Portion deducted from the contributions to be made hereunder and added to the Salary.

5.3.4 The aforementioned allocations shall be in lieu of any severance payment in compliance with the General Approval of the Minister of Labor which was promulgated pursuant to Section 14 of the Severance Payment Law of 1963, which General Approval is attached hereto as Exhibit A.

5.3.5 In the event of termination of the Employee's employment by either the Employee or the Company, the Company shall transfer to the Employee's possession the Manager's Policy, provided that no such transfer shall be made under circumstances which would entitle the Company to deprive the Employee of severance pay under Israeli Law, including the breach of the confidentiality and non-competition provisions of this Agreement, and/or breach of fiduciary duties.

5.4 Further Education Fund (Keren Hishtalmut) Contributions

The Company shall, during the period of the Employee's employment with the Company, make monthly contributions on behalf of the Employee to a recognized Further Education Fund (the "**Keren Hishtalmut**") recognized by the Income Tax Authorities in an amount equal to 7.5% of the Salary. In addition, pursuant to the Employee's request, the Company shall deduct 2.5% of the Employee's Salary which deduction shall also be paid to such Keren Hishtalmut. Subject to any tax payable in respect of such contributions to such Keren Hishtalmut (whether now applicable or arising under any future law), which shall be borne and paid solely by the Employee, all funds accumulating in the Keren Hishtalmut shall belong to the Employee, and upon the Employee's written request, the Company shall submit a written request to the Keren Hishtalmut for the release of such funds to the Employee. The Company's contributions under this Section 5.4 will continue only up to the applicable tax-exempt "ceiling" under the income tax regulations in effect from time to time.

6. Expenses

The Company will reimburse the Employee for all pre-approved expenses and disbursements incurred by him in carrying out his duties under this Agreement (including, but not limited to, all travel expenses incurred by the employee on his journey to and from the workplace), in accordance with the regular practices of the Company regarding the reimbursement of such expenses and against the submission of the receipts therefor.

7. Vacation

The Employee shall be entitled to 16 days of annual vacation. The Employee shall not be allowed to accrue more than twice such number of vacation days. The Company will be closed for all Jewish and Israeli holidays and on Hol HaMoed of Pessach and Succot each day will constitute a half day of work.

8. Recuperation Pay and Sick Leave

8.1 The Employee shall be entitled to recuperation pay (D'may Havra'a) according to the law.

8.2 The Employee shall be entitled to sick leave according to the law set forth in the Sickness Pay Law - 1976.

9. Termination of Employment

9.1 The employment of the Employee by the Company shall commence as of the Effective Date. Each of the Company and the Employee shall each be entitled to bring the Employee's employment to an end for any reason or for no reason by giving advance written notice ("**Prior Notice**") to the other party of thirty (30) days (the "**Notice Period**").

9.2 Notwithstanding the above, the Company shall be entitled to dismiss the Employee immediately without Prior Notice upon the occurrence of any event in which severance payments can be denied to the Employee, whether in whole or in part, according to the law prevailing in Israel, from time to time, including without limitation, in any one of the following events: (i) an indictment of the Employee of an offense constituting a felony or involving moral turpitude, theft or embezzlement, whether or not involving the Company; (ii) the breach by the Employee of any of his confidentiality and/or non-competition obligations under Sections 10 and 12 hereunder; or (iii) an act of Employee in bad faith towards the Company or any other breach of a fiduciary duty towards the Company or any breach of this Agreement. In such event the employment of the Employee shall cease immediately upon the notice provided by the Company and he shall be entitled to no further compensation under this Agreement that had not accrued by such termination.

9.3 The Employee undertakes that in the event he ceases to work for the Company, for any reason whatsoever, he will transfer, in an organized manner and according to the procedures determined by the Company, his position and the documents and projects which he is dealing with or are in his possession or under his control at such time, to whomever the Company shall determine, in a manner which will enable that person to responsibly perform the duties of the Employee and such that no damage will be caused to the Company.

10. Confidentiality

10.1 The Employee hereby acknowledges that he may be exposed (in the framework of his employment with the Company) to various forms of developments and research undertaken by the Company (the "**Research**"). The Employee hereby undertakes to keep secret and maintain in confidence at all times and to do everything in his power to prevent unauthorized disclosure of all information in his possession, brought to his knowledge or which he has acquired and/or will acquire regarding the Research and/or the Company. The Employee consents to refrain from disclosing to any third party, and not to, directly or indirectly, whether in writing or otherwise, communicate, publish, reveal, describe, allow access to, divulge or otherwise expose or make available to any person or entity, any work, report of work, or any other information concerning the Research, in whole or in part, or to present to any third party in any other manner any work, report or information in writing and/or orally, without prior written approval from the Company. The Employee hereby undertakes not to use any information regarding the Research for any purpose whatsoever.

10.2 The Employee further acknowledges that in the course of or as a result of, or otherwise in connection with, his engagement with the Company he may receive, learn, be exposed to, obtain, or have access to the Confidential Information (as defined below).

10.3 The Employee hereby declares and confirms that he is aware that the Confidential Information, as defined below, is highly confidential and sensitive and its disclosure will cause immeasurable damage and loss to the Company and its affiliates.

10.4 The term "**Confidential Information**" as used herein, shall mean all information regarding the Company and its affiliates and their respective business and operations, including, without limitation, any commercial, business, financial or technical information, any technology, know-how, inventions, developments, processes, methods, formulae, specifications, trade secrets, marketing, operations, plans, activities, business information, Company contracts and other documented materials, names of suppliers, distributors, agents, customers, business partners, sources, costs, software, designs, drawings, engineering, hardware configuration information and/or any other private, confidential and/or proprietary information with regard to the Company and its affiliates. The Employee recognizes that the Company may receive confidential or proprietary information from third parties, subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. In connection with such duties, such information shall be deemed Confidential Information hereunder, *mutatis mutandis*.

10.5 The Employee undertakes not to make any use of the Confidential Information other than for the purpose of fulfilling his obligations hereunder and to protect and maintain the Confidential Information in strict confidence at all times subject to the following provisions. The Employee shall not disclose, transfer, use, communicate, disseminate, publish, or in any other manner reveal or divulge, directly or indirectly, to any third party at any time during or after the term of this Agreement, the Confidential Information or any part thereof, for any purpose whatsoever, unless it is in fulfillment of the Employee's position and undertakings hereunder and to the extent necessary.

10.6 Notwithstanding the foregoing, Confidential Information shall not include information which: (i) is in, or enters, the public domain otherwise than by reason of a breach hereof by the Employee or any third party; or (ii) is required to be disclosed pursuant to an order of a court of competent jurisdiction or by applicable law or regulation, provided however, that in such event, the Employee be obliged to inform the Company of such disclosure as soon as possible and the Employee shall disclose only that portion of information required by law to be disclosed.

10.7 All Confidential Information made available to, received by, or generated by the Employee shall remain the exclusive property of the Company, and no license or other rights in or to the Confidential Information are granted hereby. All files, records, documents, drawings, specifications, equipment, notebooks, notes, memoranda, diagrams, blueprints, bulletins, formula, reports, analyses, computer programs, and other data of any kind relating to the business of the Company, whether prepared by the Employee or otherwise coming into his possession, and whether classified as Confidential Information or not, shall remain the exclusive property of the Company.

Upon the earlier to occur of the termination or expiration of this Agreement, or upon request by the Company, the Employee shall promptly turn over to the Company all such files, records, documents, drawings, specifications, equipment, notebooks, notes, memoranda, diagrams, blueprints, bulletins, formulae, reports, analyses, computer progress and other data of any kind concerning the Company which the Employee obtained, received or prepared pursuant to this Agreement, unless specific written consent is obtained from the Company to release any such record.

10.8 For the purpose of this Section 10 the term Company shall include any subsidiaries or parent companies of the Company.

11. <u>Development Rights</u>

11.1 In this Section, **"Inventions"** shall mean: All inventions, processes, technology, formulae, patents, improvements, mask works, modifications, discoveries, concepts, ideas, techniques, methods, know-how, designs, and enhancements, products, specifications and drawings, computer programs, whether or not patentable or otherwise protectable, and all intellectual property rights associated therewith (including copyrights, trade secrets and trademarks), which are invented, made, developed, discovered, conceived or generated in whole or in part, by the Employee, independently, or jointly with others, and which are either:

11.1.1 related to the Company's business or research and development, and invented, made, developed, discovered, or conceived during the Employee's employment by the Company; or

11.1.2 developed in whole or in part with the use of any of the Company's equipment, supplies, facilities (or with facilities rented by the Company or outsourced), or proprietary information.

11.2 The Employee shall promptly disclose to the Company all Inventions and keep records relating to the conception and reduction to practice of all Inventions. Such records shall be the sole and exclusive property of the Company, and the Employee shall surrender possession of such records to the Company upon any suspension or termination of the Employee's employment with the Company.

11.3 The Employee hereby agrees and declares that all Inventions and any and all rights, title and interests in and to the Inventions, including, without limitation all intellectual property rights associated therewith (such as copyrights, patents, mask work rights, etc.) shall be the sole and exclusive property of the Company.

The Employee hereby assigns and will in the future assign to the Company (if and to the extent required) all rights, title and interest worldwide he may have or acquire in all Inventions and in all intellectual property rights based upon such Inventions or derived therefrom, and agrees that all Inventions and all intellectual property rights based on such Inventions or derived therefrom shall be the sole property of the Company and its assignees, and the Company and its assignees shall be the sole owner of all intellectual property rights and other rights in connection therewith.

11.4 The Employee shall have no rights, claims or interest of whatsoever kind, in the Inventions or with respect thereto, nor shall the Employee be entitled to any additional compensation and consideration for fulfilling his duties under this Section 11 or with respect to the Inventions.

11.5 The Employee shall during and after the term of this Agreement provide the Company with all reasonable information, documentation, and assistance, including the preparation or execution, as applicable of documents, declarations, assignments, drawings and other data, that the Company may request in order to perfect, enforce, or defend the proprietary rights based on the Inventions or derived therefrom and to effectuate its title and interest therein. All such actions and assistance shall be provided at the expense of the Company.

11.6 For the purpose of this Section 11 the term Company shall include any subsidiaries thereof or any parent companies of the Company.

12. <u>Non-Competition</u>

12.1 The Employee undertakes that, absent the prior written consent of the Company, for so long as he is employed by the Company, he will not be involved, whether directly or indirectly, in any manner, in any other research, activity or business conflicting with the business of the Company.

12.2 The Employee further undertakes that, absent the prior written consent of the Company, for a period of 12 months following termination or expiration of his employment with the Company, he will not be involved, directly or indirectly, in any way, in any research, activity or business which is competitive with the Company or its business in the specific field of its business, including without limitation the development, production, marketing, distribution and sales of any products and/or services relating to its specific field of business, which compete with the products and/or services developed, or produced by or for the Company and/or marketed, distributed or sold by the Company in its specific field of business.

The Employee hereby expressly acknowledges that the business and operating market of the Company is worldwide, and consequently the obligations prescribed in this section shall apply on a worldwide basis.

For the purpose of this Section 12 “directly or indirectly” includes doing business as an owner, an independent contractor, shareholder, director, partner, manager, agent, employee or advisor, but does not, however, include the holding of up to 2% of free market shares of publicly traded companies.

12.3 The Employee also hereby undertakes that for a period of 12 (twelve) months after the termination of the Employee-employer relationship between himself and the Company for any reason whatsoever, he will not employ, offer to employ or otherwise engage or solicit for employment any person who is or was, during the 12 (twelve) month period prior to the termination of Employee’s employment with the Company, an employee or exclusive consultant, an exclusive supplier or exclusive contractor of the Company, and shall not conduct, whether directly or indirectly, any activity which intervenes in the commercial relationship between the Company and any of its employees, contractors, customers, distributors, suppliers or consultants.

12.4 For the purpose of this Section 12 the term Company shall include any subsidiaries or parent companies of the Company.

12.5 The Employee acknowledges that the provisions of Sections 10-12 are reasonable and necessary to legitimately protect the Company's Confidential Information and property (including intellectual property and goodwill).

13. Miscellaneous

13.1 Entire Agreement. This Agreement fully embraces the legal relationship between the Parties with respect to the subject matter hereof, and no previous agreements, memorandum of agreements, negotiations, promises, consents, undertakings, representations, warranties or documents which were applied, exchanged or signed by or between any of the Parties prior to the signing of this Agreement, shall have any force or effect.

13.2 Waiver. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right of such Party at a later time to enforce the same. No waiver by any Party of the breach of any of the terms or covenants in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any breach, or a waiver of any of the terms or covenants contained herein.

13.3 Modification. There will be no validity to any change in this Agreement, and none of its conditions can be amended other than by a written document containing the signatures of both Parties.

13.4 Notice. The addresses of the Parties for the purposes of this Agreement will be as detailed in the Preamble to it, and any notice which is sent via registered mail from one Party to the other, according to the said address, will be considered as if it were received by the addressee 72 hours after it was sent for delivery at a post office in Israel, and if delivered by hand, at the time at which it was delivered.

13.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.6 Inure to the Benefit. This Agreement shall inure to the benefit of the Company and its successors and assigns.

13.7 Severability. If any provision in this Agreement (or portion thereof) shall be found or be held to be invalid or unenforceable, then the meaning of said provision shall be construed, to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement which shall remain in full force and effect unless the severed provision is essential and material to the rights or benefits received by any Party. In such event, the Parties shall use best efforts to negotiate, in good faith, a

substitute, valid and enforceable provision or agreement which most nearly effects the Parties' intent in entering into this Agreement. In the event that the scope or duration of the Employee's obligations under this Agreement is deemed to exceed the scope or duration permitted by law, the maximum scope or duration permitted by law shall substitute for the former.

13.8 Survival. It is hereby clarified that any and all provisions herein which by their terms and/or by their nature, should operate or should have effect following the termination of the Employee's employment hereunder or the termination or expiration of this Agreement, including without limitation, the provisions of Sections 10, 11 and 12 herein, shall survive any such termination.

13.9 Breach of Obligations. The Employee is aware that a breach of his obligations in Sections 10 and 12 of this Agreement, or part of them, will cause the Company and/or the companies related thereto, serious and irreparable damage, and therefore hereby agrees, that if such breach occurs, the Company shall be entitled without prejudice, to take all legal means necessary, and all and any injunctive relief as is necessary to restrain any further or continuing breach.

13.10 Choice of Law and Jurisdiction. This Agreement shall be governed by, and construed in accordance with the laws of the State of Israel, and the competent courts of Jerusalem shall have exclusive jurisdiction to the exclusion of all other courts, in all matters which pertain to this Agreement.

13.11 It is agreed that this Agreement constitutes, inter alia, notification under the Notification to Employee (Employment Terms) Law, 5762-2002. It is clarified that nothing in the Agreement derogates from any right to which the Employee is entitled under any law, extension order, collective agreement, if and to the extent applicable.

The Parties hereto have hereunto set their hands and signatures on this Employment Agreement as of the 18th day of June, 2006:

COMPANY	**EMPLOYEE**
Vringo (Israel) Ltd.	
/s/ Jonathan Medved	/s/ Steven Glanz
By: Jonathan Medved Title: CEO	

EXHIBIT A

GENERAL APPROVAL REGARDING PAYMENTS BY EMPLOYERS TO A PENSION FUND AND INSURANCE FUND IN LIEU OF SEVERANCE PAY UNDER THE SEVERANCE PAY LAW, 5723-1963

By virtue of my power under Section 14 of the Severance Pay Law, 5723-1963 (hereinafter: the "Law"), I certify that payments made by an employer commencing from the date of the publication of this approval for the sake of his employee to a comprehensive pension provident fund that is not an insurance fund within the meaning set forth in the Income Tax Regulations (Rules for the Approval and Conduct of Provident Funds), 5724-1964 (hereinafter: the "Pension Fund") or to managers' insurance which includes the possibility to receive annuity payments or a combination of payments to a non-annuity fund under an insurance fund as aforesaid, (hereinafter: the "Insurance Fund"), including payments made by the employer by a combination of payments to a Pension Fund and an Insurance Fund whether or not the Insurance Fund included an annuity plan (hereinafter: "Employer's Payments"), shall be made in lieu of severance pay due to said employee with respect to the salary from which said payments were made and for the period they were paid (hereinafter: the "Exempt Salary"), provided that all the following conditions are fulfilled:

(1) The Employer's Payments -

(a) to the Pension Fund are not less than 14 1/3% of the Exempt Salary or 12% of the Exempt Salary if the employer pays, for the sake of his employee, in addition thereto, payments to supplement severance pay to a severance pay provident fund or to an Insurance Fund in the employee's name, in the amount of 2 1/3 % of the Exempt Salary. In the event that the employer has not paid the above mentioned 2 1/3% in addition to said 12%, his payments shall come in lieu of only 72% of the employee's severance pay;

(b) to the Insurance Fund are not less than one of the following:

(i) 13 1/3% of the Exempt Salary, provided that, in addition thereto, the employer pays, for the sake of his employee, payments to secure monthly income in the event of disability, in a plan approved by the Commissioner of the Capital Market, Insurance and Savings Department of the Ministry of Finance, in an amount equivalent to the lower of either an amount required to secure at least 75% of the Exempt Salary or in an amount of 2 1/2% of the Exempt Salary (hereinafter: "Disability Insurance Payment");

(ii) 11% of the Exempt Salary, if the employer paid, in addition, the Disability Insurance Payment; and in such case, the Employer's Payments shall come in lieu of only 72% of the employee's severance pay. In the event that the employer has made payments in the employee's name, in addition to the foregoing payments, to a severance pay provident fund or to an Insurance Fund in the employee's name, to supplement severance pay in an amount of 2 1/3% of the Exempt Salary, the Employer's Payments shall come in lieu of 100% of the employee's severance pay.

(2) No later than three months from the commencement of the Employer's Payment, a written agreement was executed between the employer and the employee, which includes:

(a) the employee's consent to an arrangement pursuant to this approval, in an agreement specifying the Employer's Payments, the Pension Fund and the Insurance Fund, as the case may be; said agreement shall also incorporate the text of this approval;

(b) an advance waiver by the employer of any right which he may have to a refund of monies from his payments, except in cases in which the employee's right to severance pay was denied by a final judgment pursuant to Section 16 or 17 of the Law, and in such a case or in cases in which the employee withdrew monies from the Pension Fund or Insurance Fund, other than by reason of an entitling event; for these purposes an "Entitling Event" means death, disability or retirement at or after the age of 60.

(3) This approval shall not derogate from the employee's right to severance pay pursuant to any law, collective agreement, extension order or employment agreement with respect to compensation in excess of the Exempt Salary.

15th Sivan 5758 (June 9th, 1998).

AMENDMENT

The undersigned, Steven Glanz ("Employee"), Vringo, Inc. ("Parent") and Vringo (Israel) Ltd ("Subsidiary") hereby agrees as follows:

Whereas the Employee signed an Option Agreement with the Parent on June 18, 2006 ("Option Agreement"), pursuant to which the Employee was granted options to purchase shares of the Parent's Common Stock ("Options");

Whereas the Employee signed an Employment Agreement with the Subsidiary on June 18, 2006 ("Employment Agreement" and together with the Option Agreement, the "Agreements"), which contained certain provisions with respect to the Options; and

Whereas the parties hereto wish to amend the Agreements as hereinbelow.

NOW THEREFORE IT IS HEREBY AGREED:

The Agreements are hereby amended as follows:

1. The Employment Agreement is amended so that any reference therein to Options or other options of the Parent, shall be deleted.

2. The Option Agreement is amended so that the following provision is incorporated therein and any contrary provision is hereby replaced thereby:

> "Upon a Merger or Acquisition (as defined in the Amended and Restated Stock Option Plan of Vringo, Inc.), 50% of any unvested options shall vest, if the Grantee's employment with the Subsidiary is terminated without "Cause" or if he resigns with "Good Reason"."

3. For the purposes of the Option Agreement, "Cause" shall mean any event pursuant to which the Subsidiary shall be entitled to dismiss the Employee immediately without Prior Notice upon the occurrence of any event in which severance payments can be denied to the Executive, whether in whole or in part, according to the law prevailing in Israel, from time to time, including such circumstances specifically listed in the Employment Agreement.

4. For the purposes of the Option Agreement, "Good Reason" shall mean a significant reduction without Employee's written approval in the salary and/or benefits taken as a whole under the Employment Agreement unless the salaries and benefits of all management are reduced as part of a decision of the Board to cut expenses by implementing broad cost-cutting measures in response to company or market condition or any other material change in employee's working conditions (e.g. change material change in location of employment or job responsibilities).

5. Aside from the above, no changes are intended and/or made to the Agreements.

Executed this 29th day of July, 2007.

Steven Glanz

/s/ Steven Glanz

Vringo, Inc.

/s/ Jonathan Medved

By: Jonathan Medved
Title: Chief Executive Officer

Vringo (Israel) Ltd

/s/ Jonathan Medved

By: Jonathan Medved
Title: Chief Executive Officer

January 1, 2010

AMENDMENT TO EMPLOYEE AGREEMENT DATED JUNE 18, 2006 AND AS AMENDED ON JULY 29, 2007 BY AND BETWEEN VRINGO (ISRAEL) LTD. AND STEVEN GLANZ

Section 5.1 shall be replaced with the following wording:

> In consideration for services to be performed by the Employee under this Agreement, the Company shall pay the Employee a gross monthly salary (from time to time, the "Salary") of 40,000 New Israel Shekels (NIS), which shall be paid to the Employee by the ninth day of the month following the month for which it is due

Section 5.1.1 shall be removed in its entirety.

No other amendments are made to the referenced agreement.

VRINGO (ISRAEL) LTD.

/s/ Jonathan Medved
By: Jonathan Medved
Title: Chief Executive Officer

EMPLOYEE

/s/ Steven Glanz
Steven Glanz

Vringo, Inc.

AMENDED AND RESTATED 2006 STOCK OPTION PLAN (the "Plan")

WHEREAS, the Company adopted on a stock option plan on October 30, 2006 (the "Original Plan"); and

WHEREAS, the Company wishes to amend and restate the Original Plan so that it is replaced in its entirety as set forth herein; and

WHEREAS, the Board, as Administrator, hereby amends the Original Plan as hereinbelow, pursuant to its authority under Section 5(b)(vi) thereof.

NOW THEREFORE, THE ORIGINAL PLAN IS HEREBY AMENDED, RESTATED AND REPLACED AS STATED HEREINBELOW, on this 30th day of July, 2007:

1. PURPOSES OF THE PLAN

The purposes of this Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees and Consultants and to promote the success of the Company and its Subsidiaries (all as defined in section 3 below).

2. TYPES OF AWARDS.

The Plan is intended to enable the Company to issue Awards (as defined in Section 3 below) subject to Applicable Laws (as defined in Section 3 below), under varying tax regimes including without limitation (i) "incentive stock options" ("**Incentive Stock Options**") within the meaning of Section 422 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"); (ii) "nonqualified stock options" ("**Nonqualified Stock Options**") as defined in the Code; (iii) Stock Options without a Trustee pursuant and subject to the provisions of Section 102 of the Israeli Income Tax Ordinance (New Version) 1961 as amended (the "**Ordinance**"), and any regulations, rules, orders or procedures promulgated there under including tax rules (Preferential Tax Treatment regarding Issuance of Shares to Employees, 2003) ("**Section 102**") (such options, "**Non Trustee 102 Stock Options**"); (iv) Stock Options allocated to a Trustee (as defined in section 3) under the capital gain track pursuant and subject to the provisions of Section 102 of the Ordinance (such options, "**102 Capital Gain Stock Options**"); (v) Stock Options allocated to a Trustee (as defined in section 3 below) under the ordinary income track pursuant and subject to the provisions of Section 102 of the Ordinance (such options, "**102 Ordinary Income Stock Options**"); and (vi) Stock Options pursuant to Section 3(9) of the Ordinance ("**3(9) Stock Options**"). All Non Trustee 102 Stock Options, 102 Capital Gain Stock Options, 102 Ordinary Income Stock Options, 3(9) Stock Options, Incentive Stock Options and Nonqualified Stock Options as well as options issued under other tax regimes, are each referred to herein as an "**Option**", and

collectively the "**Options**". Apart from issuance under the relevant tax regimes in the United States of America and the State of Israel, the Plan contemplates issuances to Grantees (as defined in Section 3 below) in other jurisdictions with respect to which the Administrator (as defined in Section 3 below) is empowered to make the requisite adjustments in the Plan and set forth the relevant conditions in the Company's agreement with the Grantee in order to comply with the requirements of the tax regimes in said jurisdictions.

The Plan contemplates the issuance of Awards by the Company, both as a private company and as a publicly traded company.

3. DEFINITIONS

For the purposes of this Plan, as defined below, the following terms shall have the following meanings:

(a) "**Administrator**" means the Board or any of its committees as shall be appointed by the Board to administer the Plan, in accordance with Section 5 hereof.

(b) "**Adoption Date**" means the later of the date on which the Board adopted this Plan and the date the Plan was approved by the Company's shareholders, if such approval is necessary under the Applicable Laws (as defined below).

(c) "**American Instruments**" is defined in Section 21.

(d) "**Applicable Laws**" means the legal requirements relating to the adoption of and/or the administration of stock option plans, including under U.S. state corporate laws, U.S. federal and state securities laws, the Code, the rules and regulations of any stock exchange or quotation system on which the Common Stock is listed or quoted, and the applicable laws, rules and regulations of any other country or jurisdiction where Options are granted under the Plan, and the By Laws of the Company, all as may be in effect from time to time.

(e) "**Award**" shall mean any Option granted to a Grantee under the Plan.

(f) "**Award Agreement**" means a written agreement between the Company and a Grantee evidencing the terms and conditions of an individual Award grant, as further specified in Section 7.

(g) "**Award Share**" means the Share/s subject to an Award.

(h) "**Board**" means the Board of Directors of the Company.

(i) "**By-Laws**" means the by-laws of the Company as amended from time to time and all shareholders rights agreements entered or to be entered into by the Company and its Shareholders, or among the Shareholders themselves.

(j) "**Cause**" for termination of a Grantee's Continuous Service Status shall be considered to exist if such termination is for any of the following reasons: (i) any action by a Grantee involving willful malfeasance or a willful breach of such Grantee's fiduciary duties in connection with such Grantee's employment or engagement with the Company or with any Subsidiary; (ii) the conviction of a Grantee in a court of law of, or a guilty plea by the Grantee to, a felony or a fraud or any other similar act; (iii) substantial and continuing refusal or neglect by a Grantee to perform the duties requested of him or her (including without limitation, abiding policies relating to confidentiality and reasonable workplace conduct) provided such duties are expected to be performed by a person engaged for a similar capacity (other than as a result of death, illness or other objective incapacity) which refusal or neglect continues for a period of ten days after written notice thereof is provided to the Grantee from the Company or from the respective Subsidiary; (iv) an act of moral turpitude, or any similar act, to the extent that such act causes or may cause injury to the reputation of the Company and/or to any of the Company's Subsidiaries; (v) unauthorized use or disclosure by Grantee of any proprietary information or trade secrets of the Company or any other party to whom the Grantee owes an obligation of nondisclosure as a result of his or her relationship with the Company; (vi) any other act or omission which, in the reasonable opinion of the Company, could materially financially harm the Company and/or any of the Company's Subsidiaries or harm the business reputation of the Company and/or any of the Company's Subsidiaries; (vii) any other circumstance deemed by law to constitute termination for cause, including circumstances relieving an employer from the duty to pay severance pay to the Grantee; or (viii) termination of a Grantee's employment for cause in accordance with provisions of his or her employment agreement or engagement, if any, with the Company. The determination as to whether a Grantee is being terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Grantee. The foregoing definition does not in any way limit the Company's ability to terminate a Grantee's employment or consulting relationship at any time as provided in Section 6(f) below, and the term "Company" will be interpreted to include any Subsidiary as appropriate.

(k) "**Committee**" means a committee or subcommittee of directors appointed by the Board in accordance with Section 5 hereof.

(l) "**Common Stock**" means the common stock of the Company.

(m) "**Company**" means Vringo, Inc.

(n) "**Consultant**" means any person, including an advisor, who is engaged by the Company and/or Subsidiary of the Company to render consulting or advisory services to such entity and is compensated for such services, and any director of the Company whether compensated for such services or not.

(o) "**Continuous Service Status**" means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted in the case of: (i) sick leave; (ii) military leave; (iii) any other leave of absence approved by the Administrator, provided that such leave is for a period of not more than ninety (90) days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, in which case such leave shall not interrupt the Continuous Service Status despite its exceeding ninety (90) days, unless provided otherwise under law or Company policy adopted from time to time; or (iv) in the case of transfers between locations of the Company or between the Company, Subsidiaries and/or their respective successors. A change in status from an Employee to a Consultant or from a Consultant to an Employee will not constitute an interruption of Continuous Service Status.

(p) "**Disability**" is defined in Section 10(f).

(q) "**Effective Date**" means the date on which the Award Agreement is signed by the Company and the Grantee. The "**Effective Date**" of Trustee Stock Options shall be the date on which such Options are allocated to the Trustee.

(r) "**Employee**" means any person employed by the Company or any Subsidiary or any person who is engaged as an officer of the Company or any Subsidiary, and with regard to Trustee Stock Options and Non Trustee 102 Stock Options only, provided that he is not a "controlling party", as defined in section 32 (9) of the Ordinance, prior to and after the issuance of the Awards, and with regard to Incentive Stock Options only, provided that he is not a member of the Board. For purposes of Section 102, a director of a company is considered an Employee thereof.

(s) "**Exercise Date**" means a date on which the Grantee delivers to the Company a written notice of exercise, in accordance with Section 10 of this Plan.

(t) "**Exercise Period**" is defined in Section 7(d).

(u) "**Exercise Price**" means the amount stipulated in the Award Agreement, to be paid by the Grantee to the Company in order to exercise an Award into an Award Share of the Company.

(v) "**Fair Market Value Per Share**" as of a particular date shall mean (i) the closing sales price per Share on the securities exchange on which the Shares are principally traded for the last preceding date on which there was a sale of such Shares on such exchange; (ii) if the Shares are listed on the Nasdaq National Market, the last reported price per Share on the Nasdaq National Market on the last preceding date on which there was a sale of such Shares on the Nasdaq National Market; (iii) if the Shares are then traded in an over-the-counter market, the average of the closing bid and asked prices for the Shares in such over-the-counter market for the last preceding date on which there was a sale of such Shares in such market; or (iv) if the Shares are not then listed on a securities exchange or traded in an over-the-counter market, such value as the Administrator, in its sole discretion, shall determine; provided, however, that the "**Fair Market Value Per Share**" on the date of the Initial Public Offering of the Company's shares will equal the Initial Public Offering price per share.

(w) "**Grantee**" means the holder of an outstanding Award granted under the Plan.

(x) "**Initial Public Offering**" means the initial public offering of stock of the Company.

(y) "**Israeli Subsidiary**" means Vringo (Israel) Ltd.

(z) "**Lock-Up Period**" is defined in Section 14(c).

(aa) "**Merger or Acquisition**" shall mean (A) the acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation); (B) a sale of all or substantially all of the assets of the Company (including, for purposes of this Section, intellectual property rights if, in the aggregate, such rights constitute substantially all of the Company's material assets); unless in each case, the Company's stockholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the Company's acquisition or sale or otherwise) hold at least fifty percent (50%) of the voting power of the surviving or acquiring entity; or (C) more than fifty percent (50%) of the voting power of the Company is transferred to an unrelated third party pursuant to a transaction or series of related transactions; provided, however, that the issuance of equity securities solely for capital raising purposes shall not be deemed to be a "Merger or Acquisition."

(bb) "**Offeror**" is defined in Section 17(d).

(cc) "**Plan**" means this Vringo, Inc. 2006 Stock Option Plan.

(dd) "**Plan and Instruments**" is defined in Section 21.

(ee) "**Proposing Shareholders**" is defined in Section 17(d).

(ff) "**Proxy**" is defined in Section 7(e).

(gg) "**Purchaser**" means the Company (if and as permitted by law) and/or any of its Subsidiaries and/or another person or entity designated for this purpose by the Company.

(hh) "**Service Provider**" means (i) an Employee or (ii) a Consultant who has provided services to the Company or any of its Subsidiaries.

(ii) "**Share**" means a share of the Company's common stock having a par value of US $0.01.

(jj) "**Subsidiary**" means any company other than the Company, whether now or hereafter existing, in an unbroken chain of companies beginning with the Company if, at the time of the granting of the Award, each of the companies other than the last company in an unbroken chain owns shares possessing 50 percent or more of the total combined voting power of all classes of shares in one of the other companies in such chain.

(kk) "**Tax Event**" is defined in Section 23.

(ll) "**Ten Percent Shareholder**" means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or its parent or any Subsidiary corporation.

(mm) "**Threshold Percentage**" is defined in Section 17(d).

(nn) "**Trustee**" means an entity appointed by the Board and approved by the Income Tax Officer to hold Trustee Stock Options on behalf of the Grantee according to the conditions set forth in Section 102.

(oo) "**Trustee Stock Options**" means all 102 Capital Gain Stock Options and 102 Ordinary Income Stock Options.

(pp) "**Vesting Schedule**" is defined in Section 7(d).

4. AUTHORIZED SHARES

(a) Awards may be granted under the Plan, subject to the provisions of Section 17(a) hereof, for up to an aggregate of 2,791,000 Award Shares. The Award Shares may be authorized, but unissued, or reacquired Common Stock. The Awards may be granted at any time, prior to the expiration of the Plan according to Section 8(a).

(b) In case of Trustee Stock Options, such Trustee Options may be granted after the passage of thirty days (or a shorter period as and if approved by the tax authorities) following the delivery by the Company to the appropriate Israeli Income Tax Authorities of a request for approval of the Plan and the Trustee according to Section 102.

(c) Notwithstanding the above, in case that within 90 days of delivery of the abovementioned request, the tax officer notifies the Company of its decision not to approve the Plan, the Awards that were intended to be granted as Trustee Stock Options shall be deemed as Non Trustee 102 Stock Options, unless otherwise instructed by the tax officer.

(d) If an Award expires, is cancelled or otherwise becomes unexercisable without having been exercised in full, the unexercised, canceled or terminated Award Shares which were subject thereto shall (unless the Plan shall have been terminated) become available for future grant under the Plan. In addition, any shares of Common Stock which are retained by the Company upon exercise of an award in order to satisfy the exercise or purchase price for such award or any withholding taxes due with respect to such exercise or purchase shall be treated as not issued and shall continue to be available under the Plan. Shares issued under the Plan and later repurchased by the Company pursuant to any repurchase right which the Company may have shall be available for future grant under the Plan.

(e) The number of Shares that are subject to Awards under the Plan shall not exceed the number of Shares reserved for the grant of Awards that then remain available for issuance under the Plan.

5. ADMINISTRATION

(a) Procedure. The Plan shall be administered by the Board or a Committee appointed by the Board, which Committee shall be constituted to comply with Applicable Laws. The Administrator will hold its meetings at such times and places as it may determine and will maintain written minutes of its meetings. This Plan may be administered by different Administrators with respect to different classes of Grantees and, if permitted by Applicable Laws, the Board may authorize one or more officers to make awards under this Plan.

(b) Powers of the Administrator. Subject to the terms and conditions of the Plan, and in the case of a Committee, the specific duties delegated by the Board to such Committee, and subject to the approval of any relevant authorities and Applicable Laws, the Administrator shall have the authority, in its discretion:

(i) to determine the Fair Market Value of the Common Stock, in accordance with Section 3 hereof, provided that such determination shall be applied consistently with respect to Grantees under the Plan;

(ii) to select the Service Providers to whom Awards may from time to time be granted hereunder, and to grant said Service Providers the Awards, provided that this authority shall be granted solely to the Board, which will take into consideration the recommendation of the Committee;

(iii) to determine from time to time the type of Awards to be granted to eligible Service Providers under the Plan, including the determination of which Grantees will receive Incentive Stock Options or Nonqualified Stock Options and which Employees will receive Non Trustee 102 Stock Options and, subject to Subsection 12 (b), which Employees will receive 102 Capital Gain Stock Options and/or 102 Ordinary Income Stock Options, and to prescribe the terms and conditions (which need not be identical) of Awards granted under the Plan to such persons;

(iv) to approve forms of the Award Agreements for use under the Plan;

(v) to determine the terms and conditions of any Award granted hereunder, including, without limitation, the Vesting Schedule and whether and under what circumstances an Option may be settled in cash instead of Common Stock;

(vi) to exercise such powers and to perform such acts as are deemed necessary or expedient to promote the best interests of the Company with respect to the Plan, including but not limited to prescribing, amending, and rescinding any provisions related to the Plan;

(vii) to amend any outstanding Award, subject to Section 18 hereof, and to accelerate the Vesting Schedule or extend the exercisability of any Award and, subject to Section 102, to waive conditions or restrictions on any Award, to the extent it shall deem appropriate provided that this authority shall be granted to the Board, and only subject to its prior approval to the Committee which approval shall specifically state the number and identity of Grantees which rights the Committee will be authorized to determine;

(viii) to allow Grantees to satisfy withholding tax obligations by electing to have the Company or the Trustee, if permitted under Applicable Laws, withhold from the Award Shares to be issued upon exercise of an Award that number of Award Shares having a value equal to the minimum statutory withholding amount. The value of the Award Shares to be

withheld shall be determined on the date that the amount of tax to be withheld is to be determined. All elections by Grantees to have Award Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable and after consultation with the Company's counsel; and

(ix) to construe and interpret the terms of the Plan, the Award Agreements and the Awards.

(c) The Board may fill all vacancies, however caused, in the Committee. The Board may from time to time appoint additional members to the Committee, and may at any time remove one or more Committee members and substitute others.

(d) Effect of Administrator's Decision. All decisions, determinations and interpretations of the Administrator shall be final and binding on all Grantees. Each member of the Board and the Committee shall be indemnified and held harmless by the Company against any cost or expense (including fees of counsel) reasonably incurred by her or him, or liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the Plan unless arising out of such member's own fraud or bad faith, to the extent permitted by Applicable Laws. Such indemnification shall be in addition to any rights of indemnification the member may have as director or otherwise under the Certificate of Incorporation of the Company, any agreement or otherwise.

6. ELIGIBILITY

(a) General. Awards may be granted to Service Providers as defined in this Plan.

(b) Incentive Stock Options may be granted only to Employee Grantees and in any case subject to Section 422 of the Code.

(c) Non Trustee 102 Stock Options and Trustee Stock Options may be granted only to Israeli Employee Grantees and subject to the Ordinance.

(d) 3(9) Stock Options may be granted only to Israeli Service Providers who are not Employees.

(e) Nonqualified Stock Option may be granted to Non-Israeli Service Providers.

(f) Continuing Relationship. The Plan and the Award Agreements shall not confer upon any Grantee any right with respect to continuing the Grantee's relationship as a Service Provider with the Company or its Subsidiary, nor shall it interfere in any way with his right or the Company's right, or the right of its Subsidiary, to terminate such relationship at any time, with or without Cause.

7. AWARD AGREEMENTS.

A Service Provider will be entitled to an Award only if such Award is granted to the Service Provider by the Administrator and an Award Agreement is signed between the Company and him/her. Subject to the terms and conditions of the Plan, each Award Agreement shall contain provisions as the Administrator shall from time to time deem appropriate. Award Agreements need not be identical, but each Award Agreement shall include, by appropriate language, the substance of the applicable provisions set forth herein, and any such provision may be included in the Award Agreement by reference to the Plan. In the case of a conflict between the terms of any Award Agreement and the Plan, the terms of the Plan shall govern in all cases.

(a) NUMBER OF SHARES. Each Award Agreement shall state the number of Award Shares to which the Award relates.

(b) TYPE OF AWARD. Each Award Agreement shall specifically state the type of Awards granted thereunder and which of the following they constitute: an Incentive Stock Options, Nonqualified Stock Options, Non Trustee 102 Stock Options, 102 Capital Gain Stock Options, 102 Ordinary Income Stock Options, 3(9) Stock Options or otherwise.

(c) EXERCISE PRICE. Each Award Agreement shall state the Exercise Price of the Award Shares to which the Award relates, provided, that in the case of an Incentive Stock Option granted to a Grantee who is not a Ten Percent Holder, the Exercise Price shall not be less than one-hundred percent (100%) of the Fair Market Value of the Shares covered by the Award on the date of grant and, in the case of an Incentive Stock Option granted to a Ten Percent Holder on the date of the grant, the Exercise Price shall not be less than one-hundred ten percent (110%) of the Fair Market Value of the Shares covered by the Award on the date of grant. In the event that an Option intended to be an Incentive Stock Option does not comply with the limitations set forth above, then it shall be deemed to be a Nonqualified Stock Option. The Exercise Price shall be subject to adjustment as provided in Section 17 hereof and shall in any event be subject to Applicable Laws.

(d) TERM AND VESTING OF OPTIONS. Each Award Agreement shall provide the schedule in which such Awards may be exercised ("**Vesting Schedule**"). The Vesting Schedule for the Award will be determined by the Administrator provided that (to the extent permitted under Applicable Law), the Administrator, in its absolute discretion, shall have the authority to accelerate the vesting of any outstanding Option at such time and under such circumstances as it, in its sole discretion, deems appropriate. Subject to the Vesting Schedule, Awards may be exercised into Award Shares during the six (6) year period from the Adoption Date of the Plan unless otherwise determined by the Administrator (to the extent permitted under Applicable

Law and this Plan) (the "**Exercise Period**"); provided however, that in the case of an Incentive Stock Option granted to a Ten Percent Holder, such Exercise Period shall not exceed five (5) years from the date of grant of such Option. After such five (5) year period, all Incentive Stock Options granted to a Ten Percent Shareholder that were not exercised shall be deemed null and void. The Exercise Period shall be subject to earlier termination as provided in Section 10 hereof.

(e) THE RIGHTS OF GRANTEE AS A SHAREHOLDER. So long as the Company's shares are not registered for trading on a recognized stock exchange, (1) the voting rights by virtue of the Award Shares issued upon the valid exercise of an Option shall be given by Grantees to the Company's CEO or to such other person as directed by the Administrator, pursuant to an irrevocable proxy (the "**Proxy**"); the Proxy shall vote such Award Shares in the same proportion as the result of the shareholder vote (as voted by the shareholders without taking the Award Shares into consideration) in respect of which the votes controlled by the Proxy are being cast, and (2) the Grantees shall not have any right to receive reports or notices and/or to participate in the General Meeting of the Shareholders of the Company. To avoid doubt, all Award Shares issued upon exercise of Awards shall entitle the holder thereof to receive any dividends and other distributions thereon granted to all holders of common stock as such, if any. Notwithstanding the foregoing, all rights (voting and otherwise) associated with Awards subject to Section 102 ("Section 102 Awards") shall be held by the Trustee.

(f) OTHER PROVISIONS. The Award Agreements evidencing Awards under the Plan shall contain such other terms and conditions not inconsistent with the Plan as the Administrator may determine.

8. TERM OF THE PLAN

The Plan shall become effective upon the Adoption Date. The Plan shall continue in effect for a term of six (6) years after the Adoption Date, unless sooner terminated under Section 18 of the Plan.

(a) Expiration. Unless otherwise stated in the Award Agreement, each Award shall expire on the sixth (6th) anniversary of the Adoption Date.

(b) Exercise. The Awards granted will be exercisable into Award Shares of the Company according to the Vesting Schedule set forth in the Award Agreement and in this Plan. Incentive Stock Options will be exercised in compliance with the provisions of the Code.

(c) Exercise Price. The Exercise Price per Award Share subject to each Award shall be determined by the Administrator, and shall be subject to Applicable Law, provided however, that such Exercise Price shall not be less than the par value of the stock into which such Option is exercisable. In the case of Incentive Stock Options, the Exercise Price per Share shall be determined according to Section 7(c) above.

(d) Transfer. No Award granted hereunder shall be transferable by the Grantee other than by will or by the laws of descent and distribution. During the Grantee's lifetime, Awards may be exercised only by the Grantee or his guardian or legal representative. Award Shares acquired upon exercise of the Awards shall be subject to such restrictions on transfer as are generally applicable to holders of Common Stock of the Company in accordance with the Company's By Laws and Certificate of Incorporation. Without derogating from any other provision in this Plan, it is expressly clarified that no transfer of Award Shares shall become effective unless the Grantee has delivered to the Company a written notice thereof, together with a confirmation in writing by any transferee of the Award Shares that it is bound by all terms and conditions of this Plan and the Award Agreement. In case of transfer of the Award Shares after the death of the Grantee, the transfer shall become effective only after the transferee delivers such a written confirmation. Section 102 Awards and the holders thereof shall be subject to Section 102 in the event the Awards are transferred to someone other than the original grantee. Furthermore, Section 102 Awards cannot be pledged, borrowed against or made subject to a lien.

9. CONDITIONS UPON ISSUANCE OF AWARD SHARES

(a) Legal Compliance. Award Shares shall not be issued pursuant to the exercise of an Award unless the exercise of such Award, the method of payment and the issuance and delivery of such Award Shares complies with Applicable Laws and shall be subject to the approval of counsel of the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Administrator may require the person exercising such Award to represent and warrant at the time of any such exercise that the Award Shares are being purchased only for his own account and for investment purposes, and without any present intention to sell or distribute such Award Shares, as well as any other representation as recommended by Company counsel and approved by the Administrator, if, in the opinion of counsel for the Company, such a representation is in the best interests of the Company.

10. METHOD OF EXERCISE

(a) Delivery of Notice. Subject to the Vesting Schedule, and subject to the conditions determined by the Administrator as set forth in the applicable Award Agreement, any Award granted under the Plan may be exercised by the Grantee by delivering to the Company on any business day (prior to expiration of the Exercise Period) a written notice stating the number of Award Shares the Grantee then desires to purchase.

(b) Procedure for Exercise; Rights as a Shareholder. Any Award granted hereunder shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and/or set forth in the Award Agreement. With respect to an Employee Grantee and unless the Administrator provides otherwise, vesting of Awards granted hereunder shall be tolled during any unpaid leave of absence other than such leave which according to the law does not impair employment continuity.

An Award shall be deemed exercised only when the Company receives: (i) written notice of exercise (in accordance with the Award Agreement) from the Grantee entitled to exercise the Award, and (ii) full payment for the Award Shares with respect to which the Award is exercised. Award Shares issued upon exercise of an Award shall be issued in the name of the Grantee or in the name of the Trustee in the case of 102 Trustee Stock Options. Until the Award Shares are issued (as evidenced by the appropriate entry in the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Award Shares, notwithstanding the exercise of the Award. To avoid doubt, until the Award Shares are issued, such Grantee shall not have any right as a shareholder, including the right to vote at any meeting of the shareholders of the Company, nor shall the Grantees be deemed to be a class of shareholders or creditors of the Company. Upon the exercise of an Award, the Company shall issue (or cause to be issued) such Award Shares promptly (up to 30 days) after the Award is exercised. If any law or regulation requires the Company to take any action with respect to the Award Shares specified in such notice before the issuance thereof, then the date of their issuance shall be delayed for the period necessary to take such action.

Exercise of an Award in any manner shall result in a decrease in the number of Award Shares thereafter available, for delivery under the Award, by the number of Award Shares as to which the Award is exercised.

(c) Termination of Relationship with an Employee. Except as provided in this subsection and subsections (d) through (h), an Award may not be exercised following termination of a Grantee's Continuous Service Status. Unless otherwise determined by the Administrator, if, on the date of termination, the Grantee is not vested as to his or her entire Award, the unvested portion shall not be exercisable and the Award Shares covered by the unvested portion of the Awards shall revert to the Plan.

(d) Dismissal. In case of dismissal of an Employee, such Employee Grantee will be eligible to exercise any vested Award within 90 days of the date of termination (but in no event later than the expiration date of the term of such Award as set forth in Section 8 or in the Award Agreement). Additionally, the Administrator shall have the right, in its discretion, as long as the Employee was not dismissed for Cause, to accelerate any portion of the Grantee's unvested Awards, as per Section 5(b)(vi) hereof. The Board, considering the recommendations made by the Chairman of the Board and the CEO, is authorized to approve the exercise of additional unvested Options. If, after termination, the Grantee does not exercise within the time specified by the Award Agreement, the Plan or the Administrator the portion of his or her Award that had vested, the vested portion of the Award shall terminate, and the Award Shares covered by such portion shall revert to the Plan.

(e) Dismissal for Cause. In the event of termination of relationship with the Service Provider for Cause, the Service Provider's right to exercise unvested and/or vested Awards shall terminate immediately upon such termination, and all such Awards shall be forfeited without any payment being due. In addition, the Purchaser will be entitled to repurchase, within twelve (12) months of such termination, any or all of the Award Shares resulting from the exercise of any Awards exercised prior to the date of the repurchase. The price paid for each Award Share will be determined by the Administrator, in its sole discretion, but shall not be less than the par value of the Share.

(f) Disability of an Employee Grantee. If an Employee Grantee ceases to be an Employee as a result of a physical or mental impairment, which has lasted or is expected to last for a continuous period of not less than twelve months and which causes the Grantee's total and permanent disability to engage in any substantial gainful activity (a "**Disability**"), the Grantee may exercise his or her Awards within six (6) months of the date of termination, to the extent the Award is vested on the date of termination, but in no event later than the expiration date of the term of such Awards as set forth in Section 8 or in the Award Agreement. In addition, the Administrator shall have the right, in its discretion, to accelerate any portion of the disabled Grantee's unvested Awards, as per Section 5(b)(vi) hereof. If, after termination, the Awards are not exercised within the time specified herein, the Award shall terminate, and the Award Shares covered by such Award shall revert to the Plan.

(g) Death of an Employee Grantee. If an Employee Grantee dies while considered an Employee, the vested Awards and the Awards included in the next installment which have not yet vested, may be exercised within such period of time as is specified in the Award Agreement (such period to be at least six (6) months but in no event later than the expiration date of the term of such Awards as set forth in Section 8 or in the Award Agreement) by the Grantee's estate or by a person who acquires the right to exercise the Award by bequest or inheritance. In the absence of a specified time in the Award Agreement, the Award shall remain exercisable for twelve (12) months following the Grantee's death, unless otherwise extended by the Administrator. If the Award is not so exercised within the time specified herein, the Award shall terminate, and the Award Shares covered by such Award shall revert to the Plan.

(h) Retirement of an Employee Grantee. In the event of an Employee Grantee's retirement, at the age of at least 60 years, he/she will be eligible to exercise, within six (6) months of such retirement (but in no event later than the expiration date of the term of such Award as set forth in Section 8 or in the Award Agreement), any vested Awards. Additionally, the Administrator shall have the right, in its discretion, to accelerate any portion of the retiring Grantee's unvested Awards, as per Section 5(b)(vi) hereof.

(i) Clauses (e) through (h) of this Section 10 shall be subject to applicable limitations under Section 102 with respect to Section 102 Awards.

11. PAYMENT OF EXERCISE PRICE

(a) Payment. Payment for the Award Shares purchased pursuant to the exercise of an Option may be made in such form as shall be acceptable to the Administrator in its sole discretion and may consist entirely of (1) cash; (2) check; (3) subject to any requirements of the Applicable Laws, delivery of Grantee's promissory note having such recourse, interest, security and redemption provisions as the Administrator determines to be appropriate after taking into account the potential accounting consequences of permitting a Grantee to deliver a promissory note; (4) cancellation of indebtedness; (5) other Shares that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option is exercised, provided that in the case of Shares acquired, directly or indirectly, from the Company, such Shares must have been owned by the Grantee for more than six months on the date of surrender (or such other period as may be required to avoid the Company's incurring an adverse accounting charge); (6) if, as of the date of exercise of an Option the Company then is permitting employees to engage in a "same-day sale" cashless brokered exercise program involving one or more brokers, through such a program that complies with the Applicable Laws (including without limitation the requirements of Regulation T and other applicable regulations promulgated by the Federal Reserve Board) and that ensures prompt delivery to the Company of the amount required to pay the exercise price and any applicable withholding taxes; or (7) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company and the Administrator may, in its sole discretion, refuse to accept a particular form of consideration at the time of any Option exercise. Furthermore, with respect to Trustee Stock Options, the Trustee may refuse to accept payment of the Exercise Price in any form other than cash if the Trustee considers in its reasonable discretion that acceptance of another form of consideration is likely to result in a withholding tax liability.

(b) Use of Proceeds. The proceeds received by the Company from the issuance of Award Shares subject to the Awards will be added to the general funds of the Company and used for its corporate purposes.

12. INCENTIVE STOCK OPTIONS.

Options granted pursuant to this Section (12) are intended to constitute Incentive Stock Options and shall be granted subject to both the following special terms and conditions as well as other provisions of the Plan, except for said provisions of the Plan applying solely to Options under a different tax law or regulation:

(a) VALUE OF SHARES. The aggregate Fair Market Value (determined as of the date the Incentive Stock Option is granted) of the Award Shares with respect to which Incentive Stock Options granted under this Plan and all other plans of any Subsidiary become exercisable for the first time by each Grantee during any calendar year shall not exceed one hundred thousand United States dollars ($100,000) with respect to such Grantee. To the extent that the aggregate Fair Market Value of Shares with respect to which the Incentive Stock Options are exercisable for the first time by any Grantee during any calendar year exceeds one hundred thousand United States dollars ($100,000), such Options shall be treated as Nonqualified Stock Options. The foregoing shall be applied by taking Options into account in the order in which they were granted, with the Fair Market Value of any Share to be determined at the time of the grant of the Option. In the event the foregoing results in the portion of an Incentive Stock Option exceeding the one hundred thousand United States dollars ($100,000) limitation, only such excess shall be treated as a Nonqualified Stock Option.

(b) TEN PERCENT SHAREHOLDER. In the case of an Incentive Stock Option granted to a Ten Percent Shareholder, (i) the Exercise Price shall not be less than one hundred and ten percent (110%) of the Fair Market Value of the Shares on the date of grant of such Incentive Stock Option, and (ii) the Exercise Period shall not exceed five (5) years from the date of grant of such Incentive Stock Options.

(c) ELIGIBLE EMPLOYEES. Incentive Stock Options may only be granted to Employee Grantees of the issuing corporation or its subsidiaries. Incentive Stock Options may not be granted to any member of the Board in that capacity.

(d) APPROVAL. The grant of Incentive Stock Options shall require the approval of the Company’s shareholders, such approval to be provided 12 months before or after the date this Plan is adopted.

(e) INCENTIVE STOCK OPTIONS LOCK-UP PERIOD. No disposition of Award Shares, received pursuant to the exercise of Incentive Stock Options, shall be made by the Grantee within 2 years from the Effective Date nor

within 1 year after the transfer of such Award Shares to him/her. To the extent that the Grantee will violate the aforementioned limitations, the Incentive Stock Options shall be deemed to be Nonqualified Stock Options.

(f) Without derogating from Subsections 10(c) through 10(h), Incentive Stock Options that are not Exercised within ninety days following termination of Grantee's employment in the Company or its Subsidiaries, or within one year in case of termination of Grantee's employment in the Company or its Subsidiaries due to a disability (within the meaning of section 22(e)(3) of the Code) shall be deemed to be Nonqualified Stock Options.

13. NONQUALIFIED STOCK OPTIONS.

Awards granted pursuant to this Section 13 are intended to constitute Nonqualified Stock Options and shall be subject to the general terms and conditions specified in the Plan, except for said provisions of the Plan applying solely to Options under a different tax law or regulation.

14. TRUSTEE STOCK OPTIONS.

(a) Options granted pursuant to this Section 14 are intended to constitute Trustee Stock Options and subject to Section 102 of the Ordinance, the general terms and conditions specified in the Plan, except for said provisions of the Plan applying solely to Awards under a different tax law or regulation, shall apply to them.

(b) The Company may choose between granting 102 Capital Gain Stock Options and 102 Ordinary Income Stock Options (the "**Choice**"). The Company can change such Choice only after the passage of at least 12 months from the end of the year in which the first grant was made in accordance with the previous Choice. Until the Choice is changed, all Trustee Stock Options shall be made according to the Choice.

(c) Anything herein to the contrary notwithstanding, all Trustee Stock Options granted under this Plan shall be granted by the Company to a Trustee designated by the Administrator and the Trustee shall hold each such Award and the Award Shares issued upon exercise thereof in trust for the benefit of the Grantee in respect of whom such Award was granted. All certificates representing Award Shares issued to the Trustee under the Plan shall be deposited with the Trustee, and shall be held by the Trustee until such time that such Award Shares are released from the trust. With regard to 102 Capital Gain Stock Options and 102 Ordinary Income Stock Options, the Awards or the Award Shares and all rights related to them, including bonus shares, will be held by the Trustee for the period required under Section 102 or a shorter period as approved by the tax authorities (the "**Lock-up Period**"), under the terms set in Section 102.

(d) In accordance with Section 102, the Grantee is prohibited from selling the Awards or the Awards Shares, until the end of the Lock-up Period.

(e) Anything to the contrary herein notwithstanding, the Trustee shall not release any Awards which were not already exercised into Award Shares by the Grantee nor release any Award Shares issued upon exercise of the Award, prior to the full payment of the Exercise Price and Grantee's tax liability arising from Options which were granted to him and/or Shares issued upon exercise of such Trustee Stock Options. Prior to receipt of the Award, the Grantee will sign an undertaking to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation with the Plan, or any Option granted or Share issued to him thereunder. Any bonus shares, options or any other rights received an account of a Section 102 Award shall be subject to this Section 14(e).

(f) Trustee Stock Options may only be granted to Employees of the issuing corporation or its subsidiaries (subject to approval by the tax authorities).

(g) A recipient of Trustee Stock Options shall be required to (i) provide such declarations as shall be demanded by the Trustee, including, *inter alia*, (a) that he is not a "controlling party," as defined in Section 32(9) of the Ordinance, prior to and after the issuance of the Trustee Stock Options, (b) that he is a resident of Israel and will report to the Trustee any change in residence, and (c) that he is aware of the provisions of Section 102 and of the type of options granted to him, and (ii) undertake not to sell the Options or the Award Shares issued to the Trustee with respect thereto during the applicable "Lock-up Period."

15. NON TRUSTEE 102 STOCK OPTIONS

(a) Options granted pursuant to this Section 15 are intended to constitute Non Trustee 102 Stock Options and shall be subject to the general terms and conditions specified in the Plan, except for said provisions of the Plan applying solely to Awards under a different tax law or regulations.

(b) Non Trustee 102 Stock Options may only be granted to Employees.

(c) The Non Trustee 102 Stock Options which shall be granted pursuant to the Plan may be issued to a trustee appointed by the Administrator.

(d) If the Grantee's employment with the Company is terminated for any reason, the Grantee will be obligated to provide the Company, to its satisfaction and subject to its sole discretion, with a security or guarantee to cover any future tax obligation resulting from the disposition of the Awards or the Award Shares.

16. 3(9) STOCK OPTIONS.

(a) Options granted pursuant to this Section 16 are intended to constitute 3(9) Stock Options and shall be subject to the general terms and conditions specified in the Plan, except for said provisions of the Plan applying solely to Awards under a different tax law or regulation.

(b) 3(9) Stock Options may only be granted to Israeli Service Providers who are not Employees.

(c) The 3(9) Stock Options which shall be granted pursuant to the Plan may be issued to a trustee nominated by the Committee.

17. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION OR MERGER

(a) Changes in Capitalization. Subject to any required action by the shareholders of the Company, the number of Award Shares covered by or underlying each outstanding Award and the number of Award Shares which have been authorized for issuance under the Plan but as to which no Awards have been granted or which have been returned to the Plan upon cancellation or expiration of Award(s), as well as the Exercise Price per Share of each such outstanding Award shall be appropriately adjusted for any increase or decrease in the number of issued Award Shares resulting from a share split, reverse share split, share dividend, recapitalization, combination or reclassification of the Shares, rights issues or any other increase or decrease in the number of issued Shares, in each case effected without the need for receipt of additional consideration by the Company from the Grantee; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been effected without receipt of consideration. Such adjustment shall be made by the Board, whose determination shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Award Shares subject to an Award.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Grantee as soon as practicable prior to the effective date of such proposed transaction. The Grantee will have the right to exercise his or her Awards until ten (10) days prior to such transaction as to all of the Award Shares, including Award Shares which would not otherwise be vested at such time. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action, unless otherwise determined by the Administrator.

(c) Merger or Acquisition. In the event of a Merger or Acquisition, each outstanding Award shall be assumed or an equivalent Award substituted by the successor company or a parent or Subsidiaries of the successor company. In the case of such assumption and/or substitution of shares and/or Options, appropriate adjustments shall be made in the Exercise Price to reflect such action, and all other terms and conditions of the Award Agreements, such as the vesting dates, shall remain in force as will be determined by the Board whose determination shall be final. In the event that the successor company refuses to assume or substitute for the Award, the Grantee shall retain the right to exercise vested Awards, and the Administrator shall notify the Grantee in writing that such Awards shall be exercisable for a period not less than (15) days from the date of such notice, and the Awards shall terminate upon the expiration of such period. Should a Merger or Acquisition occur within one year of the Effective Date, such Grantee shall be eligible to exercise a proportion of such Awards as determined by the Administrator, regarding which the Administrator shall issue a similar notice with a 15-day period for exercise.

The Administrator shall determine, in its discretion, the proper exchange ratio of the Awards and the fair value of such Awards for purpose of such substitution, shall be authorized to accelerate the vesting date of any or all Awards and to make all necessary adjustments in the terms of the Awards, and the substituted Awards (including, without limitation, adjustments in the Exercise Price) that are fair under the circumstances.

For the purposes of this Section 17(c), Awards shall be considered assumed if, following the Merger or Acquisition, the Award (or substitute Award) confers upon the Grantee the right to purchase or receive, for each Share of Award Shares for which the Award was exercisable immediately prior to the Merger or Acquisition, the pro rata consideration (whether shares, stock options, cash, or other securities or property) received in the Merger or Acquisition by holders of Shares for each Share held on the effective date of the transaction (and if such holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Merger or Acquisition is not solely shares of common stock (or their equivalent) of the successor company or its parent, the Administrator may, with the consent of the successor company, provide for the consideration to be received upon the exercise of the Award, for each Share of Award Shares, to be solely common shares (or their equivalent) of the successor company or its parent equal in fair market value to the per share consideration received by holders of a majority of the outstanding shares in the Merger or Acquisition, and provided further that the Administrator may determine, in its sole discretion, that in lieu of such

assumption or substitution of Awards for awards by the acquiring corporation or its parent or Subsidiaries, such Awards will be substituted for by any other type of asset or property including cash which is fair under the circumstances.

(d) Bring-Along – Award Shares acquired upon exercise of the Awards may be subject to "bring-along" provisions in the Company's by-laws, Certificate of Incorporation, and/or other agreements signed by the Company, as such documents and/or provisions may be amended or changed from time to time. In the event that the Award Shares acquired upon exercise of the Awards are not subject to "bring-along" provisions in the Company's by-laws or other agreements signed by the Company, then at any time prior to the Company's IPO, in the event that (i) at least one bona fide offer is made by a third party ("**Offeror**") to purchase Shares comprising at least eighty percent 80% of the Company's issued and outstanding common stock on an as-converted to common stock basis (the "**Threshold Percentage**"), (ii) such sale is conditioned upon the sale of Shares of the Company at the Threshold Percentage, and (iii) all of the shareholders which hold at least 66% of the issued shares, with the exception of the Grantees under this Plan (the "**Proposing Shareholders**") propose to sell all of their Shares to such Offeror, then all of the Grantees shall be required, if so demanded by the Proposing Shareholders, to sell all Award Shares acquired by the Grantees pursuant to this Plan to such Offeror at the same price and under the same terms and conditions as in the offer made to the Proposing Shareholders. Should the Offeror purchase less than 100% of the Company's Shares, the number of Shares purchased by the Offeror in excess of those sold by the Proposing Shareholders would be divided proportionally between the Grantees.

In the event that the Threshold Percentage is met, any sale, assignment, transfer, pledge, hypothecation, mortgage, disposal or encumbrance of Award Shares by the Grantee other than in connection with the proposed acquisition shall be absolutely prohibited and of no effect.

18. AMENDMENT AND TERMINATION OF THE PLAN

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Shareholder Approval. The Board shall obtain shareholder approval of any amendment to the Plan to the extent necessary to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan shall be made if the Administrator determines, at its discretion, that it will impair the legitimate rights of any Grantee, unless

mutually agreed otherwise between the Grantee and the Administrator, which agreement must be in writing and signed by the Grantee and the Company. Notwithstanding the foregoing, the Board may exercise its authority under Section 17 without the consent of Grantees. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

19. INABILITY TO OBTAIN AUTHORITY

The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary for the lawful issuance and sale of any Award Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Award Shares as to which such requisite authority shall not have been obtained.

20. RESERVATION OF SHARES

The Company, during the term of this Plan, shall at all times reserve and keep available and authorized for issuance such number of Award Shares as shall be sufficient to satisfy the requirements of the Plan.

21. GOVERNING LAW

Subject to Section 2 with regard to the implementation of Applicable Laws, the Plan and all instruments issued thereunder or in connection therewith (for the purposes of this Section: the "**Plan and Instruments**") shall be governed by, interpreted, construed and enforced in accordance with: the internal laws of the State of New York (or the federal laws of the United States to the extent that such law is preempted by federal law), for the provisions and operation of the Plan relating to the "**American Instruments**" (the instruments granted as Incentive Stock Options and/or Nonqualified Stock Options), or, the internal laws of the State of Israel, for the provisions and operation of the Plan relating to all other instruments granted under this Plan.

22. JURISDICTION

Any disputes arising out of the American Instruments shall be resolved exclusively by the appropriate court in the state of New York and any disputes arising out of any other instruments shall be resolved exclusively by the appropriate court in Tel-Aviv.

23. TAX CONSEQUENCES

If the Administrator shall so require, as a condition of exercise of an Award, upon the release of Shares by the Trustee or the expiration of the Lock-up Period (each a "**Tax Event**"), each Grantee shall agree that, no later than the date of the Tax Event, he will pay to the Company or make arrangements satisfactory to the Administrator and the Trustee (where relevant) regarding payment of any applicable taxes of any kind required by law to be withheld or paid upon the Tax Event. To the extent approved by the Administrator and permitted by law, a withholding obligation may be satisfied by the withholding of delivery of Shares.

ALL TAX CONSEQUENCES WHICH MAY ARISE UNDER ANY APPLICABLE LAW FROM THE GRANT OF ANY AWARDS, OR IN THE CASE OF AN OPTION, FROM ITS EXERCISE, FROM THE SALE OR DISPOSITION OF THE SHARES OR FROM ANY OTHER ACT OF THE GRANTEE IN CONNECTION WITH THE FOREGOING ,SHALL BE BORNE SOLELY BY THE GRANTEE, AND THE GRANTEE SHALL INDEMNIFY THE COMPANY AND THE TRUSTEE, AND SHALL HOLD THEM HARMLESS AGAINST AND FROM ANY LIABILITY FOR ANY SUCH TAX OR PENALTY, INTEREST OR INDEXATION THEREON OR THEREUPON.

With respect to Trustee Stock Options, the Trustee shall hold such Trustee Stock Options throughout their existence, and shall hold the Award Shares until the earlier of their sale and payment of all applicable taxes by the Grantees but in no event shall the Trustee release the Award Shares before the Lock-Up Period has elapsed. While holding the Award Shares, the Trustee will be responsible for transferring to the Grantees any notice provided by the Company to its shareholders. Subject to fulfillment of all their obligations and to the Proxy, Grantees will be entitled to instruct the Trustee to act on their behalf in utilizing the rights of their Award Shares and the Trustee shall be obligated thereto.

24. PROVISIONS FOR FOREIGN PARTICIPANTS

The Board may, without amending the Plan, modify Awards granted to participants who are foreign nationals or employed outside the United States or Israel to recognize differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefits or other matters.

25. NON-EXCLUSIVITY OF PLAN

This Plan shall not be construed as creating any limitations on the power of the Board or the Committee to adopt such other incentive arrangements as either may deem desirable, including without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

26. CODE SECTION 409A.

Under Code Section 409A, an Option that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the Fair Market Value of a Share on the date of grant (a "discount option") may be considered "deferred compensation." An Option that is a "discount option" may result in (i) income recognition by Participant prior to the exercise of the Option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the Grantee. Grantee acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the date of grant in a later examination. Grantee agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Grantee shall be solely responsible for Grantee's costs related to such a determination.

AMENDMENT NO. 1

TO

VRINGO, INC.

AMENDED AND RESTATED 2006 STOCK OPTION PLAN

Pursuant to Section 5(b)(vi) of the Amended and Restated 2006 Stock Option Plan (the "Plan") of Vringo, Inc. (the "Company"), the Board of Directors of the Company has duly adopted a resolution, ratified by stockholders owning a majority of the outstanding capital stock of the Company entitled to vote, approving this Amendment No. 1 to the Plan to increase the total number of shares of common stock, par value $.01 per share, of the Company (the "Common Stock") reserved and available for issuance under the Plan as follows:

Section 4(a) of the Plan is hereby amended to read in its entirety as follows:

"(a) Awards may be granted under the Plan, subject to the provisions of Section 17(a) hereof, for up to an aggregate of 14,139,342 Award Shares. The Award Shares may be authorized, but unissued, or reacquired Common Stock. The Awards may be granted at any time, prior to the expiration of the Plan according to Section 8(a)."

All other terms and provisions of the Plan shall remain unchanged and in full force and effect as written.

A majority in voting interest of stockholders of the Company duly approved this Amendment No. 1 to the Plan by written consent.

IN WITNESS WHEREOF, this Amendment No. 1 is made effective this 27th day of January, 2010.

VRINGO, INC.

By: /s/ Jonathan Medved
Name: Jonathan Medved
Title: Chief Executive Officer

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
DENOTED WITH "*"**

MASTER CONTENT PROVIDER AGREEMENT

THIS AGREEMENT is made on the 3rd day of June, 2009

BETWEEN

MAXIS MOBILE SERVICES SDN BHD (Company Registration Number : 73315-V), a company incorporated in Malaysia and having its registered office at Level 18, Menara Maxis, Kuala Lumpur City Centre, Off Jalan Ampang, 50088 Kuala Lumpur ("**Maxis**")

AND

Vringo, Inc. a company incorporated in Delaware and having its registered office at 85 5th avenue, New York, NY 10003 ("**the Content Provider**").

Maxis and Content Provider are individually referred to as the "**Party**" and collectively as the "**Parties**".

PREAMBLE

A. Whereas Maxis is licensed by the relevant authorities to operate, maintain and supply telecommunication services including GSM mobile telecommunications services and communication products ancillary to these services including providing Internet access to its Users.

B. Whereas the Content Provider is in the business of producing / sourcing and providing the Content specified in Appendix 1 and desires to make the Content accessible to the Subscribers.

C. Whereas both Parties are desirous of entering into this Agreement for the purpose of making the Content available to the Subscribers under the terms and conditions as set out in this Agreement.

IN CONSIDERATION of the mutual obligations and undertakings set forth below, **IT IS HEREBY AGREED** as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Agreement, unless the context otherwise requires, the following words and phrases shall have the respective meanings assigned to them as follows:

"Agreement"	means this Master Content Provider Agreement signed between the Parties. All Appendices attached and any amendments to this Agreement and the Appendices in accordance with Clause 13.2 as may be added from time to time shall form an integral part of this Agreement;
"CMA"	means the Communications and Multimedia Act 1998, as amended or revised from time to time;
"Content"	means the content more particularly described in Appendix 1 including but not limited to text, articles editorials, news, tutorials, tips, suggestions, graphics, photographs, video, audio, all headlines, abstracts, meta tags

	and/or data or information relating to any subject and/or advertisements, embedded software therein provided or made available by the Content Provider and/or any application required to deliver the Content to Maxis by this Agreement and reference to "Content" includes any new content added to this Agreement in accordance with Clause 13;
"Confidential Information"	means all information of any kind, whether communicated verbally, in printed or electronic form, including (but not limited to) technical information, data, know-how and information relating to either Party's (or its respective holding, related or subsidiary companies') business, marketing strategies, Users' personal data, financial condition and operations whether or not labelled as "Confidential" and submitted by one Party to the other, whether before or after the Effective Date, for the purposes relating to this Agreement;
"Content Code"	means the Malaysian Communications and Multimedia Content Code including any subcodes, as amended or revised from time to time;
"Effective Date"	means the date specified in Appendix 1;
"Force Majeure"	means any circumstance beyond the reasonable control of a Party which results in that Party being unable to observe or perform on time an obligation under this Agreement, including but not limited to, acts of God, floods, storms, and any other natural disaster, acts of war, civil commotion, malicious damage, strikes or fire. An event or act shall not be excused or delayed by Force Majeure if it could reasonably be circumvented through use of alternative sources, work around plans or other means as may be agreed between the Parties;
"General Consumer Code"	means the General Consumer Code of Practice for the Communications and Multimedia Industry Malaysia, as amended or revised from time to time;
"Intellectual Property Rights"	means all rights in and to trade secrets, patent, copyright, service marks, trade marks, Confidential Information, "know-how", moral rights and similar rights of any type, under the laws of any relevant governmental authority, domestic or foreign including all applications and registrations relating to any of the foregoing;
" Internet"	means a global network of interconnected computer networks, each using the Transmission Control Protocol/Internet Protocol and/or such other standard network connection protocols as may be adopted from time to time, which is used to transmit Content that is directly or indirectly delivered for display to an end user whether such Content is delivered for display to an end user through on-line browsers, off-line browsers or through "push technology, electronic mail, broadband distribution, satellite wireless or otherwise;
"Mark"	means trade marks, trade names, service marks, logos, symbols, brand names and other proprietary indicia or any combination thereof;
"Maxis Group"	means any holding, related or subsidiary companies (as defined in Section 5 of the Companies Act, 1965) of Maxis;
"Maxis Properties"	means any Maxis branded co-branded media properties developed in whole or in part and distributed or made available by Maxis or by any companies within the Maxis Group over the Internet or any devices including but not limited to Internet enabled devices and/or wireless devices; and
"Security Compliance Requirements"	means the security compliance requirements set out in Appendix 5 to this Agreement;
"Service"	means the service provided by Maxis in making the Content available to the Subscribers via any mode of transmission;

"Subscribers"	means any subscriber of Maxis' mobile telecommunications network who accesses and uses the Service; and
"Users"	includes any subscriber, visitor, user to and/or viewer of the Maxis Properties.

1.2 Headings in this Agreement are for reference only and shall not affect the construction of any provision.

1.3 Words importing the singular shall also include the plural and vice-versa where the context so requires. References to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any State or agency thereof.

1.4 In this Agreement, unless the context otherwise requires, references to "day" or "days" shall mean a twenty-four (24) hour period as in a calendar day. Reference to a time and date concerning the performance of any obligation by a party is reference to the time and date in Malaysia. References to Clauses and Appendices are references to the Clauses of, and the Appendices to, this Agreement. References to any statute shall be construed as references to that statute as from time to time amended or re-enacted.

1.5 No rule of construction shall apply to the detriment of any Party by reason of that Party having control of and/or was responsible for the preparation of this Agreement.

1.6 Any express statement of a right of a Party under this Agreement is without prejudice to any other right of that Party expressly stated in this Agreement or arising at law.

1.7 A reference to any of the words "include", "includes" and "including" is read as if followed by the words "without limitation".

1.8 Business Day for purposes of this Agreement is a day other than Saturday, Sunday or public holiday in Malaysia.

2. GRANT OF LICENCE

2.1 Subject to the terms in this Agreement the Content Provider hereby grants to Maxis a non-exclusive licence and the right to:

2.1.1 use and display in any format, the Content and the Content Provider's name and Marks:

(a) in connection with the Maxis Properties;

(b) to credit the Content Provider as the provider of the Content;

(c) in connection with the marketing and promotion of the Maxis Properties;

(d) in any advertisement provided by Maxis to the Content Provider on the Maxis Properties, and

2.1.2 distribute the Content to the Subscribers and permit the Subscribers to view, use and/or download to the Subscribers' wireless communication device for personal use regardless of whether the Subscribers are within Malaysia or otherwise.

2.2 For the avoidance of doubt, and notwithstanding Clause 14.6, the companies in the Maxis Group, which provide communications services via any devices including Internet enabled devices and/or wireless devices, shall have all the rights set forth in this Clause 2.1. The said companies may re-format the Content in order to display the Content on the Maxis Properties.

2.3 During the first 6 months of the term hereof Content Provider shall not work directly with other carriers in Malaysia.

3. RESPONSIBILITIES OF THE CONTENT PROVIDER

3.1 The Content Provider shall:

3.1.1 provide the Content specified in Appendix 1 which shall be displayed on the Maxis Properties;

3.1.2 provide Maxis with the requisite data, technical specifications of the Content to enable Maxis to utilise or develop a suitable interface to display the Content from the Content Provider;

3.1.3 ensure the Content specifications are complete, accurate and up to date and that Maxis is duly notified in advance and provided with a list of intended changes to the said specifications which may affect the said interface or the ability of Maxis to deliver and/or display the Content;

3.1.4 develop, maintain and regularly update the Content in order to keep the same current, relevant and useful to the Users;

3.1.5 provide Maxis with the Content Provider's Marks to be used solely on the Maxis Properties and in any print, electronic or other publications related to the Maxis Properties;

3.1.6 provide on-going assistance to Maxis in relation to technical, administrative and service oriented issues relating to the use, transmission and maintenance of the Content, as Maxis may reasonably request; and

3.1.7 maintain all necessary communications facilities to perform its obligations under this Agreement.

4. RESPONSIBILITIES OF MAXIS

4.1 Maxis shall be responsible for the design, layout, posting and maintenance of the Maxis Properties for the provision of the Service.

4.2 Maxis shall pay the Content Provider's transaction share specified in Appendix 3 to the Content Provider for the Content which has been provided to the Subscriber in accordance with this Agreement and meets the standards referred to in Clause 5 and the specifications stated in Appendices 1 and 2.

5. CONTENT

5.1 The Content Provider shall deliver the Content in accordance with Appendix 2. The Content Provider shall provide Maxis with reasonable prior notice of any significant enhancements that generally affect the appearance, updating, delivery or other elements of the Content.

5.2 The Content Provider undertakes that the Content provided pursuant to this Agreement shall not:

5.2.1 contain elements which render the said Content or any part thereof unlawful, threatening, offensive, annoying, malicious, harmful, obscene, pornographic, profane, misleading, defamatory, abusive, socially or politically sensitive, unethical, morally, religiously or racially offensive, unlawful or otherwise prohibited for distribution, inter alia, in Malaysia; or

5.2.2 contain other material that could give rise to any civil or criminal liability under the applicable law.

5.3 The Content Provider acknowledges that it is hereby advised that the provision of Content which is indecent, obscene, false, menacing, morally, religiously or racially offensive, against public interest, public order or national harmony or offensive in character with intent to annoy, abuse, threaten or harass any person or that is seditious is an offence under the laws of Malaysia.

5.4 In performing its obligations under this Agreement, the Content Provider shall comply with all applicable laws (including the CMA), ordinances, codes (including the General Consumer Code and the Content Code), rules, regulations, notices, instructions or directives of the relevant authorities or with any notices, instructions, guidelines or directives given by Maxis from time to time. Such applicable laws, codes or regulations shall include those relating to, subversive, defamatory, obscene or pornographic materials, breach of copyright, patent or other proprietary rights or any which in the reasonable opinion of Maxis may adversely affect the use of the Maxis Services by other clients of Maxis or the efficiency of the Service or the use of the Service as a whole.

5.5 The Content Provider shall ensure that the Content is only provided to Subscribers who "opt-in" for the Content, that is to those who initiate the purchase or subscription of the Content, and shall ensure that such Content or subscription service shall not include any unsolicited or annoying messages, service, content, information or spam which the Subscriber did not specifically request. The Content Provider shall also ensure that the Subscribers are provided with obvious and clear means of opting out of receiving such Content or any promotional or marketing messaging if they do not wish to receive such messages,

5.6 The Content Provider shall ensure that the Content provided pursuant to Appendix 1 is at all times;

5.6.1 accurate, up-to-date, current, complete, coherent and is not under any circumstance repeated;

5.6.2 written or presented in a clear, attractive and highly readable style;

5.6.3 written in the English language or such other language as may be specified by Maxis in Appendix 1; and

5.6.4 grammatically correct and free of any spelling errors.

The Content Provider shall additionally use all reasonable endeavours to ensure that the Content provided conforms to the description and availability criteria set out in Appendix 4 of this Agreement and to the reasonable standards and expectations of Maxis as may be notified from time to time. In the event that the Content provided fails to meet these quality standards, Maxis reserves the right to terminate this Agreement pursuant to Clause 10.2.3

5.7 The Content Provider undertakes to fully compensate, in pecuniary and non-pecuniary terms, Maxis, its affiliated and or related companies for any loss of reputation, goodwill and/or business suffered by any of them as a result of being charged with and/or convicted of any offence(s) as a result of the providing of unlawful Content.

5.8 The Content Provider agrees to indemnify and hold harmless Maxis and the Maxis Group for any loss or damages arising out of any third party claim arising from Content provided contrary to Clause 5.

6. RIGHT TO REFUSE

6.1 Maxis reserves the right to review the Content from time to time.

6.2 If Maxis determines that the Content contains any material or the Content Provider presents any material in any manner that Maxis deems to have breached any of the terms and conditions of this Agreement or which is likely to subject Maxis to unfavourable regulatory action, contravene any law, or infringe the rights of any persons, or subject Maxis to liability for any reason, Maxis will inform Content Provider of the reason for such determination and:

6.2.1 Maxis may refuse to include the Content or any part thereof or any references to such Content on Maxis Properties; and/or

6.2.2 remove or delete the affected Content from the Maxis Properties; and/or

6.2.3 direct the Content Provider to immediately remove the affected Content from the Maxis Properties who shall remove the Content as so directed; and/or

6.2.4 require the Content Provider to take measures such as issuing an apology or explanation to the satisfaction of Maxis, depending on the circumstances.

Such contravention or infringement shall include, materials or contents which cause annoyance, embarrassment, distress, harassment, disturbance or nuisance of any kind whatsoever; or which is not in the public interest; or contains obscene or offensive content or racially or ethnically objectionable material.

6.3 If Maxis or any of the companies in the Maxis Group is notified of any Content or part thereof which is objectionable, ("the offending Content") whether by a User or a relevant authority in Malaysia or elsewhere, Maxis or any of the companies in the Maxis Group will immediately notify the Content Provider who shall immediately remove the offending Content and if the Content Provider does not do so within 24 hours of being so informed, Maxis may remove or delete the offending Content from the Maxis Properties without any liability whatsoever to the Content Provider.

6.4 Notwithstanding anything to the contrary contained herein, Maxis may refrain from including the Content or any part thereof or any references to such Content on Maxis Properties until such time:

6.4.1 the Content Provider provides to Maxis satisfaction documentary proof of Content Provider's rights to such Content as may be required by Maxis from time to time; or

6.4.2 Maxis determines that the user acceptance test conducted on the Content is successful and is capable of distribution to the Subscriber. In the event Maxis determines that the Content fails the user acceptance test and the Content Provider is unable to remedy the defect or problem within one (1) month from Maxis notification in writing, Maxis shall not be obliged to provide the Service in respect of the Content.

7. SECURITY

7.1 In the event the Content Provider engages in transactions which would require security and protection of any information or data given by User and/or Subscriber, the Content Provider shall employ such security measures which would safeguard the secrecy and confidentiality of such transaction including, by using encryption methods or a secure server, in accordance with such requirements as may be prescribed by the relevant authorities.

7.2 The Content Provider shall comply with (to the extent applicable), the Security Compliance Requirements throughout the term of this Agreement.

7.3 By the nature of the Service, the Content Provider may have access to Subscribers' information. The use by the Content Provider of the Subscribers' information outside the scope and purpose of this Agreement shall constitute a material breach of this Agreement and Maxis shall be entitled to terminate the Agreement immediately without any liability whatsoever without prejudice to the rights of Maxis against the Content Provider to any claim, action or remedy against the other which shall have accrued or shall accrue thereafter to Maxis.

7.4 The Content Provider shall at all times maintain the absolute privacy of the Subscribers and shall not disclose the Subscribers' information to any other party in any manner and shall not contact the Subscribers for any reason or in any manner whatsoever.

7.5 For purposes of ensuring the Content Provider's compliance of its terms and obligations under or in connection with this Agreement, Maxis reserves the right to audit at no additional cost to Maxis, amongst others, the Content and services provided by the Content Provider, the service delivery and the systems and business processes employed by the Content Provider. The Content Provider agrees to provide access to and co-operate with Maxis, at no additional cost to Maxis, in respect of any such audits conducted, including where the audits stem as a result of the authorities' right to audit Maxis and its services.

8. WARRANTIES

8.1 The Content Provider warrants and represents for the benefit of Maxis that;

8.1.1 it is the author or creator or legitimate licensee of all Content provided pursuant to this Agreement with the necessary rights to distribute the Content which includes authorising Maxis to provide, promote and display the Content on the Maxis Properties to be distributed to the Subscribers;

8.1.2 the Content developed by the Content Provider or on its behalf or furnished by the Content Provider to Maxis (as the case may be) does not and will not infringe any Intellectual Property Rights of any third party and does not and will not constitute a defamation or invasion of the rights of privacy or publicity of any third party;

8.1.3 the Content does not violate the laws, statutes and/or regulations of any jurisdiction including Malaysia;

8.1.4 Maxis' use of Content Provider's Marks pursuant to this Agreement shall not infringe the Intellectual Property Rights of any third party;

8.1.5 the Content furnished by Content Provider to Maxis for the purpose of this Agreement are true, consistent and accurate at all times;

8.1.6 it has all the necessary consents, licences and approval(s) from the relevant authorities, bodies and/or organisations which supervise the Content and the distribution and display of the Content on the Maxis Properties; and

8.1.7 it is an entity duly organised and validly existing under the laws of the United States and has the power and capacity to execute, deliver and perform the terms of this Agreement and has taken or shall take all necessary corporate and other action to authorise the execution, delivery and performance of this Agreement.

8.2 The Content Provider acknowledges that Maxis has entered into this Agreement in reliance on the representations and warranties set out in this Clause.

8.3 Without prejudice to the provisions of the Clause 8.1 and 8.2 hereinabove, the Content Provider shall provide Maxis with the necessary documents evidencing the Content Provider's rights to the Content as warranted hereinabove to the satisfaction of Maxis within seven (7) days from the date of receipt of Maxis written notice requesting for the same, failing which Maxis shall be entitled to:

8.3.1 exercise its rights under the provisions of Clause 6 herein; and/or

8.3.2 terminate this Agreement without any liability whatsoever without prejudice to the rights of Maxis against the Content Provider to any claim, action or remedy against the other which shall have accrued or shall accrue thereafter to Maxis.

9. INDEMNITY

9.1 The Content Provider shall indemnify and hold Maxis and the Maxis Group harmless against any costs, claims, demands, expenses, losses and liabilities of whatsoever nature by any third party arising out of any breach or alleged breach of the Agreement including any of the provisions in Clause 8.

9.2 Maxis shall notify the Content Provider in writing of the claim or action for which such indemnity applies. Maxis shall be entitled at its option to undertake the defence of any such claim or action and permit the Content Provider to participate therein at the Content Provider's own expense.

10. DURATION AND TERMINATION

10.1 This Agreement shall be valid for the period specified in Appendix 1 ("Period") from the Effective Date ("Initial Term") and may be extended automatically for further Periods thereafter unless terminated in accordance with the provisions of this Agreement.

10.2 Notwithstanding the provisions of Clause 10.1 hereinabove, this Agreement may be terminated immediately by:

10.2.1 an agreement in writing signed by both Parties;

10.2.2 either Party upon the expiry of thirty (30) days' written notice of termination given by one Party to the other Party without any liability;

10.2.3 one Party if the other breaches any of its obligations under this Agreement and fails to rectify such breach to the notifying Party's satisfaction within such period stipulated in this Agreement or fourteen (14) days where no such period has been stipulated, after it receives a notice in writing demanding that the breach be rectified;

10.2.4 one Party if the other Party becomes insolvent or bankrupt, assigns all or a substantial part of its business or assets for the benefit of its creditor(s), permits the appointment of a receiver or a receiver and manager for its business or assets, or becomes subject to any legal proceedings relating to insolvency, reorganisation or the protection of creditors' rights or otherwise ceases to conduct business in the normal course.

10.3 Where this Agreement is terminated pursuant to this Agreement:

10.3.1 Maxis and the Content Provider shall cease the use of each other's Content or Service as the case may be;

10.3.2 all documents containing Confidential Information and copies shall be returned to the respective Parties as soon as practicable;

10.3.3 neither Maxis nor Content Provider shall in any way exhibit any links or display any information that would lead a User and Subscriber to believe that Maxis and the Content Provider are linked or related in any manner;

10.3.4 no Intellectual Property Rights owned by one Party may at any time thereafter be used by the other Party for any purpose whatsoever.

10.4 Termination of this Agreement shall be without prejudice to any other rights, remedies or claims either Party may have against each other under this Agreement or at law in respect of any antecedent breach by the Parties of any provisions of this Agreement.

11. FORCE MAJEURE

11.1 Neither Party shall be liable for any delay or failure to perform its obligations if such failure or delay is due to Force Majeure.

11.2 The Party affected by Force Majeure shall notify the other Party in writing as soon as practicable of any anticipated delay due to Force Majeure. The performance of the affected Party's obligations under this Agreement shall be suspended for the period of the delay due to Force Majeure.

12. CONFIDENTIALITY

12.1 Parties acknowledge and agree that all Confidential Information disclosed by or on behalf of the Party disclosing such information ("Disclosing Party") shall be and remain the property of the Disclosing Party. Nothing in this Agreement shall be construed and granting or conferring any license or any rights whatsoever (including any intellectual property rights) whether expressly, impliedly or otherwise if respect of the Disclosing Party's Confidential Information to the Party receiving it ("Receiving Party").

12.2 Tangible forms of Confidential Information shall not be copied, in whole or in part, without the prior written consent of the Disclosing Party, except for a reasonable number of copies necessary to carry out the transaction contemplated by or pursuant to this Agreement.

12.3 No license, whether express or implied, in the Confidential Information is granted by either Party to the other to use the Confidential Information other than in the manner and to the extent authorised by this Agreement.

12.4 The Receiving Party understands and agrees that it is not allowed to sell, develop or otherwise exploit any parts, products, services, documents or information which embody in whole or in part any Confidential Information, except as contemplated by this Agreement.

12.5 Each Party agrees and undertakes with each other to protect the Confidential Information of the other Party using not less than the standard of care with which it treats its own Confidential Information but in no event less than reasonable care and shall ensure that the Confidential Information of the other Party is stored and handled in a way to prevent unauthorised disclosure.

12.6 Each Party shall use its best efforts to limit dissemination of the Confidential Information to its employees, consultants, officers, agents or sub-contractors and its holding or related companies' employees (collectively called "Personnel") to whom disclosure is necessary for each of them to perform his duties under this Agreement. Each Party shall impose the above obligation of confidentiality on their Personnel.

12.7 The foregoing obligations shall not apply, however, to any part of the Confidential Information which:

(a) was already in the public domain or becomes so through no fault of the Receiving Party;

(b) is independently developed by the Receiving Party;

(c) is approved for release by prior written authorisation by the Party disclosing the Confidential Information; or

(d) is required by law to be disclosed.

12.8 Subject to Clause 12.3, these obligations of confidentiality shall survive the expiration or termination of this Agreement without limitation of time.

12.9 Each Party further agrees to forthwith return to the other Party and/or destroy all documents and any materials received in connection with the Agreement containing any of the Confidential Information of the other Party:

(a) upon termination of this Agreement for whatever cause; or

(b) upon request of and at the direction of the Disclosing Party.

12.10 Both Parties acknowledge that they are aware and fully understand that in the event of any breach of this provision by the Receiving Party or their personnel, then the Disclosing Party could suffer substantial loss and damage which monetary damages cannot adequately compensate and the Disclosing Party shall be entitled to specific performance, injunctive and other equitable relief in enforcing the obligations of this provision in addition to all other remedies available in law.

12.11 The Content Provider acknowledges that Maxis may obtain financing in connection with this Agreement and the Content Provider hereby consents to Maxis disclosing to the financiers this Agreement as well as any related documentation (as required by the financiers).

13 NEW CONTENT

13.1 The Parties may from time to time, agree to add further Appendices to this Agreement to reflect any new Content ("New Content") to be provided by the Content Provider after the Effective Date whereupon the Parties shall:

13.1.1 add a new Appendix 1 to provide for the type of New Content and the period during which the New Content will be provided. The new Appendix 1 shall be called Appendix 1A, and thereafter Appendix 1B, 1C and so on depending on the number of additional Appendices relating to New Content;

13.1.2 add a new Appendix 2 to provide for the technical specifications and the manner in which the New Content will be delivered. The new Appendix 2A shall correspond to Appendix 1A, Appendix 2B to 1B and so on; and

13.1.3 add a new Appendix 3 to provide for the Fees payable for the New Content. The new Appendix 3A shall correspond to Appendices 1A and 2A, Appendix 3B to Appendices 1B and 2B and so on.

13.1.4 add a new Appendix 4 to provide for the Service Level Standards in respect of the New Content. The new Appendix 4A shall correspond to Appendices 1A, 2A and 3A, Appendix 4B to Appendices 3B, 2B and 1B and so on.

13.2 The Parties shall add Appendices for New Content by signing the form attached as Schedule I.

13.3 For the purposes of this Agreement:

13.3.1 any reference to Appendix 1 shall include Appendix 1A, 1B and any other Appendices 1;

13.3.2 any reference to Appendix 2 shall include Appendix 2A, 2B and any other Appendices 2; and

13.3.3 any reference to Appendix 3 shall include Appendix 3A, 3B and any other Appendices 3;

13.3.4 any reference to Appendix 4 shall include Appendix 4A, 4B and any other Appendices 4;

which have been added to this Agreement in accordance with this Clause from the date of such addition.

13.4 The Content Provider is only required to provide a particular type of Content as specified in a particular Appendix 1 for the duration specified in such Appendix 1.

14. GENERAL

14.1 The Parties acknowledge and agree that each is an independent business entity and as such, neither Party may represent itself as an employee, agent or representative of the other, nor may it incur any obligations on behalf of the other Party which are not specifically authorised in this Agreement.

14.2 If any provision of this Agreement is held invalid, unenforceable or illegal for any reason, this Agreement shall remain in full force apart from such provision which shall be deemed deleted.

14.3 This Agreement shall be governed by and construed according to the laws of Malaysia. The Parties hereby submit to the exclusive jurisdiction of the courts of Malaysia.

14.4 Notices under this Agreement may be delivered by hand, by registered mail, by telex or by facsimile to the following addresses:

To Maxis:

Attention: Head, Mobile Data Products

Level 10, Menara Maxis, Kuala Lumpur City Centre,
Off Jalan Ampang,
50088 Kuala Lumpur
Tel : 603 2330 7000
Fax: 603 2330 0327

Copy to:

Attention: General Counsel, Legal Department
Level 19, Menara Maxis, Kuala Lumpur City Centre,
Off Jalan Ampang,
50088 Kuala Lumpur
Tel : 603 2330 7000
Fax : 603 2330 0576

The notification details of the Content Provider are specified in Appendix 1.

14.5 Notice shall be deemed given:

14.5.1 in the case of hand delivery or registered mail, upon written acknowledgement of receipt by an officer or other duly authorised employee, agent or representative of the receiving Party;

14.5.2 in the case of facsimile, upon completion of transmission.

14.6 Neither Party shall assign, subcontract or otherwise transfer any of its rights or obligations under this Agreement to any other person without the prior written consent of the other Party (which consent shall not be unreasonably withheld). Notwithstanding anything to the contrary contained herein Maxis may assign subcontract or transfer its rights and obligations to a related company of Maxis.

For the avoidance of doubt, Maxis' use of its authorised dealers to promote the sale of the Content shall not constitute an assignment, subcontract or transfer for the purpose of this clause.

14.7 No right under this Agreement shall be deemed to be waived except by notice in writing signed by both Parties.

14.8 Time, wherever mentioned, shall be of the essence in this Agreement.

14.9 The stamp duty for this Agreement shall be borne by Maxis.

14.10 Each Party shall bear its own legal costs in relation to the preparation of this Agreement.

14.11 In the event of any inconsistency between any clause or term in the body of this Agreement and the Appendices, the said clause or term in this Agreement shall prevail.

14.12 Those clauses which by their nature would survive the termination of this Agreement shall so survive.

14.13 This Agreement including the Appendices constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior arrangements, agreements, representations or undertakings. There are no promises, terms, conditions, or obligations, oral or written expressed or implied other than those contained in this Agreement. Any subsequent alteration, amendment or addition to this Agreement shall be in writing and signed by the authorised representatives of the Parties.

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DENOTED WITH "*"**

THE PARTIES have through their authorised representatives signed this Agreement on the day first mentioned above.

Signed for and on behalf of Maxis Mobile Services Sdn Bhd

By:

/s/ Kugan Thirunavakarasu

Name: Kugan Thirunavakarasu
Designation: Head of Product Development and Infotainment
Date:

In the presence of;

/s/ Kee Saik Meng

Name: Kee Saik Meng
Designation: Head of Games and Entertainment

Date: August 4, 2009

Signed for and on behalf of [Content Provider]

By:

/s/ Steven Glanz

Name: Steven Glanz

Designation: SVP Business Development
Date: June 3, 2009

/s/ David Corre

Name: David Corre
Designation: VP Finance

Date: June 3, 2009

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APPENDIX 1
(CONTENT)

Effective Date: September 01, 2009

Duration of Agreement: 12 months

The Content

The Content Provider shall provide: Maxis customers with access to a version of the Vringo video ringtone service (the "Vringo Service") which shall include versions of the Vringo downloadable mobile application, the Vringo wap site and the Vringo web site. The Vringo Service shall include video ringtone content provided by Vringo (the "Vringo Content") and content provided by Maxis (the "Partner Content"). Anything in the Agreement to the contrary notwithstanding, Maxis shall be responsible for all rights related issues regarding the Partner content and for making any required payments to the owners of said content.

Notification Particulars of the Content Provider

Content Provider:

Attention: Steven Glanz
85 5th Avenue, New York, NY 10003
Tel: +1646 525 4319
Fax: _15092715246

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APPENDIX 2
(DELIVERY AND TECHNICAL SPECIFICATIONS)

The Vringo Service shall be fully hosted by Vringo so Vringo will not have to deliver content to Maxis. Maxis shall deliver Partner Content to Vringo in accordance with a content spec to be provided by Vringo. Maxis will allow Vringo to integrate with Maxis's billing system so users can be billed and Maxis will allow Vringo to integrate with Maxis's SMSC

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APPENDIX 3
(FEES)

PRICING

1.

The Vringo Service will be offered as a monthly subscription service. Some content will be available for free but other Vringo Content and Partner Content will cost extra. The fees shall be shared as follows:

#	Product Description	Content Price (MYR)	Transaction Share (Maxis : Content Provider)
	Monthly subscription	5	***
	Purchase of Vringo Content	4	***
	Purchase of Partner Content	4	***

B. INVOICING AND PAYMENT TERMS

1. Within thirty (30) days from the first day of each calendar month, Maxis shall provide the Content Provider with a report showing the amount of revenue billed for subscriptions and content purchases ("Maxis Report"). The Maxis Report will be uploaded by Maxis in the MCP portal at http://mcp.maxis.com.my, which can be downloaded by the Content Provider or it will be emailed to Content Provider. Computation of the payment to the Content Provider for the Content provided for any particular month shall be based solely on the Maxis Report and Vringo's breakdown of what percent of the revenue for content purchase came from purchases of Vringo Content and what percent came from Partner Content
2. In the event of any dispute by the Content Provider regarding the Maxis Report, the Content Provider may within thirty (30) days from upload of the Maxis Report in the MCP portal by written notice, notify Maxis of the dispute failing which the Maxis' Report shall be deemed final and conclusive as against the Content Provider. Upon receipt of the written notice, Parties shall investigate the variance and upon resolution of the same, the Content Provider can invoice Maxis for the difference, for which Maxis shall make the necessary payments (if any) to the Content Provider in the following month together with the payments due to the Content Provider for the transactions for the following month.
3. Where the Content Provider is a foreign company (i.e. without resident status), the Content Provider shall invoice Maxis each month for the Content Provider's share of the fees for the previous month based on the Maxis Report.
4. Maxis shall pay all undisputed amounts within sixty (60) days from date of uploading of the Maxis Report in the MCP portal or receipt of the invoice from the Content Provider, whichever is applicable.
5. Maxis shall not be obliged to pay the Content Provider for unusual traffic caused by any access caused by fraudulent means. Fraudulent access in this regard shall include access not authorised by the Subscribers and/or Maxis, regardless of whether it was within the control of Maxis and/or the Subscribers. This shall include but not limited to hacking and spamming.

6. Maxis shall not be liable to make any payments apart from the Content Provider's revenue share based on the Maxis Report or such other amounts as may be determined upon resolution of any dispute to it. Any other terms stated in the Content Provider's invoice contrary to the provisions contained herein shall be null and void.

7. Invoicing and payment currency

7.1 Content Provider with resident status

(a) All invoices shall be issued in and payment made in Ringgit Malaysia ("RM").

7.2 Content Provider without resident status

(a) All invoices shall be issued in and payment made in United States Dollars ("USD").

(b) The invoice shall depict both the RM sum (as per the Maxis Report) as well as the USD equivalent sum, converted at the applicable market rate of exchange which shall be the average of the buying and selling rates quoted by Malayan Banking Berhad (Maybank) for the last five (5) Business Days of the month for which the invoice is issued (i.e. invoicing month as per the Maxis Report).

8. Maxis shall settle all payments to the Content Provider by directly transferring money to Content Provider's pre-determined bank account based on the details as provided below:

Beneficiary's Bank Name	**Silicon Valley Bank**
Beneficiary's Bank Address	3003 Tasman Drive Santa Clara, CA 95054
Beneficiary's Name	**Vringo, Inc.**
Beneficiary's Bank Account No	***
Swift Code /Sort Code/ IBAN No (whichever applicable)	***

9. For the purpose of this Agreement, the Fees specified above shall be inclusive of all taxes and duties payable in respect of the Content.

10. Parties shall be individually responsible to settle its respective taxes that may be due on its respective revenue share. Maxis may however withhold and pay any portion of the Content Provider's portion of the revenue share due to the Content Provider in compliance with the requirements of the Malaysian Inland Revenue Board or such other laws as may be in force from time to time, and receipts from the Malaysian Inland Revenue Board or such other authorities will be provided by Maxis to the Content Provider upon request.

11. In addition, if any goods and services tax ("GST") is imposed on any goods or services supplied under this Agreement by the relevant Malaysian authorities, Maxis shall pay for the appropriate GST under each invoice in the event that the Content Provider has complied with the following:

11.1 the Content Provider is duly licensed by the relevant Malaysian authorities to collect such GST;

11.2 the appropriate GST for each invoice is included under the relevant invoice at the time of the issuance of the invoice; and

11.3 all invoices provided by the Content Provider to Maxis comply with the relevant GST law enforced by the Malaysian authorities.

The Content Provider hereby agrees that no GST amount shall be due and payable by Maxis unless the Content Provider has complied with the provisions of this Clause. The parties agree to use reasonable efforts to do everything required by the relevant GST law to enable or assist the other party to claim or verify any input tax credit, set off, rebate or refund in respect of any GST paid or payable in connection with goods or services supplied under this Agreement.

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APPENDIX 4
(SERVICE LEVEL STANDARDS)

SERVICE LEVEL

SERVICE AVAILABILITY

Service	Availability	Target
		95%
		95%

The Service Availability of the Content Provider and Maxis will be measured over a calendar month during each content's specified playing time or interval. It is calculated as follows:

$$A = (TSUT – TUDT) / TSUT$$

A = Service Availability (%)
TSUT = Total Service Up Time (Hr)
TUDT = Total Unplanned Down Time (Hr)

Note that Service Availability of Content Provider and Maxis respectively does not reflect the Service Availability of the content in totality due to the mechanism of message exchange over the public Internet.

FAULT MANAGEMENT

Stage \ Priority	P1	P2	P3	P4
Fault Reception / Initial Investigation	*Within 15 minutes*	*Within 15 minutes*	*4 working hours*	*8 working hours*
Service Restoration	*4 hours*	*8 hours*	*16 working hours*	*5 working days*
Fault Resolution	*2 days*	*5 days*	*Next scheduled release*	*Agreed scheduled release*

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FAULT PRIORITY LEVELS

Fault Priority Levels	Definition
P1	Whole of or a critical part of the system(s) unusable, causing immediate and significant business impact. A large number of users are not able to access the system. The access required is deemed urgent and demands immediate attention, or the system is business critical. Examples include (but are not limited to) failure of the Content Provider platform.
P2	A significant, but not immediately critical, part of the system(s) unusable, creating some business impact. Some users are unable to access offerings of the service where no alternative methods of access are available. **EXAMPLES INCLUDE (BUT ARE NOT LIMITED TO) ALL USERS CANNOT ACCESS PARTS OF THE SERVICE.**
P3	Disruption of a single element of the service(s). One or more users are unable to access the system. Alternative access or workarounds are available.
P4	Non-urgent or cosmetic problem, causing inconvenience only. Workaround are available. A request for information or query.

Status will be reported at a minimum every thirty minutes to the appointed representative.

A 5% penalty will be imposed on the revenue of each content, if the above service level standards are not met.

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ESCALATION PROCESS

If Maxis discovers the unavailability of Content Provider's Service:

Level	Escalation	Maxis' Response	Content Provider's Response
1	Fault Reception	1. Report fault to Content Provider. 2. Log down date and time. 3. Assist investigation of fault.	1. Confirm receipt of fault report from Maxis. 2. Log down date and time. 3. Begin investigation into fault.
2	Service Restoration	1. Confirm successful restoration of service from Content Provider. 2. Log down date and time.	1. Report successful restoration of service to Maxis. 2. Log down date and time.
3	Fault Resolution	1. Accept successful resolution of fault from Content Provider 2. Log down date and time.	1. Report successful resolution of fault to Maxis. 2. Log down date and time.

If Content Provider discovers the unavailability of Maxis' Service:

Level	Escalation	Content Provider's Response	Maxis' Response
1	Fault Reception	1. Report fault to Maxis 2. Log down date and time. 3. Assist investigation of fault.	1. Confirm receipt of fault report from Content Provider. 2. Log down date and time. 3. Begin investigation into fault.
2	Service Restoration	1. Confirm successful restoration of service from Maxis. 2. Log down date and time.	1. Report successful restoration of service to Content Provider. 2. Log down date and time.
3	Fault Resolution	1. Accept successful resolution of fault from Maxis. 2. Log down date and time.	1. Report successful resolution of fault to Content Provider. 2. Log down date and time.

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POINTS CONTACT

Content Provider Escalation Points

Escalation Level	Business Development	Technical Development	Product Manager
First Escalation Level	**Name** **Tel: +603-** **Cel: +6012-** **Fax: +603-** **Email:**	**Name** **Tel: +603-** **Cel: +6012-** **Fax: +603-** **Email:**	**Name** **Tel: +603-** **Cel: +6012-** **Fax: +603-** **Email:**

MAXIS Escalation Points

Escalation Level	Business Development	Technical Development	Product Manager
First Escalation Level	**Name** **Tel: +603-** **Cel: +6012-** **Fax: +603-** **Email:**	**Name** **Tel: +603-** **Cel: +6012-** **Fax: +603-** **Email:**	**Name** **Tel: +603-** **Cel: +6012-** **Fax: +603-** **Email:**

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APPENDIX 5
(SECURITY COMPLIANCE REQUIREMENTS)

	Security Compliance Requirements	Remarks (if any)
	Requirements	
A	**Border Control to protect information related to Maxis.**	
a.1	Managed border control devices (Firewalls, Routers, IPSes, etc.) which are designed to protect the Maxis related infrastructure and data from unauthorized access and abuse.	
a.1.1	Access to these border control devices should be limited those with a need and logged to provide traceability of work done.	
a.1.2	The network traffic and access control rules applied to such devices should be reviewed regularly to ensure the services rendered are secure.	
a.1.3	Network and Systems design documents detailing the storage, access, transport, protection of Maxis related data should be kept current to enable audits.	
B	**Access to Systems and Applications.**	
b.1	Public accessibility of the system component should be prohibited from all vectors of access (eg: wired and wireless).	
b.2	Data repositories containing Maxis confidential data (Database, files, etc) should be placed in a securely protected internal network segment.	
b.3	Access to such data should be limited to only to authorized users under the control of the Service Provider and authorized to work on the contract.	
b.4	The authorized user list should be validated periodically to ensure the list is current.	
b.5	Remote access to such data should be strictly controlled and monitored to ensure network connectivity is made over encrypted secure channels and authentication performed to validate the authorized users.	
C	**System and Application configuration**	
	Ensure the Systems and Applications used to service Maxis are safe, secure and managed to provide optimal service.	
c.1	Systems hosting services for Maxis should be configured to perform safely, securely and provide availability to the defined SLAs.	
c.2	Place logical and physical separation on systems used for delivering the services of Maxis from others. If a shared hosting model is used, protect the Maxis related services to ensure separation of the data and access.	
c.3	Disable unnecessary and insecure services and protocols.	
c.4	Configure the systems to prevent misuse.	
c.5	Encrypt all non-console administrative access using industry standards. (eg: SSH, VPN, SSL/TLS.)	
c.6	Ensure logging and audit trails are enabled to identify access to Maxis related systems and service platforms.	
c.7	Enable processes to provide timely forensic investigation in the event of compromise of any hosted system relating to Maxis.	

D	**Protect Maxis Confidential Data.**
	Keep Maxis Confidential data secure, develop a data retention and disposal policy, and limit the storage and retention to a limit that is required for business, legal and/or regulatory purpose.
d.1	Do not store authentication data in any readable format even if encrypted.
d.2	Keep Personally Identifiable Information (PII)* protected from casual access at all times.
d.3	Use strong encryption to protect PII related to Maxis services.
d.4	Manage access to confidential data centrally and reduce the number of repositories that hold such data.
d.5	Do not allow confidential data to be copied to removable media unencrypted by keys available to the service provider.
d.6	Protect the keys used to encrypt Maxis confidential information against disclosure and misuse.
d.7	Document and enforce all key-management processes and procedures and avoid single points of failure in the key management scheme.
d.8	Keep confidential data separate from the access and authentication keys used to access the data. And ensure both are securely protected.
d.9	Use strong cryptography and security protocols when providing access to PII over open public networks.
d.10	Never allow the transmission of access control information (usernames & passcodes) over an unencrypted channel.
E	**Malware protection.**
	Maxis related infrastructure should be protected from malware at all times.
e.1	Ensure all systems related to the Maxis Service delivery are protected by Malware prevention systems and are kept updated and active at all times.
F	**Patch Management and Application Security.**
	Systems become vulnerable as software becomes obsolete or new exploits are discovered. Proper patch management and vulnerability assessment mitigates this risk.
f.1	Ensure all system components have the latest vendor supplied patches
f.2	Ensure usage of Maxis related services are done using software applications which have been secured using industry best practices.
f.2.1	Testing security patches prior to release.
f.2.2	Validation of Input to prevent or safely recover from malicious content.
f.2.3	Implementing secure communications.
f.3	Separate development/test and live systems.
f.3.1	Not using live PII in tests.
f.3.2	Ensuring no test or preproduction data and scripts exist in live systems environments.
f.3.3	Proper and documented code review process to remove vulnerabilities prior to release to the live environment.
f.3.4	Documented change review process.
f.3.5	If web development is done, it should be based on secure coding guidelines (like OwASP) to prevent common coding vulnerabilities.
f.3.6	For public facing web application ensure ongoing application vulnerability assessment and use of web-application firewall.

G **Restrict access to PII**

Handling and access to Personally Identifiable Information can result in leakage of confidentialty which affects Maxis and its reputation. Limiting access to this information is the one step in mitigating this risk.

g.1 Practice principle of least privilege - provide privileged access to as few features as necessary to perform their job function.

g.2 Provide privileged access to as few people as necessary to perform their job duties for Service Delivery.

g.3 Collect and monitor and periodically audit use of privileged access.

g.4 Access to sensitive and PII information should be denied to all and selectively allowed based on right to know.

H **User IDs and traceability of user access.**

User's access to systems and applications that deal with PII should be kept to a minimum. However, where access is allowed it must be traceable back to an individual to account for the access.

h.1 Uses shall be given unique IDs and sharing of IDs or group IDs should be strictly prohibited.

h.2 Use of multifactor authentication apart from passcodes where the information is confidential or where access is gained remotely.

h.3 Render all tokens unreadable between the end points of the system and client devices during the authentication process by using strong cryptography.

h.4 Have proper ID management process to ensure access is granted to valid individuals and passcodes are changed regularly.

h.5 Regularly cleanup IDs of terminated users and disable access of inactive users.

h.6 Restrict access to systems by vendors for the period of activity only and based on documented change management request.

h.7 Ensure that passwords meet the best practices for complexity, size, validity and non predictability.

h.8 Password failures after an acceptable number of times should lock out the account to prevent any further attempts to login.

I **Physical access to systems and data.**

Most controls are place on remotely accessing systems and networks, however, if physical access to the system is not controlled then the hardware containing confidential systems may be removed together with the data in it.

i.1 Use appropriate facility entry controls to limit and monitor physical access to systems holding or carrying Maxis Information.

i.2 Use video cameras or other access control mechanisms to monitor individual physical access to sensitive areas* and review the collected data against other entries (like work order requests, change requests etc.) regularly for intrusion.

i.3 Restrict access to private network* (wired and wireless) at public or common areas like meeting rooms or lobbies.

i.4 Provide identification (eg Badges) for authorized personnel to differentiate them from outsiders and enforce the use of such identification.

i.5 Ensure proper handling of visitors by requiring identification, authorization, badging, and auditable logging of all entry and exit to areas hosting or serving Maxis infrastructure and services. Retain logs for a period of at least 3 months.

J **Handing of Media and Data.**

Media storage does not always reside on the harddisk of systems or in backup tapes, it also transits networks or is copied to alternate media for efficient service delivery. Ensure these vectors of access to media is properly handled for security and privacy.

j.1	Store backup media in a secure location, preferably an secure off-site facility and review the security of the site and the media transfer process at least annually.
j.2	Physically secure all paper and electronic media that contain PII data (eg: Bills, Statements, Customer lists etc.)
j.3	Maintain strict control over the internal and external distribution of any kind of media that contains PII data. Identify it as confidential and transfer it by secured courier or other methods that ensure the privacy and traceability of the transfer.
j.4	Maintain strict control over the storage and accessibility of the PII Media. Ensure inventory logs of all media is maintained and checked regularly.
j.5	Destroy media containing PII information when it is no longer needed for business, regulatory or administrative use; or as described in the terms of use.
K	**Track and Monitor all access network resources and PII.**
	Logging mechanisms and the ability to track user activities are critical in preventing, detecting or minimizing the impact of data compromise. The existence of these logs allow the investigation of incidents and identifying improvements to networks.
k.1	Ensure all network access to system components is tied to individual accounts which are not shared.
k.2	Implement automated audit trails for all system components to identify individual access, action taken with elevated privileges, use of identification and authentication tokens, invalid logical access attempts, changes in audit logs, creation and deletion of system-level objects.
k.3	Record at least the following information in the audit trail entries: user identification, date and time, type of event, success or failure of attempt, origin of event, identity or name of affected data, system or resource component.
k.4	Synchronize all critical systems clocks and times to approved NTP servers of at least level 2.
k.5	Secure audit logs so they cannot be altered and use file integrity monitoring tools to detect changes and issue alerts when such changes occur.
k.6	Limit access to audit trail logs to those with a need to know.
k.7	Keep audit logs in a central log server or media that is outside the control or access of administrators whose system components are being logged.
k.8	Keep audit logs of systems components on the external segments secured on internally hosted central log servers.
k.9	Review logs of all system components at least daily; the following systems should be included in such reviews: security control devices like firewalls, intrusion detection and/or prevention tools, AAA servers like RADIUS.
k.10	Keep audit trail logs for at least 1 year; consider keeping 3 months online and the rest offline if resource is a constraint.
L	**Regularly Test the security systems and processes**
	Vulnerabilities to systems and networks can be revealed by checking the process and auditing the security controls regularly. Ensure this is done by an independent body to ensure impartial results.
l.1	Test for access points not part of the design of the facility: eg: look for wireless access points, open network jacks that lead to the core network from common areas like public meeting rooms and lobbies.
l.2	Execute internal and external Vulnerability Assessment by qualified network security personnel at least quarterly or after any significant change in the network.
l.3	Perform internal and external Penetration Test at least once a year or after significant infrastructure and application upgrade. Ensure the tests include the network and application layers of the services provided.

l.4	Consider the use of Intrusion Detection or Prevention Systems (IDS/ IPS) to monitor all traffic to networks that handle PII data. And keep the IDS/IPS engines updated regularly.
l.5	Deploy automated file-integrity monitoring software to regularly alert personnel to unauthorized modification of critical system files, configuration files, or content files.
M	**Information Security Policies and Acceptable Use.**
	A strong security policy sets the tone for the company on the importance of security and what is expected of them. The policy should be made mandatory for any one coming into contact with the systems and networks handling sensitive material to be compliant and enforced by the management.
m.1	Establish, publish, maintain and disseminate a security policy that accomplishes the following: addresses data classification, privacy, and confidentiality, includes annual threat analysis, and verification of security controls.
m.2	Develop and enforce operational security procedures which are consistent with the requirements of the policy. (eg: account management, log audits, etc.)
m.3	Develop and enforce an acceptable use policy for use of the company's infrastructure in a manner that promotes the approved use of infrastructure and end point devices which maintain the security and availability of services.
m.3.i	Explicit management approval of systems and network access technology used.
m.3.ii	Authentication for use of infrastructure and systems.
m.3.iii	Use of company approved products on the corporate infrastructure.
m.3.iv	Approved remote access technology.
m.3.v	Prohibit the copy or storage of PII on client side devices, removable and fixed media.
m.4	Ensure that the security policy and procedures clearly define information security responsibilities for all users of the systems and networks and have all users endorse their compliance annually.
m.5	Assign the task of managing information security responsibility to a qualified team.
m.6	Implement continuous and formal security awareness program and make all users aware of the importance of keeping PII data private and secure.
m.7	Screen employees with access to PII data and systems which hold such data to minimize risk of deliberate or malicious disclosure of such data.
m.8	Ensure any subcontractors of the Service Provider carry the same responsibility of compliance to the policies.
m.9	Maintain a written agreement that includes acknowledgement that the subcontractors are responsible for the security of PII held by them.
m.10	Implement an incident response plan and be prepared to respond immediately to a system breach.
m.10.i	Ensure the plan covers: Roles, responsibilities, communication and contact strategies in the event of a compromise.
m.10.ii	Has well defined procedures to follow.
m.10.iii	Has Business recovery and continuity procedures.
m.10.iv	Data Back up procedure.
m.10.v	Process of disclosure to Maxis in the event of incident or compromise.
m.10.vi	Coverage and response of all critical system components.
m.11	A validation and test of the Incident Response Plan at least annually.
m.12	Availability of key personnel on the Incident Response Team on a 24x7 window.
m.13	Appropriate training for security breach response responsibilities.
m.14	Include alerts from intrusion detection, intrusion prevention and file-integrity monitoring systems.
m.15	Have a plan to review and evolve the incident response plan according to the lessons learned and to incorporate industry changes.

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Glossary.

Terms	Definition
Personally Identifiable Information (PII)	All personally identifiable information (PII) about customers or potential customers held in whatever form. Example of PII include name, date of birth, home mailing address, telephone number, MyKad number, travel document numbers, home e-mail address, zip code, account numbers, certificate/license numbers, vehicle identifiers (including license plates), uniform resource locators (URLs), Internet protocol addresses, biometric identifiers (e.g., fingerprints), voice recordings, photographic facial images, any unique identifying number or characteristic, and other information where it is reasonably foreseeable that the information will be linked with other personal identifiers of the individual.
Common OWASP vulnerabilities.	Examples of such vulnerabilities: Cross Site Scripting (XSS), Injection flaws (eg: SQL, LDAP, Xpath…etc) Malicious file execution. Insecure direct object reference Cross Site request forgery (CSRF) Information leakage and improper error handling. Broken Authentication and session management. Insecure cryptography insecure communication Failure to restrict URL access.
Sensitive Areas	Sensitive Areas refers to any infrastructure (server, rooms, networks) that house systems that store, process or transmit PII and transactional data relating to the services offered by Maxis.
Private Network	The internal or core network segment that houses the host and services of Maxis (eg: Data Centers) as opposed to the general network segment offered to general users which does not overlap the private network.
Destroy Media.	Use the following means to destroy the data: shred, incinerate or pulp hardcopy material Secure delete electronic media according to industry-accepted standards for deletion or otherwise physically destroy the media (eg: degaussing)

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SCHEDULE I
(FORMAT OF ADDING NEW APPENDICES)

We, as Parties to the Master Content Provider Agreement dated [*specify date*] ("Agreement") hereby agree to the provision by the Content Provider in accordance with the terms and conditions of the Agreement of New Content as specified in the following additional Appendices:

(a) Appendix 1 [*specify whether A, B, C, etc.*];

(b) Appendix 2 [*specify whether A, B, C, etc.*];

(c) Appendix 3 [*specify whether A, B, C, etc.*]; and

(d) Appendix 4 [*specify whether A, B, C, etc.*].

Signed for and on behalf of Maxis Mobile Services Sdn Bhd

By:

Name:
Designation:
Date:

In the presence of;

Name:
Designation:
Date:

Signed for and on behalf of [Content Provider]

By:

Name:
Designation:
Date:

Name:
Designation:
Date:

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Exhibit 10.7

Marketing Agreement

THIS MARKETING AGREEMENT is made on August 8, 2008
BETWEEN:
<AVEA> a company incorporated in Abdi Ipekçi Cad. No: 75 80200 Maçka, Istanbul ('AVEA'); and
Vringo Inc, a company incorporated in Delaware located at 85 5th avenue, New York, NY 10003('Vringo').

RECITALS: AVEA wishes to engage with Vringo and Vringo wishes to engage with AVEA in a relationship whereby AVEA will offer a version of Vringo's visual ringtone sharing service to its customers on the terms and conditions set forth in this Agreement.

1. Vringo's Obligations: Vringo shall make available to AVEA's customers a co-branded Turkish language version of the Vringo visual ringtone sharing service (the "Service"). The Service shall be hosted and fully provided by Vringo at no cost to AVEA. All content on the Service will be provided by Vringo at no cost to AVEA. AVEA reserves the right to include free or premium content owned or licensed by Avea in the Service. Vringo will provide AVEA with a spec detailing the elements AVEA must provide to Vringo for the creation of the co-brand and with a translation string spreadsheet detailing the strings required to be translated. Vringo will provide the Service at the performance levels specified in Exhibit A.

2. Vringo shall give the list of the premium contents to AVEA and unless the premium contents confirmed by AVEA in writing to be on the service these contents shall not be on the service**.**

3. Vringo accepts, declares and guarantees that Vringo has licensed or acquired all applicable and necessary Intellectual property rights to display and use the premium contents to be used on the Service. Additionally Vringo accepts, declares, and guarantees that Vringo has the rights to display and use the content displayed on the web site to be on the Service. The relevant documents evidencing that the rights are taken for the contents displayed on the web site to be used on the Service shall be presented to AVEA at the date of signature of this Agreement. In case this article is materially breached (breach which is in a nature that it may have material adverse effect on AVEAs' business.) by Vringo , ******* and the actual damages to AVEA as determined by said court while reserving all of AVEAs' rights arising from the Agreement and law and by reserving AVEAs' right to terminate the Agreement immediately

4. Vringo will defend or settle any claim against AVEA which is that the content displayed and used on the Service infringe any intellectual property rights.

5. Avea reserves the right to offer the service to its subscribers with 3G and available new technologies.

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
DENOTED WITH "*"**

6. AVEA's Obligations: AVEA shall:

- **a.** Provide Vringo with the elements for the co-brand and complete the translation string spreadsheet
- **b.** Ensure that any AVEA customer who signs up for the Service is not charged for GPRS when using the Service
- **c.** Provide Vringo with access to AVEA's billing API and support Vringo in integrating said API
- **d.** Provide Vringo with access to AVEA's SMSC so that Vringo can send SMS's related to the Service from via AVEA's SMSC. Vringo will not be charged for sending said SMS's. The types of SMS's that are permitted to be sent and the integration requirements are detailed in Exhibit C
- **e.** Market the Service to its customers. Said marketing shall include, but not be limited to, the activities listed in Exhibit D

7. Timing: Vringo guarantees to give the service to AVEA according to launch plan detailed in Exhibit E.

8. Exclusivity: Vringo accepts, declares and guarantees to not give the same/similar service to other GSM operators and/or to the companies which are in a similar industry in Turkey for a period of 6 months after the launch date specified in Exhibit E unless any launch delay is solely Vringo's fault in which case the actual Launch Date shall be used. Additionally, if during said period a customer of AVEA who has the Service invites a customer of another GSM Operators in Turkey to be his Vringo buddy the recipient of said invitation will not be offered the client version of the Service. In case Exclusivity is willfully breached by Vringo by having a commercial agreement with other Turkish carrier allowing launch with such other Turkish carrier before the end of the abovementioned exclusivity period, ******* by reserving all of its rights arising from the Agreement and law and by reserving its right to terminate the Agreement immediately.

9. Revenue Share, Fees, Reports, Audit Rights:

a. Users shall be charged a monthly subscription fee for use of the Service which shall be agreed upon by the parties from time to time. Additionally, Vringo may, at its discretion, charge users for purchases of premium content and channels. All fees will be charged directly to the users AVEA bill via Vringo's integration with AVEA's billing API.(Application Program Interface) AVEA shall pay to Vringo ******* of the Collected Net Income for the monthly subscription fee of the Service, ******* of the Collected Net Income billed for premium content purchases and ******* of the content owned or licensed by Avea in the Service.

b. AVEA will submit Revenue Share Reports to the Vringo for each month. First report will be submitted (75) days after the end of the month that the Service is launched. Following reports will be submitted monthly after 15th day of each month. These monthly reports will include, the total Calculated Net Income and the Revenue Share of the Provider for the month specified in the Revenue Share Report. After the establishment of the amount corresponding to the Revenue Share to be paid to Vringo, Vringo will issue an invoice in USD.

c. Revenue share of Vringo shall be paid within thirty (30) days after the receipt of Vringo's invoice of such amounts. AVEA shall pay the revenue share to Vringo in USD, by bank transfer in accordance with transfer details to be provided by Vringo.

d. Once every (12) months during the Term of this Agreement, and for 6 months following the term, Vringo may cause an independent auditor reasonably satisfactory to AVEA to inspect AVEA's relevant books and records at AVEA's offices to verify the accuracy of AVEA's calculation of Collected Net Income; provided that reasonable advance notice is given and AVEA declares to Vringo that AVEA is ready for the inspection, the inspection does not unreasonably interfere with AVEA's business activities and provided that the auditor signs AVEA's standard confidentiality agreement before conducting the audit. AVEA shall promptly make any underpayments revealed by said audit. Such audit shall be at Vringo's expense; however, if the audit reveals underpayments in excess of (10) % of the fees owed for the period covered by the applicable audit, AVEA shall pay the reasonable cost of such audit.

e. Except as otherwise specifically provided in this Agreement, each party shall be responsible for all costs and expenses relating to the performance of its obligations hereunder.Avea reserves the right to offer the Service with no subscription fee for a promotional period at any time. Specifically, the parties intend to offer the first 2 months of the Service for free.

10. Proprietary Rights, Grant of License

a. Ownership of Intellectual Property. Vringo shall own and retain all right, title and interest, including without limitation, all Intellectual Property Rights owned by Vringo, in and to Vringos' intellectual property, content, Marks and Promotional Materials. AVEA shall own and retain all right and interest on AVEAs' logo and AVEA mark. Neither party shall make any claim to the contrary. Each party agrees to reasonably assist the other party in the prosecution of any copyright infringement action or other litigation pertaining to the rights to the other party's materials or intellectual property.

b. Proprietary Notices. The parties shall not remove, obscure or alter the other party's copyright notice or the Marks from approved materials provided to each party.

c. Marks. Vringo hereby grants AVEA during the Term a non-exclusive non-transferable license to use Vringos' Marks for the sole purpose of fulfilling its obligations under this Agreement and in marketing materials and presentations. AVEA hereby grants Vringo during the Term a non-exclusive non-transferable license to use AVEA name and logo for the sole purpose of indicating AVEA as a reference customer and to use in the branding of the Service in a form to be mutually agreed upon by the parties.Vringo shall take AVEA's written consent for the usage form of AVEAs' name and logo and if the usage form is going to be changed during the term of the Agreement AVEA's written consent shall be taken again.In using each other's Marks hereunder, each party

acknowledges and agrees that: (i) the other party's Marks shall remain the sole property of the other party; (ii) nothing in this Agreement shall confer in either party any right of ownership in the other party's Marks; and (iii) neither party shall at any time contest the validity of the other party's Marks. Except as specifically provided in this Agreement, neither party shall have the right to use any Mark of the other party, or to refer to the other party directly or indirectly, in connection with any product, promotion or publication without the prior written approval of such other party. Each party hereto agrees that upon termination of this Agreement all rights granted to the other party in relation to the other party's Marks shall immediately terminate and revert to the respective owning or licensor party.

11. Term:

a. Term. This Agreement shall become effective upon signature of this agreement by both parties and, subject to termination as provided below, shall continue for twelve (12) months from the Effective Date (the "Initial Term").

b. Renewal. This Agreement shall automatically renew for successive twelve month terms, unless either party provides written notice of termination at least thirty (30) days prior to the expiration of the Initial Term or any renewal term. The Initial Term and any and all renewal terms are collectively referred to as the "Term."

c. Termination for Insolvency. Either party hereto may, at its option, upon five (5) days written notice, terminate this Agreement should the other party hereto (i) admit in writing its inability to pay its debts generally as they become due; (ii) make a general assignment for the benefit of creditors; (iii) institute proceedings to be adjudicated a voluntary bankrupt, or consent to the filing of a petition of bankruptcy against it; (iv) be adjudicated by a court of competent jurisdiction as being bankrupt or insolvent; (v) seek reorganization under any bankruptcy act, or consent to the filing of a petition seeking such reorganization, or (vi) have a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee or assignee in bankruptcy or in insolvency covering all or substantially all of such party's property or providing for the liquidation of such party's property or business affairs.

d. Termination for Default. In the event that either party commits a breach of its obligations hereunder, the other party may, at its option, terminate this Agreement by written notice of termination specifying such breach; provided, however, that if such default is subject to cure, then such notice shall be subject to a twenty (20) day cure period from the date thereof, and if the defaulting party cures such default prior to expiration of such period, termination shall not take place.

e. AVEA is entitled to terminate this Agreement by giving (30) Days prior written notice to Vringo during the term of the Agreement without any reason. Unilateral termination of the Agreement by AVEA shall not entitle Vringo to be indemnified. In case of unilateral termination of the Agreement Vringo shall only be entitled to require the fees for the services rendered until the termination date.

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
DENOTED WITH "*"**

f. Survival of Termination. The obligations of the parties under this Agreement that by their nature would continue beyond expiration, termination or cancellation of this Agreement (including, without limitation, the warranties, indemnification obligations, confidentiality requirements and ownership and property rights) shall survive any such expiration, termination or cancellation.

12. Representations and Warranties, Indemnity:

a. Representations and Warranties. Each party represents and warrants to the other that it has the full power and authority to enter into this Agreement, to grant the rights granted herein and to perform its obligations hereunder.

b. Indemnity. Each party shall indemnify, defend and hold harmless the other party against all third-party claims or actions, and any liabilities, losses, expenses, damages and costs (including, but not limited to, reasonable attorneys' fees) related thereto, to the extent same arise out of any breach or alleged breach of such party's representations or warranties contained in this Agreement or in the case of Vringo, any virus, worm, or other contaminating or destructive feature contained in the Service.

13. Confidentiality:

a. Confidentiality. Each party acknowledges that by reason of its relationship to the other party under this Agreement it may have access to certain information and materials concerning the other party's business, plans, customers, code and products that are confidential and of substantial value to such party (referred to in this Section as "Confidential Information"), which value would be impaired if such Confidential Information were disclosed to third parties. The terms of this Agreement shall be deemed to be Confidential Information. Each party agrees to maintain all Confidential Information received from the other, both orally and in writing, in confidence and agrees not to disclose or otherwise make available such Confidential Information to any third party without the prior written consent of the disclosing party. Each party further agrees to use the Confidential Information only for the purpose of performing this Agreement. No Confidential Information shall be deemed confidential unless so marked if given in writing, or, if given orally, identified as confidential orally prior to disclosure, or information which by its nature or the nature of the circumstances surrounding disclosure should reasonably be understood to be confidential.

b. The information taken from the customers for the subscription to the service and/or under the scope of this Agreement, shall not be used in any manner what so ever except from the usage under the scope of this Agreement.

c. Exclusions. The parties' obligations under the paragraph above shall not apply to Confidential Information which: (i) is or becomes a matter of public knowledge through no fault of or action by the receiving party; (ii) was rightfully in the receiving party's possession prior to disclosure by the disclosing party; or (iii) subsequent to disclosure, is rightfully obtained by the receiving party from a third party who is lawfully in possession

of such Confidential Information without restriction. Whenever requested by a disclosing party, a receiving party shall immediately return to the disclosing party all manifestations of the Confidential Information or, at the disclosing party's option, shall destroy all such Confidential Information as the disclosing party may designate (excluding this Agreement). The receiving party's obligation of confidentiality shall survive even after the termination of this Agreement for an indefinite period. Nothing herein shall prohibit a party from complying with a lawful and binding order of any court, administrative agency or other governmental entity relating to Confidential Information.

14. Press Release: Each party shall have the right to issue a press release regarding the relationship between the parties.

15. Limitation of Liability: IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THIS AGREEMENT FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR RELIANCE DAMAGES (OR ANY LOSS OF REVENUE, PROFITS OR DATA), HOWEVER CAUSED, WHETHER FOR BREACH OF CONTRACT, NEGLIGENCE OR UNDER ANY OTHER LEGAL THEORY, WHETHER FORESEEABLE OR NOT AND WHETHER OR NOT THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE, AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. BOTH PARTIES AGREE THAT THESE LIMITATIONS OF LIABILITY ARE AGREED ALLOCATIONS OF RISK AND ARE REFLECTED IN THE FEES AGREED UPON BY THE PARTIES. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS SECTION 9 SHALL NOT APPLY TO ANY AMOUNTS PAYABLE BY AN INDEMNIFYING PARTY PURSUANT TO EXPRESS INDEMNIFICATION OBLIGATIONS IN THIS AGREEMENT.

16. General Provisions:

a. Definitions. The definitions contained in Exhibit B to this Agreement, which is incorporated herein and made a part hereof, shall apply to the interpretation of this Agreement.

b. Force Majeure. Neither party shall be liable for, or be considered in breach of or default under this Agreement on account of, any delay or failure to perform as required by this Agreement as a result of any causes or conditions which are beyond such party's reasonable control and which such party is unable to overcome by the exercise of reasonable diligence; provided, however, that either party may terminate this Agreement upon written notice to the other party in the event such failure to perform continues unremedied for a period of thirty (30) days.

c. Independent Contractors. The parties to this Agreement are independent contractors. Neither party is an agent, representative, or partner of the other party. Neither party shall have any right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or to otherwise bind, the other party.

CONFIDENTIAL TREATMENT REQUESTED
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d. Notice. Any notice or other communication to be given under this Agreement shall be in writing and signed by or on behalf of the party giving it and may be served by leaving it or sending it by fax, delivering it by hand or sending it by first class post

e. No Waiver. The failure of either party to require or enforce strict performance by the other party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon any such provision or right in that or any other instance.

f. Entire Agreement. This Agreement sets forth the entire agreement, and supersedes any and all prior agreements of the parties with respect to the subject matter hereof. No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written instrument signed by the duly authorized representatives of both parties. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

g. Assignment. Neither party shall assign this Agreement or any right, interest or benefit under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld

h. Partial Invalidity. In the event that any provision of this Agreement is held invalid by a court with jurisdiction over the parties to this Agreement, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law, and the remainder of this Agreement shall remain in full force and effect.

i. Applicable Law. All disputes arising under this Agreement shall be governed by Turkish Law and conflicts shall be settled in Istanbul Central

j. Stamp Tax. The stamp tax arisen from the signature of this Agreement shall be paid by AVEA.

ACKNOWLEDGED AND ACCEPTED

August 8, 2008

AVEA

By: /s/ A. Cüneyt TÜRKTAN
Name: A. Cüneyt TÜRKTAN
Title: CEO

Vringo Inc

By: /s/ Jon Medved
Name: Jon Medved
Title: CEO

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
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By: /s/ M. Ilker KOÇAK
Name: M. Ilker KOÇAK
Title: CMO

By: /s/ David Corre
Name: David Corre
Title: VP Finance

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
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Exhibit B:

In addition to the terms hereinabove defined, the following capitalized terms have the indicated meanings ascribed thereto:

"Intellectual Property Rights" means, with respect to any data, device, or other asset of any kind, all copyright, patent, trade secret, moral, termination, authorship and other proprietary rights relating to any such data, device, object code, source code or other asset including, without limitation, all rights necessary for the worldwide development, manufacture, modification, enhancement, sale, licensing, use, reproduction, publishing and display of such data, device, object code, source code or other asset.

"Marks" means any and all trademarks, trade names, service marks or logos owned or licensed by either party.

"Promotional Materials" shall mean all marketing, advertising, and promotional materials in all media, created or developed by or on behalf of one of the parties relating to or associated with this Agreement.

"Vringo visual ringtone sharing service" shall mean the service offered by Vringo whereby users can set their own visual ringtones and share them with their friends

"Customers" Refers to AVEA Users who subscribe to or otherwise use Vringo Visual ringtone sharing service

"Content" means any visual ringtone in a format that is either supported by handsets or on the web.

"Premium contents" means any Content that an AVEA subscriber would have to pay a fee for, in addition to the monthly subscription fee required for the use of the Vringo service.

"API" Refers to application programming interface

"SMS-C" Refers to short messaging center

"Collected Net Income" (calculated by deducting VAT, SCT (Special Communication Tax), Treasury Share and all applicable taxes, fees, interconnection fees (if any), losses in collections and any other taxes or financial obligations that may arise during this agreement applied for giving these services, from total charges collected from Avea subscribers for the Service which is the subject of this agreement.)

"Launch Date" The commercial launch of the service

"Other Carrier" Other GSM operators in Turkey

CONFIDENTIAL TREATMENT REQUESTED
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Marketing Agreement

This Agreement is entered into as of June 30, 2009 (the "Effective Date"), by and between **EMIRATES TELECOMMUNICATIONS CORPORATION**, a corporation having an office at P.O. Box No. 3838, Abu Dhabi, United Arab Emirates ("Carrier") and Vringo Inc., a Delaware corporation having an office at 85 5th Avenue 6 th Floor New York, NY 10003.

RECITALS: Carrier wishes to engage with Vringo and Vringo wishes to engage with Carrier in a relationship whereby Carrier will offer a version of Vringo's video ringtone sharing service to its customers on the terms and conditions set forth in this Agreement.

I. **Vringo's Obligations:** Vringo shall make available to Carrier's customers a version or versions of the Vringo video ringtone sharing service (the "Service"). The Service shall be hosted and fully provided by Vringo. Vringo will supply content for the Service ("Vringo Content") and will allow the Carrier or third parties appointed by the Carrier to include additional content in the Service ("Carrier Content"). Vringo will co-brand the web portion of the Service. Vringo will provide Carrier with a spec detailing the elements Carrier must provide to Vringo for the creation of the co-brand.

II. **Carrier's Obligations:** Carrier shall:

- **a.** Provide Vringo with the elements for the co-brand
- **b.** Complete translation string spreadsheets provided by Vringo
- **c.** Ensure that any Carrier customer who signs up for the Service is not charged for data when using the Service
- **d.** Provide Vringo with access to Carrier's billing API and support Vringo in integrating said API
- **e.** Provide Vringo with access to Carrier's SMSC so that Vringo can send SMS's related to the Service via Carrier's SMSC. Vringo will not be charged for sending said SMS's.
- **f.** Market the Service to its customers. Said marketing shall include, but not be limited to, the activities listed in Exhibit A

III. **Timing:** The parties shall use commercially reasonable efforts to stick to the project and initial launch plan detailed in Exhibit B. The initial launch of the Service will be in English in the UAE. The parties may mutually agree to translate the Service into Arabic and/or to launch the Service in additional countries where Carrier is active.

IV. **Revenue Share, Fees, Reports, Audit Rights:**

- **a.** Users shall be charged a monthly subscription fee for use of the Service which shall be agreed upon by the parties from time to time. Additionally, Vringo may charge users for purchases of some Vringo Content and Vringo will charge users for purchases of some Carrier Content as mutually agreed upon by the parties. All fees will be charged directly to the users Carrier bill via Vringo's integration with Carrier's billing API.

b. Each month after the launch, Carrier will make payment to Vringo as per the following schedule of payment

i. **Subscription Fee**

***

ii. **Purchase of Virgo Content**

*** of the Gross Revenue billed and collected for the purchase of Virgo Content.

iii. **Purchase of Carrier Content**

*** of the Gross Revenue billed and collected for the purchase of Carrier Content

Vringo shall be responsible for paying the content owners for Vringo Content and Carrier shall be responsible for paying the content owners for Carrier Content.

c. On or before the fifteenth (15th) day of each calendar month, Carrier shall provide Vringo with a report detailing the gross revenue billed and collected for the subscription fee and the gross revenue billed for content purchases in the previous month and pay Vringo any amounts owed for said month. Vringo shall have the right to claim interest on any amounts not paid in accordance with the above at the rate of two per cent (2%) per annum above the prevailing base rate of HSBC Bank plc which interest shall accrue on a daily basis from the date payment becomes overdue until Carrier has made payment of the overdue amount,

d. Once every six (6) months during the Term of this Agreement, and for six (6) months following the term, Vringo may cause an independent auditor reasonably satisfactory to Carrier to inspect Carrier's relevant books and records at Carrier's offices to verify the accuracy of Carrier's calculation of gross revenue; provided that reasonable advance notice is given, the inspection does not unreasonably interfere with Carrier's business activities and provided that the auditor signs Carrier's standard confidentiality agreement before conducting the audit. Carrier shall promptly make any underpayments revealed by said audit. Such audit shall be at Vringo's expense; however, if the audit reveals underpayments in excess of five percent (5%) of the fees owed for the period covered by the applicable audit, Carrier shall pay the reasonable cost of such audit.

e. Except as otherwise specifically provided in this Agreement, each party shall be responsible for all costs and expenses relating to the performance of its obligations hereunder.

V. **Exclusivity:** In the UAE, Vringo will not launch the service via a direct relationship between Vringo and another telecom operator for a period of twelve (12) months from the launch of the Service by Carrier provided that Carrier meets it requirements as specified in the launch plan and the marketing commitments described in Exhibit A.

In the Territories listed in Exhibit C, Vringo will not launch its service via a direct relationship with any telecom operator not owned by Carrier for a period of six (6) months from the date hereof without first providing notice to Carrier. Said notice shall provide Carrier with a 30 day period in which to negotiate an agreement with Vringo to launch the service in the territory about which the notice was provided before other telecom operators in the territory launch the service. Should the parties not come to an agreement during said 30 day period, Vringo shall be free to launch with other telecom operators in said territory and neither party shall bear any liability for failure to come to an agreement.

VI. Proprietary Rights, Grant of License

a. Ownership of Intellectual Property. As between the parties, each party shall own and retain all right, title and interest, including without limitation, all Intellectual Property Rights owned by such party, in and to such party's intellectual property, content, Marks and Promotional Materials. Neither party shall make any claim to the contrary. Each party agrees to reasonably assist the other party in the prosecution of any copyright infringement action or other litigation pertaining to the rights to the other party's materials or intellectual property.

b. Proprietary Notices. The parties shall not remove, obscure or alter the other party's copyright notice or the Marks from approved materials provided to each party.

c. Marks. Each party hereby grants the other party during the Term a non-exclusive non-transferable license to use said party's Marks for the sole purpose of fulfilling its obligations under this Agreement and in marketing materials and presentations. In using each other's Marks hereunder, each party acknowledges and agrees that: (i) the other party's Marks shall remain the sole property of the other party; (ii) nothing in this Agreement shall confer in either party any right of ownership in the other party's Marks; and (iii) neither party shall at any time contest the validity of the other party's Marks. Except as specifically provided in this Agreement, neither party shall have the right to use any Mark of the other party, or to refer to the other party directly or indirectly, in connection with any product, promotion or publication without the prior written approval of such other party. Each party hereto agrees that upon termination of this Agreement all rights granted to the other party in relation to the other party's Marks shall immediately terminate and revert to the respective owning or licensor party.

VII. Term:

a. Term. This Agreement shall become effective upon execution and delivery hereof by both parties ("Effective Date") and, subject to termination as provided below, shall continue for eighteen (18) months from the Launch Date (the "Initial Term").

b. Renewal. This Agreement shall automatically renew for successive twelve month terms, unless either party provides written notice of termination at least thirty (30) days prior to the expiration of the Initial Term or any renewal term. The Initial Term and any and all renewal terms are collectively referred to as the "Term."

c. Termination for Insolvency. Either party hereto may, at its option, upon five (5) days written notice, terminate this Agreement should the other party hereto (i) admit in writing its inability to pay its debts generally as they become due; (ii) make a general assignment for the benefit of creditors; (iii) institute proceedings to be adjudicated a voluntary bankrupt, or consent to the filing of a petition of bankruptcy against it; (iv) be adjudicated by a court of competent jurisdiction as being bankrupt or insolvent; (v) seek reorganization under any bankruptcy act, or consent to the filing of a petition seeking such reorganization, or (vi) have a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee or assignee in bankruptcy or in insolvency covering all or substantially all of such party's property or providing for the liquidation of such party's property or business affairs.

d. Termination for Default. In the event that either party commits a material breach of its obligations hereunder, the other party may, at its option, terminate this Agreement by written notice of termination specifying such material breach; provided, however, that if such default is subject to cure, then such notice shall be subject to a twenty (20) day cure period from the date thereof, and if the defaulting party cures such default prior to expiration of such period, termination shall not take place.

e. Survival of Termination. The obligations of the parties under this Agreement that by their nature would continue beyond expiration, termination or cancellation of this Agreement (including, without limitation, the warranties, indemnification obligations, confidentiality requirements and ownership and property rights) shall survive any such expiration, termination or cancellation.

VIII. Representations and Warranties, Indemnity:

a. Representations and Warranties. Each party represents and warrants to the other that it has the full power and authority to enter into this Agreement, to grant the rights granted herein and to perform its obligations hereunder.

b. Indemnity. Each party shall indemnify, defend and hold harmless the other party and its parents, subsidiaries, affiliates and their directors, officers, employees, agents and subcontractors against all third-party claims or actions, and any liabilities, losses, expenses, damages and costs (including, but not limited to, reasonable attorneys' fees) related thereto, to the extent same arise out of any breach or alleged breach of such party's representations or warranties contained in this Agreement or in the case of Vringo, any virus, worm, or other contaminating or destructive feature contained in the Service.

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
DENOTED WITH "*"**

IX. Confidentiality:

a. Confidentiality. Each party acknowledges that by reason of its relationship to the other party under this Agreement it may have access to certain information and materials concerning the other party's business, plans, customers, code and products that are confidential and of substantial value to such party (referred to in this Section as "Confidential Information"), which value would be impaired if such Confidential Information were disclosed to third parties. The terms of this Agreement shall be deemed to be Confidential Information. Each party agrees to maintain all Confidential Information received from the other, both orally and in writing, in confidence and agrees not to disclose or otherwise make available such Confidential Information to any third party without the prior written consent of the disclosing party. Each party further agrees to use the Confidential Information only for the purpose of performing this Agreement. No Confidential Information shall be deemed confidential unless so marked if given in writing, or, if given orally, identified as confidential orally prior to disclosure, or information which by its nature or the nature of the circumstances surrounding disclosure should reasonably be understood to be confidential.

b. Exclusions. The parties' obligations under the paragraph above shall not apply to Confidential Information which: (i) is or becomes a matter of public knowledge through no fault of or action by the receiving party; (ii) was rightfully in the receiving party's possession prior to disclosure by the disclosing party; or (iii) subsequent to disclosure, is rightfully obtained by the receiving party from a third party who is lawfully in possession of such Confidential Information without restriction. Whenever requested by a disclosing party, a receiving party shall immediately return to the disclosing party all manifestations of the Confidential Information or, at the disclosing party's option, shall destroy all such Confidential Information as the disclosing party may designate (excluding this Agreement). The receiving party's obligation of confidentiality shall survive this Agreement for a period of three (3) years from the date of its termination and thereafter shall terminate and be of no further force or effect. Nothing herein shall prohibit a party from complying with a lawful and binding order of any court, administrative agency or other governmental entity relating to Confidential Information.

X. Press Release: Each party shall have the right to issue a press release regarding the relationship between the parties.

XI. Limitation of Liability: IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THIS AGREEMENT FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR RELIANCE DAMAGES (OR ANY LOSS OF REVENUE, PROFITS OR DATA), HOWEVER CAUSED, WHETHER FOR BREACH OF CONTRACT, NEGLIGENCE OR UNDER ANY OTHER LEGAL THEORY, WHETHER FORESEEABLE OR NOT AND WHETHER OR NOT THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE, AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. BOTH PARTIES AGREE THAT THESE LIMITATIONS OF LIABILITY ARE

AGREED ALLOCATIONS OF RISK AND ARE REFLECTED IN THE FEES AGREED UPON BY THE PARTIES. FURTHER, NEITHER PARTY'S AGGREGATE LIABILITY ARISING WITH RESPECT TO THIS AGREEMENT (EXCEPT FOR AMOUNTS PAYABLE HEREUNDER) SHALL EXCEED THE TOTAL AMOUNTS PAYABLE TO VRINGO UNDER THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS SECTION 9 SHALL NOT APPLY TO ANY AMOUNTS PAYABLE BY AN INDEMNIFYING PARTY PURSUANT TO EXPRESS INDEMNIFICATION OBLIGATIONS IN THIS AGREEMENT.

XII. General Provisions:

a. Definitions. The definitions contained in Exhibit A to this Agreement, which is incorporated herein and made a part hereof, shall apply to the interpretation of this Agreement.

b. Force Majeure. Neither party shall be liable for, or be considered in breach of or default under this Agreement on account of, any delay or failure to perform as required by this Agreement as a result of any causes or conditions which are beyond such party's reasonable control and which such party is unable to overcome by the exercise of reasonable diligence; provided, however, that either party may terminate this Agreement upon written notice to the other party in the event such failure to perform continues unremedied for a period of thirty (30) days.

c. Independent Contractors. The parties to this Agreement are independent contractors. Neither party is an agent, representative, or partner of the other party. Neither party shall have any right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or to otherwise bind, the other party.

d. Notice. Any notice or other communication to be given under this Agreement shall be in writing and signed by or on behalf of the party giving it and may be served by leaving it or sending it by fax, delivering it by hand or sending it by first class post

e. No Waiver. The failure of either party to require or enforce strict performance by the other party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon any such provision or right in that or any other instance.

f. Entire Agreement. This Agreement sets forth the entire agreement, and supersedes any and all prior agreements of the parties with respect to the subject matter hereof. No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written instrument signed by the duly authorized representatives of both parties. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

g. Assignment. Neither party shall assign this Agreement or any right, interest or benefit under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, either party may assign this Agreement without the other party's consent to a parent or commonly controlled entity or to any person or entity, which acquires or succeeds to all or substantially all of such party's business assets. Subject to the foregoing, this Agreement shall be fully binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

h. Partial Invalidity. In the event that any provision of this Agreement is held invalid by a court with jurisdiction over the parties to this Agreement, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law, and the remainder of this Agreement shall remain in full force and effect.

i. Applicable Law. All disputes arising under this Agreement shall be finally settled under the rules of conciliation and arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said rules. Arbitration if any shall take place in London, Great Britain and shall be held in the English Language

In Witness Whereof, the parties hereto have executed this Agreement as of the day and year first above written.

EMIRATES TELECOMMUNICATIONS CORPORATION- ETISALAT	Vringo Inc.
By: /s/ Abdulrahim Al Nooryani	By: /s/ Jon Medved
Name: **Abdulrahim Al Nooryani**	Name:
Title: **Executive Vice President/Contracts & Administration**	Title:
Date: June 30, 2009	Date: May 17, 2009

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
DENOTED WITH "*"**

Appendix A:

In addition to the terms hereinabove defined, the following capitalized terms have the indicated meanings ascribed thereto:

"Intellectual Property Rights" means, with respect to any data, device, or other asset of any kind, all copyright, patent, trade secret, moral, termination, authorship and other proprietary rights relating to any such data, device, object code, source code or other asset including, without limitation, all rights necessary for the worldwide development, manufacture, modification, enhancement, sale, licensing, use, reproduction, publishing and display of such data, device, object code, source code or other asset.

"Marks" means any and all trademarks, trade names, service marks or logos owned or licensed by either party.

"Promotional Materials" shall mean all marketing, advertising, and promotional materials in all media, created or developed by or on behalf of one of the parties relating to or associated with this Agreement.

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
DENOTED WITH "*"**

Exhibit A

Etisalat Marketing Initiatives and the Vringo Service

1. General Media Channels
    a. Newspaper
    b. Television
    c. Online (video pre-rolls and banners)
    d. SMS Broadcasts/Blasts
    e. Portals
        i. www.etisalat.ae
        ii. www.weyak.ae
    f. Leaflets/Handouts
2. Retail Outlets (Etisalat Owned)
    a. Posters
    b. Leaflets
    c. Salesperson introduction
    d. Other in-store marketing
3. Retail Outlets (Reseller)
    a. Posters
    b. Leaflets
    c. Salesperson introduction incentives
    d. Other in-store marketing
4. On Device Portal as a Widget (Vringo to complete Widget Framework Integration with Streamezzo)
5. Pre-Loaded on Group Level Purchase of Compatible Devices
    a. Estimated 50k within 90 days, 250k by end of 2009, or at least 75% of all 3G enabled Compatible Devices
    b. There is no cost for the application that is to be pre-loaded by the Carrier onto the Compatible Device
6. If deemed technically possible, side loading of the application through Kiosks or from SD/Mini-SD/Micro-SD (memory cards) that users purchase for their phones and the application can be offered to the consumer
7. SMS promotion with 'Premium Short-Code' response with Over-The-Air (OTA) download and activation
8. Trade Shows and other events where the general public

9. Exhibit B

Project and Initial Launch Plan

The parties will begin with an internal trial of Carrier and content provider employees, friends and family.

During the trial, the co-branded web site will be available but SMSC and billing integration will not be done.

The service will be free during the trial period. Carrier shall ensure that Carrier Content is delivered to Vringo for the trial.

The trial shall begin on or before January 1st, 2009

The parties shall make reasonable commercial efforts to launch the service commercially to users by April 1, 2009 which launch shall include billing and SMSC integration.

Upon the commercial launch to users Carrier's marketing activities will begin.

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
DENOTED WITH "*"**

Exhibit C

Carrier Territories

Africa

- Egypt
- Nigeria
- Sudan
- Tanzania
- West Africa
  - Benin
  - Burkina Faso
  - Gabon
  - Niger
  - Togo
  - Cote D'Ivoire (Ivory Coast)
  - Central African Republic

The Middle East as defined below:

- United Arab Emirates
- Kingdom of Saudi Arabia
- Iraq

Afghanistan

Pakistan

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
DENOTED WITH "*"**

Agreement

This Agreement is entered on this 31st day of March, 2009 (the "Effective Date"), by and between

Hungama Digital Media Entertainment Pvt. Ltd., a Company incorporated under the Companies Act 1956 and having its registered office at F-1, Laxmi Woollen Mills, Shakti Mills Lane, Off. Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011 (hereinafter referred to as "Hungama") on the First Part

And

Vringo Inc., a Delaware corporation having its registered office at 85 5 th Avenue 6th Floor New York, NY 10003 (hereinafter referred to as the "Vringo") on the Second Part.

WHEREAS Hungama is engaged in the business of digital entertainment and marketing of various value added services across the globe.

WHEREAS Vringo is the owner of and has the right in the video ringtone sharing service.

WHEREAS Hungama wishes to engage Vringo in business relationship whereby Hungama will offer a version of Vringo's video ringtone sharing service to its customers in India on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereto mutually agree as follows:

Definitions

"Intellectual Property Rights" means, with respect to any data, device, or other asset of any kind, all copyright, patent, trade secret, moral, termination, authorship and other proprietary rights relating to any such data, device, object code, source code or other asset including, without limitation, all rights necessary for the worldwide development, manufacture, modification, enhancement, sale, licensing, use, reproduction, publishing and display of such data, device, object code, source code or other asset.

"Marks" means any and all trademarks, trade names, service marks or logos owned or licensed by either party.

"Promotional Materials" shall mean all marketing, advertising, and promotional materials in all media, created or developed by or on behalf of one of the parties relating to or associated with this Agreement.

The License – Vringo hereby assigns to the Licensee the rights to market the Vringo service in the Territoryin a manner to be mutually agreed upon by the parties from time to time.

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
DENOTED WITH "*"**

I. **Vringo's Obligations:** Vringo shall

a. make available to Hungama's customers a version or versions of the Vringo video ringtone sharing service (the "Service"). The Service shall be hosted and fully provided by Vringo. Vringo will integrate with Hungama's billing system to bill users.

II. **Hungama's Obligations:** Hungama shall:

a. Provide video ringtone content for the service (the "Content")

b. Provide Vringo with access to Hungama's billing API and support Vringo in integrating the said API

c. Market the Vringo Service to its customers in India. The marketing shall include the activities listed in Exhibit A and other activities to be agreed upon by the parties from time to time.

III. **Timing:** The parties shall use commercially reasonable efforts to stick to the project and initial launch plan detailed in Exhibit B.

IV. **Revenue Share, Fees, Reports, Audit Rights:**

a. Users shall be charged for purchasing Content by Hungama. The customers will be billed for such purchases on their carrier/mobile bill. Alternatively, the parties may agree on a subscription model for the Service. Hungama shall pay Vringo *** of the net revenue received from the carriers for said purchases and/or subscription. Net Revenue = Gross Revenue less taxes.

b. Download Data will be made available to Vringo within 10 working days of such data being received by the Licensee, but no later than 3 months from the start of each month. Hungama shall provide a complete account of all downloads of the Content on a quarterly basis and settle the accounts on a quarterly basis; Hungama shall pay to Vringo within 30 days of the payments received by Hungama from the Operators.

c. Once every six (6) months during the Term of this Agreement, and for six (6) months following the term, Vringo may cause an independent auditor reasonably satisfactory to Hungama to inspect Hungama's relevant books and records at Hungama's offices to verify the accuracy of Hungama's calculation of gross revenue; provided that reasonable advance notice of 15 days is given, the inspection does not unreasonably interfere with Hungama's business activities and provided that the auditor signs Hungama's standard confidentiality agreement before conducting the audit. Hungama shall promptly make any underpayments revealed by said audit. Such audit shall be at Vringo's expense; however, if the audit reveals underpayments in excess of five percent (5%) of the fees owed for the period covered by the applicable audit, Hungama shall pay the reasonable cost of such audit.

d. Except as otherwise specifically provided in this Agreement, each party shall be responsible for all costs and expenses relating to the performance of its obligations hereunder.

V. Proprietary Rights, Grant of License

a. Ownership of Intellectual Property. As between the parties, each party shall own and retain all right, title and interest, including without limitation, all Intellectual Property Rights owned by such party, in and to such party's intellectual property, content, Marks and Promotional Materials. Neither party shall make any claim to the contrary. Each party agrees to reasonably assist the other party in the prosecution of any copyright infringement action or other litigation pertaining to the rights to the other party's materials or intellectual property.

b. Proprietary Notices. The parties shall not remove, obscure or alter the other party's copyright notice or the Marks from approved materials provided to each party.

c. Marks. Each party hereby grants the other party during the Term a non-exclusive non-transferable license to use said party's Marks for the sole purpose of fulfilling its obligations under this Agreement and in marketing materials and presentations. In using each other's Marks hereunder, each party acknowledges and agrees that: (i) the other party's Marks shall remain the sole property of the other party; (ii) nothing in this Agreement shall confer in either party any right of ownership in the other party's Marks; and (iii) neither party shall at any time contest the validity of the other party's Marks. Except as specifically provided in this Agreement, neither party shall have the right to use any Mark of the other party, or to refer to the other party directly or indirectly, in connection with any product, promotion or publication without the prior written approval of such other party. Each party hereto agrees that upon termination of this Agreement all rights granted to the other party in relation to the other party's Marks shall immediately terminate and revert to the respective owning or licensor party.

VI. Term:

a. Term. This Agreement shall become effective upon execution hereof by both parties ("Effective Date") and, subject to termination as provided below, shall continue for twelve (12) months from the Launch Date (the "Initial Term").

b. Renewal. This Agreement shall automatically renew for successive twelve month terms, unless either party provides written notice of termination at least thirty (30) days prior to the expiration of the Initial Term or any renewal term. The Initial Term and any and all renewal terms are collectively referred to as the "Term."

c. Termination for Convenience. Either party may terminate this Agreement for any reason upon 60 days written notice to the other party.

d. Termination for Insolvency. Either party hereto may, at its option, upon five (5) days written notice, terminate this Agreement should the other party hereto (i) admit in writing its inability to pay its debts generally as they become due; (ii) make a general assignment for the benefit of creditors; (iii) institute proceedings to be adjudicated a voluntary bankrupt, or consent to the filing of a petition of bankruptcy against it; (iv) be adjudicated by a court of competent jurisdiction as being bankrupt or insolvent; (v) seek reorganization under any bankruptcy act, or consent to the filing of a petition seeking such reorganization, or (vi) have a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee or assignee in bankruptcy or in insolvency covering all or substantially all of such party's property or providing for the liquidation of such party's property or business affairs.

e. Termination for Default. In the event that either party commits a material breach of its obligations hereunder, the other party may, at its option, terminate this Agreement by written notice of termination specifying such material breach; provided, however, that if such default is subject to cure, then such notice shall be subject to a twenty (20) day cure period from the date thereof, and if the defaulting party cures such default prior to expiration of such period, termination shall not take place.

f. Survival of Termination. The obligations of the parties under this Agreement that by their nature would continue beyond expiration, termination or cancellation of this Agreement (including, without limitation, the warranties, indemnification obligations, confidentiality requirements and ownership and property rights) shall survive any such expiration, termination or cancellation.

VII. Representations and Warranties, Indemnity:

a. Representations and Warranties. Each party represents and warrants to the other that it has the full power and authority to enter into this Agreement, to grant the rights granted herein and to perform its obligations hereunder.

b. Indemnity. Each party shall indemnify, defend and hold harmless the other party and its parents, subsidiaries, affiliates and their directors, officers, employees, agents and subcontractors against all third-party claims or actions, and any liabilities, losses, expenses, damages and costs (including, but not limited to, reasonable attorneys' fees) related thereto, to the extent same arise out of any breach or alleged breach of such party's representations or warranties contained in this Agreement or in the case of Vringo, any virus, worm, or other contaminating or destructive feature contained in the Service.

VIII. Confidentiality:

a. Confidentiality. Each party acknowledges that by reason of its relationship to the other party under this Agreement it may have access to certain information and materials concerning the other party's business, plans, customers, code and products that are confidential and of substantial value to such party (referred to in this Section as "Confidential Information"), which value would be impaired if such Confidential Information were disclosed to third parties. The terms of this Agreement shall be deemed to be Confidential Information. Each party agrees to maintain all Confidential Information received from the other, both orally and in writing, in confidence and agrees not to disclose or otherwise make available such Confidential Information to any third party without the prior written consent of the disclosing party. Each party further agrees to use the Confidential Information only for the purpose of performing this Agreement. No Confidential Information shall be deemed confidential unless so marked if given in writing, or, if given orally, identified as confidential orally prior to disclosure, or information which by its nature or the nature of the circumstances surrounding disclosure should reasonably be understood to be confidential.

b. Exclusions. The parties' obligations under the paragraph above shall not apply to Confidential Information which: (i) is or becomes a matter of public knowledge through no fault of or action by the receiving party; (ii) was rightfully in the receiving party's possession prior to disclosure by the disclosing party; or (iii) subsequent to disclosure, is rightfully obtained by the receiving party from a third party who is lawfully in possession of such Confidential Information without restriction. Whenever requested by a disclosing party, a receiving party shall immediately return to the disclosing party all manifestations of the Confidential Information or, at the disclosing party's option, shall destroy all such Confidential Information as the disclosing party may designate (excluding this Agreement). The receiving party's obligation of confidentiality shall survive this Agreement for a period of one (1) year from the date of its termination and thereafter shall terminate and be of no further force or effect. Nothing herein shall prohibit a party from complying with a lawful and binding order of any court, administrative agency or other governmental entity relating to Confidential Information.

IX. Press Release: Each party shall have the right to issue a press release regarding the relationship between the parties.

X. **Limitation of Liability:** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THIS AGREEMENT FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR RELIANCE DAMAGES (OR ANY LOSS OF REVENUE, PROFITS OR DATA), HOWEVER CAUSED, WHETHER FOR BREACH OF CONTRACT, NEGLIGENCE OR UNDER ANY OTHER LEGAL THEORY, WHETHER FORESEEABLE OR NOT AND WHETHER OR NOT THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE, AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. BOTH PARTIES AGREE THAT THESE LIMITATIONS OF LIABILITY ARE AGREED ALLOCATIONS OF RISK AND ARE REFLECTED IN THE FEES AGREED UPON BY THE PARTIES. FURTHER, NEITHER PARTY'S AGGREGATE LIABILITY ARISING WITH RESPECT TO THIS AGREEMENT (EXCEPT FOR AMOUNTS PAYABLE HEREUNDER) SHALL EXCEED THE TOTAL AMOUNTS PAYABLE TO VRINGO UNDER THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS SECTION 9 SHALL NOT APPLY TO ANY AMOUNTS PAYABLE BY AN INDEMNIFYING PARTY PURSUANT TO EXPRESS INDEMNIFICATION OBLIGATIONS IN THIS AGREEMENT.

XI. **General Provisions:**

a. Definitions. The definitions contained in Exhibit A to this Agreement, which is incorporated herein and made a part hereof, shall apply to the interpretation of this Agreement.

b. Force Majeure. Neither party shall be liable for, or be considered in breach of or default under this Agreement on account of, any delay or failure to perform as required by this Agreement as a result of any causes or conditions which are beyond such party's reasonable control and which such party is unable to overcome by the exercise of reasonable diligence; provided, however, that either party may terminate this Agreement upon written notice to the other party in the event such failure to perform continues unremedied for a period of thirty (30) days.

c. Independent Contractors. The parties to this Agreement are independent contractors. Neither party is an agent, representative, or partner of the other party. Neither party shall have any right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or to otherwise bind, the other party.

d. Notice. Any notice or other communication to be given under this Agreement shall be in writing and signed by or on behalf of the party giving it and may be served by leaving it or sending it by fax, delivering it by hand or sending it by first class post

e. No Waiver. The failure of either party to require or enforce strict performance by the other party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon any such provision or right in that or any other instance.

f. Entire Agreement. This Agreement sets forth the entire agreement, and supersedes any and all prior agreements of the parties with respect to the subject matter hereof. No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written instrument signed by the duly authorized representatives of both parties. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

g. Assignment. Neither party shall assign this Agreement or any right, interest or benefit under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, either party may assign this Agreement without the other party's consent to a parent or commonly controlled entity or to any person or entity, which acquires or succeeds to all or substantially all of such party's business assets. Subject to the foregoing, this Agreement shall be fully binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

h. Partial Invalidity. In the event that any provision of this Agreement is held invalid by a court with jurisdiction over the parties to this Agreement, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law, and the remainder of this Agreement shall remain in full force and effect.

i. Applicable Law. All disputes arising under this Agreement shall be finally settled under the rules of conciliation and arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said rules. Arbitration if any shall take place in London, Great Britain and shall be held in the English Language

In Witness Whereof, the parties hereto have executed this Agreement as of the day and year first above written.

Hungama Digital Media Entertainment Pvt. Ltd.,

By: /s/ Rohan Deshpande
Name: Rohan Deshpande
Title: Associate Director - Technology

Date: 13-May-2009

Vringo Inc.

By: /s/ Steven Glanz
Name: Steven Glanz
Title: SVP, Business Development

Date: May 19, 2009

Exhibit A

Hungama Marketing Initiatives

- Integration on carrier portals
- Integration on Hungama off deck site
- SMS marketing campaigns

CONFIDENTIAL TREATMENT REQUESTED
WITH RESPECT TO CERTAIN PORTIONS HEREOF
DENOTED WITH "*"**

Exhibit B

Project and Initial Launch Plan

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "**Agreement**") dated as of January 29, 2008 (the "**Effective Date**") among **SILICON VALLEY BANK**, a California corporation and with a loan production office located at 535 Fifth Avenue, 27th Floor, New York, New York 10017 (the "**Agent**"), and the Lenders listed on Schedule 1.1 and otherwise party hereto, including without limitation, SVB and **GOLD HILL VENTURE LENDING 03, L.P.** ("Gold Hill"), and **VRINGO, INC.**, a Delaware corporation ("**Borrower**"), provides the terms on which Lenders shall lend to Borrower and Borrower shall repay Lenders. The parties agree as follows:

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2 LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Lenders the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.1.1 Term Loan Facility.

(a) Availability. Subject to the terms and conditions of this Agreement, during the First Draw Period, Lenders agree, severally and not jointly, to make one (1) or more Term Loans (each, a "**First Term Loan**") available to Borrower in an amount equal to Three Million Dollars ($3,000,000), according to each Lender's pro-rata share of the Term Loan based upon the respective Commitment Percentage of each Lender. During the Second Draw Period, Lenders agree, severally and not jointly, to make one (1) Term Loan (the "**Second Term Loan**") available to Borrower in an amount equal to One Million Dollars ($1,000,000), according to each Lender's pro rata share of the Term Loan based upon the respective Commitment Percentage of each Lender. During the Third Draw Period, Lenders agree, severally and not jointly, to make one (1) Term Loan (the "**Third Term Loan**") available to Borrower in an amount equal to One Million Dollars ($1,000,000), according to each Lender's pro rata share of the Term Loan based upon the respective Commitment Percentage of each Lender. The First Term Loan, Second Term Loan, and Third Term Loan are hereinafter referred to, singly or collectively, "**Term Loan**." For purposes of this section, the minimum amount of each Term Loan is One Million Dollars ($1,000,000.00). After repayment, no Term Loan may be re-borrowed. Lenders' obligation to lend hereunder shall terminate on the earlier of (i) at the Lenders' election, the occurrence and continuance of an Event of Default, or (ii) the Commitment Termination Date.

(b) Interest Payments. Commencing on the first Payment Date of the month following the month in which each Funding Date occurs (or commencing on the Funding Date if the Funding Date is the first calendar day of the month) and continuing thereafter until the applicable Amortization Date, Borrower shall make monthly payments of interest at the rate set forth in Section 2.2(a).

(c) Repayment. Commencing on the applicable Amortization Date for each Term Loan and continuing on the Payment Date of each month thereafter, for each Term Loan, Borrower shall make consecutive equal monthly payments of principal and interest, in advance, calculated by Agent based upon: (1) the amount of the Term Loan, (2) the effective rate of interest set forth in Section 2.2(a), and (3) the applicable Amortization Schedule. All unpaid principal and accrued interest is due and payable in full on the Maturity Date. Payments received after 12:00 noon Eastern time are considered received at the opening of business on the next Business Day. A Term Loan may only be prepaid in accordance with Sections 2.1.1(e) and 2.1.1(f).

(d) Final Payment. On the Maturity Date (or earlier as provided in Sections 2.1.1(e) and 2.1.1(f) below) with respect to each Term Loan, Borrower shall pay, in addition to the outstanding principal, accrued and unpaid interest, and all other amounts due on such date with respect to such Term Loan, an amount equal to the Final Payment.

(e) Mandatory Prepayment Upon an Acceleration. If the Term Loans are accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Lenders an amount equal to the sum of: (i) all outstanding principal plus accrued and unpaid interest, (ii) the Final Payment, (iii) the Prepayment Fee, and (iv) all other sums, if any, that shall have become due and payable, including interest at the Default Rate with respect to any past due amounts.

(f) Permitted Prepayment of Loans. Borrower shall have the option to prepay all, but not less than all, of the Term Loan advanced by Lenders under this Agreement, provided Borrower (i) provides written notice to Agent of its election to prepay the Term Loan at least three (3) days prior to such prepayment, and (ii) pays, on the date of such prepayment (A) all outstanding principal plus accrued and unpaid interest, (B) the Final Payment, (C) the Prepayment Fee, and (D) all other sums, if any, that shall have become due and payable, including interest at the Default Rate with respect to any past due amounts.

2.2 Payment of Interest on the Credit Extensions.

(a) Interest Rate. Subject to Section 2.2(b), the principal amount of each Term Loan outstanding shall accrue interest at a fixed per annum rate of interest equal to nine and one-half of one percent (9.50%), which interest shall be payable monthly.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is four percentage points above the rate effective immediately before the Event of Default (the "Default Rate"). Payment or acceptance of the increased interest rate provided in this Section 2.2(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Lenders and/or Agent.

(c) 360-Day Year. Interest shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(d) Debit of Accounts. Agent may debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Lenders hereunder when due. These debits shall not constitute a set-off.

(e) Payments. Unless otherwise provided, interest is payable monthly on the first calendar day of each month. Payments of principal and/or interest received after 12:00 noon Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment is due the next Business Day and additional fees or interest, as applicable, shall continue to accrue.

2.3 Fees. Borrower shall pay to Agent:

(a) Commitment Fee. A fully earned, non-refundable commitment fee of Ten Thousand Dollars ($10,000.00), on the Effective Date;

(b) Prepayment Fee. The Prepayment Fee, when due hereunder;

(c) Final Payment. The Final Payment, when due hereunder;

(d) Lenders' Expenses. All Lenders' Expenses (including reasonable attorneys' fees and expenses, plus expenses, for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due.

2.4 Additional Costs. If any new law or regulation increases Agent and/or Lenders' costs or reduces its income for any loan, Borrower shall pay the increase in cost or reduction in income or additional; provided, however, that Borrower shall not be liable for any amount attributable to any period before one hundred eighty (180) days prior to the date Agent notifies Borrower of such increased costs. Lenders agree that they shall allocate any increased costs among their customers similarly affected in good faith and in a manner consistent with Lenders' customary practice.

3 CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Lenders' obligation to make the initial Credit Extension is subject to the condition precedent that Agent shall have received, in form and substance satisfactory to Agent, such documents, and completion of such other matters, as Agent may reasonably deem necessary or appropriate, including, without limitation:

(a) Duly executed original signatures to the Loan Documents to which it is a party;

(b) VCOC Letter Agreement;

(c) Right to Invest Letter;

(d) Borrower shall have delivered its Operating Documents and a good standing certificate of Borrower certified by the Secretary of State of the State of Delaware as of a date no earlier than thirty (30) days prior to the Effective Date;

(e) Duly executed and completed Borrowing Resolutions for Borrower;

(f) Agent shall have received certified copies, dated as of a recent date, of financing statement searches, as Agent shall request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(g) Borrower shall have delivered evidence satisfactory to Agent that the insurance policies required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing loss payable and/or additional insured clauses or endorsements in favor of Lenders;

(h) Borrower shall have paid the fees and Lenders' Expenses then due as specified in Section 2.3 hereof; or

(i) There has not been any material impairment in the general affairs, management, results of operation, financial condition or the prospect of repayment of the Obligations, nor has there been any material adverse deviation by Borrower from the most recent business plan of Borrower presented to and accepted by Agent.

3.2 Conditions Precedent to all Credit Extensions. Lenders' obligation to make each Credit Extension, including the initial Credit Extension, is subject to the following:

(a) except as otherwise provided in Section 3.4, timely receipt of an executed Payment/Advance Form; and

(b) the representations and warranties in Section 5 shall be true in all material respects on the date of the Payment/Advance Form and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Default or Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in Section 5 remain true in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date.

3.3 Covenant to Deliver.

Borrower agrees to deliver to Agent each item required to be delivered to Agent under this Agreement as a condition to any Credit Extension. Borrower expressly agrees that the extension of a Credit Extension prior to the receipt by Agent of any such item shall not constitute a waiver by Agent of Borrower's obligation to deliver such item, and any such extension in the absence of a required item shall be in Agent's sole discretion.

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of a Term Loan set forth in this Agreement, to obtain a Term Loan, Borrower must notify Agent by facsimile or telephone by 12:00 p.m. Eastern time ten (10) Business Days prior to the date the Term Loan is to be made. If such notification is by telephone, Borrower must promptly confirm the notification by delivering to Agent a completed Payment/Advance Form in the form attached as **Exhibit B** (the Payment/Advance Form). On the Funding Date, each Lender shall credit and/or transfer (as applicable) to Borrower's deposit account, an amount equal to its Commitment Percentage multiplied by the amount of the Term Loan. Each Lender may make Term Loans under this Agreement based on instructions from a Responsible Officer or his or her designee. Each Lender may rely on any telephone notice given by a person whom such Lender reasonably believes is a Responsible Officer or designee. Borrower shall indemnify each Lender for any loss Lender suffers due to such reliance.

4 CREATION OF SECURITY INTEREST.

4.1 Grant of Security Interest. Borrower hereby grants to Agent, for the ratable benefit of Lenders, and to each Lender, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Agent, for the ratable benefit of Lenders, and to each Lender, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens that may have superior priority to Agent and/or Lenders' Lien under this Agreement). If Borrower shall acquire a commercial tort claim, Borrower shall promptly notify Agent in a writing signed by Borrower of the general details thereof and grant to Agent, for the ratable benefit of Lenders, and to each Lender, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Agent.

If this Agreement is terminated, Agent's and Lenders' Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations and at such time as Agent's and Lenders' obligation to make Credit Extensions has terminated, Agent shall, at Borrower's sole cost and expense, release its Liens in the Collateral and deliver such documents and make such filings as Borrower shall reasonably request.

4.2 Authorization to File Financing Statements. Borrower hereby authorizes Agent to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Agent's and Lenders' interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person, shall be deemed to violate the rights of Lenders under the Code.

5 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization and Authorization. Borrower and each of its Subsidiaries, if any, are duly existing and in good standing, as Registered Organizations in their respective jurisdictions of formation and are qualified and licensed to do business and are in good standing in any jurisdiction in which the conduct of their business or their ownership of property requires that they be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business or operations. In connection with this Agreement, Borrower has delivered to Agent and Lenders a completed perfection certificate signed by Borrower (the "**Perfection Certificate**"). Borrower represents and warrants to Agent and each Lender that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office) (or as Borrower has given Agent notice pursuant to Section 7.2); (e) except as disclosed on the Perfection Certificate, Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete. If Borrower is not now a Registered Organization but later becomes one, Borrower shall promptly notify Agent of such occurrence and provide Agent with Borrower's organizational identification number.

The execution, delivery and performance of the Loan Documents have been duly authorized, and do not conflict with Borrower's organizational documents, nor constitute an event of default under any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, has rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Borrower has no deposit accounts other than the deposit accounts with Agent, the deposit accounts, if any, described in the Perfection Certificate delivered to Agent and Lenders in connection herewith, or of which Borrower has given Agent notice and taken such actions as are necessary to give Agent and Lenders a perfected security interest therein.

The Collateral is not in the possession of any third party bailee (such as a warehouse), except as otherwise provided in the Perfection Certificate or as Borrower has given Agent notice pursuant to Section 7.2. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as Borrower has given Agent notice pursuant to Section 7.2. In the event that Borrower, after the date hereof, intends to store or otherwise deliver any portion (in excess of Fifty Thousand Dollars ($50,000.00) in the aggregate) of the Collateral to a bailee, then Borrower will first receive the written consent of Agent and such bailee must execute and deliver a bailee agreement in form and substance satisfactory to Agent in its reasonable discretion

All Inventory is in all material respects of good and marketable quality, free from material defects.

Except as noted on the Perfection Certificate, Borrower is not a party to, nor is bound by, any material license or other agreement with respect to which Borrower is the licensee that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property. Borrower shall provide written notice to Agent within thirty (30) days after entering or becoming bound by any such license or agreement which is reasonably likely to have a material impact on Borrower's business or financial condition (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Agent requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for all such licenses or contract rights to be deemed "Collateral" and for Agent and Lenders to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such license or agreement (such consent or authorization may include a licensor's agreement to a contingent assignment of the license to Agent if Agent determines that is necessary in its good faith judgment), whether now existing or entered into in the future.

5.3 Litigation. Except as disclosed on the Perfection Certificate or as Borrower has given notice pursuant to Section 6.2(a), there are no actions or proceedings pending or, to the knowledge of the Responsible Officers, threatened in writing by or against Borrower or any of its Subsidiaries that could reasonably be expected to result in damages payable by Borrower or any of its Subsidiaries in an amount involving more than Two Hundred Fifty Thousand Dollars ($250,000.00).

5.4 No Material Deterioration in Financial Statements. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Agent fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations as of the dates and for the periods presented. As of the date of this Agreement, there has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Agent.

5.5 Solvency. The fair salable value of Borrower's assets (including goodwill minus disposition costs) exceeds the fair value of its liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.6 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations T and U of the Federal Reserve Board of Governors). Borrower has complied in all material respects with the Federal Fair Labor Standards Act. Borrower has not violated any laws, ordinances or rules, the violation of which could reasonably be expected to have a material adverse effect on its business. None of Borrower's or any of its Subsidiaries' properties or assets has been used by Borrower or any Subsidiary or, to Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with all laws. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all government authorities that are necessary to continue its business as currently conducted.

5.7 Subsidiaries; Investments. Borrower does not own any stock, partnership interest or other equity securities except for Permitted Investments.

5.8 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required tax returns and reports, and Borrower and its Subsidiaries have timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower, provided that Borrower may defer payment of any contested taxes, so long as Borrower (a) in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, and (b) with respect to contested amounts in excess of Two Hundred Fifty Thousand Dollars ($250,000), (i) notifies Agent in writing of the commencement of, and any material development in, the proceedings, and (ii) posts bonds or takes any other steps required to prevent the governmental authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien". Except as set forth on the Perfection Certificate, Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.9 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely to fund its general business requirements and not for personal, family, household or agricultural purposes.

5.10 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to Agent or any Lender, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Agent or any Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Agent that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.11 IL Subsidiary. Borrower represents and warrants that IL Subsidiary, a wholly-owned subsidiary of Borrower, throughout the term of this Agreement will continue to own no assets, except for office furniture and furnishings, including computers, servers, laptops and similar office equipment. In the event that the IL Subsidiary owns any other assets, except as set forth herein, then Borrower shall notify Lenders and at Lenders' option, the IL Subsidiary will become a co-Borrower to this Agreement and shall grant a first priority security interest in all assets (except for intellectual property) to the Agent, for the ratable benefit of the Lenders.

6 AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance. Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply, and have each Subsidiary comply, with all laws, ordinances and regulations to which it is subject, the noncompliance with which could reasonably be expected to have a material adverse effect on Borrower's business.

6.2 Financial Statements, Reports, Certificates.

(a) Deliver to Agent: (i) as soon as available, but no later than thirty (30) days after the last day of each quarter, a company prepared consolidated balance sheet and income statement covering Borrower's

consolidated operations during the period certified by a Responsible Officer and in a form acceptable to Agent; (ii) as soon as available, but no later than one hundred eighty (180) days after the last day of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion (except for going concern qualifications common for emerging companies) on the financial statements from an independent certified public accounting firm acceptable to Agent in its reasonable discretion; (iii) within five (5) days of delivery, copies of all statements, reports and notices made available to Borrower's security holders generally or to holders of Subordinated Debt; (iv) in the event that Borrower becomes subject to the reporting requirements under the Securities Exchange Act of 1934, as amended, within five (5) days of filing, all reports on Form 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission or a link thereto on Borrower's or another website on the Internet; (v) a prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could reasonably be expected to result in damages or costs to Borrower or any of its Subsidiaries of Two Hundred Fifty Thousand Dollars ($250,000.00) or more; (vi) as soon as available, but no later than thirty (30) days prior to Borrower's fiscal year end, Board approved annual budget and financial projections commensurate with those provided to Borrower's capital investors; and (viii) budgets, sales projections, operating plans and other financial information reasonably requested by Agent.

(b) Within thirty (30) days after the last day of each month, deliver to Agent "Flash Reports", which shall include: (i) a summary of cash balances, (ii) aged listings of accounts receivable and accounts payable (by invoice date), and (iii) a summary of revenue and net income received by Borrower which shall be certified by a Responsible Officer and in a form acceptable to Agent.

6.3 Inventory; Returns. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower and its Account Debtors shall follow Borrower's customary practices as they exist at the Effective Date. Borrower must promptly notify Agent of all returns, recoveries, disputes and claims that involve more than Two Hundred Fifty Thousand Dollars ($250,000.00).

6.4 Taxes; Pensions. Make, and cause each of its Subsidiaries to make, timely payment of all foreign, federal, state, and local taxes or assessments (other than taxes and assessments which Borrower is contesting pursuant to the terms of Section 5.8 hereof) and shall deliver to Agent, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.5 Insurance. Keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location and as Agent may reasonably request. Insurance policies shall be in a form, with companies, and in amounts that are satisfactory to Lenders and Agent. All property policies shall have a lender's loss payable endorsement showing each Lender as lender loss payee and waive subrogation against Lenders, and all liability policies shall show, or have endorsements showing, each Lender as an additional insured. All policies (or the loss payable and additional insured endorsements) shall provide that the insurer must give Agent on behalf of Lenders at least twenty (20) days notice before canceling, amending, or declining to renew its policy. At Agent's request, Borrower shall deliver insurance certificates and evidence of all premium payments. Proceeds payable under any policy shall, at Agent's option, be payable to Agent and Lenders on account of the Obligations. Notwithstanding the foregoing, (a) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to Two Hundred Fifty Thousand Dollars ($250,000.00), in the aggregate, toward the replacement or repair of destroyed or damaged property; provided that any such replacement or repaired property (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Agent and Lenders have been granted a first priority security interest, subject to Permitted Liens, and (b) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of Agent, be payable to Agent, for the ratable benefit of Lenders, on account of the Obligations. If Borrower fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons and Agent, Agent may make all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Agent deems prudent.

6.6 Operating Accounts.

(a) Maintain its depository and investment accounts and an operating account with Agent and Agent's affiliates.

(b) Provide Agent five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Agent or its Affiliates. In addition, for each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Agent) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Agent's and Lenders' Lien in such Collateral Account in accordance with the terms hereunder, which Control Agreement may not be terminated until this Agreement is terminated and all Obligations have been satisfied (other than inchoate indemnity obligations) without the prior written consent of Agent. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Agent by Borrower as such.

6.7 Protection of Intellectual Property Rights. Borrower shall use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its material intellectual property, except where Borrower in the exercise of its business judgment deems it in its best interest not to do so.

6.8 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Agent, without expense to Agent, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Agent may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Agent and/or any Lender with respect to any Collateral or relating to Borrower.

6.9 Further Assurances. Execute any further instruments and take further action as Agent reasonably requests to perfect or continue Agent's and Lenders' Lien in the Collateral or to effect the purposes of this Agreement.

7 NEGATIVE COVENANTS

Borrower shall not do any of the following without Agent's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out, or obsolete Equipment; (c) in connection with Permitted Liens and Permitted Investments; (d) of non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business; and (e) other Transfers having an aggregate book value not in excess of Fifty Thousand Dollars ($50,000) in the aggregate in any fiscal year.

7.2 Changes in Business, Management, Ownership, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; or (c) (i) have a change in management such that the Key Person resigns, is terminated, or is no longer actively involved in the management of the Borrower in his/her current position and a replacement reasonably satisfactory to Borrower's Board for such Key Person is not made within ninety (90) days after departure from Borrower; or (ii) enter into any transaction or series of related transactions in which the stockholders of Borrower immediately prior to the first such transaction own less than 60% of the voting stock of Borrower immediately after giving effect to such transaction or related series of such transactions (other than by the sale of Borrower's equity securities in a public offering or to venture capital investors so long as Borrower identifies to Agent the venture capital investors prior to the closing of the transaction). Borrower shall not, without at least thirty (30) days prior written notice to Agent: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Fifty Thousand Dollars ($50,000.00) in Borrower's assets or property), (2) change its jurisdiction of organization, (3) change its organizational type, (4) change its legal name, (5) change any organizational number (if any) assigned by its jurisdiction of organization.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person, provided that a Subsidiary may merge or consolidate into another Subsidiary or into Borrower.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, or allow any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein (except for validly perfected purchase money security interests), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Lenders) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's intellectual property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6(b) hereof.

7.7 Distributions; Investments. (a) Directly or indirectly make any Investment other than Permitted Investments, or permit any of its Subsidiaries to do so; or (b) pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock, provided that (i) Borrower may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof and make payments in cash for any fractional share upon such conversion or in connection with the exercise or conversion of warrants or other securities in an amount not to exceed $25,000 in the aggregate, (ii) Borrower may pay dividends solely in common stock; and (iii) Borrower may repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase, provided such repurchase does not exceed in the aggregate of $100,000 per fiscal year.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof or adversely affect the subordination thereof to Obligations owed to Agent and/or Lenders.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940 or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8 EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to make any payment of principal or interest on any Credit Extension or pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day grace period will not apply to payments due on the Maturity Date). During the cure period, the failure to cure the payment default is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.6, or violates any covenant in Section 7; or

(b) Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement, any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not without Agent's written consent exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Grace periods provided under this Section shall not apply to any covenants set forth in subsection (a) above;

8.3 Intentionally Deleted;

8.4 Attachment. (a) Any material portion of Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver and the attachment, seizure or levy is not removed in ten (10) days; (b) the service of process seeking to attach, by trustee or similar process, any funds of Borrower, or of any entity under control of Borrower (including a Subsidiary), on deposit with Agent or Agent's Affiliate; (c) Borrower is enjoined, restrained, or prevented by court order from conducting a material part of its business; (d) a judgment or other claim in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) becomes a Lien on any of Borrower's assets; or (e) a notice of lien, levy, or assessment is filed against any of Borrower's assets by any government agency and not paid within ten (10) days after Borrower receives notice. These are not Events of Default if stayed or if a bond is posted pending contest by Borrower (but no Credit Extensions shall be made during the cure period);

8.5 Insolvency (a) Borrower is unable to pay its debts (including trade debts) as they become due or (b) the fair salable value of Borrower's assets (including goodwill minus disposition costs) exceeds the fair value of its liabilities; (c) Borrower begins an Insolvency Proceeding; or (d) an Insolvency Proceeding is begun against Borrower and not dismissed or stayed within thirty (30) days (but no Credit Extensions shall be made while of any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is a default in any agreement to which Borrower or any Guarantor is a party with a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of Two Hundred Fifty Thousand Dollars ($250,000.00);

8.7 Judgments. A judgment or judgments for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Fifty Thousand Dollars ($250,000.00) (not covered by independent third-party insurance) shall be rendered against Borrower and shall remain unsatisfied or unstayed for a period of thirty (30) days after the entry thereof (provided that no Credit Extensions will be made prior to the satisfaction or stay of such judgment);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Agent and/or Lenders or to induce Agent and/or Lenders to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made; or

8.9 Subordinated Debt. A default or breach occurs under any agreement between Borrower and any creditor of Borrower that signed a subordination, intercreditor, or other similar agreement with Agent and/or Lenders, or any creditor that has signed such an agreement with Agent and/or Lenders breaches any terms of such agreement.

9 RIGHTS AND REMEDIES

9.1 Rights and Remedies. While an Event of Default occurs and continues Agent may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Agent and/or Lenders);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Agent and/or Lenders;

(c) settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Agent considers advisable, notify any Person owing Borrower money of Agent's and Lenders' security interest in such funds, and verify the amount of such account;

(d) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Agent requests and make it available as Agent designates. Agent may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Agent for the benefit of Lenders a license to enter and occupy any of its premises, without charge, to exercise any of Agent's rights or remedies;

(e) apply to the Obligations then due and payable any (i) balances and deposits of Borrower it holds, or (ii) any amount held by Agent or Lenders owing to or for the credit or the account of Borrower;

(f) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Agent is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, patents, copyrights, mask works, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Agent's exercise of its rights under this Section, Borrower's rights under all licenses and all franchise agreements inure to Agent for the benefit of Lenders;

(g) place a "hold" on any account maintained with Agent or Lenders and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(h) demand and receive possession of Borrower's Books; and

(i) exercise all rights and remedies available to Agent and/or Lenders under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Agent as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks or other forms of payment or security; (b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Agent determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Agent for the benefit of Lenders or a third party as the Code permits. Borrower hereby appoints Agent as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Agent's and Lenders' security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full and Agent and Lenders are under no further obligation to make Credit Extensions hereunder. Agent's foregoing appointment as Borrower's attorney in fact, and all of Agent's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and Agent's and Lenders' obligation to provide Credit Extensions terminates.

9.3 Accounts Verification; Collection. During the existence of an Event of Default has occurred and is continuing, Agent may notify any Person owing Borrower money of Agent's and Lenders' security interest in such funds and verify the amount of such account. After the occurrence and during the continuance of an Event of Default, any amounts received by Borrower shall be held in trust by Borrower for Agent and Lenders, and, if requested by Agent, Borrower shall immediately deliver such receipts to Agent for the benefit of Lenders in the form received from the Account Debtor, with proper endorsements for deposit.

9.4 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document, Agent may obtain such insurance or make such payment, and all amounts so paid by Agent are Lenders' Expenses and immediately due and payable, bearing interest at the then highest

applicable rate charged by Agent, and secured by the Collateral. Agent will make reasonable efforts to provide Borrower with notice of Agent obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Agent are deemed an agreement to make similar payments in the future or Agent's or any Lender's waiver of any Event of Default.

9.5 Application of Payments and Proceeds. If an Event of Default has occurred and is continuing, Agent and Lenders may apply any funds in their possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations in such order as Agent shall determine in its sole discretion. Any surplus shall be paid to Borrower or other Persons legally entitled thereto; Borrower shall remain liable to Agent and Lenders for any deficiency. If Agent and/or Lenders, in their good faith business judgment, directly or indirectly enter into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Agent and each Lender shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Agent of cash therefor.

9.6 Agent's and Lenders' Liability for Collateral. So long as Agent and Lenders comply with reasonable banking practices and the Code regarding the safekeeping of the Collateral in the possession or under the control of Agent and Lenders, Agent and Lenders shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.7 No Waiver; Remedies Cumulative. Agent's and/or any Lender's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Agent and/or Lenders thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by Agent and each Lender and then is only effective for the specific instance and purpose for which it is given. Agent's and Lenders' rights and remedies under this Agreement and the other Loan Documents are cumulative. Agent and Lenders have all rights and remedies provided under the Code, by law, or in equity. Agent's exercise of one right or remedy is not an election, and Agent's waiver of any Event of Default is not a continuing waiver. Agent's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.8 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Agent on which Borrower is liable.

10 NOTICES

All notices, consents, requests, approvals, demands, or other communication (collectively, "**Communication**") by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Either Lender, Agent, or Borrower may change its address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower: Vringo, Inc.
BIG Center, Bet Shemesh
1 Yigal Allon Blvd
Bet Shemesh 00062 Israel
Attn: David Corre
Fax: +972 2 991 3382
Email: david.corre@vringo.com

If to Agent or SVB:	Silicon Valley Bank 535 Fifth Avenue, 27th Floor, New York, New York 10017 Attn: Mr. Michael Moretti Fax: (212) 688-5994 Email: MMoretti@svb.com
with a copy to:	Riemer & Braunstein LLP Three Center Plaza Boston, Massachusetts 02108 Attn: David A. Ephraim, Esquire Fax: (617) 880-3456 Email: DEphraim@riemerlaw.com
If to Gold Hill:	Gold Hill Venture Lending 03, L.P. Two Newton Executive Park, Suite 203 2227 Washington Street Newton, Massachusetts 02462 Attn: Mr. David Fischer Fax: (617) 243-2601 Email: DFischer@goldhillcapital.com

11 CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER

Massachusetts law governs the Loan Documents without regard to principles of conflicts of law. Borrower, Lenders and Agent each submit to the exclusive jurisdiction of the State and Federal courts in Massachusetts; provided, however, that if for any reason Agent and/or Lenders cannot avail themselves of such courts in the Commonwealth of Massachusetts, Borrower accepts jurisdiction of the courts and venue in Santa Clara County, California. NOTWITHSTANDING THE FOREGOING, AGENT SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION WHICH AGENT DEEMS NECESSARY OR APPROPRIATE IN ORDER TO REALIZE ON THE COLLATERAL OR TO OTHERWISE ENFORCE AGENT'S OR LENDERS' RIGHTS AGAINST BORROWER OR ITS PROPERTY.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER, LENDERS AND AGENT EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

12 GENERAL PROVISIONS

12.1 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Agent's prior written consent (which may be granted or withheld in Agent's discretion). Lenders and Agent have the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Agent's and/ Lenders' obligations, rights, and benefits under this Agreement and the other Loan Documents.

12.2 Indemnification. Borrower agrees to indemnify, defend and hold Agent and Lenders and their respective directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Agent or any Lender (each, an "Indemnified Person") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "**Claims**") asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (b) all losses or Lenders' Expenses incurred, or paid by Lenders and/or Agent from, following, or arising from transactions between Lenders and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by an Indemnified Person's gross negligence or willful misconduct.

12.3 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.4 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.5 Amendments in Writing; Integration. All amendments to this Agreement must be in writing signed by Agent, Lenders and Borrower. This Agreement and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

12.6 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.7 Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been satisfied. The obligation of Borrower in Section 12.2 to indemnify each Lender and Agent shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

12.8 Confidentiality. In handling any confidential information of Borrower, Agent and Lenders shall exercise the same degree of care that they exercise for their own proprietary information, but disclosure of information may be made: (a) to Agent's and Lenders' Subsidiaries or Affiliates (provided that such Subsidiaries or Affiliates shall abide by the terms of this provision); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, Agent and Lenders shall use commercially reasonable efforts to obtain such prospective transferee's or purchaser's agreement to the terms of this provision); (c) as required by law, regulation, subpoena, or other order; (d) to Agent's and Lenders' regulators or as otherwise required in connection with Agent's and Lenders' examination or audit; and (e) as Agent considers appropriate in exercising remedies under this Agreement. Confidential information does not include information that either: (i) is in the public domain or in Agent's and/or Lenders' possession when disclosed to Agent and/or Lenders, or becomes part of the public domain after disclosure to Agent and/or Lenders, through no fault of Agent or Lenders; or (ii) is disclosed to Agent and/or Lenders by a third party, if Agent and/or Lenders does not know that the third party is prohibited from disclosing the information.

12.9 Right of Set Off. Borrower hereby grants to Agent for the ratable benefit of Lenders, and to each Lender, a lien, security interest and right of set off as security for all Obligations to Agent and each Lender, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Agent or any entity under the control of Agent (including an Agent subsidiary) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Agent or Lenders, as appropriate, may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE AGENT TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

13 DEFINITIONS

13.1 Definitions. As used in this Agreement, the following terms have the following meanings:

"**Account**" is any "account" as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

"**Account Debtor**" is any "account debtor" as defined in the Code with such additions to such term as may hereafter be made.

"**Affiliate**" of any Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"Agent" means, SVB, not in its individual capacity, but solely in its capacity as agent on behalf of and for the benefit of the Lenders.

"**Agreement**" is defined in the preamble hereof.

"**Amortization Date**" shall mean, for each Term Loan, the earlier of (i) the first Payment Date following the date which is six (6) months from the Funding Date of such Term Loan, or (ii) April 1, 2009.

"**Amortization Schedule"** as to each Term Loan, is a period of time equal to:

(a) beginning on the applicable Amortization Date and for the following eleven (11) months, an amortization schedule of forty-eight (48) consecutive months;

(b) beginning on the first anniversary of the applicable Amortization Date and for the following eleven (11) months, an amortization schedule of thirty-six (36) consecutive months; and

(c) beginning on the second anniversary of the applicable Amortization Date through the applicable Maturity Date, an amortization schedule of twenty-four (24) consecutive months.

"**Board**" means Borrower's board of directors.

"**Borrower**" is defined in the preamble hereof.

"**Borrower's Books**" are all Borrower's books and records including ledgers, federal and state tax returns, records regarding Borrower's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Borrowing Resolutions**" are, with respect to any Person, those resolutions adopted by such Person's Board of Directors and delivered by such Person to Agent approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its secretary on behalf of such Person certifying that (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that attached as Exhibit A to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Agent and Lenders may conclusively rely on such certificate unless and until such Person shall have delivered to Agent a further certificate canceling or amending such prior certificate.

"**Business Day**" is any day that is not a Saturday, Sunday or a day on which Agent is closed.

"Cash Equivalents" are (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc., and (c) Agent's certificates of deposit issued maturing no more than one (1) year after issue.

"**Claims**" are defined in Section 12.2.

"**Code**" is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the Commonwealth of Massachusetts; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Agent's and Lenders' Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the Commonwealth of Massachusetts, the term "**Code**" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes on the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" is any and all properties, rights and assets of Borrower described on Exhibit A.

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account.

"**Commitment**" is the outstanding amount of Obligations based on each Lender's Commitment Percentage.

"Commitment Percentage" is set forth in Schedule 1.1, as amended from time to time.

"Commitment Termination Date" is March 31, 2009.

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Communication**" is defined in Section 10.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which

that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Agent pursuant to which Agent obtains control for the benefit of Lenders (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

"**Credit Extension**" is any Term Loan, or any other extension of credit by Lenders for Borrower's benefit.

"**Default**" is any event which with notice or passage of time or both, would constitute an Event of Default.

"**Default Rate**" is defined in Section 2.2(b).

"**Deposit Account**" is any "deposit account" as defined in the Code with such additions to such term as may hereafter be made.

"**Designated Deposit Account**" is Borrower's deposit account, account number _____ maintained with Agent.

"**Dollars,**" "**dollars**" and "**$**" each mean lawful money of the United States.

"**Effective Date**" is defined in the preamble of this Agreement.

"**Equipment**" is all "equipment" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**ERISA**" is the Employee Retirement Income Security Act of 1974, and its regulations.

"**Event of Default**" is defined in Section 8.

"**Final Payment**" is a payment (in addition to and not a substitution for the regular monthly payments of principal plus accrued interest) due on the earlier to occur of (a) the Maturity Date for such Term Loan, or (b) the acceleration of such Term Loan, equal to the Loan Amount for such Term Loan multiplied by the Final Payment Percentage.

"**Final Payment Percentage**" is, for each Term Loan, two percent (2.00%).

"**First Draw Period**" is the period of time from the Effective Date through the earliest to occur of (a) December 31, 2008, and (b) termination by Agent after the occurrence and during the continuance of an Event of Default.

"**Funding Date**" is any date on which a Credit Extension is made to or on account of Borrower which shall be a Business Day.

"**GAAP**" is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"**General Intangibles**" is all "general intangibles" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, any trade secret rights, including any rights to unpatented inventions, payment intangibles, royalties, contract rights, goodwill, franchise agreements, purchase orders, customer lists, route lists, telephone numbers, domain names, claims, income and other tax refunds, security and other deposits, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Gold Hill**" is defined in the preamble hereof.

"**Guarantor**" is any present or future guarantor of the Obligations.

"**IL Subsidiary**" means, Vringo (Israel) Ltd.

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Inventory**" is all "inventory" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

"**Key Person**" is the Borrower's Chief Executive Officer, who is Jonathan Medved as of the Effective Date.

"**Lender**" is any one of the Lenders.

"**Lenders**" shall mean the Persons identified on Schedule 1.1 hereto and each assignee that becomes a party to this Agreement pursuant to Section 12.1.

"Lenders' Expenses" are all documented audit fees and expenses, costs, and expenses (including reasonable documented attorneys' fees and expenses) of Agent and Lenders for preparing, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower.

"**Lien**" is a mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

"Loan Amount" in respect of each Term Loan is the original principal amount of such Term Loan.

"**Loan Documents**" are, collectively, this Agreement, the Warrant, the Perfection Certificate, any note, or notes or guaranties executed by Borrower, and any other present or future agreement for the benefit of Agent and/or Lenders in connection with this Agreement, all as amended, restated, or otherwise modified.

"**Maturity Date**" is the Term Loan Maturity Date.

"**Milestone Event No. 1**" means Borrower provides Agent with evidence that either of the following has occurred: (a) the completion of two (2) trials with two (2) large mobile telephone carriers with at least one (1) carrier service launched; or (b) registration of at least fifty thousand (50,000) users.

"**Milestone Event No. 2**" means Borrower provides Agent with evidence that either of the following has occurred: (a) the completion of four (4) trials with four (4) large mobile telephone carriers with at least two (2) carrier services launched; or (b) registration of at least three hundred thousand (300,000) users.

"**Obligations**" are Borrower's obligation to pay when due any debts, principal, interest, Lenders' Expenses, the Final Payment and other amounts Borrower owes Agent and/or Lenders now or later, whether under this Agreement, the Loan Documents, or otherwise, including, without limitation, all obligations relating to letters of credit (including reimbursement obligations for drawn and undrawn letters of credit), cash management services, and foreign exchange contracts, if any, and including interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Agent and/or Lenders, and the performance of Borrower's duties under the Loan Documents. Notwithstanding the foregoing, the term "Obligations" shall not include any of Borrower's obligations under any Warrant issued to Lenders.

"Operating Documents" are, for any Person, such Person's formation documents, as certified with the Secretary of State of such Person's state of formation on a date that is no earlier than thirty (30) days prior to the Effective Date, and its bylaws in current form, each of the foregoing with all current amendments or modifications thereto.

"**Payment Date**" is the first calendar day of each month.

"**Payment/Advance Form**" is that certain form attached hereto as Exhibit B.

"**Perfection Certificate**" is defined in Section 5.1.

"**Permitted Indebtedness**" is:

(a) Borrower's Indebtedness to Lenders under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Effective Date and shown on the Perfection Certificate;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors and with respect to surety bonds and similar obligations incurred in the ordinary course of business;

(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(f) Indebtedness secured by Permitted Liens;

(g) Inter-company Indebtedness that otherwise constitutes an Investment allowed under clause (a) and (f) of Permitted Investments;

(h) other Indebtedness in an aggregate amount not to exceed Fifty Thousand Dollars ($50,000) in the aggregate in any fiscal year; and

(i) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (h) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

"**Permitted Investments**" are:

(a) Investments shown on the Perfection Certificate and existing on the Effective Date

(b) Cash Equivalents and (ii) any Investments permitted by Borrower's investment policy, as amended from time to time, provided that such investment policy (and any such amendment thereto) has been approved by Agent;

(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Borrower;

(d) Investments consisting of Borrower's deposit accounts in which Agent has a first perfected security interest and Investments consisting of Subsidiaries' deposit accounts;

(e) Investments accepted in connection with Transfers permitted by Section 7.1;

(f) Investments of Subsidiaries in or to other Subsidiaries or Borrower and Investments by Borrower in Subsidiaries not to exceed Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate in any fiscal year;

(g) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower's Board;

(h) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(i) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (i) shall not apply to Investments of Borrower in any Subsidiary;

(j) joint ventures or strategic alliances in the ordinary course of Borrower's business consisting of the non-exclusive licensing of technology, the development of technology or the providing of technical support, provided that any cash investments by Borrower do not exceed Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate in any fiscal year; and

(k) other Investments in an aggregate amount no to exceed Fifty Thousand Dollars ($50,000) in the aggregate in any fiscal year.

"**Permitted Liens**" are:

(a) Liens existing on the Effective Date and shown on the Perfection Certificate or arising under this Agreement and the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either not delinquent or being contested in good faith and for which Borrower maintains adequate reserves on its Books, if they have no priority over any of Lenders; Liens;

(c) purchase money Liens (i) on Equipment acquired or held by Borrower incurred for financing the acquisition or lease of Equipment securing no more than Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) statutory Liens securing claims or demands of materialmen, mechanics, carriers, warehousemen, landlords and other Persons imposed without action of such parties, provided, they have no priority over any of Lenders' Lien and the aggregate amount of such Liens does not at any time exceed Fifty Thousand Dollars ($50,000);

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business, provided, they have no priority over any of Lenders' Liens and the aggregate amount of the Indebtedness secured by such Liens does not at any time exceed Fifty Thousand Dollars ($50,000);

(f) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (e), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

(g) leases or subleases of real property granted in the ordinary course of business, and leases, subleases, non-exclusive licenses or sublicenses of property (other than real property or intellectual property) granted in the ordinary course of Borrower's business, if the leases, subleases, licenses and sublicenses do not prohibit granting Lenders a security interest;

(h) non-exclusive license of intellectual property granted to third parties in the ordinary course of business;

(i) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Section 8.4 or 8.7;

(j) Liens in favor of other financial institutions arising in connection with Borrower's deposit and/or securities accounts held at such institutions, provided that Lenders have a perfected security interest in the amounts held in such deposit and/or securities accounts; and

(k) Liens in favor of other financial institutions arising in connection with Borrower's Subsidiaries' deposit and/or securities accounts held at such institutions.

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Prepayment Fee**" shall be an additional fee payable to the Agent in amount equal to :

(i) for a prepayment made on or before one year from the applicable Funding Date of such Term Loan, three percent (3.0%) of the principal amount of such Term Loan prepaid; or

(ii) for a prepayment made after one year, but on or before two years from the applicable Funding Date of such Term Loan, two percent (2.0%) of the principal amount of such Term Loan prepaid; or

(iii) for a prepayment made after two years, but on or before three years from the applicable Funding Date of such Term Loan, one percent (1.0%) of the principal amount of such Term Loan prepaid.

"**Registered Organization**" is any "registered organization" as defined in the Code with such additions to such term as may hereafter be made

"**Responsible Officer**" is any of the Chief Executive Officer, President, Chief Financial Officer, and Controller of Borrower.

"**Second Draw Period**" is the period of time commencing upon the occurrence of the Milestone Event No. 1 through the earliest to occur of (x) March 31, 2009, and (y) termination by Agent after the occurrence and during the continuance of an Event of Default.

"**Securities Account**" is any "securities account" as defined in the Code with such additions to such term as may hereafter be made.

"**Subordinated Debt**" is indebtedness incurred by Borrower subordinated to all of Borrower's now or hereafter indebtedness to Agent and Lenders (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Agent and Lenders entered into among Agent, Lenders and the other creditor), on terms acceptable to Agent and Lenders.

"**Subsidiary**" is, with respect to any Person, any Person of which more than 50% of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or one or more Affiliates of such Person.

"**SVB**" is defined in the preamble hereof.

"Term Loan" is defined in Section 2.1.1 hereof.

"**Term Loan Maturity Date**" is the final Payment Date for each Term Loan which shall be the date thirty-five (35) months from the first Payment Date for such Term Loan.

"**Third Draw Period**" is the period of time commencing upon the occurrence of the Milestone Event No. 2 through the earliest to occur of (x) March 31, 2009, and (y) termination by Agent after the occurrence and during the continuance of an Event of Default.

"**Transfer**" is defined in Section 7.1.

"**Warrant**" is, collectively, (a) that certain Warrant to Purchase Stock dated as of the Effective Date executed by Borrower in favor of SVB, and (b) that certain Warrant to Purchase Stock dated as of the Effective Date executed by Borrower in favor of Gold Hill.

[Signature page follows.**]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the Effective Date.

BORROWER:

VRINGO, INC.

By: /s/ Jonathan Medved
Name: Jonathan Medved
Title: CEO

LENDERS:

SILICON VALLEY BANK, as Agent and as a LENDER

By: /s/ Michael Morreti
Name: Michael Morreti
Title: SVP

GOLD HILL VENTURE LENDING 03, L.P., as LENDER

By: GOLD HILL VENTURE LENDING
PARTNERS 03, LLC, its General Partner

By: /s/ David Fischer
Name: David Fischer
Title: Manager

Schedule 1.1

Lenders and Commitments

Lender	Commitment	Commitment Percentage
Silicon Valley Bank	**$1,500,000.00**	**30.00%**
Gold Hill Venture Lending 03, L.P.	**$3,500,000.00**	**70.00%**
TOTAL	**$5,000,000.00**	**100.00%**

EXHIBIT A

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as provided below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include any of the following, whether now owned or hereafter acquired: (a) more than 65% of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Borrower of any Foreign Subsidiary which shares entitle the holder thereof to vote for directors or any other matter, (b) property subject to a lien described in clause (c) of the definition of Permitted Lien, and (c) any copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, patent applications and like protections, including improvements, divisions, continuations, renewals, reissues, extensions, and continuations-in-part of the same, trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, and the goodwill of the business of Borrower connected with and symbolized thereby, know-how, operating manuals, trade secret rights, rights to unpatented inventions, and any claims for damage by way of any past, present, or future infringement of any of the foregoing; provided, however, the Collateral shall include all Accounts, license and royalty fees and other revenues, proceeds, or income arising out of or relating to any of the foregoing.

Pursuant to the terms of a certain negative pledge arrangement with Lenders, Borrower has agreed not to encumber any of its copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, patent applications and like protections, including improvements, divisions, continuations, renewals, reissues, extensions, and continuations-in-part of the same, trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, and the goodwill of the business of Borrower connected with and symbolized thereby, know-how, operating manuals, trade secret rights, rights to unpatented inventions, and any claims for damage by way of any past, present, or future infringement of any of the foregoing, without Agent's prior written consent.

EXHIBIT B

Loan Payment/ Term Loan Advance Request Form
Deadline for same day processing is 12:00 E.S.T.

Fax To: _____ Date:

LOAN PAYMENT:

Vringo, Inc.

From Account # To Account #
(Deposit Account #) (Loan Account #)

Principal $ and/or Interest $

Authorized Signature: _____ Phone Number:

LOAN ADVANCE:

Complete Outgoing Wire Request section below if all or a portion of the funds from this loan advance are for an outgoing wire.

From Account # To Account #
(Loan Account #) (Deposit Account #)

Amount of Term Loan Advance $

All Borrower's representation and warranties in the Term Loan and Security Agreement are true, in all material respects on the date of the telephone transfer request for an advance, but those representations and warranties expressly referring to another date shall be true, correct and complete in all material respects as of such date:

Authorized Signature: _____ Phone Number:

OUTGOING WIRE REQUEST

Complete only if all or a portion of funds from the loan advance above are to be wired.

Deadline for same day processing is 12:00pm, E.S.T.

Beneficiary Name: Amount of Wire: $

Beneficiary Bank: Account Number:

City and Sate:

Beneficiary Bank Transit (ABA) #: _____ Beneficiary Bank Code (Swift, Sort, Chip, etc.):

(For International Wire Only)

Intermediary Bank: Transit (ABA) #:

For Further Credit to:

Special Instruction:

By signing below, I (we) acknowledge and agree that my (our) funds transfer request shall be processed in accordance with and subject to the terms and conditions set forth in the agreements(s) covering funds transfer service(s), which agreements(s) were previously received and executed by me (us).

Authorized Signature: _____ 2nd Signature (If Required): _____

Print Name/Title: Print Name/Title:

Telephone # Telephone #

FIRST LOAN MODIFICATION AGREEMENT

This First Loan Modification Agreement (this "Loan Modification Agreement") is entered into as of December 29, 2009, by and among (a) **SILICON VALLEY BANK**, a California corporation with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("SVB"), as agent ("Agent"), and the Lenders listed on Schedule 1.1 to the Loan Agreement (as defined below) and otherwise party hereto, including without limitation, SVB and **GOLD HILL VENTURE LENDING 03, L.P**., and (b) **VRINGO, INC.**, a Delaware corporation ("Borrower").

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS. Borrower is indebted to Lenders pursuant to a loan arrangement dated as of January 29, 2008, evidenced by, among other documents, a certain Loan and Security Agreement dated as of January 29, 2008, by and among Borrower, Agent and Lenders (as amended, the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement.

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by (a) the Collateral as described in the Loan Agreement, and (b) the Intellectual Property Collateral as defined in that certain Intellectual Property Security Agreement dated as of the date hereof by Borrower in favor of Agent, for the ratable benefit of the Lenders (the "IP Agreement," together with any other collateral security granted to Agent, for the ratable benefit of the Lenders, the "Security Documents"). Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations shall be referred to as the "Existing Loan Documents".

3. DESCRIPTION OF CHANGE IN TERMS.

A. Modifications to Loan Agreement.

1 Notwithstanding Section 2.1.1(b) of the Loan Agreement, upon the occurrence of the Qualified Financing and continuing thereafter during the Interest Only Period, Borrower shall make monthly payments of interest only at the rate set forth in Section 2.2(a).

2 Notwithstanding Section 2.1.1(c) of the Loan Agreement, after the occurrence of the Qualified Financing, provided no Default or an Event of Default occurs, all scheduled principal payments due and payable during the Interest Only Period shall be deferred (not waived) until the earlier of: (i) the first Payment Date which is six months following the occurrence of the Qualified Financing, and (ii) the occurrence of the IPO Event. In addition, commencing on the Amortization Date and continuing on the Payment Date of each month thereafter, the aggregate outstanding amount of the Term Loan shall be repaid in equal monthly payment of principal and interest, calculated by Agent, based upon (i) the aggregate amount of the Term Loan, (ii) the effective rate of interest set forth in Section 2.2(a), and (iii) the applicable Amortization Schedule. All unpaid principal and accrued interest is due and payable in full on the Term Loan Maturity Date.

3 The Loan Agreement shall be amended by inserting the following text to appear after the final paragraph of Section 5.2 thereof:

"Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the Perfection Certificate. Each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns

or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License."

4 The Loan Agreement shall be amended by adding the following new Section 6.2(c) appearing after Section 6.2(b) thereof:

"(c) Deliver to Agent, prompt written notice of (i) any material change in the composition of the Intellectual Property, (ii) the registration of any copyright, including any subsequent ownership right of Borrower in or to any copyright, patent or trademark, and (iii) Borrower's knowledge of an event that could reasonably be expected to materially and adversely affect the value of the Intellectual Property."

5 The Loan Agreement shall be amended by deleting the following, appearing as Section 6.7 thereof:

"**6.7 Protection of Intellectual Property Rights**. Borrower shall use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its material intellectual property, except where Borrower in the exercise of its business judgment deems it in its best interest not to do so."

and inserting in lieu thereof the following:

"**6.7 Protection and Registration of Intellectual Property Rights**. Borrower shall : (a) use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its material intellectual property except where Borrower in the exercise of its prudent business judgment deems it in its reasonable best interest not to do so; (b) promptly advise Agent in writing of material infringements of its Intellectual Property promptly after Borrower learns of any such infringements; and (c) not allow any of Borrower's Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Agent's written consent. If Borrower (i) obtains any Patent, registered Trademark, registered Copyright, registered mask work, or any pending application for any of the foregoing, whether as owner, licensee or otherwise, or (ii) applies for any Patent or the registration of any Trademark, then Borrower shall immediately provide written notice thereof to Agent and Lenders and shall execute such intellectual property security agreements and other documents and take such other actions as Agent and Lenders shall request in their good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Agent and Lenders in such property. If Borrower decides to register any Copyrights or mask works in the United States Copyright Office, Borrower shall: (x) provide Agent and Lenders with at least fifteen (15) days prior written notice of Borrower's intent to register such Copyrights or mask works together with a copy of the application it intends to file with the United States Copyright Office (excluding exhibits thereto); (y) execute an intellectual property security agreement and such other documents and take such other actions as Agent and Lenders may request in their good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Lenders in the Copyrights or mask

works intended to be registered with the United States Copyright Office; and (z) record such intellectual property security agreement with the United States Copyright Office contemporaneously with filing the Copyright or mask work application(s) with the United States Copyright Office. Borrower shall promptly provide to Agent and Lenders copies of all applications that it files for Patents or for the registration of Trademarks, Copyrights or mask works, together with evidence of the recording of the intellectual property security agreement necessary for Agent and Lenders to perfect and maintain a first priority perfected security interest in such property.

Borrower shall provide written notice to Agent and Lenders within thirty (30) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Agent and Lenders request to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Lenders to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Agent and Lenders to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Lenders' rights and remedies under this Agreement and the other Loan Documents."

6 The Loan Agreement shall be amended by deleting the following appearing as Section 7.5 thereof:

"**7.5 Encumbrance**. Create, incur, or allow any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein (except for validly perfected purchase money security interests), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Lenders) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's intellectual property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein."

and inserting in lieu thereof the following:

"**7.5 Encumbrance**. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein (except for validly perfected purchase money security interests)."

7 The Loan Agreement shall be amended by deleting the following appearing as Section 8.2(a) thereof:

"(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.6, or violates any covenant in Section 7; or"

and inserting in lieu thereof the following:

"(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.6, 6.7 or violates any covenant in Section 7; or"

8 The Loan Agreement shall be amended by inserting the following new provisions to appear after Section 8.9 thereof:

"**8.10 IPO Event and Subsequent Financing.** Neither the IPO Event nor the Subsequent Financing occurs on or before July 15, 2010; or

"**8.11 Guaranty**. (a) Any guaranty of any Obligations terminates or ceases for any reason to be in full force and effect; (b) any Guarantor does not perform any obligation or covenant under any guaranty of the Obligations; (c) any circumstance described in Sections 8.4, 8.5, 8.7, or 8.8 occurs with respect to any Guarantor, or (d) the liquidation, winding up, or termination of existence of any Guarantor."

9 The Loan Agreement shall be amended by deleting the following subsection (f) of the definition of "Permitted Investments" appearing in Section 13.1 thereof:

"(f) Investments of Subsidiaries in or to other Subsidiaries or Borrower and Investments by Borrower in Subsidiaries not to exceed Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate in any fiscal year;"

and inserting in lieu thereof the following:

"(f) Investments of Subsidiaries in or to other Subsidiaries or Borrower and Investments by Borrower in IL Subsidiary for current ordinary and necessary operating expenses of IL Subsidiary."

10 The Loan Agreement shall be amended by inserting the following new definitions to appear alphabetically in Section 13.1 thereof:

" "**2009 Effective Date**" is December 29, 2009."

" "**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret."

" "**Intellectual Property**" means all of Borrower's right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to a Borrower;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents."

" "**Intellectual Property Collateral**" is defined in the IP Agreement."

" "**Interest Only Period**" is the period commencing on the occurrence of the Qualified Financing and ending on the date that is the earlier of: (i) six months from the occurrence of the Qualified Financing; and (ii) the occurrence of the IPO Event."

" "**IP Agreement**" is that certain Intellectual Property Security Agreement executed and delivered by Borrower to Agent and Lenders dated as of December 29, 2009."

" "**IPO Event**" is the consummation of Borrower's initial public offering and sale of equity securities pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in net cash proceeds to Borrower in an amount of at least Seven Million Dollars ($7,000,000.00).

" "**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same."

" "**Qualified Financing**" means the sale or issuance by Borrower on or after the 2009 Effective Date but on or before January 30, 2010, in a single transaction or a series of related transactions, of shares of its capital stock, or of Subordinated Debt instruments convertible into the Borrower's capital stock, to one or more investors for financing purposes, resulting in unrestricted gross cash proceeds received by the Borrower of at least Two Million Nine Hundred Eighty-One Thousand Nine Hundred Forty-One Dollars ($2,981,941.00)."

" "**Restricted License**" is any material license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with the Agent and Lenders' right to sell any Collateral."

" "**Subsequent Financing**" means the sale or issuance by Borrower of shares of its capital stock or issuance of Subordinated Debt, to one or more investors for financing purposes, resulting in unrestricted net cash proceeds received by the Borrower of at least Seven Million Dollars ($7,000,000)."

" "**Trademarks**" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks."

11 The Loan Agreement shall be amended by deleting the following definitions appearing in Section 13.1 thereof:

" "**Amortization Date**" shall mean, for each Term Loan, the earlier of (i) the first Payment Date following the date which is six (6) months from the Funding Date of such Term Loan, or (ii) April 1, 2009."

" "**Loan Documents**" are, collectively, this Agreement, the Warrant, the Perfection Certificate, any note, or notes or guaranties executed by Borrower, and any other present or future agreement for the benefit of Agent and/or Lenders in connection with this Agreement, all as amended, restated, or otherwise modified."

" "**Prepayment Fee**" shall be an additional fee payable to the Agent in amount equal to :

(i) for a prepayment made on or before one year from the applicable Funding Date of such Term Loan, three percent (3.0%) of the principal amount of such Term Loan prepaid; or

(ii) for a prepayment made after one year, but on or before two years from the applicable Funding Date of such Term Loan, two percent (2.0%) of the principal amount of such Term Loan prepaid; or

(iii) for a prepayment made after two years, but on or before three years from the applicable Funding Date of such Term Loan, one percent (1.0%) of the principal amount of such Term Loan prepaid."

" "**Term Loan Maturity Date**" is the final Payment Date for each Term Loan which shall be the date thirty-five (35) months from the first Payment Date for such Term Loan."

and inserting in lieu thereof the following:

" "**Amortization Date**" shall mean: (a) if the Qualified Financing does not occur, for each Term Loan, the earlier of (i) the first Payment Date following the date which is six (6) months from the Funding Date of such Term Loan, or (ii) April 1, 2009, or (b) if the Qualified Financing occurs, the first Payment Date after the expiration of the Interest Only Period."

" "**Loan Documents**" are, collectively, this Agreement, the Warrant, the Perfection Certificate, the IP Agreement any note, or notes or guaranties executed by Borrower, and any other present or future agreement for the benefit of Agent and/or Lenders in connection with this Agreement, all as amended, restated, or otherwise modified."

" "**Prepayment Fee**" shall be an additional fee payable to the Agent in amount equal to :

(i) for a prepayment made on or before one year from the 2009 Effective Date, three percent (3.0%) of the principal amount of the aggregate outstanding Term Loan prepaid; or

(ii) for a prepayment made after one year, but on or before two years from the 2009 Effective Date, two percent (2.0%) of the principal amount of the aggregate outstanding Term Loan prepaid; or

(iii) for a prepayment made after two years, but on or before three years from the 2009 Effective Date, one percent (1.0%) of the principal amount of the aggregate outstanding Term Loan prepaid."

" "**Term Loan Maturity Date**" is the earlier of (i) March 1, 2013 or (ii) an Event of Default pursuant to which the Agent declares all Obligations immediately due and payable."

12 Guarantor shall deliver to Bank, as soon as available, but no later than thirty (30) days after the last day of each quarter, a company prepared consolidated balance sheet and income statements covering Guarantor's consolidated operations during the period certified by an officer of Guarantor and in a form acceptable to Agent.

13 The definition of "Permitted Liens" shall be deemed to include any Liens consented to by Lenders pursuant to any instrument evidencing Subordinated Debt.

14 The Loan Agreement shall be amended by substituting Exhibit A thereto in its entirety and inserting in lieu thereof Exhibit A hereto. Borrower hereby grants to Agent, for the ratable benefit of Lenders, and Lenders, to secure the payment and performance in full of all Obligations and the performance of each of Borrower's duties under the Existing Loan Documents, a continued security interest in and pledges and assigns to Agent, for the ratable benefit of Lenders, and Lenders, the Collateral wherever located, whether now owned or hereafter acquired or arising and all proceeds and products thereof.

4. FEES. Borrower shall reimburse Agent and Lenders for all reasonable legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

5. RATIFICATION OF PERFECTION CERTIFICATE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in a certain Perfection Certificate dated as of January 29, 2008 by Borrower and delivered to Agent and Lenders, and acknowledges, confirms and agrees the disclosures and information Borrower provided to Agent and Lenders in the Perfection Certificate has not changed, as of the date hereof.

6. CONDITIONS TO EFFECTIVENESS OF AGREEMENT. The effectiveness of this Loan Modification Agreement is expressly conditioned upon the receipt by Agent, in form and substance satisfactory to Agent in Agent's sole and absolute discretion, of (a) an Unconditional Guaranty by the IL Subsidiary; and (b) a Debenture, granting to Lenders a first perfected fixed charge on all assets owned by IL Subsidiary; and (c) all other documents requested by Agent in connection with the foregoing, including, without limitation authority documents, and a legal opinion acceptable to Agent; and (d) evidence that Borrower has received, on or after the 2009 Effective Date, unrestricted net cash proceeds from the issuance of Subordinated Debt instruments convertible into the Borrower's capital stock to Iroquois Master Fund Ltd. and Kingsbrook Opportunities Master Fund LP (the "Lead Investors"), and KB/V LLC in an aggregate amount equal to Four Hundred Thirty-Five Thousand Dollars ($435,000); and (e) a subordination in the form attached as **Exhibit B** hereto executed by Borrower, IL Subsidiary, the Lead Investors, and KB/V LLC.

7. CONSENT.

(a) Agent and Lenders hereby consent to the Indebtedness incurred by Borrower from the Lead Investors and KB/V LLC pursuant to the Securities Purchase Agreement dated as of December 29, 2009 in an aggregate amount equal to Four Hundred Thirty-Five Thousand Dollars ($435,000), provided, however, Agent's and Lenders' consent shall only be effective upon receipt by Agent of a subordination agreement in the form attached as **Exhibit B** hereto executed by Borrower, IL Subsidiary, the Lead Investors, and KB/V LLC.

(b) Agent and Lenders hereby agree that their consent to the Indebtedness incurred by Borrower in connection with the Qualified Financing pursuant to the Securities Purchase Agreement dated as of December 29, 2009 (but only up to Two Million Nine Hundred Eighty-One Thousand Nine Hundred Forty-One Dollars ($2,981,941) inclusive of amounts received pursuant to the transaction referenced in Section 7(a) above) shall be deemed to be automatically given upon receipt by Agent of a subordination agreement in the form attached as **Exhibit B** hereto executed by Borrower, IL Subsidiary and investors making up the Minimum Creditor Threshold. As used herein, "Minimum Creditor Threshold" shall mean the group of investors who provided Subordinated Debt to Borrower on or after the 2009 Effective Date but on or before January 30, 2010 in an aggregate amount equal to at least Two Million Two Hundred Thirty Six Thousand Four Hundred Fifty-Six Dollars ($2,236,456). Notwithstanding any terms herein to the contrary, the consent of Agent and Lenders will not automatically be deemed to be given hereunder for either (i) any Indebtedness incurred after January 30, 2010, or (ii) an Indebtedness incurred on or after the 2009 Effective Date but on or before January 30, 2010 in an aggregate amount in excess of Two Million Nine Hundred Eighty-One Thousand Nine Hundred Forty-One Dollars ($2,981,941).

8. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

9. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to the Agent, for ratable benefit of the Lenders, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

10. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Agent and/or Lenders with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Agent and/or Lenders, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Agent and/or Lenders from any liability thereunder.

11. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, each of Agent and Lenders is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Lenders' agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Agent or Lenders to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Agent, Lenders and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Lenders in writing. No maker will be released by virtue of this Loan Modification Agreement.

12. CONFIDENTIALITY. Agent and/or Lenders may use confidential information for the development of databases, reporting purposes, and market analysis, so long as such confidential information is aggregated and anonymized prior to distribution unless otherwise expressly permitted by Borrower. The provisions of the immediately preceding sentence shall survive the termination of the Loan Agreement.

13. COUNTERSIGNATURE. This Loan Modification Agreement shall become effective only when it shall have been executed by Borrower, Agent and Lenders.

[The remainder of this page is intentionally left blank]

This Loan Modification Agreement is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

BORROWER:

VRINGO, INC.

By /S/ JON MEDVED
Name: **Jon Medved**
Title: **CEO**

LENDERS:

SILICON VALLEY BANK, as Agent and as a LENDER

By /S/ SHAWN E. GOODMAN
Name: **Shawn E. Goodman**
Title: **authorized signatory**

GOLD HILL VENTURE LENDING 03, L.P., as LENDER

By: GOLD HILL VENTURE LENDING
PARTNERS 03, LLC, its General Partner

By /S/ DAVID FISCHER
Name: **David Fischer**
Title: **Manager**

EXHIBIT A

EXHIBIT A – COLLATERAL DESCRIPTION

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as provided below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and all Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include more than 65% of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Borrower of any Foreign Subsidiary which shares entitle the holder thereof to vote for directors or any other matter.

EXHIBIT B

[Form of Subordination Agreement]

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of December 29, 2009 by and among **SILICON VALLEY BANK,** a California corporation and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("**SVB**"), in its capacity as collateral agent for the Lenders ("**Agent**"), and in its capacity as a "Lender" (SVB in such capacity and the other Lenders listed on Schedule 1.1 to the Loan Agreement (as hereinafter defined) or party thereto from time to time, including, without limitation, **GOLD HILL VENTURE LENDING 03, L.P.**, each a "**Lender**" and collectively, "**Lenders**"), and **VRINGO, INC.**, a Delaware corporation ("**Grantor**").

RECITALS

A. Lenders have agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "**Loans**") in the amounts and manner set forth in that certain Loan and Security Agreement by and among Lenders, the Agent and Grantor, dated January 29, 2008, as amended by that certain First Loan Modification Agreement by and among Lenders, the Agent and Grantor of even date herewith (as the same may be amended, modified or supplemented from time to time, the "**Loan Agreement**"; capitalized terms used herein are used as defined in the Loan Agreement). Lenders are willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Agent, for the ratable benefit of the Lenders, and to each Lender a security interest in certain Copyrights, Trademarks, Patents, and Mask Works (as each term is described below) to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Agent, for the ratable benefit of the Lenders, and to each Lender a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement, Grantor grants and pledges to Agent, for the ratable benefit of the Lenders, and to each Lender a security interest in all of Grantor's right, title and interest in, to and under its intellectual property (all of which shall collectively be called the "**Intellectual Property Collateral**"), including, without limitation, the following:

1. Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto (collectively, the "**Copyrights**");

2. Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

3. Any and all design rights that may be available to Grantor now or hereafter existing, created, acquired or held;

4. All patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "**Patents**");

5. Any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "**Trademarks**");

6. All mask works or similar rights available for the protection of semiconductor chips, now owned or hereafter acquired, including, without limitation those set forth on Exhibit D attached hereto (collectively, the "**Mask Works**");

7. Any and all claims for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

8. All licenses or other rights to use any of the Copyrights, Patents, Trademarks, or Mask Works and all license fees and royalties arising from such use to the extent permitted by such license or rights;

9. All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents, or Mask Works; and

10. All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

This security interest is granted in conjunction with the security interest granted to the Agent and the Lenders under the Loan Agreement. The rights and remedies of the Agent and the Lenders with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to the Agent and the Lenders as a matter of law or equity. Each right, power and remedy of the Agent and the Lenders provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by the Agent and the Lenders of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including the Agent or any Lender, of any or all other rights, powers or remedies.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

Address of Grantor:

VRINGO, INC.

BIG Center, Bet Shemesh
1 Yigal Allon Blvd
Bet Shemesh 00062 Israel
Attn: David Corre

By: /s/ Jon Medved
Title: Chief Executive Officer

AGENT:

Address of Agent:

SILICON VALLEY BANK, as Agent and a Lender

One Newton Executive Park, Suite 200
2221 Washington Street
Newton, Massachusetts 02462

Attn: Mr. Michael Fell

By: /s/ authorized signatory
Title: Senior Advisor

LENDER:

Address of Lender:

GOLD HILL VENTURE LENDING 03, L.P., as a Lender

Two Newton Executive Park, Suite 203
2227 Washington Street
Newton, MA 02462

Attn: Frank Tower

By: /s/ authorized signatory
Title: Manager

EXHIBIT A

Copyrights

Description	Registration/ Application Number	Registration/ Application Date
No registered copyrights.		

EXHIBIT B

Patents

Description	Registration/ Application Number	Registration/ Application Date
Synchronized Voice and Data System	11/997,000	January 28, 2008
Personalization Content Sharing System and Method (USA)	11/544,938	October 10, 2006
Personalization Content Sharing System and Method (USA)	11/744,917	May 7, 2007
Personalization Content Sharing System and Method (Europe)	07706046.5	January 25, 2007
Personalization Content Sharing System and Method (Europe)	08738326.1	December, 2009
Media Content at the End of a Communication	11/549,658	October 16, 2006
User-Chosen Media Content (USA)	11/768,989	June 27, 2007
User-Chosen Media Content (Europe)	07766818.4	June 27, 2007
Pushed Media Content Delivery (USA)	11/775,249	July 10, 2007
Pushed Media Content Delivery (Europe)	07766888.7	July 10, 2007
System and Method for Digital Rights Management	11/773,417	July 4, 2007
Advertisement-Based Dialing	12/186,592	August 6, 2008
Group Sharing of Media Content	11/776,689	July 12, 2007
Media Playing on Another Device	11/853,117	September 11, 2007
Personalized Installation Files	11/858,193	September 20, 2007
Method to Play Vendor Videos	11/923,831	October 25, 2007
Triggering Events for Video Ringtones	12/028,938	February 11, 2008
Smart Contact List	12/043,974	March 7, 2008
Mobile Video Dating Service	12/186,547	August 6, 2008
Roaming Detection	12/193,785	August 19, 2008
Contact Matching of Changing Content Across Platforms	12/367,525	February 8, 2009
Voting System with Content	61/226,718	July 19, 2009
Alternative Ringtones for Mobile Telephones	61/289,454	December 23, 2009
Web-Based Dialing	11/775,248	July 10, 2007
Drag and Drop Selection of Products	11/772,873	July 3, 2007

EXHIBIT C

Trademarks

Description	Registration/ Application Number	Registration/ Application Date
Vringo	78917479	June 27, 2006
Show Me Your Vringo Vringo (US)	77185488	May 20, 2007
Vringo Logo Show Me Your Vringo (European Union)	5951851	April 17, 2008
Vringo Logo Show Me Your Vringo (India)	1623116	November 21, 2007
Vringo Logo Show Me Your Vringo (India)	1623117	November 21, 2007

EXHIBIT D

Mask Works

Description	Registration/ Application Number	Registration/ Application Date
None.		

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of December 29, 2009, between Vringo, Inc., a Delaware corporation (the "Company"), and each of the several purchasers signatory hereto (each such purchaser, a "Purchaser" and, collectively, the "Purchasers").

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of the date hereof, between the Company and each Purchaser (the "Purchase Agreement").

The Company and each Purchaser hereby agrees as follows:

1. Definitions.

Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Additional Registration Statement" means any Registration Statement other than the Initial Registration Statement.

"Advice" shall have the meaning set forth in Section 6(d).

"Bridge Offering" means the private placement of convertible notes in a minimum amount of $2,500,000 and warrants of the Company.

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

"Conversion Shares" mean (a) all shares of Common Stock issuable upon conversion in full of the Notes (assuming on such date the Notes are converted in full), (b) all shares of Common Stock issuable as interest or principal on the Notes assuming all permissible interest and principal payments are made in shares of Common Stock and the Notes are held until maturity, (c) any additional shares of Common Stock issuable in connection with any anti-dilution provisions in the Notes and (d) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

"Effectiveness Period" shall have the meaning set forth in Section 2(a).

"Filing Date" means, with respect to the Initial Registration Statement, the 30th day following the consummation of the Bridge Offering, and with respect to the Additional Registration Statement, the 180th calendar day subsequent to the effectiveness of the Initial Registration Statement.

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Indemnified Party" shall have the meaning set forth in Section 5(c).

"Indemnifying Party" shall have the meaning set forth in Section 5(c).

"Initial Offering" means the first firm commitment underwritten public offering of Common Stock under the Securities Act.

"Initial Registration Statement" means the Registration Statement filed in connection with the Initial Offering.

"IPO Warrant Shares" mean (a) all shares of Common Stock issuable upon exercise of the IPO Warrants (assuming on such date the IPO Warrants are exercised in full), (b) any additional shares of Common Stock issuable in connection with any anti-dilution provisions in the IPO Warrants and (c) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

"IPO Warrants" mean warrants to purchase shares of Common Stock, which warrants are issuable upon conversion of the Notes in the event of an Initial Offering.

"Losses" shall have the meaning set forth in Section 5(a).

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated by the Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act")), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Registrable Securities" means, as of any date of determination, (a) all of the Conversion Shares, (b) all of the Warrant Shares then issuable upon exercise of the Warrants, (c) all of the Additional Shares then issuable and (d) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such Registrable

Securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as (a) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the Commission under the Securities Act and such Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (b) such Registrable Securities have been previously sold in accordance with Rule 144, or (c) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected Holders (assuming that such securities and any securities issuable upon exercise, conversion or exchange of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any affiliate of the Company, and all Warrants are exercised by "cashless exercise" as provided in Section 2(c) of the Warrants), as reasonably determined by the Company, upon the advice of counsel to the Company.

"Registration Statement" means any registration statement required to be filed hereunder pursuant to Section 2, including (in each case) the Prospectus, amendments and supplements to any such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"SEC Guidance" means (i) any publicly-available written or oral guidance of the Commission staff, or any comments, requirements or requests of the Commission staff and (ii) the Securities Act.

"Special Bridge Warrant Shares" mean (a) all shares of Common Stock issuable upon exercise of the Special Bridge Warrants (assuming on such date the Special Bridge Warrants are exercised in full), (b) any additional shares of Common Stock issuable in connection with any anti-dilution provisions in the Special Bridge Warrants and (c) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

"Warrants" mean (a) IPO Warrants and (b) Special Bridge Warrants.

"Warrant Shares" mean (a) IPO Warrant Shares and (b) Special Bridge Warrant Shares.

2. Registration.

(a) In connection with the Initial Offering, the Company shall prepare and file with the Commission the Initial Registration Statement covering the resale of all or such maximum portion of the Registrable Securities as permitted by SEC Guidance on or prior to the Filing Date. The Initial Registration Statement filed hereunder shall be on Form S-1 or on such other appropriate form. Subject to the terms of this Agreement, the Company shall use its best efforts to cause the Initial Registration Statement filed hereunder to be declared effective under the Securities Act as promptly as possible after the filing thereof and shall use its best efforts to keep such Registration Statement continuously effective under the Securities Act until all Registrable Securities covered by such Registration Statement (i) have been sold, thereunder or pursuant to Rule 144, or (ii) (A) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and (B) (I) may be sold without the requirement for the Company to be in compliance with the current public information requirement under Rule 144 or (II) the Company is in compliance with the current public information requirement under Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the affected Holders (the "Effectiveness Period"). The Company shall promptly notify the Holders via facsimile or by e-mail of the effectiveness of a Registration Statement upon confirming such effectiveness with the Commission. The Company shall file a final Prospectus with the Commission as required by Rule 424.

(b) Notwithstanding any other provision of this Agreement, if any SEC Guidance sets forth a limitation on the number of Registrable Securities permitted to be registered on the Initial Registration Statement, the number of Registrable Securities to be registered on the Initial Registration Statement on behalf of each Holder will be reduced on a pro rata basis based on the total number of unregistered Registrable Securities held by such Holders. Unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on the Initial Registration Statement will first be reduced by Registrable Securities represented by IPO Warrant Shares (applied, in the case that some IPO Warrant Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered IPO Warrant Shares held by such Holders), second by Registrable Securities represented by Special Bridge Warrant Shares (applied, in the case that some Special Bridge Warrant Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered Special Bridge Warrant Shares held by such Holders) and third by Registrable Securities represented by Conversion Shares (applied to the Holders on a pro rata basis based on the total number of Conversion Shares held by such Holders). In the event of a cutback hereunder, the Company shall give the Holder at least two (2) business days prior written notice along with the calculations as to such Holder's allotment.

(c) If any SEC Guidance sets forth a limitation on the number of Registrable Securities which may be registered on the Initial Registration Statement, the Company shall prepare and file an Additional Registration Statement covering the resale of all or such maximum portion of the Registrable Securities not covered by the Initial Registration Statement as permitted by the SEC Guidance for an offering to be made on a continuous basis pursuant to Rule 415 on or prior to the Filing Date. Subject to the terms of this Agreement, the Company shall use its best efforts to cause the Additional Registration Statement filed hereunder to be declared effective under the Securities Act as promptly as possible after the filing thereof and shall use its best efforts to keep such Additional Registration Statement continuously effective during the Effectiveness Period. The Additional Registration Statement required to be filed hereunder shall be filed on Form S-3, except if the Company is not then eligible to register for resale the Registrable Securities on Form S–3, in which case the Additional Registration Statement shall be on another appropriate form in accordance herewith.

(d) If: (i) the IPO Warrant Shares and the Special Bridge Warrant Shares are not covered by an effective Registration Statement, or (ii) after the effective date of a Registration Statement covering the IPO Warrant Shares and the Special Bridge Warrant Shares, such Registration Statement ceases for any reason to remain continuously effective as to such shares included in such Registration Statement during the Effectiveness Period, or the Holders are otherwise not permitted to utilize the Prospectus therein to resell such IPO Warrant Shares and the Special Bridge Warrant Shares, then, in addition to any other rights the Holders may have hereunder or under applicable law, the Holders may exercise the IPO Warrants or the Special Bridge Warrants which are not covered by an effective Registration Statement in accordance with the "cashless exercise" provisions set forth in each of the Warrants.

(e) In the event Holders purchase additional securities from the Company in a subsequent offering prior to the consummation of the Initial Offering (the "Additional Securities"), the Company shall include the Additional Securities on the Initial Registration Statement or on an Additional Registration Statement in accordance with the provisions of this Agreement.

3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to a Registration Statement and the Prospectus used in connection therewith as may be necessary to keep a Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such Additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities, (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424, (iii) respond as promptly as reasonably

possible to any comments received from the Commission with respect to a Registration Statement or any amendment thereto and provide as promptly as reasonably possible to the Holders true and complete copies of all correspondence from and to the Commission relating to a Registration Statement (provided that, the Company may excise any information contained therein which would constitute material non-public information as to any Holder which has not executed a confidentiality agreement with respect thereto with the Company), and (iv) comply in all material respects with the applicable provisions of the Securities Act and the Exchange Act of 1934, as amended (the "Exchange Act") with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period in accordance (subject to the terms of this Agreement) with the intended methods of disposition by the Holders thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented.

(b) If during the Effectiveness Period, the number of Registrable Securities at any time exceeds 100% of the number of shares of Common Stock then registered in a Registration Statement, then the Company shall file as soon as reasonably practicable, but in any case prior to the applicable Filing Date, an Additional Registration Statement covering the resale by the Holders of not less than the number of such Registrable Securities.

(c) If during the Effectiveness Period, the Company becomes eligible to file a Registration Statement on Form S-3 under the Securities Act ("Form S-3"), the Company shall promptly convert the Initial Registration Statement and any Additional Registration Statement, as applicable, to a Form S-3.

(d) Notify the Holders of Registrable Securities to be sold (which notice shall, pursuant to clauses (iii) through (vi) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) as promptly as reasonably possible (and, in the case of (i)(A) below, not less than one (1) business day prior to such filing) and (if requested by any such Person) confirm such notice in writing no later than one (1) business day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed, (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement, and (C) with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus, (iii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose, (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement

made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a Registration Statement, Prospectus or other documents so that, in the case of a Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (vi) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus, provided that, any and all of such information shall remain confidential to each Holder until such information otherwise becomes public, unless disclosure by a Holder is required by law; provided, further, that notwithstanding each Holder's agreement to keep such information confidential, each such Holder makes no acknowledgement that any such information is material, non-public information.

(e) Use its best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(f) Furnish to each Holder, without charge, at least one conformed copy of each such Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference to the extent requested by such Person, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that any such item which is available on the EDGAR system (or successor thereto) need not be furnished in physical form.

(g) Subject to the terms of this Agreement, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section 3(d).

(h) The Company shall cooperate with any broker-dealer through which a Holder proposes to resell its Registrable Securities in effecting a filing with the FINRA Corporate Financing Department pursuant to FINRA Rule 5110, as requested by any such Holder, and the Company shall pay the filing fee required by such filing within two (2) Business Days of request therefor.

(i) Prior to any resale of Registrable Securities by a Holder, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the

Registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that, the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(j) If requested by a Holder, cooperate with such Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to a Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request.

(k) Upon the occurrence of any event contemplated by Section 3(d), as promptly as reasonably possible under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of the premature disclosure of such event, prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither a Registration Statement nor such Prospectus will contain an 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, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with clauses (iii) through (vi) of Section 3(d) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall suspend use of such Prospectus. The Company will use its best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company shall be entitled to exercise its right under this Section 3(k) to suspend the availability of a Registration Statement and Prospectus for a period not to exceed 60 calendar days (which need not be consecutive days) in any 12-month period.

(l) Comply with all applicable rules and regulations of the Commission.

(m) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and, if required by the Commission, the natural persons thereof that have voting and dispositive control over the shares. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of the Registrable Securities solely because any Holder fails to furnish such information within three business days of the Company's request, any Event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

4. Registration Expenses. All fees and expenses incident to the performance of or compliance with, this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel and independent registered public accountants) (A) with respect to filings made with the Commission, (B) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities) and (D) if not previously paid by the Company in connection with a filing by the Company, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties) and the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions of any Holder or, except to the extent provided for in the Transaction Documents, any legal fees or other costs of the Holders.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, stockholders, partners, agents and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or

relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto or (ii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in Section 6(d). The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware.

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based solely upon: (x) such Holder's failure to comply with the prospectus delivery requirements of the Securities Act or (y) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder to the Company specifically for inclusion in such Registration Statement or such Prospectus or (ii) to the extent that such information relates to such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto or (ii) in the case of an occurrence of an event of the type specified in Section 3(c)(iii)-(vi), the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in Section 6(d). In no event shall the liability of any selling Holder under this Section 5(b) be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with the defense thereof; provided, that, the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses, (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding, or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and counsel to the Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten business days of written notice thereof to the Indemnifying Party; provided, that, the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is judicially determined not to be entitled to indemnification hereunder.

(d) Contribution. If the indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party

and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 5(d), no Holder shall be required to contribute pursuant to this Section 5(d), in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. Each of the Company and each Holder agrees that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(b) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement.

(c) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(c)(iii) through (vi), such Holder will forthwith discontinue

disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company will use its best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable.

(d) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of a majority or more of the then outstanding Registrable Securities (including, for this purpose any Registrable Securities issuable upon exercise or conversion of any Security). If a Registration Statement does not register all of the Registrable Securities pursuant to a waiver or amendment done in compliance with the previous sentence, then the number of Registrable Securities to be registered for each Holder shall be reduced pro rata among all Holders and each Holder shall have the right to designate which of its Registrable Securities shall be omitted from such Registration Statement. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder or some Holders and that does not directly or indirectly affect the rights of other Holders may be given by such Holder or Holders of all of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the first sentence of this Section 6(d).

(e) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign (except by merger) its rights or obligations hereunder without the prior written consent of a majority of the Holders of the then outstanding Registrable Securities (including, for this purpose any Registrable Securities issuable upon exercise or conversion of any Security). Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under the Purchase Agreement.

(g) No Inconsistent Agreements. Neither the Company nor any of its subsidiaries has entered, as of the date hereof, nor shall the Company or any of its subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Except as set forth on Schedule 6(g), neither the Company nor any of its subsidiaries has previously entered into any agreement granting any registration rights with respect to any of its securities to any Person that have not been satisfied in full.

(h) Execution and Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf"

format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

(i) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(j) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(k) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

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

(m) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose.

****

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

VRINGO, INC.

By: /s/ Jon Medved
Name: Jonathan Medved
Title: Chief Executive Officer

[SIGNATURE PAGE OF HOLDERS FOLLOWS]

[SIGNATURE PAGE OF HOLDERS TO REGISTRATIO RIGHTS AGREEMENT]

Name of Holder: _____

Signature of Authorized Signatory of Holder: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

[SIGNATURE PAGES CONTINUE]

Schedule 6(g) – Existing Registration Rights

1. Investor Rights Agreement dated July 30, 2007 by and among the Company, Vringo (Israel) Ltd. and the holders of the Series A Preferred Stock and Series B Preferred Stock, as amended by the Exchange Offer Agreements dated December 29, 2009, between the Company Ltd. and the holders of the Series A Preferred Stock and Series B Preferred Stock.

English Summary of Rental Agreement, dated March 27, 2006, by and between BIG Power Centers & Vringo (Israel) Ltd.

- The total area rented is equal to approximately 340 sq. meters (this was later adjusted to 351.5 sq. meters after final measurements were taken). This includes 25% over the actual space for common spaces (lobby, bathroom, parking spaces etc.)
- The first rental period is for 24 months from June 1, 2006 through May 31, 2008
- There are then two further options for 24 months each that will automatically renew unless Vringo indicates that it does not intend to take these options up six months prior to the end of the rental period
- The cost of the rent during the first period will be $10/ sq. meter plus VAT. This amount is to be paid in New Israeli Shekels (NIS) according to the NIS-USD exchange rate of March 27, 2006. The amount is also linked to the Consumer Price Index as published by the Israeli Central Bureau of Statistics on March 15, 2006.
- The cost of the rent during the second rental period will be $10.35/ sq. meter
- The cost of the rent during the third period will be $10.72/ sq. meter
- BIG will reimburse the Company for $50/ sq. meter for all expenses incurred in the renovation of the offices (Received in October 2006)

THIS NOTE AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER THIS NOTE, SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS WHICH, IN THE OPINION OF COUNSEL FOR THE HOLDER, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO COUNSEL FOR THE COMPANY, IS AVAILABLE.

THIS NOTE IS SUBORDINATED TO ALL SENIOR INDEBTEDNESS UNDER THAT CERTAIN LOAN AND SECURITY AGREEMENT, DATED JANUARY 29, 2008, BY AND AMONG THE COMPANY, SILICON VALLEY BANK, AS AGENT, AND THE LENDERS NAMED THEREIN, AS AMENDED. BY ACCEPTANCE OF THIS NOTE, THE HOLDER HEREOF AGREES TO BE BOUND BY THAT CERTAIN SUBORDINATION AGREEMENT BY THE COMPANY, THE HOLDERS, SILICON VALLEY BANK, AS AGENT AND LENDER AND GOLD HILL VENTURE LENDING 03, L.P. DATED THE DATE HEREOF.

VRINGO, INC.

FORM OF 5% SUBORDINATED UNSECURED CONVERTIBLE PROMISSORY NOTE

US [ ] December 29, 2009

FOR VALUE RECEIVED, Vringo, Inc., a Delaware corporation (the "**Company**"), promises to pay to [ ] (the "**Holder**"), the principal sum of [ ] DOLLARS ([ ]) (the "**Principal**") in lawful money of the United States of America, with interest payable thereon at the rate of five percent (5%) per annum. The Principal and all accrued but unpaid interest thereon shall be paid in full to the Holder on the six-month anniversary of the date hereof (the **"Maturity Date")** if no Mandatory Conversion (hereinafter defined) or Voluntary Conversion (hereinafter defined) has occurred prior to the Maturity Date.

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

1. Series. This Note is one of a series of Notes of the Company in the aggregate principal amount of Two Million Nine Hundred Eighty-Two Thousand Dollars ($2,982,000) (collectively, the "**Notes**").

2. Principal Repayment. The outstanding Principal of this Note shall be payable on the Maturity Date, unless this Note has been earlier converted as described below.

3. Interest. Interest (the "**Interest**") shall accrue on the unpaid Principal of this Note from the date hereof until such Principal is repaid in full at the rate of five percent (5%) per annum, payable on the Maturity Date. All computations of the interest rate hereunder shall be made on the basis of a 360-day year of twelve 30-day months. In the event that any interest rate provided for herein shall be determined to be unlawful, such interest rate shall be computed at the highest rate permitted by applicable law. All accrued but unpaid Interest shall be paid to the Holder in cash upon: (a) the Mandatory Conversion, (b) a Voluntary Conversion and (c) the Maturity Date. Any payment by the Company of any interest amount in excess of that permitted by law shall be considered a mistake, with the excess being applied to the Principal of this Note without prepayment premium or penalty.

4. Ranking. The obligations of the Company under this Note shall rank junior with respect to not more than $4,295,788 of indebtedness outstanding under the Loan and Security Agreement, dated January 29, 2008, by and among the Company, Silicon Valley Bank, as agent, and the lenders named therein in effect on the date hereof, as amended (the "**Bank Loan**"); provided further, however, that this Note shall rank *pari passu* with respect to all other Notes issued on even date herewith and senior to all other indebtedness of the Company.

5. Conversion.

(a) Mandatory Conversion and Voluntary Conversion. In the event the Company consummates an initial public offering of shares of its capital stock pursuant to the filing of a registration statement under the Act which is declared effective by the Securities and Exchange Commission ("**IPO**") prior to the Maturity Date, the Principal of this Note then outstanding (excluding all accrued but unpaid interest thereon) shall automatically convert (the "**Mandatory Conversion**") into the same type of securities offered in the IPO (i.e., one share of Common Stock and two warrants) at a conversion price (assuming a reverse split of the Common Stock in connection with the IPO in a range between 1 for 6 and 1 for 6.4 (the "**Reverse Split**")) equal to the lesser of $3.75 per security, subject to further adjustment for the events referred to in Section 5(c) (the "**Fixed Conversion Price**") or seventy five percent (75%) of the price at which the securities are sold in the IPO. In the event the Reverse Split is not effected or is effected in a proportion other than in a range between 1 for 6 and 1 for 6.4, the Fixed Conversion Price shall be proportionately reduced or increased, as applicable. The warrants issuable in connection with the Mandatory Conversion (the "**Conversion Warrants**") shall have the same terms and conditions as the warrants to be issued in the IPO (the "**IPO Warrants**") except that the Conversion Warrants shall not be fungible with the IPO Warrants and shall include the additional provisions set forth on Schedule 5(a) with respect to fundamental transactions, cashless exercise, ownership limitations and dilution. If the IPO is not consummated on or prior to the Maturity Date, until repaid, the Registered Holder shall have the right to convert, in whole or in part, the Principal of this Note then outstanding (excluding all accrued but unpaid interest thereon) (a "**Voluntary Conversion**"), into the securities offered in any subsequent offering undertaken by the Company at a conversion price equal to the lesser of (i) the Fixed Conversion Price (provided that the securities offered in such subsequent financing are substantially similar to the securities to be issued in the IPO) and (ii) seventy percent (70%) of the price at which the securities are sold in such subsequent financing.

(b) Mechanics of Conversion. The Company shall give notice to the Holder of (i) an IPO triggering a Mandatory Conversion as soon as practicable after the filing of an initial registration statement in connection with the IPO and (ii) the consummation of the IPO. In connection with a Mandatory Conversion or a Voluntary Conversion, the Holder shall deliver a completed and executed Notice of Conversion attached hereto as Exhibit I and surrender and deliver this Note, duly endorsed, to the Company's office or such other address which the Company shall designate against delivery of the certificates presenting the new securities of the Company. The Company shall prepare and deliver irrevocable instructions addressed to the Company's transfer agent to issue such required number of securities as set forth in the Conversion Notice, which securities shall be delivered to the Holder within three (3) business days of the delivery of the date of the Mandatory Conversion or Voluntary Conversion, as the case may be. Upon the IPO, the Mandatory Conversion shall occur automatically notwithstanding the second sentence of this Section 5(b).

(c) Adjustments to Conversion Price.

(i) Adjustments for Stock Splits and Combinations and Stock Dividends. If the Company shall at any time or from time to time after the date hereof, effect a stock split or combination of the outstanding Common Stock or pay a stock dividend in shares of Common Stock, then the Fixed Conversion Price shall be proportionately adjusted. Any adjustments under this Section 5(c)(i) shall be effective at the close of business on the date the stock split or combination becomes effective or the date of payment of the stock dividend, as applicable.

(ii) Merger, Sale, Reclassification, Etc. In case of any (A) consolidation or merger (including a merger in which the Company is the surviving entity), (B) sale or other disposition of all or substantially all of the Company's assets or distribution of property to shareholders (other than distributions payable out of earnings or retained earnings), or reclassification, change or conversion of the outstanding securities of the Company or of any reorganization of the Company (or any other corporation the stock or securities of which are at the time receivable upon the conversion of this Note) or any similar corporate reorganization on or after the date hereof, then and in each such case the Holder of this Note, upon the conversion hereof at any time thereafter shall be entitled to receive, in lieu of the stock or other securities and property receivable upon the conversion hereof prior to such consolidation, merger, sale or other disposition, reclassification, change, conversion or reorganization, the stock or other securities or property to which such Holder would have been entitled upon such consummation if such Holder had converted this Note immediately prior thereto.

(d) Adjustment Certificate. When any adjustment is required to be made in this Note or the Fixed Conversion Price under Section 5(c), the Company shall promptly mail to the Holder a certificate setting forth a brief statement of the facts requiring such adjustment and the conversion price after such adjustment.

(e) Elimination of Fractional Interests. No fractional securities shall be issued upon conversion of this Note, nor shall the Company be required to pay cash in lieu of fractional interests, it being the intent of the parties that all fractional interests shall be eliminated and that all issuances of securities shall be rounded up to the nearest whole share.

6. Events of Default. In the event that any of the following (each, an "**Event of Default**") shall occur:

(a) Non-Payment. The Company shall default in the payment of the Principal of, or accrued interest on, this Note as and when the same shall become due and payable, whether by acceleration or otherwise; or

(b) Default in Covenants. The Company shall default in the observance or performance of the affirmative or negative covenants set forth in this Note or the Securities Purchase Agreement, of even date herewith, by and between the Company and the Holder hereof (the "**Securities Purchase Agreement**"); or

(c) Bankruptcy. The Company or any of its subsidiaries 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, any of its subsidiaries or any of their respective properties, 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, any of its subsidiaries or for any part of their respective properties; or (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 or any of its subsidiaries, and, if such

case or proceeding is not commenced by the Company or any of its subsidiaries or converted to a voluntary case, such case or proceeding shall be consented to or acquiesced in by the Company or any of its subsidiaries or shall result in the entry of an order for relief; or

(d) Judgments. Any final, non-appealable judgment, decree or order for the payment of money is entered against any of the Company or any of its subsidiaries in an amount equal to $250,000 and the same remains unsatisfied or unbonded for more than thirty (30) days; or

(e) Transfer of Assets. Any sale, transfer, assignment, conveyance, lease or other disposition (whether in one transaction or in a series of transactions) of a substantial portion of the assets of the Company (equal to or greater than 51% of same) (whether now owned or hereafter acquired), without the prior written consent of the Holder; or

(f) Non-Compliance; Breach of Representations and Warranties. The Company fails to comply with, observe or perform as and when required any representation, warranty, conditions or agreement or any other provision contained in this Note and the Securities Purchase Agreement to be complied with or in connection with any breach of the representations and warranties contained in this Note and the Securities Purchase Agreement;

then, and so long as such Event of Default is continuing (for a period of thirty (30) calendar days in the case of events under Sections 6(b), 6(e) and 6(f)) (and the event which would constitute such Event of Default, if curable, has not been cured), by written notice to the Company: (i) all amounts then unpaid under this Note, including accrued but unpaid interest, shall bear interest at the default rate of ten percent (10%) per annum; and (ii) all obligations of the Company under this Note shall be immediately due and payable (except with respect to any Event of Default set forth in Section 6(c) hereof, in which case all obligations of the Company under this Note shall automatically become immediately due and payable without the necessity of any notice or other demand to the Company) without presentment, demand, protest or any other action nor obligation of the Holder of any kind, all of which are hereby expressly waived, and Holder may exercise any other remedies the Holder may have at law or in equity.

7. Affirmative Covenants of the Company. The Company hereby agrees that, so long as the Note remains outstanding and unpaid, or any other amount is owing to the Holder hereunder, the Company will:

(a) Corporate Existence and Qualification. Take the necessary steps to preserve its corporate existence and its right to conduct business in all states in which the nature of its business requires qualification to do business.

(b) Books of Account. Keep its books of account in accordance with good accounting practices.

(c) Insurance. Maintain insurance with responsible and reputable insurance companies or associations, as determined by the Company in its sole but reasonable discretion, in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company operates.

(d) Preservation of Properties; Compliance with Law. Maintain and preserve all of its properties that are used or that are useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted and comply with the charter and bylaws or other organizational or governing documents of the Company, and any law, treaty, rule or regulation, or determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon the Company or any of its property or to which each the Company or any of its property is subject.

(e) Taxes. Duly pay and discharge all taxes or other claims, which might become a lien upon any of its property except to the extent that any thereof are being in good faith appropriately contested with adequate reserves provided therefor.

8. Negative Covenants of the Company. The Company hereby agrees that, so long as all or any portion of this Note remains outstanding and unpaid it will not, nor will it permit any of its subsidiaries, if any, without the consent of the holders of a majority of the Principal of the Notes, to:

(a) Dividends and Distributions. Pay dividends or make any other distribution on shares of the capital stock of the Company.

(b) Nature of Business. Materially alter the nature of the Company's business or otherwise engage in any business other than the business engaged in or proposed to be engaged in on the date of this Note.

(c) Accounting Changes. Make, or permit any subsidiary to make any change in their accounting treatment or financial reporting practices except as required or permitted by generally accepted accounting principles in effect from time to time.

(d) Indebtedness for Borrowed Money. Except as set forth on Schedule 8(d), incur, or permit to exist, any Indebtedness (as defined below) for borrowed money in excess of $1.0 million during each fiscal year of the Company, except in the ordinary course of the Company's business. Subject to Section 4 herein, for purposes of this Section 8(d), "**Indebtedness**" shall mean (i) all obligations of the Company for borrowed money or with respect to deposits or advances of any kind, (ii) all obligations of the Company evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of the Company for the deferred purchase price of property or services, except current accounts payable arising in the ordinary course of business and not overdue beyond such period as is commercially reasonable for the Company's business, (iv) all obligations of the Company under conditional sale or other title retention agreements relating to property purchased by the Company, (v) all payment obligations of the Company with respect to interest rate or currency protection agreements, (vi) all obligations of the Company as an account party under any letter of credit or in respect of bankers' acceptances, (vii) all obligations of any third party secured by property or assets of such Person (regardless of whether or not the Company is liable for repayment of such obligations), except for obligations to secure Indebtedness incurred within the limitations of this Section 8(d) and (viii) all guarantees of the Company.

(e) Liens. Create, assume or permit to exist, any lien on any of its property or assets now owned or hereafter acquired except (i) liens in favor of the Holder; (ii) liens granted to secure the Indebtedness set forth in Schedule 8(d) hereof; (iii) liens incidental to the conduct of its business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or the obtaining of advances or credit and which do not materially impair the use thereof in the operation of its business; (iv) liens subordinate to the liens granted to secure this Note; (v) liens for taxes or other governmental charges which are not delinquent or which are being contested in good faith and for which a reserve shall have been established in accordance with generally accepted accounting principles; and (vi) purchase money liens granted to secure the unpaid purchase price of any fixed assets.

(f) Mergers, Acquisitions and Sales of Assets. Enter into any merger or consolidation or liquidate, windup or dissolve itself or sell, transfer or lease or otherwise dispose of all or any substantial part of its assets or technologies (other than sales of inventory and obsolescent equipment in the ordinary course of business); except: (i) if the Company is the surviving corporation and a change in control has not occurred, (ii) that any subsidiary of the Company may merge into or consolidate with any other subsidiary which is wholly-owned by the Company, and (iii) any subsidiary which is wholly-owned by the Company may merge with or consolidate into the Company provided that the Company is the surviving corporation.

9. Mutilated, Destroyed, Lost or Stolen Notes. In case this Note shall become mutilated or defaced, or be destroyed, lost or stolen, the Company shall execute and deliver a new note of like principal amount in exchange and substitution for the mutilated or defaced Note, or in lieu of and in substitution for the destroyed, lost or stolen Note. In the case of a mutilated or defaced Note, the Holder shall surrender such Note to the Company. In the case of any destroyed, lost or stolen Note, the Holder shall furnish to the Company: (i) evidence to its satisfaction of the destruction, loss or theft of such Note and (ii) such security or indemnity as may be reasonably required by the Company to hold the Company harmless.

10. Waiver of Demand, Presentment, etc. The Company hereby expressly waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, notice of acceleration or intent to accelerate, bringing of suit and diligence in taking any action to collect amounts called for hereunder and shall be directly and primarily liable for the payment of all sums owing and to be owing hereunder, regardless of and without any notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder. The Company agrees that, in the event of an Event of Default, to reimburse the Holder for all reasonable costs and expenses (including reasonable legal fees of one counsel) incurred in connection with the enforcement and collection of this Note.

11. Payment. All payments with respect to this Note shall be made in lawful money of the United States of America at the address of the Holder as of the date hereof or as designated in writing by the Holder from time to time. The receipt by the Holder of immediately available funds shall constitute a payment of Principal and interest hereunder and shall satisfy and discharge the liability for Principal and interest on this Note to the extent of the sum represented by such payment. Payment shall be credited first to the accrued interest then due and payable and the remainder applied to Principal.

12. Assignment. The rights and obligations of the Company and the Holder of this Note shall be binding upon, and inure to the benefit of, the successors and permitted assigns of the parties hereto. The Holder may not assign, pledge or otherwise transfer this Note or any interest therein without the prior written consent of the Company. Interest and Principal are payable only to the registered Holder of this Note on the books and records of the Company.

13. Waiver and Amendment. Any provision of this Note, including, without limitation, the due date hereof, and the observance of any term hereof, may be amended, waived or modified (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

14. Notices. Any notice, request or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or mailed by registered or certified mail, postage prepaid, or delivered by facsimile transmission, to such party at its address or telecopier number set forth below, or such other address or telecopier number as such party may hereinafter specify by notice to each other party thereto:

If to the Company, to:

Vringo, Inc.
18 East 16th Street
New York, New York 10003
Tel: (646) 525-4319 ext. 2503, Fax: (509) 271-5246

With a copy to:

Barry I. Grossman, Esq.
Ellenoff Grossman & Schole LLP
150 East 42nd Street
New York, NY 10017
Tel: (212) 370-1300, Fax: (212) 370-7889

If to the Holder:

[ ]

15. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of New York, excluding that body of law relating to conflicts of laws.

16. Consent to Jurisdiction. Any legal suit, action or proceeding arising out of or relating to this Note shall be instituted exclusively in New York Supreme Court, County of New York, or in the United Stated District Court for the Southern District of New York. The parties hereto hereby: (i) waives any objection which they may now have or hereafter have to the venue of any such suit, action or proceeding, and (ii) irrevocably consents to the jurisdiction of the New York Supreme Court, County of New York, and the United States District Court for the Southern District of New York in any such suit, action or proceeding. The parties further agree to accept and acknowledge service of any and all process which may be served in any such suit, action or proceeding in the New York Supreme Court, County of New York, or in the United States District Court for the Southern District of New York and agree that service of process upon a party mailed by certified mail to such party's address shall be deemed in every respect effective service of process upon such party in any such suit, action or proceeding.

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

18. Headings. Section headings in this Note are for convenience only, and shall not be used in the construction of this Note.

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first above written.

VRINGO, INC.

By: _____

Name: Jonathan Medved
Title: Chief Executive Officer

Schedule 5(a)

Additional Provisions for Conversion Warrants

Fundamental Transaction

If, at any time while this Warrant is outstanding, (i) the Company effects any merger or consolidation of the Company with or into another person, (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or another person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property or (iv) 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 (each, a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Registered Holder shall have the right to receive, for each share of Warrant Stock that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, 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 as a result of such 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. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Registered 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 Registered Holder a new warrant consistent with the foregoing provisions and evidencing the Registered Holder's right to exercise such warrant into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section [ ] and insuring that this Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction (1) that is an all cash transaction, (2) a "Rule 13e-3 transaction" as defined in Rule 13e-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or (3) a Fundamental Transaction involving a person or entity not traded on a national securities exchange, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or the OTC Bulletin Board, then the Company or any successor entity shall pay at the Registered Holder's option, exercisable at any time concurrently with or within 30 days after the later of the consummation of the Fundamental Transaction or receipt by the Registered Holder of notice of the Fundamental Transaction pursuant to Section [ ] hereof, an amount of cash equal to the value of this Warrant as determined in accordance with the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg L.P. using (A) (i) if the Common Stock is registered under the Exchange Act, a price per share of Common Stock equal to the volume weighted average price per share the Common Stock for the Trading Day immediately preceding the date of consummation of the applicable Fundamental Transaction or (ii) if the Common Stock is not registered under the Exchange Act, a price per share of Common Stock equal to the price paid per share of Common Stock by the successor or acquiring corporation in the Fundamental Transaction, (B) a risk-free interest rate corresponding to the U.S. Treasury rate for the 30 day period immediately prior to the consummation of the applicable Fundamental Transaction, (C) an expected volatility equal to the greater

of (i) 100% or (ii) 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, and (D) a remaining option time equal to the time between the date of the public announcement of such Fundamental Transaction and the Expiration Date.

Registered Holder's Exercise Limitations

The Company shall not effect any exercise of this Warrant, and a Registered Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section [ ] or otherwise, to the extent (but only to the extent) that the Registered Holder or any of the Registered Holder's affiliates, would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of this Section [ ], beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act (as defined herein) and the rules and regulations promulgated thereunder, it being acknowledged by the Registered Holder that the Company is not representing to the Registered Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Registered Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section [ ] applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Registered Holder together with any Affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Registered Holder, and the submission of an Exercise Notice shall be deemed to be the Registered Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Registered Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. Upon the written or oral request of a Registered Holder, the Company shall within two business days confirm orally and in writing to the Registered Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Registered Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Registered Holder, upon not less than 61 days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section [ ], provided that the Beneficial Ownership Limitation shall in no event exceed 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Registered Holder and the provisions of this Section [ ] shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section [ ] to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Cashless Exercise

Notwithstanding any provisions herein to the contrary, in lieu of exercising this Warrant in the manner set forth in Section [ ], the Registered Holder may elect to exercise this Warrant, or a portion hereof, and to pay for the Warrant Stock by way of cashless exercise (a "Cashless Exercise") unless at the Exercise Date, the sale of Common Stock to be received upon exercise of the Warrant is then registered, and such Common Stock is freely tradable pursuant to an effective Registration Statement under the Securities Act.

If the Registered Holder wishes to effect a cashless exercise, the Registered Holder shall deliver the Exercise Notice duly executed by such Registered Holder or by such Registered Holder's duly authorized attorney, at the principal office of the Company, or at such other office or agency as the Company may designate in writing prior to the date of such exercise, in which event the Company shall issue to the Registered Holder the number of shares of Warrant Stock computed according to the following equation:

$$X = \frac{Y*(A-B)}{A}$$

; where

X = the number of shares of Warrant Stock to be issued to the Registered Holder.

Y = the Warrant Stock purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant Stock being exercised.

A = the Fair Market Value (defined below) of one share of Common Stock on the Exercise Date.

B = the Exercise Price (as adjusted pursuant to the provisions of this Warrant).

For purposes of this Section [ ], the "Fair Market Value" of one share of Common Stock on the Exercise Date shall have one of the following meanings:

(1) if the Common Stock is traded on a national securities exchange, the Fair Market Value shall be deemed to be the average of the Closing Prices over a five trading day period ending on the Exercise Date. For the purposes of this Warrant, "Closing Price" means the final price at which one share of Common Stock is traded during any trading day; or

(2) if the Common Stock is traded over-the-counter, the Fair Market Value shall be deemed to be the average of the closing sales price over the thirty (30) day period ending three (3) days before the Exercise Date; or

(3) if neither (1) nor (2) is applicable, the Fair Market Value shall be at the commercially reasonable price per share which the Company could obtain on the Exercise Date from a willing buyer (not a current employee or director) for shares of Common Stock sold by the Company, from authorized but unissued shares, as determined in good faith by the Company's Board of Directors.

For illustration purposes only, if this Warrant entitles the Registered Holder the right to purchase 100,000 shares of Warrant Stock and the Holder were to exercise this Warrant for 50,000 shares of Warrant Stock at a time when the Exercise Price was reduced to $1.00 and the Fair Market Value of each share of Common Stock was $2.00 on the Exercise Date, as applicable, the cashless exercise calculation would be as follows:

$$X = \frac{50{,}000\ (\$2.00-\$1.00)}{\$2.00}$$

X = 25,000

Therefore, the number of shares of Warrant Stock to be issued to the Holder after giving effect to the cashless exercise would be 25,000 shares of Warrant Stock and the Company would issue the Holder a new Warrant to purchase 50,000 shares of Warrant Stock, reflecting the portion of this Warrant not exercised by the Holder. For purposes of Rule 144 promulgated under the Securities Act of 1933, as amended (the "Securities Act"), it is intended, understood and acknowledged that the Warrant Stock issued in the cashless exercise transaction described pursuant to Section [ ] shall be deemed to have been acquired by the Holder, and the holding period for the shares of Warrant Stock shall be deemed to have commenced, on the date of the Registered Holder's acquisition of the Warrant.

Dilution

If the Company shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any Common Stock or any security convertible or exercisable for Common Stock (a "Common Stock Equivalent") entitling the holder to acquire shares of Common Stock, at an effective price per share less than the then Exercise Price (such lower price, the "Base Share Price" and such issuances collectively, a "Dilutive Issuance") (if the holder of the Common Stock or Common Stock Equivalents so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive shares of Common Stock at an effective price per share that is less than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then, the Exercise Price shall be reduced and only reduced to equal the Base Share Price. Notwithstanding the foregoing, no adjustments shall be made under this Section [ ] with respect to any Exempt Issuance. "Exempt Issuance" shall mean the issuance of (i) up to 2,791,000 shares of Common Stock or Common Stock Equivalents (prior to the Reverse Split) issued or issuable to employees, directors and consultants pursuant to any equity compensation or similar plan currently existing; (ii) shares of Common Stock or Common Stock Equivalents issuable to employees, directors and consultants in connection with the initial public offering of the Company (the "IPO"), including options granted to such persons subsequent to the IPO equal to twenty percent (20%) of the Company's shares of Common Stock subsequent to the IPO on a fully diluted basis, including any shares issued pursuant to the exercise of an over-allotment option by an underwriter in connection with the IPO ("Fully Diluted Common Stock") (iii) shares of Common Stock or Common Stock Equivalents issuable to employees, directors and consultants pursuant to any equity compensation or similar plan currently existing or duly adopted by the Company's board of directors following the date hereof the primary purpose of which is to provide compensation and not to provide financing for the Company, other than issuances during the twelve months subsequent to the consummation of the IPO and issuances in any fiscal year subsequent to the consummation of the IPO that exceed two percent (2%) of the Company's shares of Fully Diluted Common Stock; (iv) securities issuable upon the exercise, exchange of, conversion or redemption of, or payment of liquidated or similar damages on, any securities issued hereunder; (v) other securities exercisable, exchangeable for, convertible into, or redeemable for shares of Common Stock or Common Stock Equivalents issued and outstanding on the date hereof on the terms in effect for such securities on the date hereof; and (vi) any securities, issued or issuable in connection with a bona fide strategic transaction approved by the board of directors or a committee thereof, the primary purpose of which is not to provide financing to the Company.

The Company shall notify the Registered Holder, in writing, no later than three (3) trading days following the issuance of any Common Stock or Common Stock Equivalents subject to this Section [ ], indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section [ ], upon the occurrence of any Dilutive Issuance, after the date of such Dilutive Issuance the Holder is entitled to receive a number of shares of Warrant Stock based upon the Base Share Price regardless of whether the Holder accurately refers to the Base Share Price in the Notice of Exercise. For purposes of the adjusted Exercise Price under this Section [ ], the following shall be applicable:

i. Issuance of Options. If the Company in any manner grants any Options and the lowest price per share for which one share of Common Stock is issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option is less than the Base Share Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting or sale of such Option for such price per share. For purposes of this Section [ ], the "lowest price per share for which one share of Common Stock is issuable upon exercise of such Options or upon conversion, exercise or exchange of such Convertible Securities issuable upon exercise of any such Option" shall be equal to the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one share of Common Stock upon the granting or sale of the Option, upon exercise of the Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option. No further adjustment of the Exercise Price or number of shares of Warrant Stock shall be made upon the actual issuance of such shares of Common Stock or of such Convertible Securities upon the exercise of such Options or upon the actual issuance of such shares of Common Stock upon conversion, exercise or exchange of such Convertible Securities.

ii. Issuance of Convertible Securities. If the Company in any manner issues or sells any Convertible Securities and the lowest price per share for which one share of Common Stock is issuable upon the conversion, exercise or exchange thereof is less than the Base Share Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this Section [ ], the "lowest price per share for which one share of Common Stock is issuable upon the conversion, exercise or exchange thereof" shall be equal to the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one share of Common Stock upon the issuance or sale of the Convertible Security and upon conversion, exercise or exchange of such Convertible Security. No further adjustment of the Exercise Price or number of shares of Warrant Stock shall be made upon the actual issuance of such shares of Common Stock upon conversion, exercise or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Options for which adjustment of this Warrant has been or is to be made pursuant to other provisions of this Section [ ], no further adjustment of the Exercise Price or number of shares of Warrant Stock shall be made by reason of such issue or sale.

iii. Change in Option Price or Rate of Conversion. If the purchase price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exercisable or exchangeable for shares of Common Stock increases or decreases at any time, the Exercise Price and the number of shares of Warrant Stock in effect at the time of such increase or decrease shall be adjusted to the Exercise Price and the number of shares of Warrant Stock which would have been in effect at such time had such Options or Convertible Securities provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate, as the case may be, at the time initially granted, issued or sold. For purposes of this Section [ ], if the terms of any Option or Convertible Security that was outstanding as of the date of issuance of this Warrant are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the shares of Common Stock deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this Section [ ] shall be made if such adjustment would result in an increase of the Exercise Price then in effect or a decrease in the number of shares of Warrant Stock.

iv. Calculation of Consideration Received. In case any Option is issued in connection with the issue or sale of other securities of the Company, together comprising one integrated transaction in which no specific consideration is allocated to such Options by the parties thereto, the Options will be deemed to have been issued for a consideration of $0.01. If any shares of Common Stock, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor will be deemed to be the net amount received by the Company therefor. If any shares of Common Stock, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Company will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company will be the Closing Sale Price of such security on the date of receipt. If any shares of Common Stock, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock, Options or Convertible Securities, as the case may be. The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Company and the holders of the Warrants representing at least a majority of shares of Common Stock underlying the Warrants then outstanding ("Required Holders"). If such parties are unable to reach agreement within ten (10) days after the occurrence of an event requiring valuation (the "Valuation Event"), the fair value of such consideration will be determined within five (5) Business Days after the tenth day following the Valuation Event by an independent, reputable appraiser jointly selected by the Company and the Required Holders. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

v. Record Date. If the Company takes a record of the holders of shares of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in shares of Common Stock, Options or in Convertible Securities or (B) to subscribe for or purchase shares of Common Stock, Options or Convertible Securities, then such record date will be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

When any adjustment is required to be made in the Exercise Price pursuant to this Section [ ], the Company shall promptly mail to the Registered Holder a certificate setting forth (i) a brief statement of the facts requiring such adjustment, (ii) the Exercise Price after such adjustment and (iii) the kind and amount of stock or other securities or property into which this Warrant shall be exercisable after such adjustment.

Schedule 8(d) – Indebtedness

1. Any refinancing or modification of the $4,295,788 of indebtedness outstanding under that certain Loan and Security Agreement, dated January 29, 2008, by and among the Company, Silicon Valley Bank, as agent, and the lenders named therein, as amended.

Exhibit I

VRINGO, INC.
CONVERSION NOTICE

Reference is made to the 5% Subordinated Unsecured Convertible Promissory Note in the original principal amount of $ of Vringo, Inc., a Delaware corporation (the "Company"), issued to the undersigned (the "Note"). In accordance with and pursuant to the terms of the Note, the undersigned hereby converts a portion or the entire outstanding principal amount due and owing under the Note, (excluding all accrued but unpaid interest thereon) (the "Conversion Amount"), into the below-referenced securities of the Company.

Please confirm the following information:

Conversion Amount: _____

Conversion Price: _____

Number of securities to be issued: _____

Please issue the securities into which the Note is being converted in the following name and to the following address:

Issue to: _____

Address: _____

Facsimile Number: _____

Authorization: _____

By: _____

Title: _____

Dated: _____

THE SECURITIES EVIDENCED BY THIS CERTIFICATE AND THE UNDERLYING SHARES OF COMMON STOCK ("WARRANT STOCK") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL FOR THE COMPANY STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT.

Warrant No. [ ] Number of Shares: [ ]

Date of Issuance: December 29, 2009

VRINGO, INC.

Form of Common Stock Warrant

Vringo, Inc. (the "Company"), for value received, hereby certifies that [ ], or its registered assigns (the "Registered Holder"), is entitled, subject to the terms of this Common Stock Warrant (the "Warrant") set forth below, to purchase from the Company, at any time after the date hereof and on or before December 29, 2014 (the "Expiration Date"), up to [ ] ([ ]) shares of common stock of the Company, par value $0.01 per share (the "Common Stock"), at a per share exercise price (the "Exercise Price") equal to Forty-Six Cents ($0.46) per share (subject to adjustment as set forth in Section 2).

1. **Exercise**.

(a) **Method of Exercise.** This Warrant may be exercised by the Registered Holder, in whole or in part, by delivering the form appended hereto as Exhibit A duly executed by such Registered Holder (the "Exercise Notice"), at the principal office of the Company, or at such other office or agency as the Company may designate in writing prior to the date of such exercise, accompanied by payment in full of the Exercise Price payable with respect to the number of shares of Warrant Stock purchased upon such exercise. The Exercise Price must be paid by cash, check or wire transfer in immediately available funds for the Warrant Stock being purchased by the Registered Holder, except as provided in Section 1(c).

(b) **Effective Time of Exercise.** Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which the Exercise Notice has been delivered to the Company (the "Exercise Date") as provided in this Section 1. At such time, the person or persons in whose name or names any certificates for Warrant Stock shall be issuable upon such exercise as provided in Section 1(d) below shall be deemed to have become the holder or holders of record of the Warrant Stock represented by such certificates.

(c) **Cashless Exercise.** Notwithstanding any provisions herein to the contrary, in lieu of exercising this Warrant in the manner set forth in Section 1(a), the Registered Holder may elect to exercise this Warrant, or a portion hereof, and to pay for the Warrant Stock by way of cashless exercise (a "Cashless Exercise") unless at the Exercise Date, the sale of Common Stock to be received upon exercise of the Warrant is then registered, and such Common Stock is freely tradable pursuant to an effective Registration Statement under the Securities Act. If the Registered Holder wishes to effect a cashless

exercise, the Registered Holder shall deliver the Exercise Notice duly executed by such Registered Holder or by such Registered Holder's duly authorized attorney, at the principal office of the Company, or at such other office or agency as the Company may designate in writing prior to the date of such exercise, in which event the Company shall issue to the Registered Holder the number of shares of Warrant Stock computed according to the following equation:

$$X = \frac{Y*(A-B)}{A}$$

; where

X = the number of shares of Warrant Stock to be issued to the Registered Holder.

Y = the Warrant Stock purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant Stock being exercised.

A = the Fair Market Value (defined below) of one share of Common Stock on the Exercise Date.

B = the Exercise Price (as adjusted pursuant to the provisions of this Warrant).

For purposes of this Section 1(c), the "Fair Market Value" of one share of Common Stock on the Exercise Date shall have one of the following meanings:

(1) if the Common Stock is traded on a national securities exchange, the Fair Market Value shall be deemed to be the average of the Closing Prices over a five trading day period ending on the Exercise Date. For the purposes of this Warrant, "Closing Price" means the final price at which one share of Common Stock is traded during any trading day; or

(2) if the Common Stock is traded over-the-counter, the Fair Market Value shall be deemed to be the average of the closing sales price over the thirty (30) day period ending three (3) days before the Exercise Date; or

(3) if neither (1) nor (2) is applicable, the Fair Market Value shall be at the commercially reasonable price per share which the Company could obtain on the Exercise Date from a willing buyer (not a current employee or director) for shares of Common Stock sold by the Company, from authorized but unissued shares, as determined in good faith by the Company's Board of Directors.

For illustration purposes only, if this Warrant entitles the Registered Holder the right to purchase 100,000 shares of Warrant Stock and the Holder were to exercise this Warrant for 50,000 shares of Warrant Stock at a time when the Exercise Price was reduced to $1.00 and the Fair Market Value of each share of Common Stock was $2.00 on the Exercise Date, as applicable, the cashless exercise calculation would be as follows:

$$X = \frac{50{,}000\ (\$2.00-\$1.00)}{\$2.00}$$

X = 25,000

Therefore, the number of shares of Warrant Stock to be issued to the Holder after giving effect to the cashless exercise would be 25,000 shares of Warrant Stock and the Company would issue the Holder a new Warrant to purchase 50,000 shares of Warrant Stock, reflecting the portion of this Warrant not exercised by the Holder. For purposes of Rule 144 promulgated under the Securities Act of 1933, as amended (the "Securities Act"), it is intended, understood and acknowledged that the Warrant Stock issued in the cashless exercise transaction described pursuant to Section 1(c) shall be deemed to have been acquired by the Holder, and the holding period for the shares of Warrant Stock shall be deemed to have commenced, on the date of the Registered Holder's acquisition of the Warrant.

(d) **Delivery to Holder.** As soon as practicable after the exercise of this Warrant in whole or in part, and in any event within three (3) business days thereafter (the "Warrant Stock Delivery Date"), the Company will cause to be issued in the name of, and delivered to, the Registered Holder, or as such Registered Holder (upon payment by such Registered Holder of any applicable transfer taxes) may direct:

(i) a certificate or certificates for the number of shares of Warrant Stock to which such Registered Holder shall be entitled, and

(ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of shares of Warrant Stock equal (giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of such shares purchased by the Registered Holder upon such exercise as provided in Section 1(a).

(e) **Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Exercise**. In addition to any other rights available to the Registered Holder, if the Company fails to transmit to the Registered Holder a certificate or the certificates representing the Warrant Stock pursuant to an exercise on or before the Warrant Stock Delivery Date, and if after such date the Registered Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Registered Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Registered Holder of the Warrant Stock which the Registered Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount by which (x) the Registered Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of shares of Warrant Stock that the Company was required to deliver to the Registered Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Registered Holder, either reinstate the portion of the Warrant and equivalent number of shares of Warrant Stock for which such exercise was not honored or deliver to the Registered Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Registered Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Registered Holder $1,000. The Registered Holder shall provide the Company written notice indicating the amounts payable to the Registered Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss.

(f) **Registered Holder's Exercise Limitations**. The Company shall not effect any exercise of this Warrant, and a Registered Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent (but only to the extent) that the Registered Holder or any of the Registered Holder's affiliates, would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of this Section 1(f), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act (as defined herein) and the rules and

regulations promulgated thereunder, it being acknowledged by the Registered Holder that the Company is not representing to the Registered Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Registered Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 1(f) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Registered Holder together with any Affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Registered Holder, and the submission of an Exercise Notice shall be deemed to be the Registered Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Registered Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. Upon the written or oral request of a Registered Holder, the Company shall within two business days confirm orally and in writing to the Registered Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Registered Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Registered Holder, upon not less than 61 days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 1(f), provided that the Beneficial Ownership Limitation shall in no event exceed 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Registered Holder and the provisions of this Section 1(f) shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 1(f) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

2. **Adjustments**.

(a) **Stock Splits and Dividends**. If the outstanding shares of the Company's Common Stock shall be subdivided into a greater number of shares or a dividend in Common Stock shall be paid in respect of Common Stock, the Exercise Price in effect immediately prior to such subdivision or at the record date of such dividend shall, simultaneously with the effectiveness of such subdivision or immediately after the record date of such dividend, be proportionately reduced and the number of Warrant Stock issuable upon exercise of the Warrant shall be proportionately increased. If the outstanding shares of Common Stock shall be combined into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall, simultaneously with the effectiveness of such combination, be proportionately increased and the number of shares of Warrant Stock issuable upon exercise of the Warrant shall be proportionately decreased. Notwithstanding anything to the contrary, in the event the first such combination subsequent to the issuance of the Warrant is the reverse split of the Common Stock in a range between 1 for 6 and 1 for 6.4 in connection with an initial public offering ("IPO") of the Common Stock ("Reverse Split"), the Exercise Price shall, simultaneously with the effectiveness of the Reverse Split, be increased to Two Dollars and Seventy-Five Cents ($2.75), provided that no other adjustments pursuant to Section 2 have occurred prior to such time.

(b) **Fundamental Transaction.** If, at any time while this Warrant is outstanding, (i) the Company effects any merger or consolidation of the Company with or into another person, (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or another person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property or (iv) 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 (each, a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Registered Holder shall have the right to receive, for each share of Warrant Stock that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, 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 as a result of such 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. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Registered 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 Registered Holder a new warrant consistent with the foregoing provisions and evidencing the Registered Holder's right to exercise such warrant into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 2(b) and insuring that this Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction (1) that is an all cash transaction, (2) a "Rule 13e-3 transaction" as defined in Rule 13e-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or (3) a Fundamental Transaction involving a person or entity not traded on a national securities exchange, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or the OTC Bulletin Board, then the Company or any successor entity shall pay at the Registered Holder's option, exercisable at any time concurrently with or within 30 days after the later of the consummation of the Fundamental Transaction or receipt by the Registered Holder of notice of the Fundamental Transaction pursuant to Section 6(d) hereof, an amount of cash equal to the value of this Warrant as determined in accordance with the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg L.P. using (A) (i) if the Common Stock is registered under the Exchange Act, a price per share of Common Stock equal to the volume weighted average price per share the Common Stock for the Trading Day immediately preceding the date of consummation of the applicable Fundamental Transaction or (ii) if the Common Stock is not registered under the Exchange Act, a price per share of Common Stock equal to the price paid per share of Common Stock by the successor or acquiring corporation in the Fundamental Transaction, (B) a risk-free interest rate corresponding to the U.S. Treasury rate for the 30 day period immediately prior to the consummation of the applicable Fundamental Transaction, (C) an expected volatility equal to the greater of (i) 100% or (ii) 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, and (D) a remaining option time equal to the time between the date of the public announcement of such Fundamental Transaction and the Expiration Date.

(c) **Subsequent Rights Offerings**. If the Company, at any time while the Warrant is outstanding, shall issue rights, options or warrants to all holders of Common Stock (and not to the Registered Holders) entitling them to subscribe for or purchase shares of Common Stock at a price per share less than Fair Market Value at the record date mentioned below, then the Exercise Price shall be multiplied by a fraction, of which the denominator shall be the number of shares of the Common Stock outstanding on the date of issuance of such rights, options or warrants plus the number of additional shares of Common Stock offered for subscription or purchase, and of which the numerator shall be the number of shares of the Common Stock outstanding on the date of issuance of such rights, options or warrants plus the number of shares which the aggregate offering price of the total number of shares so offered (assuming receipt by the Company in full of all consideration payable upon exercise of such rights, options or warrants) would purchase at such Fair Market Value. Such adjustment shall be made whenever such rights, options or warrants are issued, and shall become effective immediately after the record date for the determination of stockholders entitled to receive such rights, options or warrants.

(d) **Pro Rata Distributions**. If the Company, at any time while this Warrant is outstanding, shall distribute to all holders of Common Stock (and not to the Registered Holders) evidences of its indebtedness or assets (including cash and cash dividends) or rights or warrants to subscribe for or purchase any security other than the Common Stock (which shall be subject to Section 2(e)), then in each such case the Exercise Price shall be adjusted by multiplying the Exercise Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the Fair Market Value determined as of the record date mentioned above, and of which the numerator shall be such Fair Market Value on such record date less the then per share fair market value at such record date of the portion of such assets or evidence of indebtedness or rights or warrant so distributed applicable to one outstanding share of the Common Stock as determined by the Board of Directors in good faith. In either case the adjustments shall be described in a statement provided to the Registered Holder of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

(e) **Dilutive Issuances**. If the Company shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any Common Stock or any security convertible or exercisable for Common Stock (a "Common Stock Equivalent") entitling the holder to acquire shares of Common Stock, at an effective price per share less than the then Exercise Price (such lower price, the "Base Share Price" and such issuances collectively, a "Dilutive Issuance") (if the holder of the Common Stock or Common Stock Equivalents so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive shares of Common Stock at an effective price per share that is less than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then, the Exercise Price shall be reduced and only reduced to equal the Base Share Price and the number of shares of Warrant Stock issuable hereunder shall be increased such that the aggregate Exercise Price payable hereunder, after taking into account the decrease in the Exercise Price, shall be equal to the aggregate Exercise Price prior to such adjustment. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued. Notwithstanding the foregoing, no adjustments shall be made under this Section 2(e) with respect to any Exempt Issuance. "Exempt Issuance" shall mean the issuance of (i) up to 2,791,000 shares of Common Stock or Common Stock Equivalents (prior to the Reverse Split) issued or issuable to employees, directors and consultants pursuant to any equity compensation or similar plan currently existing; (ii) shares of Common Stock or Common Stock Equivalents issuable to employees, directors and consultants in connection with the initial public offering of the Company (the "IPO"), including options granted to such persons subsequent to the IPO equal to twenty percent (20%) of the Company's shares of Common Stock subsequent to the IPO on

a fully diluted basis, including any shares issued pursuant to the exercise of an over-allotment option by an underwriter in connection with the IPO ("Fully Diluted Common Stock") (iii) shares of Common Stock or Common Stock Equivalents issuable to employees, directors and consultants pursuant to any equity compensation or similar plan currently existing or duly adopted by the Company's board of directors following the date hereof the primary purpose of which is to provide compensation and not to provide financing for the Company, other than issuances during the twelve months subsequent to the consummation of the IPO and issuances in any fiscal year subsequent to the consummation of the IPO that exceed two percent (2%) of the Company's shares of Fully Diluted Common Stock; (iv) securities issuable upon the exercise, exchange of, conversion or redemption of, or payment of liquidated or similar damages on, any securities issued hereunder; (v) other securities exercisable, exchangeable for, convertible into, or redeemable for shares of Common Stock or Common Stock Equivalents issued and outstanding on the date hereof on the terms in effect for such securities on the date hereof; and (vi) any securities, issued or issuable in connection with a bona fide strategic transaction approved by the board of directors or a committee thereof, the primary purpose of which is not to provide financing to the Company.

The Company shall notify the Registered Holder, in writing, no later than three (3) trading days following the issuance of any Common Stock or Common Stock Equivalents subject to this Section 2(e), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 2(e), upon the occurrence of any Dilutive Issuance, after the date of such Dilutive Issuance the Holder is entitled to receive a number of shares of Warrant Stock based upon the Base Share Price regardless of whether the Holder accurately refers to the Base Share Price in the Notice of Exercise. For purposes of the adjusted Exercise Price under this Section 2(e), the following shall be applicable:

i. Issuance of Options. If the Company in any manner grants any Options and the lowest price per share for which one share of Common Stock is issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option is less than the Base Share Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting or sale of such Option for such price per share. For purposes of this Section 2(e)(i), the "lowest price per share for which one share of Common Stock is issuable upon exercise of such Options or upon conversion, exercise or exchange of such Convertible Securities issuable upon exercise of any such Option" shall be equal to the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one share of Common Stock upon the granting or sale of the Option, upon exercise of the Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option. No further adjustment of the Exercise Price or number of shares of Warrant Stock shall be made upon the actual issuance of such shares of Common Stock or of such Convertible Securities upon the exercise of such Options or upon the actual issuance of such shares of Common Stock upon conversion, exercise or exchange of such Convertible Securities.

ii. Issuance of Convertible Securities. If the Company in any manner issues or sells any Convertible Securities and the lowest price per share for which one share of Common Stock is issuable upon the conversion, exercise or exchange thereof is less than the Base Share Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this Section 2(e)(ii), the "lowest price per share for which one share of Common Stock is issuable upon the conversion, exercise or exchange thereof" shall be equal to the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one share of

Common Stock upon the issuance or sale of the Convertible Security and upon conversion, exercise or exchange of such Convertible Security. No further adjustment of the Exercise Price or number of shares of Warrant Stock shall be made upon the actual issuance of such shares of Common Stock upon conversion, exercise or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Options for which adjustment of this Warrant has been or is to be made pursuant to other provisions of this Section 2(e), no further adjustment of the Exercise Price or number of shares of Warrant Stock shall be made by reason of such issue or sale.

iii. Change in Option Price or Rate of Conversion. If the purchase price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exercisable or exchangeable for shares of Common Stock increases or decreases at any time, the Exercise Price and the number of shares of Warrant Stock in effect at the time of such increase or decrease shall be adjusted to the Exercise Price and the number of shares of Warrant Stock which would have been in effect at such time had such Options or Convertible Securities provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate, as the case may be, at the time initially granted, issued or sold. For purposes of this Section 2(e)(iii), if the terms of any Option or Convertible Security that was outstanding as of the date of issuance of this Warrant are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the shares of Common Stock deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this Section 2(e)(iii) shall be made if such adjustment would result in an increase of the Exercise Price then in effect or a decrease in the number of shares of Warrant Stock.

iv. Calculation of Consideration Received. In case any Option is issued in connection with the issue or sale of other securities of the Company, together comprising one integrated transaction in which no specific consideration is allocated to such Options by the parties thereto, the Options will be deemed to have been issued for a consideration of $0.01. If any shares of Common Stock, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor will be deemed to be the net amount received by the Company therefor. If any shares of Common Stock, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Company will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company will be the Closing Sale Price of such security on the date of receipt. If any shares of Common Stock, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock, Options or Convertible Securities, as the case may be. The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Company and the holders of the Warrants representing at least a majority of shares of Common Stock underlying the Warrants then outstanding ("Required Holders"). If such parties are unable to reach agreement within ten (10) days after the occurrence of an event requiring valuation (the "Valuation Event"), the fair value of such consideration will be determined within five (5) Business Days after the tenth day following the Valuation Event by an independent, reputable appraiser jointly selected by the Company and the Required Holders. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

v. Record Date. If the Company takes a record of the holders of shares of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in shares of Common Stock, Options or in Convertible Securities or (B) to subscribe for or purchase shares of Common Stock, Options or Convertible Securities, then such record date will be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(f) **Adjustment Certificate.** When any adjustment is required to be made in the Exercise Price pursuant to this Section 2, the Company shall promptly mail to the Registered Holder a certificate setting forth (i) a brief statement of the facts requiring such adjustment, (ii) the Exercise Price after such adjustment and (iii) the kind and amount of stock or other securities or property into which this Warrant shall be exercisable after such adjustment.

3. **Transfers.**

(a) **Unregistered Security.** The holder of this Warrant acknowledges that this Warrant and the Warrant Stock have not been registered under the Securities Act and agrees not to sell, pledge, distribute, offer for sale, transfer or otherwise dispose of this Warrant or any Warrant Stock issued upon its exercise in the absence of (i) an effective registration statement under the Securities Act as to this Warrant or such Warrant Stock and registration or qualification of this Warrant or such Warrant Stock under any applicable U.S. federal or state securities law then in effect or (ii) an opinion of counsel, reasonably satisfactory to the Company, that such registration and qualification are not required. Each certificate or other instrument for Warrant Stock issued upon the exercise of this Warrant shall bear a legend substantially to the foregoing effect.

(b) **Transferability.** Subject to the provisions of Section 3(a) hereof, this Warrant and all rights hereunder are transferable, in whole or in part, to (i) any entity controlling, controlled by or under common control of the Registered Holder, or (ii) to any other proposed transferee by surrendering the Warrant with a properly executed assignment (in the form of Exhibit B hereto) at the principal office of the Company.

(c) **Warrant Register.** The Company will maintain a register containing the names and addresses of the Registered Holders of this Warrant. Until any transfer of this Warrant is made in the warrant register, the Company may treat the Registered Holder of this Warrant as the absolute owner hereof for all purposes; provided, however, that if this Warrant is properly assigned in blank, the Company may (but shall not be required to) treat the bearer hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary. Any Registered Holder may change such Registered Holder's address as shown on the warrant register by written notice to the Company requesting such change.

4. **No Impairment.** The Company will not, by amendment of its certificate of incorporation or through reorganization, consolidation, merger, dissolution, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will (subject to Section 12 below) at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Registered Holder of this Warrant against impairment.

5. **Termination**. This Warrant (and the right to purchase securities upon exercise hereof) shall terminate at 5:00 p.m., Eastern time, on the Expiration Date.

6. **Notices of Certain Transactions.** In case:

(a) the Company shall take a record of the holders of its Common Stock (or other stock or securities at the time deliverable upon the exercise of this Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right, to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right, or

(b) of any capital reorganization of the Company, any reclassification of the capital stock of the Company, any consolidation or merger of the Company, any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the surviving entity), or any transfer of all or substantially all of the assets of the Company, or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company, or

(d) of any Fundamental Transaction,

then, and in each such case, the Company will mail or cause to be mailed to the Registered Holder of this Warrant a notice specifying, as the case may be, (i) the date on which a record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation, winding-up or Fundamental Transaction is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other stock or securities at the time deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up) are to be determined. Failure to send such notice shall not act to invalidate any such transaction.

7. **Reservation of Stock.** The Company covenants that at all times it will have authorized, reserve and keep available, solely for the issuance and delivery upon the exercise of this Warrant, such shares of Warrant Stock and other stock, securities and property, as from time to time shall be issuable upon the exercise of this Warrant. The Company covenants that all Warrant Stock that may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue). The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the shares of Warrant Stock upon the exercise of the purchase rights under this Warrant by the Registered Holder. The Company will take all such reasonable action as may be necessary to assure that such Warrant Stock may be issued as provided herein without violation of any applicable law or regulation.

8. **Replacement of Warrants.** Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to the Company, or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of like tenor.

9. **Notices.** Any notice required or permitted by this Warrant shall be in writing and shall be deemed duly given upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or 48 hours after being deposited in the regular mail as certified or registered mail

(airmail if sent internationally) with postage prepaid, addressed (a) if to the Registered Holder, to the address of the Registered Holder most recently furnished in writing to the Company and (b) if to the Company, to the address set forth on the signature page of this Warrant or as subsequently modified by written notice to the Registered Holder.

10. **No Rights as Stockholder.** Until the exercise of this Warrant, the Registered Holder of this Warrant shall not have or exercise any rights by virtue hereof as a stockholder of the Company.

11. **No Fractional Shares.** No fractional shares of Common Stock will be issued in connection with any exercise hereunder. In lieu of any fractional shares which would otherwise be issuable, the Company shall round the amount of Warrant Stock issuable to the nearest whole share.

12. **Amendment or Waiver.** Any term of this Warrant may be amended or waived upon written consent of the Company and the Registered Holder.

13. **Headings.** The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

14. **Governing Law.** This Warrant and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of New York, without giving effect to principles of conflicts of law.

15. **Representations and Covenants of the Registered Holder.** This Warrant has been entered into by the Company in reliance upon the following representations and covenants of the Registered Holder:

(a) **Investment Purpose.** The Registered Holder is acquiring the Warrant and the Warrant Stock issuable upon exercise of the Warrant for its own account, not as a nominee or agent and with no present intention of selling or otherwise distributing any part thereof.

(b) **Private Issue.** The Registered Holder understands: (i) that neither the Warrant nor the Warrant Stock is, nor will be, registered under the Securities Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Warrant will be exempt from the registration and qualifications requirements thereof pursuant to Section 4(2) of the Securities Act and any applicable state securities laws, and (ii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 15.

(c) **Disposition of Registered Holder's Rights.** In no event will the Registered Holder make a disposition of the Warrant or the Warrant Stock issuable upon exercise of the Warrant in the absence of (i) an effective registration statement under the Securities Act as to this Warrant or such Warrant Stock and registration or qualification of this Warrant or such Warrant Stock under any applicable U.S. federal or state securities law then in effect or (ii) an opinion of counsel, reasonably satisfactory to the Company, that such registration and qualification are not required. Whenever the restrictions imposed hereunder shall terminate, as hereinabove provided, the Registered Holder or holder of a share of common stock then outstanding as to which such restrictions have terminated shall be entitled to receive from the Company, without expense to such holder, one or more new certificates for the Warrant or for such shares of Common Stock not bearing any restrictive legend.

(d) **Financial Risk.** The Registered Holder has such business and financial experience as is required to give it the capacity to protect its own interests in connection with its investment.

(e) **Accredited Investor.** The Registered Holder is an "accredited investor" as defined by Rule 501 of Regulation D promulgated under the Securities Act.

16. **Representations and Warranties of the Company.** This Warrant has been entered into by the Registered Holder in reliance upon the following representations and covenants of the Company:

(a) **Authorization.** The Warrant has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

(b) **Valid Issuance.** The Warrant Stock is duly authorized and reserved for issuance, and when issued and delivered in accordance with the terms of this Warrant will be duly and validly issued, fully paid and nonassessable.

(c) **No Conflict.** The execution and delivery of this Warrant do not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in any violation of, breach or default (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation or acceleration of any obligation or to a loss of a material benefit, under, any provision of the Certificate of Incorporation or bylaws of the Company or any order, decree, statute, law, ordinance, rule, listing requirement or regulation applicable to the Company, its properties or assets, which conflict, violation, default or right would have a material adverse effect on the business, properties, prospects, financial condition or operations of the Company.

17. **Counterparts.** This Warrant may be executed in counterparts, and each such counterpart shall be deemed an original for all purposes.

IN WITNESS WHEREOF, the parties have executed this Warrant as of the date first above written.

VRINGO, INC.

By: _____
Name: Jonathan Medved
Title: Chief Executive Officer

Exhibit A

WARRANT EXERCISE FORM

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ shares of Common Stock of Vringo, Inc., a Delaware corporation, and hereby makes payment of $_____ in payment therefore (if a cashless exercise, insert “cashless”), all in accordance with the terms and conditions of the Warrant dated _____, 2009.

Name: _____

Signature: _____

Signature of joint holder (if applicable): _____

Date: _____

INSTRUCTIONS FOR ISSUANCE OF STOCK

(if other than to the registered holder of the within Warrant)

Name: _____

Address: _____

Social Security or Taxpayer Identification Number of Recipient: _____

Exhibit B

ASSIGNMENT FORM

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto _____ the right to purchase Common Stock of Vringo, Inc., a Delaware corporation, represented by this Warrant to the extent of shares as to which such right is exercisable and does hereby irrevocably constitute and appoint _____, Attorney, to transfer the same on the books of the Company with full power of substitution in the premises.

Date: _____

Signature: _____

Signature of joint holder (if applicable):

_____

THE SECURITIES EVIDENCED BY THIS CERTIFICATE AND THE UNDERLYING SHARES OF COMMON STOCK ("WARRANT STOCK") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL FOR THE COMPANY STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT.

Warrant No. ____ Number of Shares: _____

Date of Issuance: December 29, 2009

VRINGO, INC.

Common Stock Warrant

Vringo, Inc. (the "Company"), for value received, hereby certifies that [ ], or its registered assigns (the "Registered Holder"), is entitled, subject to the terms of this Common Stock Warrant (the "Warrant") set forth below, to purchase from the Company, at any time after the date which is sixty-five days after the Company consummates an initial public offering of its capital stock pursuant to the filing of a registration statement under the Securities Act which is declared effective by the Securities and Exchange Commission (the "IPO") and on or before December 29, 2013 (the "Expiration Date"), up to [ ] shares of common stock of the Company, par value $0.01 per share (the "Common Stock") at a per share exercise price (the "Exercise Price") equal to $0.001667 per share (subject to adjustment as set forth in Section 2).

1. **Exercise**.

(a) **Method of Exercise.** This Warrant may be exercised by the Registered Holder, in whole or in part, by delivering the form appended hereto as Exhibit A duly executed by such Registered Holder (the "Exercise Notice"), at the principal office of the Company, or at such other office or agency as the Company may designate in writing prior to the date of such exercise, accompanied by payment in full of the Exercise Price payable with respect to the number of shares of Warrant Stock purchased upon such exercise. The Exercise Price must be paid by cash, check or wire transfer in immediately available funds for the Warrant Stock being purchased by the Registered Holder.

(b) **Effective Time of Exercise.** Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which the Exercise Notice has been delivered to the Company (the "Exercise Date") as provided in this Section 1. At such time, the person or persons in whose name or names any certificates for Warrant Stock shall be issuable upon such exercise as provided in Section 1(c) below shall be deemed to have become the holder or holders of record of the Warrant Stock represented by such certificates.

(c) **Delivery to Holder.** As soon as practicable after the exercise of this Warrant in whole or in part, and in any event within three (3) business days thereafter (the "Warrant Stock Delivery Date"), the Company will cause to be issued in the name of, and delivered to, the Registered Holder, or as

such Registered Holder (upon payment by such Registered Holder of any applicable transfer taxes) may direct:

(i) a certificate or certificates for the number of shares of Warrant Stock to which such Registered Holder shall be entitled, and

(ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of shares of Warrant Stock equal (giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of such shares purchased by the Registered Holder upon such exercise as provided in Section 1(a).

(d) **Lock-Up Agreement**.

(i) For six (6) months subsequent to the Exercise Date (the "Lock-Up Period"), the Registered Holder shall not, directly or indirectly, offer, sell, agree to sell, grant any option with respect to, pledge or otherwise dispose of the Warrant Stock (the "Locked-Up Shares").

(ii) Notwithstanding the foregoing, the Registered Holder may sell: (w) 25% of the Locked-Up Shares if the Trading Price exceeds $7.00 for five consecutive Trading Days; (x) 50% of the Locked-Up Shares if the Trading Price exceeds $7.50 for five consecutive Trading Days; (y) 75% of the Locked-Up Shares if the Trading Price exceeds $8.00 for five consecutive Trading Days; and (z) 100% of the Locked-Up Shares if the Trading Price exceeds $8.50 for five consecutive Trading Days. For purposes of this Agreement, "Trading Price" shall mean the closing sales price of the Common Stock as reported on a public market in the U.S and "Trading Day" means a day on which the principal public market for the Common Stock is open for trading.

(iii) The Registered Holder hereby authorizes the Company during the Lock-Up Period to cause any transfer agent for the Class to decline to transfer, and to note stop-transfer restrictions on the stock register and other records relating to, the Locked-Up Shares for which Holder is the record holder and, in the case of Locked-Up Shares for which Holder is the beneficial but not the record holder, agrees during the Lock-Up Period to cause the record holder to cause the relevant transfer agent to decline to transfer, and to note stop-transfer restrictions on the stock register and other records relating to, its Locked-Up Shares.

(e) **Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Exercise**. In addition to any other rights available to the Registered Holder, if the Company fails to transmit to the Registered Holder a certificate or the certificates representing the Warrant Stock pursuant to an exercise on or before the Warrant Stock Delivery Date, and if after such date the Registered Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Registered Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Registered Holder of the Warrant Stock which the Registered Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount by which (x) the Registered Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of shares of Warrant Stock that the Company was required to deliver to the Registered Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Registered Holder, either reinstate the portion of the Warrant and equivalent number of shares of Warrant Stock for which such exercise was not honored or deliver to the Registered Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Registered

Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Registered Holder $1,000. The Registered Holder shall provide the Company written notice indicating the amounts payable to the Registered Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss.

(f) **Registered Holder's Exercise Limitations**. The Company shall not effect any exercise of this Warrant, and a Registered Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent (but only to the extent) that the Registered Holder or any of the Registered Holder's affiliates, would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of this Section 1(f), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act (as defined herein) and the rules and regulations promulgated thereunder, it being acknowledged by the Registered Holder that the Company is not representing to the Registered Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Registered Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 1(f) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Registered Holder together with any Affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Registered Holder, and the submission of an Exercise Notice shall be deemed to be the Registered Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Registered Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. Upon the written or oral request of a Registered Holder, the Company shall within two business days confirm orally and in writing to the Registered Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Registered Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Registered Holder, upon not less than 61 days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 1(f), provided that the Beneficial Ownership Limitation shall in no event exceed 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Registered Holder and the provisions of this Section 1(f) shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 1(f) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

2. **Adjustments**.

(a) **Stock Splits and Dividends.** If the outstanding shares of the Company's Common Stock shall be subdivided into a greater number of shares or a dividend in Common Stock shall be paid in respect of Common Stock, the Exercise Price in effect immediately prior to such subdivision or at the record date of such dividend shall, simultaneously with the effectiveness of such subdivision or immediately after the record date of such dividend, be proportionately reduced and the number of Warrant

Stock issuable upon exercise of the Warrant shall be proportionately increased. If the outstanding shares of Common Stock shall be combined into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall, simultaneously with the effectiveness of such combination, be proportionately increased and the number of shares of Warrant Stock issuable upon exercise of the Warrant shall be proportionately decreased. Notwithstanding anything to the contrary, in the event the first such combination subsequent to the issuance of the Warrant is the reverse split of the Common Stock in a range between 1 for 6 and 1 for 6.4 in connection with the IPO ("Reverse Split"), the Exercise Price shall, simultaneously with the effectiveness of the Reverse Split, be increased to One Cent ($0.01), provided that no other adjustments pursuant to Section 2 have occurred prior to such time.

(b) **Fundamental Transaction.** If, at any time while this Warrant is outstanding, (i) the Company effects any merger or consolidation of the Company with or into another person, (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or another person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property or (iv) 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 (each, a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Registered Holder shall have the right to receive, for each share of Warrant Stock that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, 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 as a result of such 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. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Registered 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 Registered Holder a new warrant consistent with the foregoing provisions and evidencing the Registered Holder's right to exercise such warrant into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 2(b) and insuring that this Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(c) **Subsequent Rights Offerings**. If the Company, at any time while the Warrant is outstanding, shall issue rights, options or warrants to all holders of Common Stock (and not to the Registered Holders) entitling them to subscribe for or purchase shares of Common Stock at a price per share less than Fair Market Value (as defined herein) at the record date mentioned below, then the Exercise Price shall be multiplied by a fraction, of which the denominator shall be the number of shares of the Common Stock outstanding on the date of issuance of such rights, options or warrants plus the number of additional shares of Common Stock offered for subscription or purchase, and of which the numerator shall be the number of shares of the Common Stock outstanding on the date of issuance of such rights, options or warrants plus the number of shares which the aggregate offering price of the total number of shares so offered (assuming receipt by the Company in full of all consideration payable upon exercise of such rights, options or warrants) would purchase at such Fair Market Value. Such adjustment

shall be made whenever such rights, options or warrants are issued, and shall become effective immediately after the record date for the determination of stockholders entitled to receive such rights, options or warrants.

(d) **Pro Rata Distributions**. If the Company, at any time while this Warrant is outstanding, shall distribute to all holders of Common Stock (and not to the Registered Holders) evidences of its indebtedness or assets (including cash and cash dividends) or rights or warrants to subscribe for or purchase any security other than the Common Stock, then in each such case the Exercise Price shall be adjusted by multiplying the Exercise Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the Fair Market Value determined as of the record date mentioned above, and of which the numerator shall be such Fair Market Value on such record date less the then per share fair market value at such record date of the portion of such assets or evidence of indebtedness or rights or warrant so distributed applicable to one outstanding share of the Common Stock as determined by the Board of Directors in good faith. In either case the adjustments shall be described in a statement provided to the Registered Holder of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

(e) **Adjustment Certificate.** When any adjustment is required to be made in the Exercise Price pursuant to this Section 2, the Company shall promptly mail to the Registered Holder a certificate setting forth (i) a brief statement of the facts requiring such adjustment, (ii) the Exercise Price after such adjustment and (iii) the kind and amount of stock or other securities or property into which this Warrant shall be exercisable after such adjustment.

(f) Fair Market Value. For purposes of this Section 2, the "Fair Market Value" of one share of Common Stock on the Exercise Date shall have one of the following meanings:

(1) if the Common Stock is traded on a national securities exchange, the Fair Market Value shall be deemed to be the average of the Closing Prices over a five trading day period ending on the Exercise Date. For the purposes of this Warrant, "Closing Price" means the final price at which one share of Common Stock is traded during any trading day; or

(2) if the Common Stock is traded over-the-counter, the Fair Market Value shall be deemed to be the average of the closing sales price over the thirty (30) day period ending three (3) days before the Exercise Date; or

(3) if neither (1) nor (2) is applicable, the Fair Market Value shall be at the commercially reasonable price per share which the Company could obtain on the Exercise Date from a willing buyer (not a current employee or director) for shares of Common Stock sold by the Company, from authorized but unissued shares, as determined in good faith by the Company's Board of Directors.

3. **Transfers.**

(a) **Unregistered Security.** The holder of this Warrant acknowledges that this Warrant and the Warrant Stock have not been registered under the Securities Act and agrees not to sell, pledge, distribute, offer for sale, transfer or otherwise dispose of this Warrant or any Warrant Stock issued upon its exercise in the absence of (i) an effective registration statement under the Securities Act as to this

Warrant or such Warrant Stock and registration or qualification of this Warrant or such Warrant Stock under any applicable U.S. federal or state securities law then in effect or (ii) an opinion of counsel, reasonably satisfactory to the Company, that such registration and qualification are not required. Each certificate or other instrument for Warrant Stock issued upon the exercise of this Warrant shall bear a legend substantially to the foregoing effect.

(b) **Transferability.** Subject to the provisions of Section 3(a) hereof, this Warrant and all rights hereunder are transferable, in whole or in part, to (i) any entity controlling, controlled by or under common control of the Registered Holder, or (ii) to any other proposed transferee by surrendering the Warrant with a properly executed assignment (in the form of Exhibit B hereto) at the principal office of the Company.

(c) **Warrant Register.** The Company will maintain a register containing the names and addresses of the Registered Holders of this Warrant. Until any transfer of this Warrant is made in the warrant register, the Company may treat the Registered Holder of this Warrant as the absolute owner hereof for all purposes; provided, however, that if this Warrant is properly assigned in blank, the Company may (but shall not be required to) treat the bearer hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary. Any Registered Holder may change such Registered Holder's address as shown on the warrant register by written notice to the Company requesting such change.

4. **No Impairment.** The Company will not, by amendment of its certificate of incorporation or through reorganization, consolidation, merger, dissolution, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will (subject to Section 12 below) at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Registered Holder of this Warrant against impairment.

5. **Termination**. This Warrant (and the right to purchase securities upon exercise hereof) shall terminate at 5:00 p.m., Eastern time, on the Expiration Date.

6. **Notices of Certain Transactions.** In case:

(a) the Company shall take a record of the holders of its Common Stock (or other stock or securities at the time deliverable upon the exercise of this Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right, to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right, or

(b) of any capital reorganization of the Company, any reclassification of the capital stock of the Company, any consolidation or merger of the Company, any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the surviving entity), or any transfer of all or substantially all of the assets of the Company, or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company, or

(d) of any Fundamental Transaction,

then, and in each such case, the Company will mail or cause to be mailed to the Registered Holder of this Warrant a notice specifying, as the case may be, (i) the date on which a record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation, winding-up or Fundamental Transaction is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other stock or securities at the time deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up) are to be determined. Failure to send such notice shall not act to invalidate any such transaction.

7. **Reservation of Stock.** The Company covenants that at all times it will have authorized, reserve and keep available, solely for the issuance and delivery upon the exercise of this Warrant, such shares of Warrant Stock and other stock, securities and property, as from time to time shall be issuable upon the exercise of this Warrant. The Company covenants that all Warrant Stock that may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue). The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the shares of Warrant Stock upon the exercise of the purchase rights under this Warrant by the Registered Holder. The Company will take all such reasonable action as may be necessary to assure that such Warrant Stock may be issued as provided herein without violation of any applicable law or regulation.

8. **Replacement of Warrants.** Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to the Company, or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of like tenor.

9. **Notices.** Any notice required or permitted by this Warrant shall be in writing and shall be deemed duly given upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or 48 hours after being deposited in the regular mail as certified or registered mail (airmail if sent internationally) with postage prepaid, addressed (a) if to the Registered Holder, to the address of the Registered Holder most recently furnished in writing to the Company and (b) if to the Company, to the address set forth on the signature page of this Warrant or as subsequently modified by written notice to the Registered Holder.

10. **No Rights as Stockholder.** Until the exercise of this Warrant, the Registered Holder of this Warrant shall not have or exercise any rights by virtue hereof as a stockholder of the Company.

11. **No Fractional Shares.** No fractional shares of Common Stock will be issued in connection with any exercise hereunder. In lieu of any fractional shares which would otherwise be issuable, the Company shall round the amount of Warrant Stock issuable to the nearest whole share.

12. **Amendment or Waiver.** Any term of this Warrant may be amended or waived upon written consent of the Company and the Registered Holder.

13. **Headings.** The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

14. **Governing Law.** This Warrant and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of New York, without giving effect to principles of conflicts of law.

15. **Representations and Covenants of the Registered Holder.** This Warrant has been entered into by the Company in reliance upon the following representations and covenants of the Registered Holder:

(a) **Investment Purpose.** The Registered Holder is acquiring the Warrant and the Warrant Stock issuable upon exercise of the Warrant for its own account, not as a nominee or agent and with no present intention of selling or otherwise distributing any part thereof.

(b) **Private Issue.** The Registered Holder understands: (i) that neither the Warrant nor the Warrant Stock is, nor will be, registered under the Securities Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Warrant will be exempt from the registration and qualifications requirements thereof pursuant to Section 4(2) of the Securities Act and any applicable state securities laws, and (ii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 15.

(c) **Disposition of Registered Holder's Rights.** In no event will the Registered Holder make a disposition of the Warrant or the Warrant Stock issuable upon exercise of the Warrant in the absence of (i) an effective registration statement under the Securities Act as to this Warrant or such Warrant Stock and registration or qualification of this Warrant or such Warrant Stock under any applicable U.S. federal or state securities law then in effect or (ii) an opinion of counsel, reasonably satisfactory to the Company, that such registration and qualification are not required. Whenever the restrictions imposed hereunder shall terminate, as hereinabove provided, the Registered Holder or holder of a share of common stock then outstanding as to which such restrictions have terminated shall be entitled to receive from the Company, without expense to such holder, one or more new certificates for the Warrant or for such shares of Common Stock not bearing any restrictive legend.

(d) **Financial Risk.** The Registered Holder has such business and financial experience as is required to give it the capacity to protect its own interests in connection with its investment.

(e) **Accredited Investor.** The Registered Holder is an "accredited investor" as defined by Rule 501 of Regulation D promulgated under the Securities Act.

16. **Representations and Warranties of the Company.** This Warrant has been entered into by the Registered Holder in reliance upon the following representations and covenants of the Company:

(a) **Authorization.** The Warrant has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

(b) **Valid Issuance.** The Warrant Stock is duly authorized and reserved for issuance, and when issued and delivered in accordance with the terms of this Warrant will be duly and validly issued, fully paid and nonassessable.

(c) **No Conflict.** The execution and delivery of this Warrant do not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in any violation of, breach or default (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation or acceleration of any obligation or to a loss of a material benefit, under, any provision of the Certificate of Incorporation or bylaws of the Company or any order, decree, statute, law, ordinance, rule, listing requirement or regulation applicable to the Company, its properties or assets, which conflict, violation, default or right would have a material adverse effect on the business, properties, prospects, financial condition or operations of the Company.

17. **Counterparts.** This Warrant may be executed in counterparts, and each such counterpart shall be deemed an original for all purposes.

IN WITNESS WHEREOF, the parties have executed this Warrant as of the date first above written.

VRINGO, INC.

By: _____
Name: Jonathan Medved
Title: Chief Executive Officer

Exhibit A

WARRANT EXERCISE FORM

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ shares of Common Stock of Vringo, Inc., a Delaware corporation, and hereby makes payment of $_____ in payment therefore, all in accordance with the terms and conditions of the Warrant dated _____, 2009.

Name: _____

Signature: _____

Signature of joint holder (if applicable): _____

Date: _____

INSTRUCTIONS FOR ISSUANCE OF STOCK

(if other than to the registered holder of the within Warrant)

Name: _____

Address: _____

Social Security or Taxpayer Identification Number of Recipient: _____

Exhibit B

ASSIGNMENT FORM

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto _____ the right to purchase Common Stock of Vringo, Inc., a Delaware corporation, represented by this Warrant to the extent of shares as to which such right is exercisable and does hereby irrevocably constitute and appoint _____, Attorney, to transfer the same on the books of the Company with full power of substitution in the premises.

Date: _____

Signature: _____

Signature of joint holder (if applicable):

_____

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AND PURSUANT TO THE PROVISIONS OF ARTICLE 5 BELOW, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAW OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS EXEMPT FROM REGISTRATION.

FORM OF WARRANT TO PURCHASE STOCK (SENIOR LENDER)

Company:	Vringo, Inc., a Delaware corporation
Number of Shares:	[ ], subject to adjustment
Class of Stock:	Common Stock, $0.01 par value per share
Warrant Price:	[ ], subject to adjustment
Issue Date:	December 29, 2009
Expiration Date:	As set forth in Section 5.1 below
Credit Facility:	This Warrant is issued in connection with that certain First Loan Modification Agreement, of even date herewith, to that certain Loan and Security Agreement dated January 29, 2008, among Silicon Valley Bank, Gold Hill Venture Lending 03, L.P. and the Company (as amended, the "Loan Agreement")

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, [ ] (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "Holder") is entitled to purchase the number of fully paid and nonassessable shares (the "Shares") of the above-stated Class of Stock (the "Class") of the above-named company (the "Company") at the above-stated Warrant Price per Share, all as set forth above and as adjusted pursuant to Article 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

ARTICLE 1. EXERCISE.

1.1 Method of Exercise. Holder may exercise this Warrant by delivering the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached as Appendix 1 to the principal office of the Company. Unless Holder is exercising the conversion right set forth in Article 1.2, Holder shall also deliver to the Company a check, wire transfer (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Conversion Right. In lieu of exercising this Warrant as specified in Article 1.1, Holder may from time to time, upon surrender of this Warrant and delivery of a duly executed Notice of Exercise in substantially the form attached as Appendix 1 to the principal office of the Company, convert this Warrant, in whole or in part, into a

number of Shares determined by dividing (a) the aggregate fair market value of the Shares or other securities otherwise issuable upon exercise of this Warrant minus the aggregate Warrant Price of such Shares by (b) the fair market value of one Share. The fair market value of the Shares shall be determined pursuant to Article 1.3.

1.3 Fair Market Value. If the Company's common stock, $0.01 par value per share ("Common Stock") is traded in a public market, the fair market value of a Share shall be the closing price of a share of Common Stock reported for the business day immediately before Holder delivers this Warrant together with its Notice of Exercise to the Company (or in the instance where the Warrant is exercised immediately prior to the effectiveness of the registration statement filed in connection with the Company's initial public offering ("IPO"), the "price to public" per share price specified in the final prospectus relating to such offering). If the Company's Common Stock is not traded in a public market, the Board of Directors of the Company shall determine fair market value in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Promptly after Holder exercises or converts this Warrant and, if applicable, the Company receives payment of the aggregate Warrant Price, the Company shall deliver to Holder certificates for the Shares acquired and, if this Warrant has not been fully exercised or converted and has not expired, a new Warrant representing the Shares not so acquired.

1.5 Replacement of Warrants. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company and/or its transfer agent or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor.

1.6 Treatment of Warrant Upon Acquisition of Company.

1.6.1 "Acquisition". For the purpose of this Warrant, "Acquisition" means any sale, license, or other disposition of all or substantially all of the assets of the Company, or any reorganization (other than a combination, reclassification, exchange or subdivision of shares otherwise provided for herein), consolidation, merger or sale of outstanding capital stock of the Company where the holders of the Company's securities before the transaction beneficially own less than a majority of the outstanding voting securities of the surviving entity after the transaction.

1.6.2 Treatment of Warrant at Acquisition.

A) Holder agrees that, in the event of an Acquisition in which the sole consideration is cash, either (a) Holder shall exercise its conversion or purchase right under this Warrant and such exercise will be deemed effective immediately prior to the consummation of such Acquisition or (b) if Holder elects not to exercise the Warrant, this Warrant will expire upon the consummation of such Acquisition. The Company shall provide the Holder with written notice of such Acquisition (together with such reasonable information as the Holder may request in connection with such contemplated Acquisition giving rise to such notice), which is to be delivered to Holder not less than ten (10) days prior to the closing of the proposed Acquisition.

B) Upon the written request of the Company, Holder agrees that, in the event of an Acquisition that is an "arms length" sale of all or substantially all of the Company's assets (and only its assets) to a third party that is not an Affiliate (as defined below) of the Company (a "True Asset Sale"), either (a) Holder shall exercise its conversion or purchase right under this Warrant and such exercise will be deemed effective immediately prior to the consummation of such True Asset Sale or (b) if Holder elects not to exercise the Warrant, this Warrant will continue until the Expiration Date if the Company continues as a going concern following the closing of any such True Asset Sale. The Company shall provide the Holder with written notice of its request relating to the foregoing (together with such reasonable information as the Holder may request in connection with such contemplated Acquisition giving rise to such notice), which is to be delivered to Holder not less than ten (10) days prior to the closing of the proposed Acquisition.

C) Upon the closing of any Acquisition other than those particularly described in subsections (A) and (B) above, the successor entity shall assume the obligations of this Warrant, and this Warrant shall be exercisable for the same securities, cash, and property as would be payable for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on the record date for the Acquisition and subsequent closing. The Warrant Price and/or number of Shares shall be adjusted accordingly.

As used herein "Affiliate" shall mean any person or entity that owns or controls directly or indirectly ten percent (10%) or more of the stock of the Company, any person or entity that controls or is controlled by or is under common control with such persons or entities, and each of such person's or entity's officers, directors, joint venturers or partners, as applicable.

D) Notwithstanding the foregoing provisions of Section 1.6.2(C), in the event that the acquiror in an Acquisition does not agree to assume this Warrant at and as of the closing thereof, this Warrant, to the extent not exercised or converted on or prior to such closing, shall terminate and be of no further force or effect as of immediately following such closing if all of the following conditions are met: (i) the acquiror is subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, (ii) the class and series of stock or other security of the acquiror that would be received by Holder in connection with such Acquisition were Holder to exercise or convert this Warrant on or prior to the closing thereof is listed for trading on a national securities exchange or approved for quotation on an automated inter-dealer quotation system, (iii) the value (determined as of the closing of such Acquisition in accordance with the definitive agreements therefor) of the acquiror stock and/or other securities that would be received by Holder in respect of each Share were Holder to exercise or convert this Warrant on or prior to the closing of such Acquisition is equal to or greater than four (4) times the then-effective Warrant Price, and (iv) Holder would be able to publicly resell, during the three (3) month period immediately following the closing of such Acquisition, without contractual restriction or restriction under federal or state securities laws, all of the acquiror stock and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing thereof.

ARTICLE 2. ADJUSTMENTS TO THE SHARES.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend on the outstanding shares of the Class payable in Common Stock or other securities, then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without cost to Holder, the total number and kind of securities to which Holder would have been entitled had Holder owned the Shares of record as of the date the dividend occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any reclassification, exchange, substitution, or other event that results in a change of the number and/or class of the securities issuable upon exercise or conversion of this Warrant, Holder shall be entitled to receive, upon exercise or conversion of this Warrant, the number and kind of securities and property that Holder would have received for the Shares if this Warrant had been exercised immediately before such reclassification, exchange, substitution, or other event. Such an event shall include, without limitation, any automatic conversion of the outstanding or issuable securities of the Company of the same class or series as the Shares to Common Stock pursuant to the terms of the Company's Amended and Restated Certificate of Incorporation, as amended from time to time (the "Certificate of Incorporation"). The Company or its successor shall promptly issue to Holder an amendment to this Warrant setting forth the number and kind of such new securities or other property issuable upon exercise or conversion of this Warrant as a result of such reclassification, exchange, substitution or other event that results in a change of the number and/or class of securities issuable upon exercise or conversion of this Warrant. The amendment to this Warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 2 including, without limitation, adjustments to the Warrant Price and to the number of securities or property issuable upon exercise of the new Warrant. The provisions of this Article 2.2 shall similarly apply to successive reclassifications, exchanges, substitutions, or other events.

2.3 [Intentionally Omitted].

2.4 No Impairment. The Company shall not, by amendment of its Certificate of Incorporation or through a reorganization, transfer of assets, consolidation, merger, dissolution, issue, or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Warrant by the Company, but shall at all times in good faith assist in carrying out of all the provisions of this Article 2 and in taking all such action as may be necessary or appropriate to protect Holder's rights under this Article against impairment; provided, however, that, subject to the provisions of Section 1.6 above, nothing in this Warrant (including this Article 2.4) shall prohibit the Company from taking any corporate action (including an amendment of its Certificate of Incorporation or a reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action) if the Company receives the approval of its stockholders and the Board of Directors required under its Certificate of Incorporation and the Delaware General Corporation Law so long as such action does not, by its terms, treat Holder differently than all other holders of shares of the same class or series issuable upon exercise of this Warrant.

2.5 Fractional Shares. No fractional Shares shall be issuable upon exercise or conversion of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of this Warrant, the Company shall eliminate such fractional share interest by paying Holder the amount computed by multiplying the fractional interest by the fair market value of a full Share.

2.6 Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company shall promptly notify Holder in writing, and, at the Company's expense, promptly compute such adjustment, and furnish Holder with a certificate of its Chief Financial Officer or other duly authorized officer setting forth such adjustment and the facts upon which such adjustment is based. The Company shall, upon written request, furnish Holder a certificate setting forth the Warrant Price, Class and number of Shares in effect upon the date thereof and the series of adjustments leading to such Warrant Price, Class and number of Shares.

ARTICLE 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the fair market value of a share of Common Stock as most recently determined by the Company's Board of Directors.

(b) All Shares which may be issued upon the exercise of the purchase right represented by this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, and free of any liens and encumbrances except for (i) restrictions on transfer provided for herein or under applicable federal and state securities laws, and (ii) liens created solely by or through Holder.

(c) The Company's capitalization table attached hereto as Schedule 1 is, excepting the inclusion of this Warrant, true and complete as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time (a) to declare any dividend or distribution upon the outstanding shares of the same class and series as the Shares, whether in cash, property, stock, or other securities and whether or not a regular cash dividend; (b) to offer for subscription or sale pro rata to the holders of the outstanding shares of the same class and series as the Shares any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights); (c) to effect any reclassification, reorganization or recapitalization of any of its stock; or (d) to effect an Acquisition or to liquidate, dissolve or wind up; then, in connection with each such event, the Company shall give Holder: (1) at least ten (10) days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of shares of the same class and series as the Shares will be entitled thereto) or

for determining rights to vote, if any, in respect of the matters referred to in (c) and (d) above; and (2) in the case of the matters referred to in (c) and (d) above at least ten (10) days prior written notice of the date when the same will take place (and specifying the date on which the holders of shares of the same class and series as the Shares will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event).

3.3 Registration Under the Securities Act of 1933, as amended. Upon a request from persons holdings not less than a majority of the Registrable Securities (as defined herein) then outstanding that the Company file a registration statement with respect to all or part of the Registrable Securities under the Securities Act of 1933, as amended (the "Act"), then the Company shall use its best efforts to effect the registration under the Act of all the Registrable Securities that have been requested to be registered pursuant to such request. Notwithstanding the foregoing, the Company shall not be required to effect or take any action to effect a registration statement pursuant to this Section 3.3 prior to its filing of a registration statement covering the shares of the Class issuable (a)upon conversion or exercise of the securities issued in the Company's bridge offering and (b) upon the exchange of the shares of Series B Convertible Preferred Stock of the Company held by Warburg Pincus Private Equity IX, L.P. or its permitted transferees for Common Stock. For purposes of this Article 3.3, "Registrable Securities" means the shares of the Class issuable upon (x) exercise of this Warrant by the Holder or its permitted transferees, (y) exercise of the warrant issued to Silicon Valley Bank dated the date hereof, and (z) any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such Registrable Securities shall cease to be Registrable Securities (and the Company shall not be required to file a registration statement hereunder with respect thereto) for so long as such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 under the Act.

3.4 No Stockholder Rights. Except as provided in this Warrant, Holder will not have any rights as a stockholder of the Company until the exercise of this Warrant.

3.5 Certain Information. The Company agrees to provide Holder at any time and from time to time with such information as Holder may reasonably request for purposes of Holder's compliance with regulatory, accounting and reporting requirements applicable to Holder.

ARTICLE 4. REPRESENTATIONS, WARRANTIES OF HOLDER. Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by Holder will be acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying

securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities 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 any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise or conversion hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise or conversion hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available.

4.6 Lock-Up Agreement.

(a) For six (6) months subsequent to the consummation of the IPO (the "Lock-Up Period"), the Holder shall not, directly or indirectly, offer, sell, agree to sell, grant any option with respect to, pledge or otherwise dispose of the Shares (the "Locked-Up Shares").

(b) The Holder hereby authorizes the Company during the Lock-Up Period to cause any transfer agent for the Class to decline to transfer, and to note stop-transfer restrictions on the stock register and other records relating to, the Locked-Up Shares for which Holder is the record holder and, in the case of Locked-Up Shares for which Holder is the beneficial but not the record holder, agrees during the Lock-Up Period to cause the record holder to cause the relevant transfer agent to decline to transfer, and to note stop-transfer restrictions on the stock register and other records relating to, its Locked-Up Shares.

ARTICLE 5. MISCELLANEOUS.

5.1 Term: Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before the tenth (10th) anniversary of the Issue Date hereof (the "Expiration Date").

5.2 Legends. This Warrant and the Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AND PURSUANT TO THE PROVISIONS OF ARTICLE 5 OF THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE COMPANY TO [ ] DATED AS OF _____, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAW OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS EXEMPT FROM REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part without compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to any "affiliate" (as defined under the Act) of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act.

5.4 Transfer Procedure. Subject to the provisions of Article 5.3 and upon providing the Company with written notice, Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable directly or indirectly, upon conversion of the Shares, if any) to any transferee, provided, however, in connection with any such transfer, Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable). The Company may refuse to transfer this Warrant or the Shares to any person or entity who directly competes with the Company, unless, in either case, the stock of the Company is publicly traded.

5.5 Notices. All notices and other communications from the Company to the Holder, or vice versa, shall be deemed delivered and effective when given personally or mailed by first-class registered or certified mail, postage prepaid, at such address as may have been furnished to the Company or Holder, as the case may (or on the first business day after transmission by facsimile) be, in writing by the Company or such holder from time to time. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

[_____]

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Vringo, Inc.
Attn: David Corre
BIG Center, Bet Shemesh
1 Yigal Allon Blvd
Bet Shemesh 99062
Israel
Telephone: +972 2 990 2503
Facsimile: +972 2 991 3382

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorney's Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Automatic Conversion upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be converted pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised or converted, and the Company shall promptly deliver a certificate representing the Shares (or such other securities) issued upon such conversion to Holder.

5.9 Counterparts. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement.

5.10 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its principles regarding conflicts of law.

5.11 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provisions of this Warrant.

5.12 Termination of Prior Warrant. Effective upon the execution and delivery of this Warrant by the Company to Holder, that certain Warrant to Purchase Stock dated as of January 29, 2008 issued by the Company to Holder shall be deemed to be terminated and of no further force or effect.

"COMPANY"

VRINGO, INC.

By: _____

Name: _____
(Print)

Title:

"HOLDER"

[ ]

APPENDIX 1

NOTICE OF EXERCISE

1. Holder elects to purchase _____ shares of the Common/Series _____ Preferred [strike one] Stock of _____ pursuant to the terms of the attached Warrant, and tenders payment of the purchase price of the shares in full.

[or]

1. Holder elects to convert the attached Warrant into Shares/cash [strike one] in the manner specified in the Warrant. This conversion is exercised for _____ of the Shares covered by the Warrant.

[Strike paragraph that does not apply.]

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____
Holders Name

_____

_____
(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Article 4 of the Warrant as of the date hereof.

HOLDER:

_____

By: _____

Name: _____

Title: _____

(Date): _____

SCHEDULE 1

Company Capitalization Table

See attached

Exhibit 21

Subsidiaries of Vringo, Inc.

Full Legal Name	Jurisdiction of Incorporation
Vringo (Israel) Ltd.	Israel

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Vringo, Inc. (a Development Stage Company)

We consent to the use of our report included herein and to the reference to our firm under the heading “Experts” in the prospectus.

Our report contains an explanatory paragraph that states that the Company has suffered recurring losses from operations and has a net capital deficiency, which raise substantial doubt about its ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of that uncertainty.

/s/ Somekh Chaikin

Somekh Chaikin
Certified Public Accountants Isr.
A member firm of KPMG International

Jerusalem, Israel
January 28, 2010