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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 7, 2014

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

Delaware	**333-181719**	**45-4484428**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

167 Penn Street, Washington Boro, Pennsylvania 17582
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(717) 215-9872**

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

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e -4(c))

EXPLANATORY NOTE

Unless otherwise noted, references in this Current Report on Form 8-K to "Cardax," the "Company," "we," "our" or "us" means Cardax, Inc., the registrant, and, unless the context otherwise requires, together with its wholly-owned subsidiary, Cardax Pharma, Inc., a Delaware corporation ("Pharma"), and Pharma's predecessor, Cardax Pharmaceuticals, Inc., a Delaware corporation ("Holdings"). The Company's website address is www.cardaxpharma.com. This website and information contained on, or that can be accessed through, the website are not part of this report.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

There are statements in this Current Report on Form 8-K that are not historical facts. These "forward-looking statements" can be identified by use of terminology such as "anticipate," "believe," "estimate," "expect," "hope," "intend," "may," "plan," "positioned," "project," "propose," "should," "strategy," "will," or any similar expressions. You should be aware that these forward-looking statements are subject to risks and uncertainties that are beyond our control. For a discussion of these risks, you should read this entire Current Report on Form 8-K carefully, especially the risks discussed under the section entitled "Risk Factors." Although we believe that our assumptions underlying such forward-looking statements are reasonable, we do not guarantee our future performance, and our actual results may differ materially from those contemplated by these forward-looking statements. Our assumptions used for the purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances, including the development, acceptance and sales of our products and our ability to raise additional funding sufficient to implement our strategy. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. In light of these numerous risks and uncertainties, we cannot provide any assurance that the results and events contemplated by our forward-looking statements contained in this Current Report on Form 8-K will in fact transpire. **These forward-looking statements are not guarantees of future performance. You are cautioned to not place undue reliance on these forward-looking statements, which speak only as of their dates.** We do not undertake any obligation to update or revise any forward-looking statements.

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On February 7, 2014, the closing date (the "Closing Date") of the Merger described in Item 2.01 below, we accepted the terms of, and entered into that certain Subscription Agreement dated as of February 7, 2014, by and between Pharma and the purchasers of securities named therein (the "Subscription Agreement"). The Subscription Agreement provided for aggregate gross cash proceeds to us of $3,923,100 in exchange for the issuance and sale of an aggregate 6,276,960 of shares of our common stock ("Common Stock") (after giving effect to the Stock Dividend described below in Item 2.01), and the grant of Class A Warrants to purchase an aggregate of 6,276,960 shares of our Common Stock (after giving effect to the Stock Dividend) for a price per share of $0.625, subject to certain specified adjustments for changes or reclassifications to our Common Stock, that will expire in five years.

On the Closing Date of the Merger, we assumed the obligations of Pharma under the following agreements, which are collectively referred to as the "Placement Agent Agreements":

- that certain Placement Agent Agreement dated January 3, 2014, by and between Pharma and Portfolio Advisors Alliance, Inc. ("Portfolio Advisors"), and acknowledged by Agincourt Ltd. ("Agincourt");
- that certain Financial Consulting Agreement dated January 3, 2014, by and between Pharma and Portfolio Advisors Alliance, and acknowledged by Agincourt;
- that certain Exclusive Investment Banking Agreement dated as of March 12, 2013, and supplemented as of May 21, 2013 and December 3, 2013, by and among Holdings, Pharma, and Agincourt, as the placement agent (the "Exclusive Investment Banking Agreement"); and
- that certain Sub-Agency Agreement dated December 12, 2013, by and between Agincourt and Paulson Investment Company, Inc., as the sub-agent, and acknowledged by Holdings and Pharma (the "Sub-Agency Agreement", and collectively with the Exclusive Investment Banking Agreement, the "Agincourt Agreements").

Pursuant to the Subscription Agreement and the Placement Agent Agreements, we issued and sold an aggregate of 6,276,960 shares of Common Stock (after giving effect to the Stock Dividend) at a price per share of $0.625, and granted warrants to purchase an aggregate of 8,537,405 shares of Common Stock (after giving effect to the Stock Dividend) at a price per share of $0.625, subject to certain specified adjustments for changes or reclassifications to our Common Stock.

ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

On January 10, 2014, pursuant to that certain Stock Purchase Agreement dated January 10, 2014 (the "Purchase Agreement"), by and among Cardax, Pharma and Holdings, we acquired 66.67 shares of common stock of Pharma, which represented 40% of the issued and outstanding shares of common stock of Pharma after giving effect to the issuance of such shares, in exchange for an aggregate of 30,000,000 shares of our Common Stock (after giving effect to the Stock Dividend) that we issued to Pharma. Pharma transferred the shares of our Common Stock to Holdings as a dividend. Immediately prior to the closing (the "Closing") of the Merger, Holdings owned 60% of Pharma and approximately 39% of our issued and outstanding shares of Common Stock.

On the Closing Date of the Merger, in accordance with the terms of the Agreement and Plan of Merger dated as of November 27, 2013 (the "Merger Agreement"), by and among Cardax, Cardax Acquisition, Inc., a Delaware corporation and our wholly-owned subsidiary ("Cardax Sub"), Holdings, and Pharma, as amended by (i) First Amendment dated as of January 10, 2014 and (ii) Second Amendment dated as of February 7, 2014, Cardax Sub was merged with and into Pharma (the "Merger"). Pharma was the surviving corporation in the Merger. There was no cash consideration exchanged in the Merger. Accordingly, on the Closing Date of the Merger, Pharma became our wholly-owned subsidiary and we acquired the life sciences business of Pharma.

Under the terms of the Merger Agreement, prior to or at the Closing of the Merger:

- We authorized a stock dividend of 3.4 shares of our Common Stock for each one share of Common Stock to stockholders of record on January 9, 2014 (the "Stock Dividend"), which will be distributed after the Merger; and
- Our certificate of incorporation and the bylaws were amended and restated.

In accordance with the terms of the Purchase Agreement, the Merger Agreement, the Subscription Agreement, the Placement Agent Agreements, options granted under our 2014 Equity Compensation Plan (the "2014 Plan"), including options granted in substitution of the options granted by Holdings under its 2006 Stock Incentive Plan (the "2006 Plan"), and the Services Agreement (as defined below), on the Closing Date, we issued the following shares of Common Stock, warrants and options to purchase shares of Common Stock:

Holder	Securities	Shares of Common Stock[1]
Holdings	Common Stock	33,229,093[2]
Holders of senior secured convertible promissory notes previously issued by Pharma	Common Stock	14,446,777
Holders of senior secured convertible promissory notes previously issued by Pharma	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	14,446,777
Holders of convertible unsecured promissory notes issued by Pharma	Common Stock	3,353,437
Holders of convertible unsecured promissory notes issued by Pharma	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	3,321,600
Purchasers of Common Stock under the Subscription Agreement and the Agincourt Agreements	Common Stock	6,276,960
Purchasers of Common Stock under the Subscription Agreement and the Agincourt Agreements	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	6,276,960
Placement agents and other persons	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	3,660,445[3]
Certain Service Providers	Warrants to purchase shares of Common Stock at specified price that is not less than $1.25 per share that will expire in 3 years	700,000 [4]
Employees, service providers, and other persons	Equity incentive options or other grants under the 2014 Plan	27,756,821

(1) Number of shares after giving effect to the Stock Dividend.

(2) Represents 30,000,000 shares of our Common Stock issued pursuant to the Purchase Agreement and 3,229,093 shares of our Common Stock issued pursuant to the Merger Agreement.

(3) Includes (a) a warrant issued to Highline Research Advisors LLC, which is owned by an affiliate of a principal of Agincourt, to purchase an aggregate of 750,000 shares of our Common Stock, at an exercise price of $0.625 per share, issued in connection with investor relations and financial consulting services provided to Holdings and Pharma and services to be provided to us after the Merger and (b) a warrant issued to an entity that provides certain website and investment relations related services to us to purchase an aggregate of 250,000 shares of our Common Stock, at an exercise price of $0.625 per share.

(4) Warrant to purchase up to 700,000 shares of our Common Stock, that provides for the purchase of: (i) until the date that is 2 years after the Closing Date of the Merger, 500,000 shares at a price based on the initial trading price of the shares of our Common Stock on February 10, 2014 but not less than $1.25 per share; (ii) until the date that is 3 years after the Closing Date of the Merger,100,000 shares at 140% of the price per share of the initial tranche of 500,000 shares; and (iii) until the date that is 3 years after the Closing Date of the Merger, 100,000 shares at 140% of the price per share of the second tranche, all as provided in the form of such warrant which is filed as an exhibit to this Current Report on Form 8-K (the "JLS Warrant").

All of the shares of Common Stock and warrants issued, described above, including pursuant to the Purchase Agreement, the Merger Agreement, the Subscription Agreement, the Placement Agent Agreements, and the options were granted under our 2014 Plan are restricted securities, as defined in paragraph (a) of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). All such securities were issued pursuant to an exemption from the registration requirements of the Securities Act, under Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder.

We intend to prepare and file a registration statement on Form S-1, within 60 days after the Closing Date of the Merger, to permit a resale of the shares of Common Stock and the shares of Common Stock underlying the warrants that were issued in connection with the Merger, Subscription Agreement and Placement Agent Agreements.

Concurrently with the Closing of the Merger, AAK Ventures, LLC, a Delaware limited liability company ("AAK") and the owner of 39,820,000 restricted shares of Common Stock (after giving effect to the Stock Dividend), which represented approximately 52% of our outstanding shares of Common Stock immediately prior to the Closing, delivered to Cardax all of such shares for cancellation, and AAK ceased being a stockholder of Cardax. Austin Kibler, our sole Chief Executive Officer and sole director immediately prior to the Closing, is the sole member of AAK and will continue to beneficially own 50,001.6 shares of our Common Stock. In addition, concurrently with the Closing of the Merger, certain of our stockholders delivered to us for cancellation an aggregate of 963,604.4 freely tradable shares of our Common Stock.

On the Closing Date of the Merger, we distributed all of the issued and outstanding shares of our wholly-owned subsidiary, Koffee Korner's Inc., a Texas corporation, which operated our retail coffee business, to Nazneen D'Silva, in accordance with the terms of the Spin-off Agreement dated as of February 7, 2014.

On February 7, 2014, Cardax Sub was merged with and into Pharma pursuant to the Merger Agreement. Item 2.01(f) of Form 8-K provides that if the registrant was a shell company, other than a business combination related shell company, as those terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), immediately before the transaction, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10 under the Exchange Act reflecting all classes of the registrant's securities subject to the reporting requirements of Section 13 of the Exchange Act upon consummation of the transaction. We are providing below the information that we would be required to disclose on Form 10 under the Exchange Act as if Cardax was a shell company immediately before the transaction. Please note that the information provided below relates to the combined enterprises after the Merger of Cardax Sub with and into Pharma, except as the context may otherwise require.

BUSINESS

Our Corporate History and Background

On November 27, 2013, Cardax, Cardax Sub, Holdings, and Pharma entered into the Merger Agreement, and, on February 7, 2014, the Merger was consummated, as described above in this Item 2.01.

We acquired our business through the following transactions:

May 5, 2006:	Holdings acquired the intellectual property and other assets regarding certain astaxanthin technologies from Hawaii Biotech, Inc., a Delaware corporation ("HBI"), in exchange for shares of common stock of Holdings, shares of preferred stock of Holdings, options to purchase shares of common stock of Holdings and the assumption by Holdings of certain liabilities of HBI.
May 5, 2006 to May 31, 2013:	Holdings continued the research and development of astaxanthin technologies and related compounds and raised capital primarily through the issuance of debt securities.
May 31, 2013	Holdings contributed its assets to Pharma in exchange for all of the capital stock of Pharma and the assumption by Pharma of all of the liabilities of Holdings.
May 31, 2013 to February 7, 2014:	Pharma continued the business of Holdings including the research and development of nutraceutical and pharmaceutical technologies, including the commercialization of our technologies for products, and raised capital through the offering of senior secured convertible promissory notes.
January 10, 2014	We made our first investment in Pharma by purchasing 40% of the Pharma common stock (determined after our purchase of such shares) for shares of our Common Stock.
February 7, 2014:	We consummated the Merger and will continue the nutraceutical and pharmaceutical business of Pharma.

In connection with the Merger, we amended and restated our certificate of incorporation and bylaws, in the forms filed herewith as Exhibits 3.1 and 3.2, respectively, and incorporated herein by reference, changed our name from Koffee Korner Inc. to Cardax, Inc., changed our fiscal year end to December 31, and changed the par value of our Common Stock and preferred stock to $0.001 per share.

Prior to the Merger, we operated under the name of "Koffee Korner's, Inc." as a single location retailer of specialty coffee located in Houston, Texas. Koffee Korner's, Inc. was initially formed as a Texas corporation in July 2003 and became a Delaware corporation in January 2012. On the Closing Date, we distributed all of the issued and outstanding shares of Koffee Korner's Inc., which operated our retail coffee business, to Nazneen D'Silva, in accordance with the terms of the Spin-off Agreement dated as February 7, 2014 (the "Spin-off Agreement"). Under the terms of the Spin-off Agreement, we will be indemnified and held harmless against any and all losses, liabilities, damages and expenses whatsoever as and when incurred arising out of, or based upon, or in connection with our business and the business of Koffee Korner's Inc. prior to the date of this distribution.

Our auditors have included in their report on our financial statements a "going concern" explanatory paragraph; that is to say, our financial statements have been prepared assuming that we will continue as a going concern. Given our recurring losses from operations from inception to December 31, 2012 and September 30, 2013, there is substantial doubt of our ability to continue as a going concern.

Business Overview

We are a development stage life sciences company devoting substantially all of our efforts to developing nutraceutical and pharmaceutical technologies for products that provide the anti-inflammatory benefits of steroids or non-steroidal anti-inflammatory drugs ("NSAIDS"), but in certain cases, with the safety status of Generally Recognized as Safe ("GRAS") designation conferred by the United States Food and Drug Administration ("FDA") at certain doses. We will use our proprietary technologies to develop and commercialize products and related derivatives that have the same or substantially similar properties as occurring in nature or "nature-identical," by total synthesis to provide scalable, pure, and economical therapies for diseases where inflammation and oxidative stress are strongly implicated, including, but not limited to, osteoarthritis, rheumatoid arthritis, dyslipidemia, metabolic disease, diabetes, cardiovascular disease, hepatitis, cognitive decline, macular degeneration, and prostate disease. Many anti-inflammatory drugs have significant safety risks and side effects that limit their utility, especially in treating a chronic disease. Our ability to develop and commercialize proprietary, nature-identical products and related derivatives provide us with a competitive advantage through a novel treatment approach that combines robust efficacy with safety, oral bioavailability, and tissue selectivity. To date, we have not produced and commercialized any products or generated any revenues from our life sciences business.

Strategic Alliances

We intend to expand our capabilities for the development, manufacturing, marketing and distribution or other exploitation of products based on our proprietary technologies by entering into one or more strategic alliances with companies that have established capabilities. Initially, in November 2006 we entered into a Joint Development and Supply Agreement (the "BASF Agreement") with BASF SE, a German corporation ("BASF") relating to the research, development, manufacture, and the related intellectual property rights with respect to human nutraceutical and pharmaceutical products containing or utilizing synthetically manufactured astaxanthin in the geometric (*trans*) and optical (*S*,*S'*) isomeric form most prevalent in nature ("ASTX-1"), which is the same geometric and optical isomeric form of astaxanthin found in GRAS-designated microalgal astaxanthin products. Under the BASF Agreement, we have granted BASF an exclusive world-wide license to our rights related to the development and commercialization of human nutraceutical products containing or utilizing ASTX-1 ("BASF Astaxanthin Products"). This license will provide us with potential benefits including specified royalties for future net sales of BASF Astaxanthin Products, from and after the development and manufacture and applicable regulatory approval of any such BASF Astaxanthin Products. The BASF Agreement provides that BASF will manufacture and supply Cardax with preclinical, clinical, and commercial scale amounts of ASTX-1 for pharmaceutical applications ("Cardax Astaxanthin") on a mutually exclusive basis. The BASF Agreement is subject to certain termination rights of the parties. If any termination is a result of the non-renewal of the then current term of the agreement or because BASF no longer manufactures astaxanthin, then the terminating party shall, upon the request of the non-terminating party, grant the non-terminating party a reasonable royalty-bearing, irrevocable, worldwide non-exclusive license of certain intellectual property rights of the terminating party. Either party may also terminate the BASF Agreement if there is a change of a controlling interest in the other party, and in the case of the Company, the controlling interest is acquired by a manufacturer of synthetic carotenoids.

Our Strategy

We believe we are well positioned for significant and sustained growth by focusing on additional research and development to commercialize nutraceutical and pharmaceutical technologies or products utilizing synthetically manufactured astaxanthin and related xanthophyll carotenoids, which deliver nature-identical compounds to the body and reduce inflammation in a multifaceted, quantifiable, and inherently safer manner than steroids or NSAIDS.

Our initial primary focus is astaxanthin technologies. Astaxanthin is a naturally occurring marine compound that has robust anti-oxidant and anti-inflammatory activity with exceptional safety. Peer-reviewed studies have shown that astaxanthin reduces inflammation, at its source, without the harmful side effects that are common with other anti-inflammatory pharmaceutical products, for example steroids and NSAIDS, including immune system suppression, liver damage, cardiovascular disease risk, and gastrointestinal bleeding. Astaxanthin is also known for giving salmon and lobster their distinctive red coloration.

Astaxanthin has an exceptional safety profile. For example, the FDA has responded with no questions regarding the conclusion made in GRAS Notice No. GRN 000294 by Fuji Chemical Industry Co., Ltd. ("Fuji") that *Haematococcus pluvialis* extract containing astaxanthin esters (the primary ingredient in its microalgal astaxanthin nutraceutical product) is GRAS under the intended conditions of use. Other microalgal astaxanthin nutraceutical manufacturers, including Cyanotech Corporation and Algatechnologies, Ltd., have relied on Fuji's GRAS designation and self-affirmed their astaxanthin products as GRAS.

In humans, astaxanthin has been found in publicly available research studies to lower important inflammatory and metabolic disease measures such as tumor necrosis factor alpha ("TNF-α"), high-sensitivity complement reactive protein ("hsCRP"), low-density lipoprotein cholesterol ("LDL-C"), apolipoprotein B ("ApoB"), and triglycerides while raising adiponectin and high-density lipoprotein cholesterol ("HDL-C"). Astaxanthin has also positively affected markers of oxidative stress in humans including isoprostanes, malondialdehyde ("MDA"), total anti-oxidant capacity ("TAC"), and superoxide dismutase ("SOD"). Astaxanthin and related esters have demonstrated efficacy in models of inflammatory-mediated disease including reduction of TNF-α levels equivalent to a steroid, reduction of liver enzymes and liver histological damage, reduction of cholesterol levels, reduction of elevated triglycerides, decrease of atheroma formation, reduction of oxidized-LDL levels, reduction in blood clot formation with no increase in bleeding, and decrease in myocardial tissue damage following experimentally-induced myocardial infarction.

We believe that the current manufacturing capability of astaxanthin producers utilizing microalgal or other natural manufacturing processes may not satisfy the growing demand for astaxanthin and there will be a need for the synthetic production of nature-identical astaxanthin with pharmaceutical-grade purity at economical costs.

We plan to promote scientific understanding of astaxanthin through several strategies, including:

- sponsoring relevant scientific and medical conferences and presenting or facilitating the presentation of appropriate scientific data to the thousands of physicians and key opinion leaders and the patient groups who typically attend these conferences;
- advancing direct-to-consumer internet and social media marketing;
- continuing to support scientific research and publication of peer-reviewed papers; we have collaborated on more than 50 such papers, including 10 papers published in *The American Journal of Cardiology*, that have noted the benefits and safety of astaxanthin in the treatment of diseases that have inflammation as a common cause;

- convening scientific advisory board meetings to review existing and planned scientific research, with scientific advisory board members including, but not limited to, persons previously engaged by Holdings, in the areas of osteoarthritis, cardiovascular disease, and liver disease; and
- conducting human clinical trials.

While human clinical trials are not required for FDA nutraceutical approval of astaxanthin products, and under applicable regulations we are not permitted to make claims for treatment of diseases for any nutraceutical products, we believe that positive results from a Phase I human clinical trial and a suite of approximately three to five Phase II human clinical trials in select disease areas of major unmet medical need would significantly raise scientific and consumer awareness that would promote nutraceutical sales and advance our pharmaceutical development program.

Safety

Safety is a critical aspect of drug development in the current regulatory environment. Many anti-inflammatory drugs target highly specific biological enzymes or receptors such as cyclooxygenase 2 ("COX-2"), TNF-α, and C-C chemokine receptor type 2 ("CCR2"). While these natural targets play a significant role in inflammation, they are also critical components of other important biological pathways. With chronic use of most anti-inflammatory drugs, these pathways may not function normally, resulting in adverse side effects. Also, these treatments often negatively affect other crucial biological systems, creating additional off-target side effects.

In contrast, astaxanthin safely reduces inflammation at its source, in that it:

- localizes in the plasma, mitochondrial, and nuclear membranes;
- scavenges or quenches the unwanted initiators and effectors of inflammation—reactive oxygen ("ROS") and nitrogen species ("RNS"); and
- demonstrates no evidence of the immunosuppressive effects of steroids or TNF-α inhibitors or off-target effects (e.g., receptor or pathway).

Planned Clinical Development

We plan to raise additional capital or enter into a strategic collaboration to pursue clinical development of Cardax Astaxanthin:

- as an over-the-counter drug ("OTC") and/or prescription drug ("Rx"), in the same form as BASF Astaxanthin Products, if BASF Astaxanthin Products obtain all applicable regulatory approvals or designations necessary for marketing as a nutraceutical; and/or
- as an Rx, in our novel ASTX-1 ester form, CDX-085, which has additional patent protection and possible formulation or bioavailability benefits versus BASF Astaxanthin Products.

In addition to our astaxanthin portfolio, we will continue to pursue our other proprietary anti-inflammatory programs based on our zeaxanthin and lycophyll technologies, which are members of the same class of xanthophyll carotenoids as astaxanthin and have potential applications including, but not limited to, macular degeneration and hepatic disease, and prostate disease, respectively. Similar to our strategy relating to the launch of our astaxanthin products, we may launch our zeaxanthin and lycophyll technologies first as nutraceuticals and later develop them as OTC and/or Rx pharmaceuticals.

Our Planned Pharmaceutical Program

We believe that a pharmaceutical program will increase our revenue opportunities. A pharmaceutical product would enable the delivery of astaxanthin with an FDA approved OTC label for disease treatment at consumer-appropriate doses and/or an FDA approved Rx label for disease treatment at physician-recommended doses, and should support increased market penetration. We have patents covering pharmaceutical compositions of astaxanthin esters, allowing us to transition an astaxanthin nutraceutical product into a pharmaceutical product following requisite clinical trials and FDA approval.

We may choose to undertake the following actions upon certain events including if BASF Astaxanthin Products obtain all applicable regulatory approvals or designations necessary for marketing as a nutraceutical:

- file an Investigational New Drug application ("IND") with the FDA;
- conduct a Phase I human clinical trial to expand clinical dosing of Cardax Astaxanthin beyond that of the approved nutraceutical dose of BASF Astaxanthin Products; and
- conduct three to five Phase II human clinical trials, with a range of doses in areas of major consumer health and/or unmet medical need.

This strategy would offer more than one potential avenue of development and mitigate the risks, including "binary events," associated with single indication development. We may appropriately augment our management team to pursue this strategy.

If any of the lower doses of Cardax Astaxanthin tested in our planned Phase II human clinical trials demonstrate robust safety and efficacy in an area of major consumer health need and are less than or equal to the currently approved nutraceutical dose of BASF Astaxanthin Products, we may decide to conduct pivotal Phase III trials and file a 505(b)(1) or 505(b)(2) New Drug Application ("NDA") to obtain an OTC label for "low-dose" Cardax Astaxanthin ("OTC-ASTX"). Post-approval clinical studies could also be conducted to expand the label and/or dose. OTC-ASTX may be initially targeted for light-to-moderate osteoarthritis or the onset of other inflammatory disorders. Marketing and distribution of OTC-ASTX could be conducted through BASF or its affiliates, global consumer health companies, or global pharmaceutical companies under license from Cardax, or through any other strategic relationship that we find acceptable.

If any of the higher doses of Cardax Astaxanthin tested in any such Phase II human clinical trials demonstrate robust safety and efficacy in an area of major unmet medical need, then we may decide to conduct pivotal Phase III trials and file a 505(b)(1) NDA to obtain an Rx label for "high-dose" Cardax Astaxanthin ("Rx-ASTX"). Rx-ASTX may be initially targeted for moderate-to-severe osteoarthritis, rheumatoid arthritis, cognitive decline, metabolic disease, dyslipidemia, or diabetes. Post-approval clinical studies could also be conducted to expand the initial label. Other potential indications driven by oxidative stress and inflammation include, but are not limited to, hepatitis, atherosclerosis, and recurrent thrombosis. Marketing and distribution of Rx-ASTX could be conducted through BASF or its affiliates or global pharmaceutical companies under license from Cardax.

Astaxanthin Disease Applications and Mechanism of Action

Chronic inflammation and oxidative stress drive "inflammation syndrome" and "metabolic syndrome," which are manifested in the form of multifactorial symptomatic disease, and redound to the treatment of many apparently distinct yet interconnected disorders at their inflammatory source with a safe and effective product such as astaxanthin.

Microalgal astaxanthin nutraceutical products are comprised of a mixture of naturally occurring astaxanthin esters that cleave in the gut and deliver non-esterified astaxanthin to the body. BASF Astaxanthin Products may also utilize nature-identical astaxanthin and deliver non-esterified astaxanthin to the body. CDX-085 is comprised of a novel astaxanthin ester that also cleaves in the gut and delivers non-esterified, nature-identical astaxanthin to the body. Non-esterified astaxanthin, as can be delivered by either Cardax Astaxanthin (including CDX-085), BASF Astaxanthin Products, or microalgal astaxanthin products, can be measured in blood and tissues and is generally recognized to be responsible for the anti-inflammatory and anti-oxidant effects and exceptional safety found in animals and humans following administration of astaxanthin products. For the purpose of discussing astaxanthin disease applications and supporting scientific studies, whether examining non-esterified astaxanthin, naturally occurring astaxanthin esters, or novel astaxanthin esters, we refer to these products as "astaxanthin."

Astaxanthin for Arthritis

We believe that there is a large potential market for osteoarthritis treatment. We estimate that there are more than 150 million people in developed nations that suffer from osteoarthritis who have the financial ability to pay for treatment through astaxanthin products. Assuming $1 per day for treatment, the potential market could exceed $50 billion annually. Recent expenditures for treatment of arthritis are also substantial. The Centers for Disease Control and Prevention of the U.S. Department of Health and Human Services (the "CDC") report that the amount of direct medical expenditures in the United States for arthritis and other rheumatic conditions for 2003 was $80.8 billion. Drugs.com noted that aggregate U.S. sales of the top three injected TNF-α inhibitors totaled more than $12 billion in 2012. New oral anti-inflammatory drugs may also be approved, further increasing the amount expended for drug treatment. We expect that these drugs will be based on steroid, NSAID, or enzyme/receptor technologies that could pose significant side effects when administered chronically. In contrast, astaxanthin, at very low doses, reduces TNF-α in humans. In non-human tests, astaxanthin reduces TNF-α equivalent to a corticosteroid—considered to be the most potent of the anti-inflammatory compounds—as well as other important mediators of inflammation including hsCRP, prostaglandin E2 ("PGE-2"), interleukin 6 ("IL-6"), nuclear factor kappa B ("NF-κB"), and nitric oxide ("NO"). We believe that no evidence of the immunosuppressive effects of steroids or TNF-α inhibitors has been seen in multiple animal or human studies using astaxanthin. In fact, in animals, astaxanthin administration is statistically significantly associated with fewer infections.

Astaxanthin for Cognitive Decline

According to the CDC, the number of U.S. adults aged 65 or older will more than double by 2030. As the percentage of elderly in the population continues to increase, the prevalence of diseases resulting in cognitive decline may be also expected to increase. While the underlying cause of cognitive decline still remains to be fully elucidated, many studies support the important pathophysiological role of oxidative stress and inflammation, particularly in both Alzheimer's disease and Parkinson's disease. Further, epidemiological studies support a relationship between brain carotenoids (i.e., a class of related natural compounds including astaxanthin) and cognitive performance. Measurable amounts of carotenoids have also been found in the human brain and are reported to be significantly lower in the brain of Alzheimer's disease patients. Most importantly, a recently conducted, randomized, double-blind, placebo-controlled human clinical trial supported the potential for astaxanthin to improve cognitive function in an elderly population afflicted with age-related forgetfulness. The trial was conducted with astaxanthin doses comparable to current nutraceutical doses. The development of an astaxanthin based anti-inflammatory approach to aid in cognitive decline represents potential treatment for an expanding population with few options to help slow progression or delay onset of these diseases.

Astaxanthin for Metabolic Syndrome

Metabolic syndrome is a combination of medical disorders that together increase the risk of developing cardiovascular disease, diabetes, and liver disease. Several pathophysiological features define metabolic syndrome including central obesity, increased triglyceride levels, decreased HDL-C levels, elevated blood pressure, and increased fasting glucose levels. In humans, astaxanthin has been shown to significantly lower triglycerides and increase HDL-C levels. Similarly, in animal models of disease, astaxanthin administration significantly decreased blood pressure, increased HDL-C levels, lowered triglycerides, and decreased fasting glucose levels. In addition, decreased levels of the metabolic regulator adiponectin are associated with dysfunction of critical signaling pathways that control glucose production and uptake, triglyceride production and distribution, and mitochondrial biogenesis and function. Astaxanthin has been shown in human and animal studies to significantly increase levels of adiponectin with the inference that restoration of adiponectin function is key to remediation of metabolic syndrome physiology. These studies underscore the potential for astaxanthin treatment to ameliorate the majority of physiological measures defining metabolic syndrome and thereby decrease the risk of ensuing cardiovascular disease, diabetes, and liver disease.

Astaxanthin for Triglyceride Reduction

Certain therapies for the reduction of triglycerides have issues of safety or convenience. Astaxanthin, however, has been shown to reduce elevated triglycerides in a multi-faceted, quantifiable, and safer manner. Fibric acid derivatives exhibit risks of adverse effects when used in combination with statins. Newer drugs such as purified derivatives of the omega-3 fatty acids must be taken at very high doses and some increase LDL-C concomitant with induced liver stress. In contrast, astaxanthin not only shows significant triglyceride and LDL-C lowering capability, at much lower, more manageable doses, but it also lowers key markers of inflammation such as TNF-α and raises HDL-C and adiponectin in humans.

Astaxanthin for Type 2 Diabetes

Type 2 diabetes mellitus ("T2DM") is a metabolic disorder characterized by chronic high blood glucose in the context of insulin resistance and relative insulin deficiency. The rate of T2DM has increased materially over the last several decades in parallel with obesity. Chronic inflammation and oxidative stress, which influence intracellular signaling pathways critical to normal metabolic function, have been shown to play an important role in the pathology of T2DM. Drugs including the highly prescribed Metformin are presumed to act via pathways that regulate glucose production, insulin signaling, and mitochondrial functionality, including AMPK (adiponectin pathway) and PI-3/AKT (insulin receptor pathway). Astaxanthin has also been shown to upregulate adiponectin levels in humans and animal models of metabolic dysfunction and thereby restore AMPK pathway functionality. Additionally, astaxanthin has increased insulin levels, decreased glucose levels, and elevated measures of insulin sensitivity in several animal models of disease. Importantly, signaling pathways that regulate glucose and insulin signaling (PI-3/AKT) are often dysregulated and inhibited by oxidative stress and inflammation. Astaxanthin has been shown to upregulate and normalize these insulin and glucose pathways in animal models resulting in restoration of metabolic homeostasis. The evidence to date supports the potential for astaxanthin to ameliorate causes and symptoms of T2DM in humans.

Astaxanthin for Hepatic Disease

While hepatitis C virus and hepatitis B virus related liver disease continues to be of significant health concern, several metabolism-linked liver diseases currently have significant prevalence including fatty liver disease ("FLD"), non-alcoholic steatohepatitis ("NASH"), and alcoholic steatohepatitis ("ASH"). NASH is the inflammatory progression of FLD and threatens to be the leading indication for liver transplantation in the United States. Chronic oxidative stress and inflammation play an important physiological role in the initiation and progression of NASH and ASH, a position supported by the fact that the anti-oxidant vitamin E has recently been shown to decrease liver enzyme levels and, importantly, diminish biopsy-determined liver pathology in the PIVENS trial, underscoring the importance of oxidative stress in NASH pathophysiology. Astaxanthin, which is normally processed and stored in the liver, has been shown in an animal model of liver disease to decrease elevated liver enzymes and diminish histological pathology. Current clinical treatments for NASH include the thiazolidinediones (pioglitazone and rosiglitazone) that appear to act via stimulation of peroxisome proliferator-activated receptor gamma ("PPAR-γ") driven pathways to influence lipid and glucose metabolism. In cell studies, both vitamin E and astaxanthin also exhibit PPAR-γ activating capacities. The importance of chronic inflammation and oxidative stress on NASH and ASH pathological progression underscores the potential influence of astaxanthin to ameliorate liver disease in humans.

Astaxanthin for Atherosclerosis

Atherosclerosis is a syndrome affecting arterial blood vessels resulting from chronic inflammation and the accumulation of macrophages and LDL without adequate removal of fats and cholesterol by HDL. In addition to chronic inflammation, chronic oxidative and nitrosative stress also play a significant role in the disease via oxidation and dysregulation of LDL and HDL particles. Astaxanthin has been shown to significantly decrease LDL-C and ApoB levels, increase HDL-C, and decrease TNF-α in humans. Likewise, astaxanthin has been shown to significantly decreased total cholesterol and LDL-C levels and increased HDL-C levels in several animal models of disease. Astaxanthin has been shown to decrease atheroma formation in a diet-driven atherogenesis animal model as well as decrease several measures of LDL oxidation. The effect of astaxanthin on HDL and LDL functionality is understandable because astaxanthin is naturally located within HDL and LDL particles for distribution systemically. An important source of oxidative stress affecting HDL and LDL particles in humans is myeloperoxidase ("MPO") and astaxanthin has been shown to significantly decrease MPO activity in animals. Astaxanthin was also shown in a cell-based study to increase cholesterol efflux from macrophages, a function that would drastically aid in reduction of atherosclerotic disease. These observations underscore the potential importance of astaxanthin in treatment of atherosclerosis and related cardiovascular diseases.

Astaxanthin for Thrombosis

Rethrombosis is a major risk for people who have had acute coronary syndrome or an ischemic stroke. The goal of therapy following thrombosis is to maintain arterial patency and to preserve the area of reduced perfusion in the heart or the brain. Following a thrombotic stroke, for example, the re-occlusion, or rethrombosis rate, is high, estimated at 30% overall in the first 30 days. A majority of the re-occlusive events occur within the initial 7-10 days post-treatment. While therapies targeting stroke and in particular brain salvage (i.e., neuroprotection) have had limited clinical success, we believe that prevention of the reformation of blood clots, or rethrombosis, is a novel and relatively efficient pathway to demonstrate feasibility for human use and to an eventual FDA approval for this indication. Lysing blood clots has already proven helpful with tissue plasminogen activator ("tPA") and other thrombolytic agents, and prevention of rethrombosis can be measured in a statistically significant and clinically meaningful way. In several animal studies of thrombosis and rethrombosis, astaxanthin administration has been shown to demonstrate robust efficacy with no change in bleeding times.

Consistent with other astaxanthin disease applications, oxidative stress and inflammation play major roles in the pathophysiology of rethrombosis. While we plan to focus initially on arthritis, cognitive decline, and metabolic dysfunction, we remain very interested in areas such as rethrombosis and related platelet aggregation following an ischemic stroke, where animal models have been particularly predictive of human efficacy.

Astaxanthin Mechanism of Action

Following oral administration of astaxanthin and intestinal uptake, astaxanthin is delivered initially to the liver via chylomicrons and subsequently distributed to tissues throughout the body via plasma lipoprotein particles including very low-density lipoprotein ("VLDL"), HDL, and LDL. Once in the cell, astaxanthin accumulates within various organelles including nuclear, endoplasmic reticulum ("ER"), and mitochondrial membranes. Localization within mitochondria is highly controlled by the cell and allows astaxanthin to uniquely regulate oxidative and nitrosative stress in a privileged location critical to normal metabolic function and often at the heart of metabolic dysfunction and aging. Due to its chemical structure, astaxanthin completely spans the lipid component of cell membranes, facilitating its biphasic (aqueous and lipid) anti-oxidant functions. In support of the unique property of astaxanthin, one study examined X-ray diffraction profiles of five structurally related anti-oxidants embedded in a lipid matrix and demonstrated that each oriented differently with only astaxanthin traversing the lipid, potentially explaining in part why other well-known anti-oxidants, including beta-carotene, vitamin C, and vitamin E, have not achieved greater clinical success. In addition to mitochondrial influence, astaxanthin's aqueous and lipid anti-oxidant functions have the capacity to influence intracellular inflammatory and metabolic pathway signaling because many important intracellular pathways are directly modulated by inflammatory and oxidative stress mediators. In support of strong anti-oxidant function within the body, astaxanthin administration has been shown to demonstrate statistically significant anti-oxidant capacity in humans as measured by decreased isoprostanes, decreased MDA levels, increased TAC, and increased SOD, as well as decreased lipid peroxidation. Likewise, numerous animal studies have supported the extensive and powerful anti-oxidant capacity of astaxanthin *in vivo*. Many studies support the strong influence of astaxanthin on mitochondrial functionality, as well as inflammatory and metabolic intracellular signaling in animals and in cell-based models.

Our Other Programs

We have two other anti-inflammatory programs with potential applications in large markets that are in development: zeaxanthin esters for macular degeneration and hepatic disease; and lycophyll esters for prostate disease. Both of these product platforms have potential to be developed first as nutraceuticals (e.g., in naturally occurring ester forms) and later as pharmaceuticals (e.g., at higher doses and/or in novel ester forms). We have used a limited amount of synthetic zeaxanthin in our preliminary research and development efforts. We plan additional research and development to select the optimal zeaxanthin esters for nutraceutical and/or pharmaceutical development through our own capabilities or through a strategic alliance or a manufacturing agreement. We have produced synthetic lycophyll and we plan to conduct additional research and development to first increase our production capabilities of lycophyll and then to select the optimal lycophyll esters for nutraceutical and/or pharmaceutical development through our own capabilities or through a strategic alliance or a manufacturing agreement. To date, we have not commercialized any of these technologies.

Research and Development

Our research and development program is presently comprised of employees, consultants, including regulatory, scientific, and medical professionals, and third-party collaborators or contract organizations, including academic institutions, contract research organizations, and contract manufacturing organizations. We utilized dedicated internal synthetic chemistry, biology, and bioanalytical chemistry laboratories and a research and development staff to conduct discovery stage synthesis of product candidates (with transfer of materials and/or methods for additional process development and/or testing), *in vitro* testing of product candidates and related components to elucidate the mechanism of action, and analysis of biological samples from internal research and/or contract organizations to detect and quantify levels of product candidates and related components following administration of product in various studies. Our research and development staff has also worked with other professionals to identify, contract and transfer materials and methods, and oversee research and manufacturing by contract organizations. Contract organizations provide us with access to larger scale manufacturing, animal studies of disease, pharmacokinetics, and toxicity, and analysis that would not otherwise be available to us without significant expense. We anticipate that the majority of our research and development will be conducted by contract organizations with direction and oversight by our current internal research and development personnel, including three Ph.D. scientists, two Ph.D. scientists/executives, one operational executive, and one M.D. consultant.

In addition to conducting or overseeing research and development activities, our research and development personnel analyze and interpret other research on astaxanthin, as well as related compounds, competing products, applicable disease pathology, and industry trends. In the United States National Library of Medicine's online repository, PubMed.gov, there are more than 1,000 peer-reviewed journal articles that reference astaxanthin in the title or abstract, over 300 of which were published in the last 3 years, with the vast majority published by organizations and researchers that are not affiliated with us. This type of "open-source" research has served to significantly advance the understanding of astaxanthin, and has also presented our research and development personnel with the critical task of keeping up-to-date on all of the latest research and interpreting and integrating the findings with our research and that of others in order to serve as the preeminent thought leaders on astaxanthin's mechanism of action and its application in biological systems and disease areas.

Our research and development expenditures totaled $702,792, $1,095,448, and $14,597,956 for the years ended December 31, 2012 and 2011, and for the period from inception to December 31, 2012 respectively, and $677,929, $493,785, and $15,275,885 for the nine months ended September 30, 2013 and 2012, and for the period from inception to September 30, 2013 respectively.

Government Regulation

Most aspects of our business are subject to some degree of government regulation. For some of our products, government regulation is significant and, in general, there appears to be a trend toward more stringent regulation throughout the world, as well as global harmonization of various regulatory requirements. We expect to devote significant time, effort and expense to address the extensive government and regulatory requirements applicable to our business. We believe that we are no more or less adversely affected by existing government regulations than our competitors.

FDA Regulation

Pharmaceutical companies must comply with comprehensive regulation by the FDA and other regulatory agencies in the United States and comparable authorities in other countries. While not necessary for FDA nutraceutical approval of any product, we may conduct Phase I, Phase II, and Phase III human clinical trials with our products.

We must obtain regulatory approvals by the FDA and, to the extent we have any international distribution of our products, foreign government agencies prior to human clinical testing and commercialization of any pharmaceutical product and for post-approval clinical studies for additional indications in approved drugs. We anticipate that any pharmaceutical product candidate will be subject to rigorous preclinical and clinical testing and pre-market approval procedures by the FDA and similar health authorities in foreign countries to the extent applicable. Various federal statutes and regulations also govern or influence the preclinical and clinical testing, record-keeping, approval, labeling, manufacture, quality, shipping, distribution, storage, marketing and promotion, export and reimbursement of products and product candidates.

The steps ordinarily required before a drug product may be marketed in the United States include:

- preclinical studies;
- submission to the FDA of an IND, which must become effective before human clinical trials may commence;
- adequate and well-controlled human clinical trials to establish the safety and efficacy of the product candidate in the desired indication for use;
- submission of a NDA to the FDA, together with payment of a substantial user fee; and
- FDA approval of the NDA, including inspection and approval of the product manufacturing facility and select sites at which human clinical trials were conducted.

Preclinical trials typically involve laboratory evaluation of product candidate chemistry, formulation and stability, as well as animal studies to assess the potential safety and efficacy of each product candidate. The results of preclinical trials are submitted to the FDA as part of an IND and are reviewed by the FDA before the commencement of clinical trials. Unless the FDA objects to an IND, the IND will become effective 30 days following its receipt by the FDA. Submission of an IND may not result in FDA clearance to commence clinical trials, and the FDA's failure to object to an IND does not guarantee FDA approval of a marketing application.

Clinical trials involve the administration of the product candidate to humans under the supervision of a qualified principal investigator. In the United States, clinical trials must be conducted in accordance with Good Clinical Practices under protocols submitted to the FDA as part of the IND. In addition, each clinical trial must be approved and conducted under the auspices of an institutional review board and with the patient's informed consent. We would be subject to similar protocols and similar regulatory considerations if we conduct clinical trials outside the United States.

The goal of Phase I clinical trials is to establish initial data about safety and tolerability of the product candidate in humans. The investigators seek to evaluate the effects of various dosages and to establish an optimal dosage level and schedule.

The goal of Phase II clinical trials is to provide evidence about the desired therapeutic efficacy of the product candidate in limited studies with small numbers of carefully selected subjects. Investigators also gather additional safety data.

Phase III clinical trials consist of expanded, large-scale, multi-center studies in the target patient population. This phase further tests the product's effectiveness, monitors side effects, and, in some cases, compares the product's effects to a standard treatment, if one is already available. Phase III trials are designed to more rigorously test the efficacy of a product candidate and are normally randomized, double-blinded, and placebo-controlled. Phase III trials are typically monitored by an independent data monitoring committee, or DMC, which periodically reviews data as a trial progresses. A DMC may recommend that a trial be stopped before completion for a number of reasons including safety concerns, patient benefit or futility.

Data obtained from this development program are submitted as part of a NDA to the FDA and possibly to corresponding agencies in other countries for review. The NDA requires agency approval prior to marketing in the relevant country. Extensive regulations define the form, content and methods of gathering, compiling and analyzing the product candidate's safety and efficacy data.

The process of obtaining regulatory approval can be costly, time consuming and subject to unanticipated delays. Regulatory agencies may refuse to approve an application if they believe that applicable regulatory criteria are not satisfied and may also require additional testing for safety and efficacy and/or post-marketing surveillance or other ongoing requirements for post-marketing studies. In some instances, regulatory approval may be granted with the condition that confirmatory Phase IV clinical trials are carried out, and if these trials do not confirm the results of previous studies, regulatory approval for marketing may be withdrawn. Moreover, each regulatory approval of a product is limited to specific indications. The FDA or other regulatory authorities may approve only limited label information for the product. The label information describes the indications and methods of use for which the product is authorized, may include Risk Evaluation and Mitigation Strategies and, if overly restrictive, may limit a sponsor's ability to successfully market the product. Regulatory agencies routinely revise or issue new regulations, which can affect and delay regulatory approval of product candidates.

Furthermore, pharmaceutical manufacturing processes must conform to current Good Manufacturing Practices, or cGMPs. Manufacturers, including a drug sponsor's third-party contract manufacturers, must expend time, money and effort in the areas of production, quality control and quality assurance, including compliance with stringent record-keeping requirements. Manufacturing establishments are subject to periodic inspections by the FDA or other health authorities, in order to assess, among other things, compliance with cGMP. Before approval of the initiation of commercial manufacturing processes, the FDA will usually perform a preapproval inspection of the facility to determine its compliance with cGMP and other rules and regulations. In addition, foreign manufacturing establishments must also comply with cGMPs in order to supply products for use in the United States, and are subject to periodic inspection by the FDA or by regulatory authorities in certain countries under reciprocal agreements with the FDA. Manufacturing processes and facilities for pharmaceutical products are highly regulated. Regulatory authorities may choose not to certify or may impose restrictions, or even shut down existing manufacturing facilities that they determine are non-compliant.

National Institutes of Health

The National Institutes of Health ("NIH") is part of the United States Department of Health and Human resources, the nation's medical research agency. NIH is a source of funding for medical research and is made up of 27 institutes and centers, each focusing on a particular disease.

Holdings received related Phase I and Phase II small business innovation research grants from the NIH in the aggregate amount of $1,179,646, with a project period of September 30, 2009 through December 31, 2011. The Company currently has no active grants, pending applications, or intent to apply for additional grants, and therefore does not expect to be subject to any ongoing regulations by NIH.

Hawaii Tax Credit

For tax years 2006 to 2010, Holdings received an aggregate amount of $1,262,117 in refundable tax credits from the State of Hawaii – Department of Taxation in connection with qualified research expenditures in the State of Hawaii. The Hawaii Tax Credit for Research Activities ("HTCRA") was intended to encourage taxpayers to design, develop, and/or improve products, processes, techniques, formulas or software and intended to reward programs that pursue innovation in the State of Hawaii. The HTCRA was discontinued by the State of Hawaii for tax years 2011 and 2012, but has been made available again in tax year 2013 with certain modifications to the qualification and credit calculations.

Federal Qualified Therapeutic Development Project Credit

In 2010, Holdings received $244,479 as a refundable Qualifying Therapeutic Discovery Project ("QTDP") tax credit from the federal government. The QTDP Program was a tax benefit (a tax credit or grant) to small firms that showed significant potential to produce new and cost-saving therapies, support United States jobs, and increase United States competitiveness. The QTDP Program was part of the Patient Protection and Affordable Care Act of 2010, and was included in Internal Revenue Code Section 48D. To provide an immediate boost to United States biomedical research, the credit or grant was available for qualified investments made, or to be made, in tax years 2009 and 2010.

Federal Research and Development Tax Credit

In January 2013, the President of the United States signed into law the American Taxpayer Relief Act of 2012, which extends the United States research and development tax credit (the "Research Credit") under Section 41 of the Internal Revenue Code of 1986, as amended, for tax years 2012 and 2013, as well as other provisions. The Research Credit provides taxpayers, such as the Company with a specified tax credit for qualified research activities, including those conducted by us. The Research Credit expired on December 31, 2013.

Other Regulations

Pharmaceutical companies, including Cardax, are subject to various federal and state laws pertaining to healthcare "fraud and abuse," including anti-kickback and false claims laws. The Federal Anti-kickback Statute makes it illegal for any person, including a prescription drug manufacturer, or a party acting on its behalf, to knowingly and willfully solicit, offer, receive or pay any remuneration, directly or indirectly, in exchange for, or to induce, the referral of business, including the purchase, order or prescription of a particular drug, for which payment may be made under federal healthcare programs such as Medicare and Medicaid. Some of the state prohibitions apply to referral of patients for healthcare services reimbursed by any source, not only the Medicare and Medicaid programs.

In the course of practicing medicine, physicians may legally prescribe FDA approved drugs for an indication that has not been approved by the FDA and which, therefore, is not described in the product's approved labeling, so-called "off-label use." The FDA does not ordinarily regulate the behavior of physicians in their choice of treatments. The FDA and other governmental agencies do, however, restrict communications on the subject of off-label use by a manufacturer or those acting on behalf of a manufacturer. Companies may not promote FDA-approved drugs for off-label uses. The FDA and other governmental agencies do permit a manufacturer (and those acting on its behalf) to engage in some limited, non-misleading, non-promotional exchanges of scientific information regarding unapproved indications. The United States False Claims Act prohibits, among other things, anyone from knowingly and willfully presenting, or causing to be presented for payment to third-party payers (including Medicare and Medicaid) claims for reimbursed drugs or services that are false or fraudulent, claims for items or services not provided as claimed or claims for medically unnecessary items or services. Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including imprisonment, fines and civil monetary penalties, as well as possible exclusion from federal health care programs (including Medicare and Medicaid). In addition, under this and other applicable laws, such as the Food, Drug and Cosmetic Act, there is an ability for private individuals to bring similar actions. Further, there is an increasing number of state laws that require manufacturers to make reports to states on pricing and marketing information. Many of these laws contain ambiguities as to what is required to comply with the law.

We are subject to various laws and regulations regarding laboratory practices and the experimental use of animals in connection with our research. In each of these areas, as above, the FDA and other regulatory authorities have broad regulatory and enforcement powers, including the ability to suspend or delay issuance of approvals, seize or recall products, withdraw approvals, enjoin violations and institute criminal prosecution, any one or more of which could have a material adverse effect upon our business, financial condition and results of operations.

We must comply with regulations under the Occupational Safety and Health Act, the Environmental Protection Act, the Toxic Substances Control Act and other federal, state and local regulations. We are subject to federal, state and local laws and regulations governing the use, generation, manufacture, storage, air emission, effluent discharge, handling and disposal of certain hazardous or potentially hazardous materials. We may be required to incur significant costs to comply with environmental and health and safety regulations in the future. Our research and development involves the controlled use of hazardous materials, including, but not limited to, certain hazardous chemicals.

Our activities are also potentially subject to federal and state consumer protection and unfair competition laws. We are also subject to the United States Foreign Corrupt Practices Act, or the FCPA, which prohibits companies and individuals from engaging in specified activities to obtain or retain business or to influence a person working in an official capacity. Under the FCPA, it is illegal to pay, offer to pay, or authorize the payment of anything of value to any foreign government official, governmental staff members, political party or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. In addition, federal and state laws protect the confidentiality of certain health information, in particular, individually identifiable information, and restrict the use and disclosure of that information. At the federal level, the Department of Health and Human Services promulgated health information privacy and security rules under the Health Insurance Portability and Accountability Act of 1996. In addition, many state laws apply to the use and disclosure of health information.

Competition

The industry in which we intend to compete is subject to intense competition. We believe that our ability to compete will be dependent in large part upon our ability to continually enhance and improve our products and technologies. In order to do so, we plan to effectively utilize and expand our research and development capabilities. Competition is based primarily on scientific and technological superiority, technical support, availability of patent protection, protection of trade secrets, access to adequate capital, ability to develop, acquire and market products successfully, ability to obtain governmental approvals and ability to serve the particular needs of customers. We intend to compete on the basis of safety, effectiveness, convenience, manufacturing superiority, intellectual property, and where appropriate, price.

Because of the broad manifestation of inflammation in chronic disease, numerous pharmaceutical and biotechnology companies are developing or producing anti-inflammatory therapeutic agents. These companies include, but are not limited to: AbbVie, Amgen, Astellas, AstraZeneca, Bayer, Boehringer Ingelheim, Bristol-Myers Squibb, Eisai, Eli Lilly, Gilead, GlaxoSmithKline, Johnson & Johnson, Merck, MT Pharma, Nestle/Pamlab, Novartis, Pfizer, Reata, Roche/Genentech, Sanofi-Aventis, Servier, Takeda, Vivus.

In addition to competing with non-astaxanthin anti-inflammatory drugs, we intend to compete with microalgal astaxanthin nutraceutical products on the basis of our global-scale manufacturing capability and product purity. We believe that large-scale, multi-fold expansion of naturally produced microalgal astaxanthin would require large amounts of land, and fresh water for open pond systems or large amounts of infrastructure and energy for closed systems, and, consequently, a significant if not overwhelming amount of investment capital. Furthermore, microalgal astaxanthin products, which are lipophilic extracts of a commercially cultivated microalga, typically have relatively low astaxanthin content, with the majority of the product comprised of other lipophilic, non-astaxanthin microalgal compounds. In contrast, we expect our synthetically manufactured astaxanthin products to have very high astaxanthin content, with consistent pharmaceutical-grade purity. Higher relative astaxanthin content should reduce the total pill volume required to deliver an intended astaxanthin dose and may translate into smaller and/or fewer pills per dose or serving.

We also intend to compete against other synthetic astaxanthin nutraceutical products on the basis of nature-identical product differentiation, although competitors in this space are limited by the substantial cost and technical expertise required to develop large-scale, industrial production of astaxanthin. DSM, a Dutch company that has operated in the synthetic astaxanthin animal feed market for several decades, has announced plans to launch a synthetic astaxanthin nutraceutical product or dietary ingredient in 2014, utilizing its animal feed product, a racemic mixture of astaxanthin isomers, without additional regulatory approval. To our knowledge, the racemic mixture of astaxanthin isomers is primarily present in the human diet through consumption of industrially raised animals. In contrast, our astaxanthin products will contain the single isomer of astaxanthin that is naturally occurring in microalgae—the same isomeric form of astaxanthin found in GRAS-designated microalgal astaxanthin nutraceutical products.

Our success will also depend in large part on our ability to obtain and maintain international and domestic patent and other legal protections for the proprietary technology that we consider important to our business. We intend to continue to seek appropriate patent protection for our products where applicable by filing patent applications in the United States and other selected countries. We intend for these patent applications to cover, where applicable, claims for composition of matter, uses, processes for preparation and formulations. Our success will also depend on our ability, and the ability of our current and/or future strategic partners to maintain trade secrets related to proprietary production methods for products that we, or our partners, intend to market.

Raw Materials and Components

We plan to utilize strategic partners and/or contract manufacturers for the production of our products and product candidates. The raw materials and supplies required for the production of our products and product candidates may be available, in some instances from one supplier, and in other instances, from multiple suppliers. In those cases where raw materials are only available through one supplier, such supplier may be either a sole source (the only recognized supply source available to us) or a single source (the only approved supply source for us among other sources). We, our strategic partners, and/or our contract manufacturers will adopt appropriate policies to attempt, to the extent feasible, to minimize our raw material supply risks, including maintenance of greater levels of raw materials inventory and implementation of multiple raw materials sourcing strategies, especially for critical raw materials. Although to date we have not experienced any significant delays in obtaining any raw materials from suppliers, we cannot provide assurance that we, our strategic partners, and/or our contract manufacturers, will not face shortages from one or more of them in the future.

Customers

We currently do not have any customers for our nutraceutical and pharmaceutical products.

Intellectual Property

We have obtained and are continuing to seek patent protection for compositions of matter, pharmaceutical compositions, and pharmaceutical uses, in certain disease areas, of our various carotenoid analogs and derivatives. Such carotenoids include, but are not limited to, astaxanthin, zeaxanthin, lutein, and/or lycophyll, and esters and other analogs and derivatives of these compounds. More specifically, we seek to protect: (i) the composition of matter of novel carotenoid analogs and derivatives, (ii) pharmaceutical compositions comprising synthetic or natural preparations of novel or natural occurring carotenoid analogs and derivatives, and (iii) the pharmaceutical use of synthetic preparations of novel or naturally occurring carotenoid analogs and derivatives in specific disease areas, including, but not limited to, the treatment of inflammation and related tissue damage, liver disease, and reperfusion injury, as well as the pharmaceutical use of synthetic or natural preparations of novel or natural occurring carotenoid analogs and derivatives for the reduction of platelet aggregation. We intend to enforce and defend our intellectual property rights consistent with our strategic business objectives.

We have rights to 20 issued patents, including 13 in the United States and 7 others in China, India, Japan, and Hong Kong, related to the technology described above. These patents will expire during the years of 2023 to 2028, subject to any patent term extensions of the individual patent. We have 1 patent application pending in the United States and 5 foreign patent applications pending in Europe, Canada, and Brazil, also related to the technology described above.

We also have rights to U.S. Patent No. 5,871,766 issued to Brigham and Women's Hospital Inc. ("BWH") under the Exclusive License Agreement dated as of May 1, 2003 ("BWH-License"), by and between BWH and HBI, as assigned to Holdings in accordance with the Contribution Agreement dated as of May 5, 2006, by and between HBI and Holdings, and as assigned to Pharma in accordance with the Bill of Sale, Assignment and Assumption Agreement dated as of May 31, 2013, by and between Holdings and Pharma. The licensed patent includes technology related to the pharmaceutical use of astaxanthin, and other specified carotenoids, for the amelioration of a major vascular event, such as, myocardial infarction, stroke, coronary revascularization, and cardiovascular death. The BWH-License will remain in effect, unless otherwise terminated, until the licensed patent expires in February 2016. Under the BWH-License, we must pay BWH a royalty based on a percentage of net sales of product(s) we sell utilizing the licensed technology and/or of sublicense income, with other specified license maintenance fees and/or minimum royalties. Presently, we are not focusing on utilizing these licensed patent rights.

In February 2012, we licensed our rights to certain monoclonal antibodies against placlitaxel and tangible property relating to assay kits to detect various anti-cancer compounds, including manufacturing and technical know-how, to Biomiga Diagnostics Co. This technology was acquired by us from HBI in 2006 and is unrelated to our primary anti-inflammatory programs.

Employees

As of February 7, 2014, we have nine full time employees dedicated to our nutraceutical and pharmaceutical business and three part time employees at our coffee retail location. None of our employees are subject to a collective bargaining agreement. We believe the relations with our employees are satisfactory.

RISK FACTORS

An investment in our Common Stock, any warrants to purchase our Common Stock, or any other security that may be issued by us involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this report, before making an investment decision. If any of the following risks actually occur, our business, financial condition or results of operations could suffer. In that case, the trading price of our shares of Common Stock could decline, and you may lose all or part of your investment. You should read the section entitled "Special Note Regarding Forward-Looking Statements" above for a discussion of what types of statements are forward-looking statements, as well as the significance of such statements in the context of this report.

Risks Related to Our Business, Industry and Financial Condition

We have a history of operating losses and have received a going concern opinion from our auditors.

We have incurred substantial net losses since our inception and may continue to incur losses for the foreseeable future, as we continue our product development activities. As a result of our limited operating history, we have limited historical financial data that can be used in evaluating our business and our prospects and in projecting our future operating results.

Additionally, we have received a "going concern" opinion from our auditors. As reflected in the financial statements that are filed as exhibits to this Current Report on Form 8-K, we are a development stage company with no material amount of earned revenue since our inception. This raises substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent on our ability to raise additional capital and implement our business plan. If we are unable to achieve or sustain profitability or to secure additional financing on acceptable terms, we may not be able to meet our obligations as they come due, raising substantial doubts as to our ability to continue as a going concern. Any such inability to continue as a going concern may result in our Common Stock holders losing their entire investment. There is no guarantee that we will become profitable or secure additional financing on acceptable terms. Our financial statements contemplate that we will continue as a going concern and do not contain any adjustments that might result if we were unable to continue as a going concern. Changes in our operating plans, our existing and anticipated working capital needs, the acceleration or modification of our expansion plans, increased expenses, potential acquisitions or other events will all affect our ability to continue as a going concern.

We are dependent on the success of our lead astaxanthin technologies, which may not be successfully commercialized.

We have no commercial products and currently generate no revenue from commercial sales or collaborations and may never be able to develop marketable products. While not necessary for FDA approval of nutraceutical products, we plan to conduct clinical trials to demonstrate the safety and efficacy of our product(s) in humans. A failure of any clinical trial can occur at any stage of testing. The results of initial clinical testing of this product may not necessarily indicate the results that will be obtained from later or more extensive testing. Additionally, any observations made with respect to blinded clinical data are inherently uncertain as we cannot know which set of data come from patients treated with an active drug versus the placebo vehicle. Investors are cautioned not to rely on observations coming from blinded data and not to rely on initial clinical trial results as necessarily indicative of results that will be obtained in subsequent clinical trials.

A number of different factors could prevent us from conducting a clinical trial or commercializing our product candidates on a timely basis, or at all.

We, the FDA, other applicable regulatory authorities or an institutional review board, or IRB, may suspend clinical trials of a product candidate at any time for various reasons, including if we or they believe the subjects or patients participating in such trials are being exposed to unacceptable health risks. Among other reasons, adverse side effects of a product candidate on subjects or patients in a clinical trial could result in the FDA or other regulatory authorities suspending or terminating the trial and refusing to approve a particular product candidate for any or all indications of use.

Clinical trials of a product require the enrollment of a sufficient number of patients, including patients who are suffering from the disease or condition the product candidate is intended to treat and who meet other eligibility criteria. Rates of patient enrollment are affected by many factors, and delays in patient enrollment can result in increased costs and longer development times.

Clinical trials also require the review and oversight of IRBs, which approve and continually review clinical investigations and protect the rights and welfare of human subjects. An inability or delay in obtaining IRB approval could prevent or delay the initiation and completion of clinical trials, and the FDA may decide not to consider any data or information derived from a clinical investigation not subject to initial and continuing IRB review and approval.

Numerous factors could affect the timing, cost or outcome of our drug development efforts, including the following:

- delays in filing or acceptance of investigational drug applications for our product candidates;
- difficulty in securing centers to conduct clinical trials;
- conditions imposed on us by the FDA or comparable foreign authorities that are applicable to our business regarding the scope or design of our clinical trials;
- problems in engaging IRBs to oversee trials or problems in obtaining or maintaining IRB approval of studies;
- difficulty in enrolling patients in conformity with required protocols or projected timelines;
- third-party contractors failing to comply with regulatory requirements or to meet their contractual obligations to us in a timely manner;
- our product candidates having unexpected and different chemical and pharmacological properties in humans than in laboratory testing and interacting with human biological systems in unforeseen, ineffective or harmful ways;
- the need to suspend or terminate clinical trials if the participants are being exposed to unacceptable health risks;
- insufficient or inadequate supply or quality of our product candidates or other materials necessary to conduct our clinical trials;
- effects of our product candidates not being the desired effects or including undesirable side effects or the product candidates having other unexpected characteristics;
- the cost of our clinical trials being greater than we anticipate;
- negative or inconclusive results from our clinical trials or the clinical trials of others for similar product candidates or inability to generate statistically significant data confirming the efficacy of the product being tested;
- changes in the FDA's requirements for testing during the course of that testing;
- reallocation of our limited financial and other resources to other programs; and
- adverse results obtained by other companies developing similar products.

It is possible that none of the product candidates that we may develop will obtain the appropriate regulatory approvals necessary to begin selling them or that any regulatory approval to market a product may be subject to limitations on the indicated uses for which we may market the product. The time required to obtain FDA and other approvals is unpredictable, but often can take years following the commencement of clinical trials, depending upon the complexity of the product candidate. Any analysis we perform of data from clinical activities is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Any delay or failure in obtaining required approvals could have a material adverse effect on our ability to generate revenue from the particular product candidate.

We also must comply with clinical trial and post-approval safety and adverse event reporting requirements. Adverse events related to our products must be reported to the FDA in accordance with regulatory timelines based on their severity and expectedness. Failure to make timely safety reports and to establish and maintain related records could result in withdrawal of marketing authorization.

We may also become subject to numerous foreign regulatory requirements governing the conduct of clinical trials, manufacturing and marketing authorization, pricing and third-party reimbursement. The foreign regulatory approval process includes all of the risks associated with the FDA approval described above as well as risks attributable to the satisfaction of local regulations in foreign jurisdictions. Approval by the FDA does not assure approval by regulatory authorities outside of the United States.

We have limited experience in managing communications with regulatory agencies, including filing investigational new drug applications, filing new drug applications, submission of promotional materials and generally directing the regulatory processes in all territories.

We may be responsible for managing communications with regulatory agencies, including filing investigational new drug applications, filing new drug applications, submission of promotional materials and generally directing the regulatory processes in all territories. We have limited experience directing such activities and may not be successful with our planned development strategies, on the planned timelines, or at all. Even if any of our product candidates are designated for "fast track" or "priority review" status or if we seek approval under accelerated approval (Subpart H) regulations, such designation or approval pathway does not necessarily mean a faster development process or regulatory review process or necessarily confer any advantage with respect to approval compared to conventional FDA procedures. Accelerated development and approval procedures will only be available if the indications for which we are developing products remain unmet medical needs and if our clinical trial results support use of surrogate endpoints, respectively. Even if these accelerated development or approval mechanisms are available to us, depending on the results of clinical trials, we may elect to follow the more traditional approval processes for strategic and marketing reasons, since drugs approved under accelerated approval procedures are more likely to be subjected to post-approval requirements for clinical studies to provide confirmatory evidence that the drugs are safe and effective. If we fail to conduct any such required post-approval studies or if the studies fail to verify that any of our product candidates are safe and effective, our FDA approval could be revoked. It can be difficult, time-consuming and expensive to enroll patients in such clinical trials because physicians and patients are less likely to participate in a clinical trial to receive a drug that is already commercially available. Drugs approved under accelerated approval procedures also require regulatory pre-approval of promotional materials which may delay or otherwise hinder commercialization efforts.

We intend to operate in highly competitive industries, and our failure to compete effectively could adversely affect our market share, financial condition and growth prospects. If competitors are better able to develop and market products that are more effective, or gain greater acceptance in the marketplace than our products, our commercial opportunities may be reduced or eliminated.

The nutraceutical and pharmaceutical industry is constantly evolving, and scientific advances are expected to continue at a rapid pace. This results in intense competition among companies operating in the industry. Other, larger companies may have, or may be developing, products that compete with our products and may significantly limit the market acceptance of our products or render them obsolete. Our technical and/or business competitors would include major pharmaceutical companies, biotechnology companies, consumer health companies, universities and nonprofit research institutions and foundations. Most of these competitors have significantly greater research and development capabilities than we have, as well as substantial marketing, financial and managerial resources. Our lead product is expected to primarily compete against nutraceutical and pharmaceutical products that provide anti-inflammatory benefits. In addition, there are several other companies, both public and private, that service the same markets as we do, all of which compete to some degree with us.

The primary competitive factors facing us include safety, efficacy, price, quality, breadth of product line, manufacturing quality and capacity, service, marketing and distribution capabilities. Our current and future competitors may have greater resources, more widely accepted and innovative products and stronger name recognition than we do. Our ability to compete is affected by our ability, or that of our strategic partners, to:

- develop or acquire new products and innovative technologies;
- obtain regulatory clearance and compliance for our products;
- manufacture and sell our products cost-effectively;
- meet all relevant quality standards for our products in their particular markets;
- respond to competitive pressures specific to each of our geographic and product markets;
- protect the proprietary technology of our products and avoid infringement of the proprietary rights of others;
- market our products;
- attract and retain skilled employees, including sales representatives;
- maintain and establish distribution relationships; and
- engage in acquisitions, joint ventures or other collaborations.

Competitors could develop products that are more effective, achieve favorable reimbursement status from third-party payors, cost less or are ready for commercial introduction before our products. If our competitors are better able to develop and patent products earlier than we can, or develop more effective and/or less expensive products that render our products obsolete or non-competitive, our business will be harmed and our commercial opportunities will be reduced or eliminated.

We believe that the market in which we compete in is also highly sensitive to the introduction of new products, including various prescription drugs, which may rapidly capture a significant share of the market. In the United States, we expect to also compete for sales with heavily advertised national brands manufactured by large pharmaceutical, biotechnology, and consumer health companies, as well as other retailers.

As some products gain market acceptance, we may experience increased competition for those products as more participants enter the market. Currently, we are not a manufacturer. To the extent that we engage third-party manufacturers or use strategic alliances to produce our products, our manufacturing capabilities may not be adequate or sufficient to compete with large scale, direct or third-party manufacturers. Certain of our potential competitors are larger than us and have longer operating histories, customer bases, greater brand recognition and greater resources for marketing, advertising and product promotion. They may be able to secure inventory from vendors on more favorable terms, operate with a lower cost structure or adopt more aggressive pricing policies. In addition, our potential competitors may be more effective and efficient in introducing new products. We may not be able to compete effectively, and our attempt to do so may require us to increase marketing and/or reduce our prices, which may result in lower margins. Failure to effectively compete could adversely affect our market share, financial condition and growth prospects.

Market acceptance of our proposed products is vital to our future success.

The commercial success of our proposed products is dependent upon the acceptance of such products. Our proposed products may not gain and maintain any significant degree of market acceptance among potential users, healthcare providers, or acceptance by third-party payors, such as health insurance companies. The medical indications that can be treated by our proposed products can also be treated by other products or techniques. The medical community widely accepts alternative treatments, and certain of these other treatments have a long history of use. We cannot be certain that our proposed products and the procedures in which they are used will be able to replace those established treatments or that users will accept and utilize our products or any other medical products that we may market.

Market acceptance will depend upon numerous factors, many of which are not under our control, including:

- the safety and efficacy of our products;
- favorable regulatory approval and product labeling;
- the availability, safety, efficacy and ease of use of alternative products or treatments;
- our ability to educate potential users on the advantages of our products;
- the price of our products relative to alternative technologies; and
- the availability of third-party reimbursement.

If our proposed products do not achieve significant market acceptance, our future revenues and profitability would be adversely affected.

The pharmaceutical and nutraceutical industry is subject to extensive and complex healthcare regulation. Any determination that we have violated federal or state laws applicable to us that regulate healthcare would have a material adverse effect on our business, prospects and financial condition.

Federal and state laws regulating healthcare are extensive and complex. The laws applicable to our business are subject to evolving interpretations, and therefore we cannot be sure that a review of our operations by federal or state courts or regulatory authorities will not result in a determination that we have violated one or more provisions of federal or state law. Any such determination could have a material adverse effect on our business, prospects and financial condition.

If we fail to comply with FDA regulations our business could suffer.

The manufacture and marketing of pharmaceutical and nutraceutical products are subject to extensive regulation by the FDA and foreign and state regulatory authorities. In the United States, pharmaceutical and nutraceutical companies such as ours must comply with laws and regulations promulgated by the FDA. These laws and regulations require various authorizations prior to a product being marketed in the United States. Manufacturing facilities and practices are also subject to FDA regulations. The FDA regulates the clinical testing, manufacture, labeling, sale, distribution and promotion of pharmaceutical and nutraceutical products in the United States. Our failure to comply with regulatory requirements, including any future changes to such requirements, could have a material adverse effect on our business, prospects, financial condition and results of operations.

Even after clearance or approval of a product, we are subject to continuing regulation by the FDA, including the requirements of registering our facilities and listing our products with the FDA. We are subject to reporting regulations. These regulations require us to report to the FDA if any of our products may have caused or contributed to a death or serious injury and such product or a similar product that we market would likely cause or contribute to a death or serious injury. Unless an exemption applies, we must report corrections and removals to the FDA where the correction or removal was initiated to reduce a risk to health posed by the product or to remedy a violation of the Food, Drug and Cosmetic Act. The FDA also requires that we maintain records of corrections or removals, regardless of whether such corrections and removals are required to be reported to the FDA. In addition, the FDA closely regulates promotion and advertising, and our promotional and advertising activities could come under scrutiny by the FDA.

The FDA also requires that manufacturing be in compliance with its Quality System Regulation, or QSR. The QSR covers the methods and documentation of the design, testing, control, manufacturing, labeling, quality assurance, packaging, storage and shipping of our products. Our failure to maintain compliance with the QSR requirements could result in the shutdown of, or restrictions on, our manufacturing operations, to the extent we have any, and the recall or seizure of our products, which would have a material adverse effect on our business. In the event that one of our suppliers fails to maintain compliance with our quality requirements, we may have to qualify a new supplier and could experience manufacturing delays as a result.

The FDA has broad enforcement powers. If we violate applicable regulatory requirements, the FDA may bring enforcement actions against us, which could have a material adverse effect on our business, prospects, financial condition and results of operations. Violations of regulatory requirements, at any stage, including after approval, may result in various adverse consequences, including the delay by a regulatory agency in approving or refusal to approve a product, withdrawal or recall of an approved product from the market, other voluntary agency-initiated action that could delay further development or marketing, as well as the imposition of criminal penalties against the manufacturer and NDA holder.

Recently enacted and future legislation may increase the difficulty and cost for us to commercialize our product candidates and affect the prices we may obtain.

The United States and many foreign jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidate for which we obtain marketing approval.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or Medicare Modernization Act, changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly by establishing Medicare Part D and introduced a new reimbursement methodology based on average sales prices for physician-administered drugs under Medicare Part B. In addition, this legislation provided authority for limiting the number of drugs that Medicare will cover in any therapeutic class under the new Medicare Part D program. Cost reduction initiatives and other provisions of this legislation could decrease the coverage and reimbursement rate that we receive for any of our approved products. While the Medicare Modernization Act applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the Medicare Modernization Act may result in a similar reduction in payments from private payors.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or, collectively, the Affordable Care Act, a law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against healthcare fraud and abuse, add new transparency requirements for healthcare and health insurance industries, impose new taxes and fees on pharmaceutical and medical device manufacturers and impose additional health policy reforms. Among other things, the Affordable Care Act expanded manufacturers' rebate liability under the Medicaid Drug Rebate Program by increasing the minimum rebate for both branded and generic drugs, effective the first quarter of 2010, and revising the definition of "average manufacturer price," or AMP, for reporting purposes, which could increase the amount of Medicaid drug rebates manufacturers are required to pay to states. The legislation also extended Medicaid drug rebates, previously due only on fee-for-service utilization, to Medicaid managed care utilization, and created an alternative rebate formula for certain new formulations of certain existing products that is intended to increase the amount of rebates due on those drugs. The Centers for Medicare and Medicaid Services, which administers the Medicaid Drug Rebate Program, also has proposed to expand Medicaid drug rebates to the utilization that occurs in the United States territories, such as Puerto Rico and the Virgin Islands. Also effective in 2010, the Affordable Care Act expanded the types of entities eligible to receive discounted 340B pricing, although, with the exception of children's hospitals, these newly eligible entities will not be eligible to receive discounted 340B pricing on orphan drugs. In addition, because 340B pricing is determined based on AMP and Medicaid drug rebate data, the revisions to the Medicaid rebate formula and AMP definition described above could cause the required 340B discounts to increase. Furthermore, as of 2011, the new law imposes a significant annual fee on companies that manufacture or import branded prescription drug products and requires manufacturers to provide a 50% discount off the negotiated price of prescriptions filled by beneficiaries in the Medicare Part D coverage gap, referred to as the "donut hole." Substantial new provisions affecting compliance have also been enacted, which may affect our business practices with healthcare practitioners. Notably, a significant number of provisions are not yet, or have only recently become, effective. Although it is too early to determine the full effect of the Affordable Care Act, the new law appears likely to continue the downward pressure on pharmaceutical pricing, especially under the Medicare program, and may also increase our regulatory burdens and operating costs.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. In August 2011, the President signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee on Deficit Reduction did not achieve a targeted deficit reduction of at least $1.2 trillion for fiscal years 2012 through 2021, triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions to Medicare payments to providers of up to 2% per fiscal year.

We expect that the Affordable Care Act, as well as other healthcare reform measures that have and may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product, and could seriously harm our future revenues. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our products.

The Affordable Care Act and other regulations regarding the United States healthcare system are subject to substantial reformation. For example, some members of the United States Congress have proposed delaying the implementation of the Affordable Care Act or the repeal of this legislation. We are not able to provide any assurance that the continued healthcare reform debate will not result in legislation, regulation or executive action by the President of the United States that is adverse to our business.

We rely on third-parties to supply and manufacture our proposed products. If these third-parties do not perform as expected or if our agreements with them are terminated, our business, prospects, financial condition and results of operations would be materially adversely affected.

We outsource our manufacturing to third-parties such as BASF. Our reliance on contract manufacturers and suppliers exposes us to risks, including the following:

- We rely on our suppliers and manufacturers to provide us with the needed products or components in a timely fashion and of an acceptable quality. An uncorrected defect or supplier's variation in a component could harm our or our third-party manufacturers' ability to manufacture, and our ability to sell, products and may subject us to product liability claims.
- The facilities of our third-party manufacturers must satisfy production and quality standards set by applicable regulatory authorities. Regulatory authorities periodically inspect manufacturing facilities to determine compliance with these standards. If we or our third-party manufacturers fail to satisfy these requirements, the facilities could be shut down.
- These manufacturing operations could also be disrupted or delayed by fire, earthquake or other natural disaster, a work stoppage or other labor-related disruption, failure in supply or other logistical channels, electrical outages or other reasons. If there was any such disruption to any of these manufacturing facilities, our third-party manufacturers would potentially be unable to manufacture our products.
- A third-party manufacturer or supplier could decide to terminate our manufacturing or supply arrangement, including due to a disagreement between us and such third-party manufacturer, if the third-party manufacturer determines not to further manufacture our products, or if we fail to comply with our obligations under such arrangements.
- If any third-party manufacturer makes improvements in the manufacturing process for our products, we may not own, or may have to share, the intellectual property rights to the innovation.

We currently rely on a limited number of suppliers to provide key components for our products. If these or other suppliers become unable to provide components in the volumes needed or at an acceptable price or quality, we would have to identify and qualify acceptable replacements from alternative suppliers. We may experience stoppages in the future. We may not be able to find a sufficient alternative supplier in a reasonable time period, or on commercially reasonable terms, if at all, and our ability to produce and supply our products could be impaired.

To the extent we are able to identify alternative suppliers, qualifying suppliers is a lengthy process. There are a limited number of manufacturers and suppliers that may satisfy applicable requirements. In addition, FDA regulations may require additional testing of any components from new suppliers prior to our use of these materials or components, which testing could delay or prevent the supply of components. Moreover, a new manufacturer would have to be educated in, or develop substantially equivalent processes for, production of our products, which could take a significant period of time.

Each of these risks could delay the development or commercialization of our products or result in higher costs or deprive us of potential product revenues. Furthermore, delays or interruptions in the manufacturing process could limit or curtail our ability to meet demand for our products and/or make commercial sales, unless and until the manufacturing capability at the facilities are restored and re-qualified or alternative manufacturing facilities are developed or brought on-line and "scaled up." Any such delay or interruption could have a material adverse effect on our business, prospects, financial condition and results of operations.

An unexpected interruption or shortage in the supply or significant increase in the cost of components could limit our ability to manufacture any products, which could reduce our sales and margins.

To the extent we engage in relationships with contract manufacturers in the future, an unexpected interruption of supply or a significant increase in the cost of components, whether to us or to our contract manufacturers for any reason, such as regulatory requirements, import restrictions, loss of certifications, disruption of distribution channels as a result of weather, terrorism or acts of war, or other events, could result in significant cost increases and/or shortages of our products. Our inability to obtain a sufficient amount of products or to pass through higher cost of products we offer could have a material adverse effect on our business, financial condition or results of operations.

We have limited experience in marketing our products and services.

We have undertaken limited marketing efforts for our proposed products and services. Our sales and marketing teams, and/or those of our strategic partners, will compete against the experienced and well-funded sales organizations of competitors. Our future revenues and ability to achieve profitability will depend largely on the effectiveness of our sales and marketing team, and we will face significant challenges and risks related to marketing our services, including, but not limited to, the following:

- the ability of sales representatives to obtain access to or persuade adequate numbers of healthcare providers to purchase and use our products and services;
- the ability to recruit, properly motivate, retain, and train adequate numbers of qualified sales and marketing personnel;
- the costs associated with hiring, training, maintaining, and expanding an effective sales and marketing team; and
- assuring compliance with government regulatory requirements affecting the healthcare industry in general and our products in particular.

Although we will be relying primarily on BASF and/or other strategic partners if engaged, to distribute our products, we may seek to establish a network of distributors in selected markets to market, sell and distribute our products. If we fail to select or use appropriate distributors, or if the sales and marketing strategies of such distributors prove ineffective in generating sales of our products, our future revenues would be adversely affected and we might never become profitable.

We plan to rely on third-party distributors for sales, marketing and distribution activities.

We plan to rely on third-party distributors to sell, market, and distribute our products. Because we intend to rely on third-party distributors for sales, marketing and distribution activities, we will be subject to a number of risks associated with our dependence on these third-party distributors, including:

- lack of day-to-day control over the activities of third-party distributors;
- third-party distributors may not fulfill their obligations to us or otherwise meet our expectations;
- third-party distributors may terminate their arrangements with us on limited or no notice or may change the terms of these arrangements in a manner unfavorable to us for reasons outside of our control; and
- disagreements with our distributors could require or result in costly and time-consuming litigation or arbitration.

If we fail to establish and maintain satisfactory relationships with third-party distributors, we may be unable to sell, market and distribute our products, our future revenues and market share may not grow as anticipated, and we could be subject to unexpected costs which would harm our results of operations and financial condition.

Commercialization of our proposed products and services will require us to build and maintain sophisticated sales and marketing teams.

We have limited prior experience with commercializing our products. To successfully commercialize our products and services, we will need to establish and maintain sophisticated sales and marketing teams. While we intend to use current Company employees to lead our marketing efforts, we may choose to expand our marketing and sales team. Experienced sales representatives may be difficult to locate and retain, and all new sales representatives will need to undergo extensive training. There is no assurance that we will be able to recruit and retain sufficiently skilled sales representatives, or that any new sales representatives will ultimately become productive. If we are unable to recruit and retain qualified and productive sales personnel, our ability to commercialize our products and to generate revenues will be impaired, and our business will be harmed.

We may not be able to establish or maintain the third-party relationships that are necessary to develop or potentially commercialize some or all of our product candidates.

We expect to depend on collaborators, partners, licensees, contract research organizations, contract manufacturing organizations, clinical research organizations and other third-parties to support our discovery efforts, to formulate product candidates, to manufacture our product candidates and to conduct clinical trials for some or all of our product candidates. We cannot guarantee that we will be able to successfully negotiate agreements for or maintain relationships with collaborators, partners, licensees, contractors, clinical investigators, vendors and other third-parties on favorable terms, if at all. Our ability to successfully negotiate such agreements will depend on, among other things, potential partners' evaluation of the superiority of our technology over competing technologies, the quality of the preclinical and clinical data that we have generated and the perceived risks specific to developing our product candidates. If we are unable to obtain or maintain these agreements, we may not be able to clinically develop, formulate, manufacture, obtain regulatory approvals for or commercialize our product candidates. We cannot necessarily control the amount or timing of resources that our contract partners will devote to our research and development programs, product candidates or potential product candidates, and we cannot guarantee that these parties will fulfill their obligations to us under these arrangements in a timely fashion. We may not be able to readily terminate any such agreements with contract partners even if such contract partners do not fulfill their obligations to us.

We currently rely on BASF for a significant part of our future revenue. We are dependent on BASF to perform their obligations under our current arrangements with them. If BASF becomes unable to provide its services as provided in such arrangements, we would have to identify and qualify an acceptable replacement. We may experience stoppages in the future. We may not be able to find a sufficient alternative provider in a reasonable time period, or on commercially reasonable terms, if at all, and our ability to produce and supply our products could be impaired.

We expect to continue to incur significant research and development expenses, which may make it difficult for us to attain profitability.

We expend substantial funds to develop our proprietary technologies, and additional substantial funds will be required for further research and development, including preclinical testing and clinical trials of any product candidates, and to manufacture and market any products that are approved for commercial sale. Because the successful development of our products is uncertain, we are unable to precisely estimate the actual funds we will require to develop and potentially commercialize them. In addition, we may not be able to generate enough revenue, even if we are able to commercialize any of our product candidates, to become profitable.

We may be subject to product liability claims. Our insurance may not be sufficient to cover these claims, or we may be required to recall our products.

Our business is to develop and commercialize, among other things, pharmaceutical and nutraceutical products that provide anti-inflammatory benefits. As a result, we will face an inherent risk of product liability claims. The pharmaceutical industry has been historically litigious. Since our products are to be used in the human body, manufacturing errors, design defects or packaging defects could result in injury or death to the patient. This could result in a recall of one or more of our products and substantial monetary damages. Any product liability claim brought against us, with or without merit, could result in a diversion of our resources, an increase in our product liability insurance premiums and/or an inability to secure coverage in the future. We may also have to pay any amount awarded by a court in excess of our policy limits. In addition, any recall of our products, whether initiated by us or by a regulatory agency, may result in adverse publicity for us that could have a material adverse effect on our business, prospects, financial condition and results of operations. Our product liability insurance policies will have various exclusions; therefore, we may be subject to a product liability claim or recall for which we have no insurance coverage. In such a case, we may have to pay the entire amount of the award or costs of the recall. Finally, product liability insurance may be expensive and may not be available in the future on acceptable terms, or at all.

If we experience product recalls, we may incur significant and unexpected costs and damage to our reputation and, therefore, could have a material adverse effect on our business, financial condition or results of operations.

We may be subject to product recalls, withdrawals or seizures if any of our products are believed to cause injury or illness or if we are alleged to have violated governmental regulations in the manufacture, labeling, promotion, sale or distribution of our products. A recall, withdrawal or seizure of any of our products could materially and adversely affect consumer confidence in our brands and lead to decreased demand for our products. In addition, a recall, withdrawal or seizure of any of our products would require significant management attention, would likely result in substantial and unexpected expenditures and could materially and adversely affect our business, financial condition or results of operations.

If we are unable to obtain and maintain protection of our intellectual property, the value of our products may be adversely affected.

Our business is dependent in part upon our ability to use intellectual property rights to protect our products from competition. To protect our products, we rely on a combination of patent and other intellectual property laws, employment, confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements and protective contractual provisions with our partners, licensors and other third-parties. These methods, however, afford us only limited protection against competition from other products.

We attempt to protect our intellectual property position, in part, by filing patent applications related to our proprietary technology, inventions and improvements that are important to our business. However, our patent position is not likely by itself to prevent others from commercializing products that compete directly with our products. Moreover, we do not have patent protection for certain components of our products and our patent applications can be challenged. In addition, we may fail to receive any patent for which we have applied, and any patent owned by us or issued to us could be challenged, invalidated, or held to be unenforceable. We also note that any patent granted may not provide a competitive advantage to us. Our competitors may independently develop technologies that are substantially similar or superior to our technologies. Further, third-parties may design around our patented or proprietary products and technologies.

We rely on certain trade secrets and we may not be able to adequately protect our trade secrets even with contracts with our personnel and third-parties. Also, any third-party could independently develop and have the right to use, our trade secret, know-how and other proprietary information. If we are unable to protect our intellectual property rights, our business, prospects, financial condition and results of operations could suffer materially.

Our ability to market our products may be impaired by the intellectual property rights of third-parties.

Our success depends in part on our products not infringing on the patents and proprietary rights of other parties. For instance, in the United States, patent applications filed in recent years are confidential for 18 months, while older applications are not published until the patent issues. As a result, there may be patents and patent applications of which we are unaware, and avoiding patent infringement may be difficult.

Our industry is characterized by a large number of patents, patent applications and frequent litigation based on allegations of patent infringement. Competitors may own patents or proprietary rights, or have filed patent applications, related to products that are similar to ours. We may not be aware of all of the patents and pending applications potentially adverse to our interests that may have been issued to others. Moreover, since there may be unpublished patent applications that could result in patents with claims relating to our products, we cannot be sure that our current products will not infringe any patents that might be issued or filed in the future. Based on the litigious nature of our industry and the fact that we may pose a competitive threat to some companies who own or control various patents, we believe it is possible that one or more third-parties may assert a patent infringement claim seeking damages or enjoining us from the manufacture or marketing of one or more of our products. Such a lawsuit may have already been filed against us without our knowledge, or may be filed in the near future. If any future claim of infringement against us was successful, we may be required to pay substantial damages, cease the infringing activity or obtain the requisite licenses or rights to use the technology, which may not be available to us on acceptable terms, if at all. Even if we were able to obtain rights to a third-party's intellectual property rights, these rights may be non-exclusive, thereby giving our competitors potential access to the same rights and weakening our market position. Moreover, regardless of the outcome, patent litigation could significantly disrupt our business, divert our management's attention and consume our financial resources. We cannot predict if or when any third-party patent holder will file suit for patent infringement.

We may be involved in lawsuits or proceedings to protect or enforce our intellectual property rights or to defend against infringement claims, which could be expensive and time consuming.

Litigation may be necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of the proprietary rights of others. Interference proceedings conducted by a patent and trademark office may be necessary to determine the priority of inventions with respect to our patent applications. Litigation or interference proceedings could result in substantial costs and diversion of resources and management attention. In addition, in an infringement proceeding, a court may decide that a patent of ours is not valid or is unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology. An adverse determination of any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly and could put our patent applications at risk of not issuing. In addition, we may be enjoined from marketing one or more of our products if a court finds that such products infringe the intellectual property rights of a third-party.

During litigation, we may not be able to prevent the confidentiality of certain of our proprietary rights because of the substantial amount of discovery required in connection with intellectual property litigation. In addition, during the course of litigation, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If investors or customers perceive these results to be negative, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

Our insurance liability coverage is limited and may not be adequate to cover potential losses.

In the ordinary course of business, we purchase insurance coverage (e.g., liability coverage) to protect us against claims made by third parties and employees for property damage or personal injuries. However, the protection provided by such insurance is limited in significant respects and, in some instances, we have no coverage and certain of our insurance policies have substantial "deductibles" or have limits on the maximum amounts that may be recovered. Insurers have also introduced new exclusions or limitations of coverage for claims related to certain perils including, but not limited to, mold and terrorism. If a series of losses occurred, such as from a series of lawsuits in the ordinary course of business each of which were subject to the deductible amount, or if the maximum limit of the available insurance was substantially exceeded, we could incur losses in amounts that would have a material adverse effect on our results of operations and financial condition. We do not presently have any product liability insurance that would provide coverage for any allegation of product defects or related claims. We will review our ability to obtain such insurance coverage later, but there cannot be any assurance that such insurance coverage will be available on acceptable terms.

Our operating results may fluctuate, which may result in volatility of our share price.

Our operating results, including components of operating results, can be expected to fluctuate from time to time in the future. Some of the factors that may cause these fluctuations include:

- the impact of acquisitions;
- market acceptance of our existing products, as well as products in development;
- the timing of regulatory approvals;
- our ability or the ability of third-party distributers to sell, market, and distribute our products;
- our ability or the ability of our contract manufacturers to manufacture our products efficiently; and
- the timing of our research and development expenditures.

If we are unable to manage our expected growth, our future revenue and operating results may be adversely affected.

Our anticipated growth is expected to place a significant strain on our management, operational and financial resources. Our current and planned personnel, systems, procedures and controls may not be adequate to support our anticipated growth. To manage our growth we will be required to improve existing, and implement new, operational and financial systems, procedures and controls and expand, train and manage our growing employee base. We expect that we may need to increase our management personnel to oversee our expanding operations. Recruiting and retaining qualified individuals can be difficult. If we are unable to manage our growth effectively, or are unsuccessful in recruiting qualified management personnel, our business, prospects, financial condition and results of operations could be harmed.

We are highly dependent on our senior management, and if we are not able to retain them or to recruit and retain additional qualified personnel, our business will suffer.

We are highly dependent upon our senior management, including David G. Watumull, our President and Chief Executive Officer, Gilbert M. Rishton, Ph.D., our Chief Science Officer, Timothy J. King, our Vice President, Research, John B. Russell, our Chief Financial Officer, David M. Watumull, our Vice President, Operations, and Nicholas Mitsakos, our Executive Chairman. The loss of services of David G. Watumull or any other member of our senior management could have a material adverse effect on our business, prospects, financial condition and results of operations. We carry a $1 million "key person" life insurance policy on David G. Watumull but do not carry similar insurance for any of our other senior executives.

We may choose to increase our management personnel. For example, we will need to obtain certain additional functional capability, including regulatory, sales, quality assurance and control, either by hiring additional personnel or by outsourcing these functions to qualified third-parties. We may not be able to engage these third-parties on terms favorable to us. Also, we may not be able to attract and retain qualified personnel on acceptable terms given the competition for such personnel among companies that operate in our markets. The trend in the pharmaceutical industry of requiring sales and other personnel to enter into non-competition agreements prior to starting employment exacerbates this problem, since personnel who have made such a commitment to their current employers are more difficult to recruit. If we fail to identify, attract, retain and motivate these highly skilled personnel, or if we lose current employees, our business, prospects, financial conditions and results of operations could be adversely affected.

A single stockholder controls us.

Holdings owns approximately 52.9% of our issued and outstanding shares of Common Stock or approximately 27.3% of our issued and outstanding shares of Common Stock determined on a fully diluted basis. Holdings has the voting ability to influence the membership of our Board of Directors and the outcome of other decisions requiring stockholder approval. This level of ownership may delay, deter or prevent the change of control of us, even if such change of control would be beneficial to the other holders of our securities. In addition, the Merger Agreement includes our covenant to not sell, lease or exchange all or substantially all of the Pharma stock or Pharma property and assets, including Pharma's goodwill and its corporate franchises for a period that is the earlier of two years or until Holdings owns less than 10% of our Common Stock, determined on a fully diluted basis. Our agreement with Holdings does not prohibit or restrict (i) the sale of stock in Pharma, (ii) any pledge or other grant of a security interest in, or other financing of Pharma or its assets, including any foreclosure of such security interest or (iii) any right of us to issue any amount or class of stock or effect a sale or change in control of us.

Our ability to grow and compete in the future will be adversely affected if adequate capital is not available to us or not available on terms favorable to us.

The ability of our business to grow and compete depends on the availability of adequate capital, which in turn depends in large part on our cash flow from operations and the availability of equity and debt financing. We cannot assure you that our cash flow from operations will be sufficient or that we will be able to obtain equity or debt financing on acceptable terms or at all to implement our growth strategy. As a result, we cannot assure you that adequate capital will be available to finance our current growth plans, take advantage of business opportunities or respond to competitive pressures, any of which could harm our business. Additionally, if adequate additional financing is not available on acceptable terms, we may not be able to continue our business operations. Any additional capital, investment or financing of our business may result in dilution of our stockholders or be on terms and conditions that impair our ability to profitably conduct our business.

Registration of our shares of Common Stock could adversely affect our trading price.

We have agreed to promptly file a registration statement to register for sale on a delayed or continuous basis the shares of Common Stock issued upon the conversion of certain notes issued by Pharma, the shares of Common Stock issued under the Subscription Agreement and the shares of Common Stock underlying our warrants. No assurance can be given when, if ever, such proposed registration of the underlying shares will be declared effective by the Securities and Exchange Commission (the "Commission" or "SEC") or if such proposed registration statement is declared effective that all of the shares of Common Stock will be included in such registration statement and be permitted to be offered on a delayed or continuous basis. We may also expect to register the shares of Common Stock held by Holdings prior to one year after the Closing Date of the Merger. The shares of Common Stock that would be subject to such registration are significant and the trading of such shares could provide an overhang or otherwise adversely affect our trading price.

You may have limited access to information regarding our Company because we are a limited reporting company exempt from many regulatory requirements.

As a filer subject to Section 15(d) of the Exchange Act, the Company is not required to prepare proxy or information statements; our Common Stock is not subject to the protection of the going private regulations; the Company is subject to only limited portions of the tender offer rules; our officers, directors, and more than ten (10%) percent stockholders are not required to file beneficial ownership reports about their holdings in our Company; such persons are not subject to the short-swing profit recovery provisions of the Exchange Act; and stockholders of more than five percent (5%) are not required to report information about their ownership positions in the securities. As a result, investors will have reduced visibility as to the Company and its financial condition.

Risks Related to Ownership of Our Common Stock

Our Common Stock has a limited trading market, which could affect your ability to sell shares of our Common Stock and the price you may receive for our Common Stock.

Our Common Stock is currently traded in the over-the-counter market and "bid" and "asked" quotations regularly appear on the OTC Bulletin Board and the OTCQB maintained by OTC Markets, Inc. under the symbol "KOFF". We have applied to trade our shares of Common Stock under the symbol "CDXI". There is only limited trading activity in our securities. We have a relatively small public float compared to the number of our shares outstanding. Accordingly, we cannot predict the extent to which investors' interest in our Common Stock will provide an active and liquid trading market, which could depress the trading price of our Common Stock and could have a long-term adverse impact on our ability to raise capital in the future. Due to our limited public float, we may be vulnerable to investors taking a "short position" in our Common Stock, which would likely have a depressing effect on the price of our Common Stock and add increased volatility to our trading market. The volatility of the market for our Common Stock could have a material adverse effect on our business, results of operations and financial condition. There cannot be any guarantee that an active trading market for our securities will develop or, if such a market does develop, will be sustained. Accordingly, investors must be able to bear the financial risk of losing their entire investment in our Common Stock.

We may voluntarily file for deregistration of our Common Stock with the Commission.

Compliance with the periodic reporting requirements required by the SEC consumes a considerable amount of both internal, as well external, resources and represents a significant cost for us. Our senior management team has relatively limited experience managing a company subject to the reporting requirements of the Exchange Act, and the regulations promulgated thereunder. Our management will be required to design and implement appropriate programs and policies in responding to increased legal, regulatory compliance and reporting requirements, and any failure to do so could lead to the imposition of fines and penalties and harm our business. In addition, if we are unable to continue to devote adequate funding and the resources needed to maintain such compliance, while continuing our operations, we may be in non-compliance with applicable SEC rules or the securities laws, and be delisted from the OTC Bulletin Board or other market we may be listed on, which would result in a decrease in or absence of liquidity in our Common Stock, and potentially subject us and our officers and directors to civil, criminal and/or administrative proceedings and cause us to voluntarily file for deregistration of our Common Stock with the Commission.

Future sales of our Common Stock in the public market could lower the price of our Common Stock and impair our ability to raise funds in future securities offerings.

We intend to raise additional capital through the sale of our securities. Future sales of a substantial number of shares of our Common Stock in the public market, or the perception that such sales may occur, could adversely affect the then prevailing market price of our Common Stock and could make it more difficult for us to raise funds in the future through the sale of our securities.

We may issue shares of preferred stock that subordinate your rights and dilute your equity interests.

We believe that for us to successfully execute our business strategy we will need to raise investment capital and it may be preferable or necessary to issue preferred stock to investors. Preferred stock may grant the holders certain preferential rights in voting, dividends, liquidation or other rights in preference over a company's common stock.

The issuance by us of preferred stock could dilute both the equity interests and the earnings per share of existing holders of our Common Stock. Such dilution may be substantial, depending upon the number of shares issued. The newly authorized shares of preferred stock could also have voting rights superior to our Common Stock, and in such event, would have a dilutive effect on the voting power of our existing stockholders.

Any issuance of preferred stock with voting rights could, under certain circumstances, have the effect of delaying or preventing a change in control of us by increasing the number of outstanding shares entitled to vote and by increasing the number of votes required to approve a change in control of us. Shares of voting or convertible preferred stock could be issued, or rights to purchase such shares could be issued, to render more difficult or discourage an attempt to obtain control of us by means of a tender offer, proxy contest, merger or otherwise. Such issuances could therefore deprive our stockholders of benefits that could result from such an attempt, such as the realization of a premium over the market price that such an attempt could cause. Moreover, the issuance of such shares of preferred stock to persons friendly to our Board of Directors could make it more difficult to remove incumbent managers and directors from office even if such change were to be favorable to stockholders generally.

The market price of our Common Stock may be volatile and may be affected by market conditions beyond our control.

The market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. The volatility in our share price is attributable to a number of factors. First, our shares of Common Stock are sporadically and thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our stockholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of shares of our Common Stock are sold on the market without commensurate demand, as compared to a seasoned issuer which could better absorb those sales without adverse impact on its share price. Second, we are a speculative or "risky" investment due to our limited operating history and lack of profits to date, and uncertainty of future market acceptance for our potential products. As a consequence of this enhanced risk, more risk-averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Many of these factors are beyond our control and may decrease the market price of our Common Stock, regardless of our operating performance. We cannot make any predictions or projections as to what the prevailing market price for our Common Stock will be at any time, including as to whether our Common Stock will sustain its current market price, or as to what effect the sale of shares or the availability of Common Stock for sale at any time will have on the prevailing market price.

The market price of our Common Stock is subject to significant fluctuations in response to, among other factors:

- changes in our financial performance or a change in financial estimates or recommendations by securities analysts;
- announcements of innovations or new products or services by us or our competitors;
- the emergence of new competitors or success of our existing competitors;
- operating and market price performance of other companies that investors deem comparable;
- changes in our Board of Directors or management;
- sales or purchases of our Common Stock by insiders;
- commencement of, or involvement in, litigation;
- changes in governmental regulations; and
- general economic conditions and slow or negative growth of related markets.

In addition, if the market for stock in our industry, or the stock market in general, experience a loss of investor confidence, the market price of our Common Stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause the price of our Common Stock to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and distract our Board of Directors and management.

We do not have a majority of independent directors, which limits our ability to establish effective independent corporate governance procedures and increases the control of management.

We currently have three directors, only one of whom is independent; accordingly, we cannot establish board committees with independent members to oversee certain functions such as compensation or audit issues. Until a majority of our Board of Directors is composed of independent members, if ever, there will be limited independent oversight of our management's decisions and activities.

We do not intend to pay dividends for the foreseeable future, and you must rely on increases in the market prices of our Common Stock for returns on your investment.

For the foreseeable future, we intend to retain any earnings to finance the development and expansion of our business, and we do not anticipate paying any cash dividends on our Common Stock. Accordingly, investors must be prepared to rely on sales of their Common Stock after price appreciation to earn an investment return, which may never occur. Investors seeking cash dividends should not purchase our Common Stock. Any determination to pay dividends in the future will be made at the discretion of our Board of Directors and will depend on our results of operations, financial condition, contractual restrictions, restrictions imposed by applicable law and other factors our Board of Directors deems relevant.

We are subject to penny stock regulations and restrictions and you may have difficulty selling shares of our Common Stock.

The Commission has adopted regulations which generally define so-called "penny stocks" as an equity security that has a market price of less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exemptions. Our Common Stock is a "penny stock", and we are subject to Rule 15g-9 under the Exchange Act, or the Penny Stock Rule. This rule imposes additional sales practice requirements on broker-dealers that sell such securities to persons other than established customers and "accredited investors" (generally, individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000, or $300,000 together with their spouses). For transactions covered by Rule 15g-9, a broker-dealer must make a special suitability determination for the purchaser and receive the purchaser's written consent to the transaction prior to sale. As a result, this rule affects the ability of broker-dealers to sell our securities and affects the ability of purchasers to sell any of our securities in the secondary market.

For any transaction involving a penny stock, unless exempt, the rules require delivery, prior to any transaction in a penny stock, of a disclosure schedule prepared by the Commission relating to the penny stock market. Disclosure is also required to be made about sales commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements are required to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stock.

There can be no assurance that our shares of Common Stock will qualify for exemption from the Penny Stock Rule. In any event, even if our Common Stock were exempt from the Penny Stock Rule, we would remain subject to Section 15(b)(6) of the Exchange Act, which gives the Commission the authority to restrict any person from participating in a distribution of penny stock if the Commission finds that such a restriction would be in the public interest.

In addition to the "penny stock" rules described above, the Financial Industry Regulatory Authority ("FINRA") has adopted similar rules that may also limit a stockholder's ability to buy and sell our Common Stock. FINRA rules require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for such customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our Common Stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

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

The financial data discussed below is derived from our audited financial statements for the fiscal years ended December 31, 2012 and 2011 and for the period from inception (March 23, 2006) to December 31, 2012, and our unaudited condensed consolidated financial statements for the nine months ended September 30, 2013 and 2012 and for the period from inception (March 23, 2006) to September 30, 2013, which are found elsewhere in this Current Report on Form 8-K. Our financial statements are prepared and presented in accordance with generally accepted accounting principles in the United States. The financial data discussed below is only a summary and investors should read the following discussion and analysis of our financial condition and results of our operations in conjunction with our financial statements and the related notes to those statements included elsewhere in this Current Report on Form 8-K. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. ***Our actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the section entitled "Risk Factors," and elsewhere in this Current Report on Form 8-K.***

Corporate Overview and History

We consummated the Merger on February 7, 2014, as described above. Prior to the Merger, we operated under the name of "Koffee Korner Inc." as a single location retailer of specialty coffee located in Houston, Texas. Koffee Korner Inc. was initially formed as a Texas corporation in July 2003 and became a Delaware corporation in January 2012. On the Closing Date of the Merger, we divested our wholly-owned subsidiary, Koffee Korner's Inc., which operated our retail coffee business to only pursue the business of Pharma, a development stage life sciences company that devotes substantially all of its efforts to developing nutraceutical and pharmaceutical products that provide the anti-inflammatory benefits of steroids or NSAIDS, but in certain cases, with the safety status of GRAS designation conferred by the FDA at certain doses.

We are a development stage company as defined in the Financial Accounting Standards Board's Accounting Standards Codification Topic No. 915, *Development Stage Entities*. We are devoting substantially all of our present efforts to establishing our business. Our planned principal operations have not commenced and, accordingly, no revenue has been derived therefrom. We own intellectual property that we are marketing in varying stages worldwide. Our initial revenue generating opportunities are from our strategic alliance, including an exclusive license of our rights related to the development and commercialization of human nutraceutical products containing or utilizing a nature-identical form of astaxanthin, which provides anti-inflammatory benefits with an exceptional safety profile and global manufacturing capability. We also plan to pursue pharmaceutical applications of astaxanthin and related compounds.

At present we are not able to estimate if or when we will be able to generate sustained revenues. Our auditors have included in their report on our financial statements a "going concern" explanatory paragraph; that is to say, our financial statements have been prepared assuming that we will continue as a going concern. Given our recurring losses from operations, there is substantial doubt of our ability to continue as a going concern.

Results of Operations

Results of Operations for the nine months ended September 30, 2013 and 2012 and for the period from inception to September 30, 2013 (Holdings and Pharma)

The following table reflects our operating results for the nine months ended September 30, 2013 and 2012:

Operating Summary	Nine months ended September 30, 2013 (Unaudited)	Nine months ended September 30, 2012 (Unaudited)	Change (Unaudited)	Inception to September 30, 2013 (Unaudited)
Revenues	$ 0	$ 10,000	$ (10,000)	$ 92,903
Operating Expenses	2,324,127	1,294,120	1,030,007	30,728,467
Net Operating Loss	(2,324,127)	(1,284,120)	1,040,007	(30,635,564)
Other Income (Expenses)	(525,734)	(599,756)	(74,022)	(750,789)
Net Loss	$ (2,849,861)	$ (1,883,876)	$ 965,985	$ (31,386,353)

Operating Summary

We are a development stage company with limited operations and had revenues of $0, $10,000, and $92,903 for the nine months ended September 30, 2013 and 2012 and for the period from inception to September 30, 2013, respectively. Revenues primarily consisted of sales of assay kits for diagnostic research purposes unrelated to our primary life science business.

Operating expenses were $2,324,127, $1,294,120, and $30,728,467 for the nine months ended September 30, 2013 and 2012 and for the period from inception to September 30, 2013, respectively. The increase in operating expenses for the period ended September 30, 2013, as compared to the prior period, was primarily related to commissions and expenses paid in connection with financing transactions and services, including payroll and consultation, for research and development, and administration. These expenses were paid in accordance with agreements entered into with each consultant, employee, or service provider. Included in general and administrative expenses were $8,508, $19,180, and $1,598,098 in share based compensation for the nine months ended September 30, 2013 and 2012 and for the period from inception to September 30, 2013, respectively.

Other expenses were $525,734 and $599,756 for the nine months ended September 30, 2013 and 2012, and $750,789 for the period from inception to September 30, 2013, respectively. Other expenses primarily consisted of interest expense on notes payable, substantially all of which have been converted into equity or repaid by us on the Closing Date of the Merger. Included in interest expense were $55,843, $334,024, and $1,643,714 in amortization of notes payable discounts for the nine months ended September 30, 2013 and 2012 and for the period from inception to September 30, 2013, respectively.

Assets and Liabilities

Assets were $2,777,262 and $1,508,389 as of September 30, 2013 and 2012, respectively. At September 30, 2013, cash totaled $1,211,316. Working capital of $(11,880,253) as of September 30, 2013, was primarily due to various debt, net of repayments and discount, financing transactions in which we received aggregate gross proceeds of $8,844,706 through the issuance of convertible debt, accrued payroll and paid time off of $3,765,789, and accrued Board of Director fees and related consultation of $475,629. Convertible debt (raised prior to September 30, 2013) of $8,299,036 which has been automatically converted into shares of our Common Stock and warrants to purchase our shares of Common Stock upon the closing of the Merger. The accrual of payroll and Board of Director fees and related consultation fees, which occurred from January 2008 to June 2013, was due to significant capital constraints, was part of a series of measures taken by us to conserve cash and respond to our liquidity shortage and was selected in favor of layoffs or furloughs in order to maximize employee and director retention. As of June 2013, the Company initiated repayment on these accrued amounts, utilizing approximately 10% of proceeds from a financing and plans to continue a structured repayment of the outstanding amounts over time, subject to our liquidity position.

Results of Operations for the nine months ended September 30, 2013 and 2012 (Koffee Korner Inc.)

Segment information

We report information about operating segments, as well as disclosures about our services and geographic areas. Operating segments are defined as revenue- producing components of the enterprise, which are generally used internally for evaluating segment performance.

Our revenue base from our subsidiary Koffee Korner's Inc. was derived from sales of coffee, other beverages and complementary food at our single retail location.

Results of Operations

Net Revenues

Total revenue for the nine months ended September 30, 2013 was $65,240 compared to $53,110 for the nine months ended September 30, 2012. This represents an increase of $12,130 from that of the prior fiscal period. This increase was due to higher foot traffic we received for the interim period ended September 30, 2013. The Company also attempted to pass our higher operating costs onto our customers.

Cost of Sales

Total cost of sales for the nine months ended September 30, 2013 was $60,675 compared to $44,184 for the nine months ended September 30, 2012. This represents an increase of $16,491 from that of the prior fiscal period. This increase reflects increased revenues and increased costs for coffee and other supplies roughly equally. Our costs of sales are materials, payroll expenses and rent. Almost two-thirds of the increase was an increase in material costs (primarily coffee beans).

Gross Profit

Gross profit for the nine months ended September 30, 2013 was $4,565 compared to $8,926 for the nine months ended September 30, 2012. This represents a decrease of $4,361 from that of the prior fiscal period. This decrease reflects our increased relative cost of sales compared to the corresponding period in the prior year.

Operating Expenses

Operating expenses for the nine months ended September 30, 2013 was $56,398 compared to $38,796 for the nine months ended September 30, 2012. This represents an increase of $17,602 from that of the prior fiscal period. This increase was due to increased

professional costs such as accounting and legal fees related to the Company's public reporting obligations.

Results of Operations for the Years Ended December 31, 2012 and 2011, and the Period from Inception to December 31, 2012 (Holdings)

The following table reflects our operating results for the years ended December 31, 2012 and 2011, and for the period from inception to December 31, 2012:

Operating Summary	Year ended December 31, 2012	Year ended December 31, 2011	Change	Inception to December 31, 2012
Revenues	$ 10,000	$ 14,475	$ (4,475)	$ 92,903
Operating Expenses	(1,805,283)	(2,552,963)	747,680	(28,404,340)
Net Operating Loss	(1,795,283)	(2,538,488)	743,205	(28,311,437)
Other Income (Expenses)	(748,107)	658,548	(1,406,655)	(225,055)
Net Loss	$ (2,543,390)	$ (1,879,940)	$ 663,450	$ (28,536,492)

Operating Summary

We are a development stage company with limited operations and had revenues of $10,000, $14,475, and $92,903, for the years ended December 31, 2012 and 2011, and for the period from inception to December 31, 2012, respectively. Revenues primarily consisted of sales of assay kits for diagnostic research purposes unrelated to our primary life science business.

Operating expenses were $1,805,283, $2,552,963, and $28,404,340 for the years ended December 31, 2012 and 2011, and the period from inception through December 31, 2012, respectively. Operating expenses primarily consisted of services provided to the Company, including payroll and consultation, for research and development, and administration. These expenses were paid in accordance with agreements entered into with each consultant, employee, or service provider. Included in general and administrative expenses were $23,645, $46,840, and $1,589,592 in share based compensation for the years ended December 31, 2012 and 2011, and for the period from inception to December 31, 2012, respectively.

Other income (expenses), net, were $(748,107), $658,548, and $(225,055) for the years ended December 31, 2012 and 2011, and the period from inception to December 31, 2012, respectively. For the year ended December 31, 2012, other income (expenses) primarily consisted of interest expense on notes payable. For the year ended December 31, 2011, interest expense of $529,167 was primarily offset by research grant income of $408,843 and a gain on extinguishment of lease penalties and interest of $786,945. For the period from inception to December 31, 2012, interest expense of $3,567,463 was primarily offset by research grant income of $1,179,646, gain on extinguishment of lease penalties and interest of $786,945, and federal and state tax credits of $1,506,596. Included in interest expense were $363,858, $279,286, and $1,587,871 in amortization of notes payable discounts for the years ended December 31, 2012 and 2011, and for the period from inception to December 31, 2012, respectively.

Assets and Liabilities

Assets were $1,481,774 and $1,686,905 as of December 31, 2012 and 2011, respectively. At December 31, 2012, cash totaled $7,799. Working capital of $(8,501,238) as of December 31, 2012, was primarily due to various debt, net of repayments and discount, financing transactions in which we received aggregate gross proceeds of $3,609,098 through the issuance of convertible debt, accrued payroll and paid time off of $3,696,897, and accrued Board of Director fees and related consultation of $533,001. The accrual of payroll and Board of Director fees and related consultation, which occurred from January 2008 to June 2013, was due to significant capital constraints, and was selected in favor of layoffs or furloughs in order to maximize employee and director retention. As of June 2013, the Company initiated repayment on these accrued amounts, utilizing approximately 10% of proceeds from a financing and plans to continue a structured repayment of the outstanding amounts over time as financing permits.

Results of Operations for the Years Ended December 31, 2012 and December 31, 2011 (Koffee Korner Inc.)

Results of Operations

Net Revenues

A summary of revenue generated from our subsidiary Koffee Korner's Inc. for the years ended December 31, 2012 and 2011 is as follows:

Total revenue for the year ended December 31, 2012 was $72,443 compared to $74,692 for the year ended December 31, 2011. This represents a decrease of $2,249 from that of the year ended December 31, 2011.

Cost of Sales

Our costs of sales are materials, payroll expenses and rent.

Total cost of sales for the year ended December 31, 2012 was $57,334 compared to $56,493 for the year ended December 31, 2011. This represents an increase of $841 from that of the year ended December 31, 2011. This increase reflects higher material costs.

Gross Profit

Gross profit decreased by $3,090 for the year ended December 31, 2012 compared to the prior year. This decrease reflects our lower revenues and higher cost of sales in the year ended December 31, 2012 compared to the prior year.

Operating Expenses

Operating Expenses increased from the year ended December 31, 2011 to the year ended December 31, 2012 due to increased costs related to professional services incurred. Operating expenses increased from $16,845 for the year ended December 31, 2011 to $52,695 for the year ended December 31, 2012.

Liquidity and Capital Resources (Holdings and Pharma)

Since our inception, we have sustained operating losses and have used cash raised by issuing securities in our operations. During the years ended December 31, 2012 and 2011, and the period from inception to December 31, 2012, we used cash in operating activities of $1,159,237, $1,459,878, and $19,388,849, respectively, and incurred a net loss of $2,543,390, $1,879,940, and $28,536,492, respectively. During the nine months ended September 30, 2013 and 2012 and for the period from inception to September 30, 2013, we used cash in

operating activities of $2,955,988, $812,147, and $22,344,837, respectively, and incurred a net loss of $2,849,861, $1,883,876, and $31,386,353, respectively.

As of December 31, 2012, our predecessor, Holdings reported net operating losses of approximately $21 million on its U.S. federal income tax return. If Holdings is acquired by or merged with and into us, then the net operating losses may be available to offset our future taxable income to the extent permitted under the Internal Revenue Code.

We require additional financing in order to continue to fund our operations, and pay existing and future liabilities and other obligations. It is estimated that our limited available cash resources as of February 7, 2014, would be sufficient to continue operations only through December 31, 2014. We cannot give any assurance that we will in the future be able to achieve a level of profitability from the sale of our products or otherwise to sustain our operations. These conditions raise substantial doubt about our ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on recoverability and reclassification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

Any inability to so obtain additional financing on acceptable terms will materially and adversely affect us, including requiring us to significantly further curtail or cease business operations altogether.

Our working capital and capital requirements at any given time depend upon numerous factors, including, but not limited to:

- the progress of research and development programs;
- the level of resources that we devote to the development of our technologies, patents, marketing and sales capabilities; and
- revenues from the sale of any products or license revenues and the cost of any production or other operating expenses.

We have funded our research and development primarily by issuing convertible debt securities in several separate private placements of securities.

During Holdings' fiscal year ending December 31, 2012, it received total gross proceeds from the sale of promissory notes of $1,178,696 as follows:

- Between February 10, 2012 and March 9, 2012, Holdings sold secured notes to investors in the aggregate principal amount of $199,800. On March 23, 2013, the outstanding principal amount of these notes, together with the outstanding principal amount of $1,692,348 for secured notes sold in prior years, plus all accrued interest thereon owed to each investor, were converted into new notes issued by Holdings. On May 31, 2013, the outstanding principal amount of these notes plus all accrued interest thereon owed to each investor was exchanged for new secured notes issued by Pharma in the aggregate principal amount of $2,299,407.
- On February 1, 2012, Holdings sold a note to an investor in the aggregate principal amount of $100,000. On March 16, 2012, Holdings sold a secured note to an investor in the aggregate principal amount of $149,850. In April through June 2013, the outstanding principal amount of these notes, together with the outstanding principal amount of notes sold in prior years, that in the aggregate represent $998,076 in principal amount, plus all accrued interest thereon of $234,109, was repaid by Holdings.
- Between June 20, 2012 and October 24, 2012, Holdings sold notes to investors in the aggregate principal amount of $404,695. On April 8, 2013, the outstanding principal amount of one of these notes plus all accrued interest thereon owed to the investor was converted into a new note issued by Holdings. On May 31, 2013, the outstanding principal amount of these notes plus all accrued interest thereon owed to each investor was exchanged for new secured notes issued by Pharma in the aggregate principal amount of $442,673.
- Between November 15, 2012 and December 20, 2012, Holdings sold notes to investors in the aggregate principal amount of $324,351. On May 31, 2013, the outstanding principal amount of these notes plus all accrued interest thereon owed to each investor was exchanged for new secured notes issued by Pharma in the aggregate principal amount of $337,798.

During Holdings' nine months ended September 30, 2013, it received total gross proceeds from the sale of promissory notes, net of repayments, during the period, of $559,611 as follows:

- Between January 7, 2013 and April 25, 2013, Holdings sold notes to investors in the aggregate principal amount of $194,611. On May 31, 2013, the outstanding principal amount of these notes plus all accrued interest thereon owed to each investor was exchanged for new secured notes issued by Pharma in the aggregate principal amount of $197,968.
- On January 29, 2013, Holdings sold a note to an investor in the aggregate principal amount of $15,000.
- On May 31, 2013, the outstanding principal amount of this note plus all accrued interest thereon owed to the investor was exchanged for a new secured note issued by Pharma in the aggregate principal amount of $15,602.
- On April 11, 2013, Holdings sold a note to an investor in the aggregate principal amount of $350,000.
- On May 31, 2013, the outstanding principal amount of this note plus all accrued interest thereon owed to the investor was exchanged for a new secured note issued by Pharma in the aggregate principal amount of $354,795.

During Pharma's nine months ended September 30, 2013, it received total proceeds from the sale of promissory notes of $4,650,792 as follows:

- Between May 31, 2013 and August 28, 2013, Pharma sold senior secured convertible promissory notes to investors in the aggregate principal amount of $4,650,792.

During Pharma's quarter ending December 31, 2013, it received total proceeds from the sale of promissory notes of $190,000 as follows:

- Between October 15, 2013 and November 1, 2013, Pharma sold senior secured convertible promissory notes to investors in the aggregate principal amount of $190,000.

During Pharma's 2014 quarter-to-date, it received total proceeds from the sale of promissory notes of $2,076,000 as follows:

- On January 3, 2014, Pharma sold convertible unsecured promissory notes to investors in the aggregate principal amount of $2,076,000.

Upon the consummation of the Merger, the outstanding principal amount of the senior secured convertible promissory notes issued by Pharma, consisting of (a) the aggregate principal amount of approximately $3,648,244 for notes exchanged with Holdings on May 31, 2013, (b) the aggregate principal amount of $4,650,792 for notes issued by Pharma during the nine months ended September 30, 2013, and (c) the aggregate principal amount of $190,000 for notes issued by Pharma during the current quarter-to-date, altogether in an aggregate principal amount of $8,489,036, plus all accrued interest thereon, was automatically converted into an aggregate number of 14,446,777 shares of our Common Stock and warrants, issued by Cardax, to purchase an aggregate of 14,446,777 shares of our Common Stock at an exercise price equal to $0.625 that expire on February 7, 2019.

Upon the consummation of the Merger, the outstanding principal amount of the convertible unsecured promissory notes issued by Pharma, consisting of the aggregate principal amount of $2,076,000 plus all accrued interest thereon, was automatically converted into an aggregate number of 3,353,437 shares of our Common Stock and warrants to purchase an aggregate of 3,321,600 shares of our Common Stock at an exercise price equal to $0.625 that expire on February 7, 2019.

In addition, on the Closing Date of the Merger we issued and sold an aggregate of 6,276,960 shares of our Common Stock and warrants, that expire on February 7, 2019, to purchase an aggregate of 6,276,960 shares of our Common Stock at a price per share equal to $0.625, for aggregate gross cash proceeds of $3,923,100.

We will incur ongoing recurring expenses associated with professional fees for accounting, legal, and other expenses for annual reports, quarterly reports, proxy statements and other filings under the Exchange Act. We estimate that these costs will likely be in excess of $250,000 per year for the next few years. These obligations will reduce our ability and resources to fund other aspects of our business. We hope to be able to use our status as a public company to increase our ability to use non-cash means of settling obligations and compensate certain independent contractors who provide professional services to us, although there can be no assurances that we will be successful in any of those efforts.

The following is a summary of our cash flows provided by (used in) operating, investing and financing activities during the periods indicated:

Cash Flow Summary	Nine months ended Sep. 30, 2013 (Unaudited)	Nine months ended Sep. 30, 2012 (Unaudited)	Year ended Dec. 31, 2012	Year ended Dec. 31, 2011	Inception to Dec. 31, 2012
Net Cash Used in Operating Activities	(2,955,988)	(812,147)	(1,159,237)	(1,459,878)	(19,388,849)
Net Cash Used in Investing Activities	(52,822)	(27,279)	(31,141)	(56,769)	(1,207,416)
Net Cash Provided by Financing Activities	4,212,327	800,049	1,130,050	1,532,937	20,604,064
Net Cash Increase (Decrease) for Period	1,203,517	(39,377)	(60,328)	16,290	7,799
Cash at Beginning of Period	7,799	68,127	68,127	51,837	-
Cash at End of Period	$ 1,211,316	$ 28,750	$ 7,799	$ 68,127	$ 7,799

Cash Flows from Operating Activities

During the nine months ended September 30, 2013, our operating activities primarily consisted of payments to employees, directors, and consultants, for services related to research and development, and administration, and to placement agents for commissions and expenses in connection with financing raised for the Company. During the nine months ended September 30, 2012, our operating activities primarily consisted of payments to, or accruals for payments to, employees, directors, and consultants, for services related to research and development and administration.

During the years ended December 31, 2012 and 2011, our operating activities primarily consisted of payments to, or accruals for payments to, employees, directors, and consultants, for services related to research and development and administration. During the period from inception to December 31, 2012, our operating activities primarily consisted of payments to, or accruals for payments to, employees, directors, consultants, contract research organizations, contract manufacturing organizations, academic institutions, professional service providers, and landlords, for services and property leases related to research and development and administration.

Cash Flows from Investing Activities

During the nine months ended September 30, 2013 and 2012, the years ended December 31, 2012 and 2011, and the period from inception to December 31, 2012, our investing activities were primarily related to fixed asset additions and capitalization of patent costs.

Cash Flows from Financing Activities

During the nine months ended September 30, 2013 and 2012, our financing activities consisted of various transactions in which we raised proceeds through the issuance of debt. The increase in our financing activities was primarily attributable to our requirement to obtain significant amounts of capital to support our operations prior to liquidity events. Because of the nature of our business, capital is required to support research and development costs, as well as, our normal operating costs.

During the years ended December 31, 2012 and 2011, and the period from inception to December 31, 2012, our financing activities consisted of various transactions in which we raised proceeds through the issuance of debt, preferred stock, and common stock. The increase in our financing activities was primarily attributable to our requirement to obtain significant amounts of capital to support our operations prior to the commencement of a revenue stream or other liquidity events. Because of the nature of our business, capital is required to support research and development costs, as well as, our normal operating costs.

Our existing liquidity is not sufficient to fund our operations, anticipated capital expenditures, working capital and other financing requirements for the foreseeable future. We will need to seek to obtain additional debt or equity financing, especially if we experience downturns or cyclical fluctuations in our business that are more severe or longer than anticipated, or if we experience significant increases in the cost of components and manufacturing, or increases in our expense levels resulting from being a publicly-traded company. If we attempt to obtain additional debt or equity financing, we cannot assure you that such financing will be available to us on favorable terms, or at all.

Liquidity and Capital Resources (Koffee Korner Inc.)

Since our inception, we have financed our operations through equity from our principal and funds generated by our business. As of December 31, 2012 and September 30, 2013, we had approximately $12,797 and $9,169 in cash, respectively.

Net Cash Used in Operating Activities

Net cash used in operating activities amounted to $34,579 for the year ended December 31, 2012 compared to net cash used in operating activities of $3,184 for the year ended December 31, 2011. The net loss for the year ended December 31, 2012 was $37,586, an increase of $38,941 from $1,355 net income for the year ended December 31, 2011.

Net cash used in operating activities amounted to $16,028 for the nine months ended September 30, 2013 compared to net cash used in operating activities of $1,408 for the nine months ended September 30, 2012.

Net Cash Used by Investing Activities

There was $0 net cash used in investing activities for the years ended December 31, 2012 and 2011.

Net cash used in investing activities amounted to $500 for the nine months ended September 30, 2013 compared to net cash used in investing activities of $0 for the nine months ended September 30, 2012.

Net Cash Used in Financing Activities

Net cash provided by financing activities for the year ended December 31, 2012 was $44,320 compared to net cash used in financing activities of $(1,608) for the year ended December 31, 2012. Net cash provided by financing represented a loan from the then largest shareholder of Koffee Korner Inc.

Net cash used in financing activities for the nine months ended September 30, 2013 was $1,105 compared to $33,020 provided by financing activities for the nine months ended September 30, 2012.

Recently Issued Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2011-04, *Fair Value Measurements*, which amends the fair value measurement guidance and includes some enhanced disclosure requirements. The most significant change in disclosures is an expansion of the information required for Level 3 measurements based on unobservable inputs. The standard is effective for fiscal years beginning after December 15, 2011. We adopted this standard in the first quarter of 2012. The adoption of this standard did not have a material effect on our consolidated financial statements.

In September 2011, the FASB ASU No. 2011-08, *Intangibles – Goodwill and Other Testing Goodwill for Impairment*, issued amendments to its accounting guidance on testing goodwill for impairment. The amendments allow entities to use a qualitative approach to test goodwill for impairment. This permits an entity to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If it is concluded that this is the case, it is required to perform the currently prescribed two-step goodwill impairment test. Otherwise, the two-step goodwill impairment test is not required. This guidance is effective for annual and interim goodwill impairment test performed for fiscal years beginning after December 15, 2011 and early adoption is permitted. We adopted this standard in the first quarter of year 2012 and the implementation thereof did not have a material impact on our consolidated financial statements.

In February 2013, the FASB issued ASU No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*, to require reporting of the impact of significant reclassifications out of accumulated other comprehensive income or loss on the line items on the statement of operations, if a reclassification is required in its entirety in one reporting period. This ASU is effective for interim and annual periods beginning after December 15, 2012. The adoption of the ASU did not have a significant impact on our financial statements.

In July 2013, the FASB issued ASU No. 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*, to specify when an unrecognized tax benefit should be presented as a liability versus an offset against a deferred tax asset. The ASU is effective prospectively for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2013. We are currently assessing the impact of this ASU on our financial

statements.

Our management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the consolidated financial statements filed with this Current Report on Form 8-K.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

PROPERTIES

Our principal office is located at 167 Penn Street, Washington Boro, Pennsylvania, which is leased on a month-to-month basis. We intend to move our principal office to Honolulu, Hawaii, shortly after the Closing Date.

Koffee Korner's Inc. has a retail location at 6560 Fannin Street, Suite 245, Houston, Texas. This location consists of 638 square feet and is leased on a month-to-month basis.

Pharma, which we acquired in the Merger, maintains a facility of approximately 738 square feet at 2800 Woodlawn Drive, Honolulu, Hawaii, which is leased on a month-to-month basis. Pharma's laboratory is located in a leased facility of approximately 1,094 square feet at 99-193 Aiea Heights Drive, Aiea, Hawaii. The term of this lease commenced on June 1, 2006 and expires on October 31, 2014. We believe that our facilities are adequate for our current purposes.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of our Common Stock as of February 7, 2014, and taking into account the Merger, the Stock Dividend and the cancellation of shares described above under Item 2.01:

- each director;
- each person known by us to own beneficially 5% or more of our Common Stock;
- each officer named in the summary compensation table elsewhere in this report; and
- all directors and executive officers as a group.

The amounts and percentages of our Common Stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of such security, or "investment power," which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has the right to acquire beneficial ownership within 60 days. Under these rules more than one person may be deemed a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest.

Unless otherwise indicated below, to the best of our knowledge each beneficial owner named in the table has sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable.

Name	Amount of Beneficial Ownership of Common Stock	Percent of Common Stock[1]
Cardax Pharmaceuticals, Inc.[2]	33,229,093	52.9%
Paulson Capital Corp.	8,544,867[3]	12.8%
Nicholas Mitsakos[4]	3,546,607[5]	5.4%
Frank C. Herringer[6]	698,144[7]	1.1%
David G. Watumull[8]	4,633,331[9]	6.9%
David M. Watumull[10]	1,438,381[11]	2.2%
All directors and executive officers as a group (4 persons)	10,316,463	14.2%

(1) Based on 62,854,662.6 shares of Common Stock issued and outstanding as of February 7, 2014.

(2) The address of Cardax Pharmaceuticals, Inc. is 2800 Woodlawn Drive, Honolulu, Hawaii 96822.

(3) Represents (a) 3,872,434 shares of Common Stock owned of record by Paulson Cardax Investments I, LLC, (b) 3,872,434 shares of Common Stock issuable upon exercise by Paulson Cardax Investments I, LLC of warrants that are presently exercisable, at an exercise price of $0.625 per share, and (c) 799,999 shares of Common Stock owned of record by Paulson Investment Company, Inc. Paulson Investment Company, Inc. is the managing member of Paulson Cardax Investments I, LLC and holds voting and investment control over the shares and warrants held by Paulson Cardax Investments I, LLC. Paulson Investment Company, Inc. disclaims beneficial ownership of all shares of Common Stock and warrants owned by Paulson Cardax Investments I, LLC. Paulson Investment Company, Inc. is a subsidiary of Paulson Capital Corp., a publicly traded company. The address of Paulson Cardax Investments I, LLC, Paulson Investment Company, Inc. and Paulson Capital Corp. is 1331 NW Lovejoy Street, Suite #720, Portland, Oregon 97209.

(4) The address of Mr. Mitsakos is c/o Cardax Pharma, Inc., 2800 Woodlawn Drive, Honolulu, Hawaii 96822. Mr. Mitsakos is the Executive Chairman of our Board of Directors.

(5) Represents (a) 1,496,700 shares of Common Stock issuable upon exercise by Mr. Mitsakos of options that are presently exercisable, at an exercise price of $0.155 per share, (b) 1,611,237 shares of Common Stock issuable upon exercise by Mr. Mitsakos of options that are presently exercisable or exercisable within 60 days, at an exercise price of $0.625 per share, (c) 219,335 shares of Common Stock, which may be deemed to be beneficially owned by Mr. Mitsakos as the sole owner, Chairman and CEO of Arcadia Holdings, Inc., the owner of such shares and (d) 219,335 shares of Common Stock issuable upon exercise by Arcadia Holdings, Inc. of warrants that are presently exercisable, at an exercise price of $0.625 per share, and which may be deemed to be beneficially owned by Mr. Mitsakos.

(6) The address of Mr. Herringer is c/o Cardax Pharma, Inc., 2800 Woodlawn Drive, Honolulu, Hawaii 96822. Mr. Herringer is a member of our Board of Directors.

(7) Represents (a) 297,381 shares of Common Stock issuable upon exercise by Mr. Herringer of options that are presently exercisable, at an exercise price of $0.155 per share, (b) 181,429 shares of Common Stock issuable upon exercise by Mr. Herringer of options that are presently exercisable or exercisable within 60 days, at an exercise price of $0.625 per share, (c) 109,667 shares of Common Stock, which may be deemed to be beneficially owned by Mr. Herringer as the trustee of Frank C. and Maryellen Cattani Herringer 1995 Family Trust, the owner of such shares and (d) 109,667 shares of Common Stock issuable upon exercise by Frank C. and Maryellen Cattani Herringer 1995 Family Trust of warrants that are presently exercisable, at an exercise price of $0.625 per share, and which may be deemed to be beneficially owned by Mr. Herringer.

(8) The address of Mr. David G. Watumull is c/o Cardax Pharma, Inc., 2800 Woodlawn Drive, Honolulu, Hawaii 96822. Mr. David G. Watumull is our President, CEO, and a member of our Board of Directors.

(9) Represents (a) 1,750,588 shares of Common Stock issuable upon exercise by Mr. David G. Watumull of options that are presently exercisable, at an exercise price of $0.155 per share, and (b) 2,882,743 shares of Common Stock issuable upon exercise by Mr. David G. Watumull of options that are presently exercisable or exercisable within 60 days, at an exercise price of $0.625 per share.

(10) The address of Mr. David M. Watumull is c/o Cardax Pharma, Inc., 2800 Woodlawn Drive, Honolulu, Hawaii 96822. Mr. David M. Watumull is our Vice President, Operations.

(11) Represents (a) 45,058 shares of Common Stock issuable upon exercise by Mr. David M. Watumull of options that are presently exercisable, at an exercise price of $0.155 per share, and (b) 1,393,323 shares of Common Stock issuable upon exercise by Mr. David M. Watumull of options that are presently exercisable or exercisable within 60 days, at an exercise price of $0.625 per share.

Holdings currently owns approximately 52.9% of our issued and outstanding shares of Common Stock or approximately 27.3% of our issued and outstanding shares of Common Stock determined on a fully diluted basis. We may agree with Holdings for the merger of Holdings with and into us or other similar transaction, in which we would issue and sell the same number of shares of Common Stock to the stockholders of Holdings that Holdings owns in us. Any such transaction would not require us to increase the number of issued and outstanding shares of our Common Stock and would result in Holdings no longer owning a controlling interest in our Common Stock.

DIRECTORS AND EXECUTIVE OFFICERS

Our Directors and Executive Officers

The following sets forth information about our directors and executive officers as of the date of this report:

Name	Age	Position
Nicholas Mitsakos	54	Executive Chairman of the Board of Directors
David G. Watumull	64	President, Chief Executive Officer, and Director
Frank C. Herringer	71	Director
John B. Russell	41	Chief Financial Officer and Treasurer
Richard M. Morris	53	Secretary
David M. Watumull	32	Vice President, Operations, Assistant Treasurer and Assistant Secretary

Nicholas Mitsakos has served as our Executive Chairman of the Board since February 7, 2014. Mr. Mitsakos has served as the Executive Chairman of the Board of Pharma since its inception in May 2013, as Executive Chairman of the Board of Holdings since May 2009, as Chairman of the Board of Holdings from May 2006 to May 2009, and as a Director of Holdings from its inception in March 2006 to May 2006. Mr. Mitsakos has served as the Chairman and Chief Executive Officer of Arcadia Holdings, Inc. since 1989, focusing on private equity and venture capital investments globally. He has also been a senior advisor to Sardis Capital, a London-based merchant bank since 2003, to Franklin Templeton China in Shanghai since 2001, and previously to Templeton International. Mr. Mitsakos has also served as a director of Meru Networks, Inc. since 2002, Chairman of IMEx Minerals, LLC since 2005, and Co-Chairman of Ubiquity Broadcasting Corporation since 2011. Mr. Mitsakos worked at Goldman Sachs in 1985 and Drexel Burnham Lambert from 1986 to 1989. He holds B.S. degrees in Computer Science and Microbiology from the University of Southern California, where he graduated first in his class, and an MBA from Harvard University. He taught at UCLA's Anderson School of Business from 1992 to 1998, and is also on the board of UCLA's Center for Cerebral Palsy within the UCLA Medical School. Mr. Mitsakos is also on the board of the Rehabilitation Hospital of the Pacific and a lecturer at the Harvard Innovation Center at Harvard University.

David G. Watumull has served as our Chief Executive Officer, President, and Director since February 7, 2014. Mr. Watumull has served as the Chief Executive Officer, President, and Director of Pharma since its inception in May 2013 and as the Chief Executive Officer, President, and Director of Holdings since its inception in March 2006. Mr. Watumull is a co-founder of Holdings and has over 20 years of experience as a biotechnology industry executive. From 2001 to 2006, Mr. Watumull served as President, Chief Executive Officer, and Director of Hawaii Biotech, Inc. Mr. Watumull was Executive Vice President of Aquasearch, Inc., a public astaxanthin nutraceutical company, from 1998 to 2000. From 1997 to 1998 he headed his own biotech research firm, Watumull & Co. From 1994 to 1997 he was a biotech research analyst, money manager, and investment banker at First Honolulu Securities. From 1992 to 1994 he led his own money management firm, Biovest, Inc. Prior to that, from 1982 to 1992, Mr. Watumull worked at Paine Webber in various capacities, including as a biotech money manager and investment executive.

Frank C. Herringer has served as a Director since February 7, 2014. Mr. Herringer has served as a Director of Pharma since its inception in May 2013 and as a Director of Holdings since its inception in March 2006. Mr. Herringer has served as Chairman of the Board of Transamerica Corporation, a financial services company, since 1996. He served as Chief Executive Officer of Transamerica from 1991 to 1999 and President from 1986 to 1999, when Transamerica was acquired by Aegon N.V. From the date of the acquisition until 2000, Mr. Herringer served on the Executive Board of Aegon N.V. and as Chairman of the Board of Aegon USA, Inc. Mr. Herringer is also a Director of Aegon U.S. Corporation, the holding company of Aegon N.V.'s operations in the United States, Amgen Inc., a biotechnology company, Safeway, Inc., a food and drug retailer, and The Charles Schwab Corporation, a financial services company. Mr. Herringer holds an A.B. from Dartmouth College and an MBA from the Amos Tuck School of Business Administration at Dartmouth College, where he graduated first in his class.

John B. Russell, CPA, has served as our Chief Financial Officer and Treasurer since February 7, 2014. Mr. Russell has also served as the Chief Financial Officer and Treasurer of Pharma and Holdings since July 2013. Mr. Russell is the founder of JBR Business Solutions, LLC and has served as its President since 2010. Mr. Russell has 19 years of accounting, finance, operations, and SEC reporting experience in biopharmaceutical and high-tech industries. From 2010 to the present, he has served as Chief Financial Officer for various privately-held start-up companies. Mr. Russell was in charge of the Business Advisory Services for the Grant Thornton Honolulu office from 2006 to 2010. From 2005 to 2006, Mr. Russell worked at a consulting company as the Operations Consulting - Financial Management lead, advising Cisco Systems, Inc. Mr. Russell was the General Accounting Manager of the publicly traded company Scios Inc. from 2003 to 2005, where he was in charge of SEC reporting and internal controls. Mr. Russell was the Controller for several portfolio companies in the venture capital firm, Raza Foundries, Inc., from 2001 to 2002, and the General Accounting Manager for inSilicon Corporation, a public company, from 2000 to 2001. Previous to that, Mr. Russell was an auditor at PricewaterhouseCoopers LLP from 1995 to 2000. Mr. Russell is a licensed CPA in Hawaii and has a B.A. in Economics/Accounting from Claremont McKenna College.

Richard M. Morris has served as our Secretary since February 7, 2014. Mr. Morris has served as Assistant Secretary of Pharma since May 2013 and Assistant Secretary of Holdings since July 2013. Mr. Morris is a Partner at Herrick, Feinstein LLP, our legal counsel ("Herrick"). As a partner of Herrick, Mr. Morris represents a variety of clients, primarily in corporate matters. Prior to becoming a lawyer, Mr. Morris was an auditor with the Commodities Exchange in New York and later focused on operations and financial management at Kidder Peabody. He also was the U.S. Audit Manager for the financial division for a diversified Australian company. Mr. Morris has a B.S. in Accounting from New York University (1982) and a J.D. from Fordham University School of Law (1990), with bar admissions in New York and Connecticut.

David M. Watumull has served as our Vice President, Operations, Assistant Treasurer, and Assistant Secretary since February 7, 2014. Mr. Watumull has served as Vice President, Operations of Pharma since its inception in May 2013, Assistant Treasurer and Assistant Secretary of Pharma since July 2013, and Secretary and Treasurer of Pharma from its inception in May 2013 to July 2013. Mr. Watumull has served as Vice President, Operations, Assistant Treasurer, and Assistant Secretary of Holdings since July 2013, and previously as Director, Operations and Finance from 2009 to 2013, Operations Manager from 2008 to 2009, and Program Manager from its inception in 2006 to 2009. Mr. Watumull heads day-to-day company operations related to accounting, banking, budgeting, leasing, insurance, debt/equity transactions and due diligence, capitalization structure, reporting, corporate governance, contracting and related legal matters, intellectual property, human resources, front office, facilities and equipment, and information technology. Mr. Watumull also manages the relationships, timelines, and budgets of development partners, contractors, and regulatory consultants associated with the production and testing of Cardax products. Mr. Watumull was previously Program Manager at Hawaii Biotech, Inc. from 2005 to 2006, Project Coordinator from 2004 to 2005, and Information Technology Associate / Manager from 2002 to 2004. Mr. Watumull also worked at Aquasearch, Inc. from 2000 to 2001 in various capacities including Medical Information Specialist and Information Technology Associate. Mr. Watumull graduated first in his high school class and studied Electrical Engineering at the University of Hawaii.

Executive officers are appointed by our Board of Directors. Each executive officer holds his or her office until he or she resigns, is removed by our Board of Directors or his or her successor is elected and qualified. Directors will be elected annually by our stockholders at the annual meeting. Each director holds his or her office until his or her successor is elected and qualified or his or her earlier resignation or removal.

Board Committees

We are not required under the Securities and Exchange Act to maintain any committees of our Board of Directors. We have formed certain committees of our board as a matter of preferred corporate practices.

We have an audit committee, a compensation committee and a nominating and corporate governance committee, each of which has the composition and responsibilities described below.

Audit Committee. Our audit committee oversees a broad range of issues surrounding our accounting and financial reporting processes and audits of our financial statements, including the following:

- monitors the integrity of our financial statements, our compliance with legal and regulatory requirements, our independent registered public accounting firm's qualifications and independence, and the performance of our internal audit function and independent registered public accounting firm;
- assumes direct responsibility for the appointment, compensation, retention and oversight of the work of any independent registered public accounting firm engaged for the purpose of performing any audit, review or attest services and for dealing directly with any such accounting firm;
- provides a medium for consideration of matters relating to any audit issues; and
- prepares the audit committee report that the rules require be included in our filings with the SEC.

The members of our audit committee are Nicholas Mitsakos, Frank C. Herringer and David G. Watumull. Our audit committee has a written charter available on our website at www.cardaxpharma.com.

Compensation Committee. Our compensation committee reviews and recommends policy relating to compensation and benefits of our officers, directors and employees, including reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer and other senior officers, evaluating the performance of these persons in light of those goals and objectives and setting compensation of these persons based on such evaluations. The compensation committee reviews and evaluates, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter.

The members of our compensation committee are Nicholas Mitsakos and Frank C. Herringer. Our compensation committee has a written charter available on our website at www.cardaxpharma.com.

Nominating and Corporate Governance Committee. The nominating and corporate governance committee oversees and assists our Board of Directors in identifying, reviewing and recommending nominees for election as directors; evaluating our Board of Directors and our management; developing, reviewing and recommending corporate governance guidelines and a corporate code of business conduct and ethics; and generally advises our Board of Directors on corporate governance and related matters.

The members of our nominating and corporate governance committee are Nicholas Mitsakos, Frank C. Herringer, and David G. Watumull, and Nicholas Mitsakos serves as its chairman. Our compensation committee has a written charter available on our website at www.cardaxpharma.com.

Indemnification

We maintain directors' and officers' liability insurance. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions limiting the liability of directors and officers and indemnifying them under certain circumstances. We expect to enter into indemnification agreements with our directors to provide our directors and certain of their affiliated parties with additional indemnification and related rights. See "Indemnification of Directors and Officers" for further information.

Family Relationships

David G. Watumull is the father of David M. Watumull. There are no other family relationships among any of our officers or directors.

Conflicts of Interest

Certain potential conflicts of interest are inherent in the relationships between our officers and directors and us.

From time to time, one or more of our affiliates may form or hold an ownership interest in and/or manage other businesses both related and unrelated to the type of business that we own and operate. These persons expect to continue to form, hold an ownership interest in and/or manage additional other businesses which may compete with our business with respect to operations, including financing and marketing, management time and services and potential customers. These activities may give rise to conflicts between or among the interests of us and other businesses with which our affiliates are associated. Our affiliates are in no way prohibited from undertaking such activities, and neither us nor our stockholders will have any right to require participation in such other activities.

Further, because we intend to transact business with some of our officers, directors and affiliates, as well as with firms in which some of our officers, directors or affiliates have a material interest, potential conflicts may arise between the respective interests of us and these related persons or entities. We believe that such transactions will be effected on terms at least as favorable to us as those available from unrelated third-parties.

With respect to transactions involving real or apparent conflicts of interest, we have adopted policies and procedures which require that: (i) the fact of the relationship or interest giving rise to the potential conflict be disclosed or known to the directors who authorize or approve the transaction prior to such authorization or approval; and (ii) the transaction be fair and reasonable to us at the time it is authorized or approved by our directors.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors, or has been a party to any judicial or administrative proceeding during the past ten years that resulted in a judgment, decree, or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws, except for matters that were dismissed without sanction or settlement. Except as set forth in our discussion below in "Certain Relationships and Related Transactions, and Director Independence – Transactions with Related Persons," none of our directors, director nominees, or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates, or associates which are required to be disclosed pursuant to the rules and regulations of the Commission.

EXECUTIVE COMPENSATION

The following sets forth information with respect to the compensation awarded or paid to David G. Watumull, our Chief Executive Officer, Nicholas Mitsakos, our Executive Chairman of the Board, and David M. Watumull, our Vice President, Operations, Assistant Treasurer, Assistant Secretary, for all services rendered in all capacities to the Company and its predecessors during the fiscal years ending December 31, 2011 and 2012. These three executive officers are referred to as the "named executive officers" throughout this report. In addition, the following sets forth information with respect to the compensation awarded or paid to our two highest compensated individuals not serving as executive officers, Gilbert M. Rishton, our Chief Science Officer, and Timothy J. King, our Vice President, Research, for all services rendered in all capacities to the Company and its predecessors during the fiscal years ending December 31, 2011 and 2012.

Compensation of Executive Officers

The following table sets forth information regarding each element of compensation that we paid or awarded to our named executive officers, and our two highest compensated individuals not serving as executive officers, for the two fiscal years ended December 31, 2011 and 2012:

Name	Year	Salary Paid or Accrued[1][2]	All Other Comp.	Total
David G. Watumull	2011	$ 425,000	10,446[3]	$ 435,446
Chief Executive Officer	2012	$ 425,000	10,446[3]	$ 435,446
Nicholas Mitsakos	2011	$ 74,667[4]	-	$ 62,667
Executive Chairman	2012	$ 40,000[5]	-	$ 40,000
David M. Watumull	2011	$ 100,000	-	$ 100,000
Vice President, Operations, Assistant Treasurer, Assistant Secretary	2012	$ 100,000	-	$ 100,000
Gilbert M. Rishton[6]	2011	$ 40,000	-	$ 40,000
Chief Science Officer	2012	$ 40,000	-	$ 40,000
Timothy J. King	2011	$ 130,000	-	$ 130,000
Vice President, Research	2012	$ 130,000	-	$ 130,000

(1) Includes compensation paid and accrued. Please refer to Management's Discussion and Analysis of Financial Conditions and Results of Operations for additional discussion with respect to accrued compensation.

(2) We are voluntarily providing the following information in addition to the information set forth in this table that is required to be included in this Current Report on Form 8-K under Item 402 of Regulation S-K. We increased the cash component of our executive compensation in June 2013, as follows: the annual cash salary of Mr. David G. Watumull increased to $450,000, the annual cash compensation of Mr. Mitsakos as the Executive Chairman increased to $240,000, the annual cash salary of Mr. David M. Watumull increased to $170,000, the annual cash salary of Mr. Rishton increased to $200,000, and the annual cash salary of Mr. King increased to $170,000. We have the right to further increase the cash or other components of compensation payable to such individuals or other employees or executives.

(3) The amount disclosed refers to certain annual insurance premiums paid on behalf of Mr. David G. Watumull in lieu of additional cash compensation.

(4) The amount disclosed represents (a) $48,000 as compensation for consulting services provided by Mr. Mitsakos for the period from January 2011 through April 2011 for an annual cash salary of $144,000, and (b) $26,667 as compensation for services provided by Mr. Mitsakos as a director for the period from May 2011 to December 2011.

(5) The amount disclosed represents compensation for services provided by Mr. Mitsakos as a director for the 2012 fiscal year.

(6) The amounts disclosed refer to services provided by Mr. Rishton as Chief Science Officer for the 2011 and 2012 fiscal years for an annual cash salary of $160,000. Mr. Rishton was employed on a part-time basis during 2011 and 2012 and received the total cash salary of $40,000 for each such year, and is currently employed on a full time basis for an annual cash salary of $200,000.

Outstanding Equity Awards to Executive Officers at Fiscal Year-End 2012

The following table sets forth information regarding outstanding option awards to our named executive officers as of December 31, 2012:

	Option awards[1][2]				
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
David G. Watumull	3,885,209	-	-	$ 0.07	May 15, 2016
Nicholas Mitsakos	1,321,736[3]		-	$ 0.07	May 15, 2016
Nicholas Mitsakos	1,000,000[4]	1,000,000[4]	-	$ 0.07	May 1, 2019
David M. Watumull	100,000	-	-	$ 0.07	May 15, 2016

(1) The type of securities underlying all outstanding option awards was common stock of Holdings. All unvested options vested on February 7, 2014. Upon the Closing of the Merger, Cardax, Inc. assumed the options described above and extended the expiration date for such options to February 7, 2024. In addition, the number of shares underlying such options was divided by an exchange ratio of approximately 2.2 and the exercise price was multiplied by that ratio.

(2) None of our named executive officers have received stock awards.

(3) Represents 1,321,736 in option awards for services provided by Mr. Mitsakos as a director.

(4) Represents 2,000,000 in option awards for consulting services provided by Mr. Mitsakos.

Compensation of Directors

The following table sets forth information regarding each element of compensation that we paid or awarded to our directors for the two fiscal years ended December 31, 2011 and 2012:

Name		Board Fees Paid or Accrued[1]	All Other Comp.	Total
Frank C. Herringer	2011	$ 25,000	-	$ 25,000
	2012	$ 25,000	-	$ 25,000

(1) Includes board fees paid and accrued. Please refer to Management's Discussion and Analysis of Financial Conditions and Results of Operations for additional discussion with respect to accrued board fees.

Mr. Mitsakos, our Executive Chairman of the Board, received compensation for his services as a director as set forth under "Compensation of Executive Officers."

Outstanding Equity Awards to Directors at Fiscal Year-End 2012

The following table sets forth information regarding outstanding option awards to directors as of December 31, 2012:

	Option awards[1][2]				
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
Frank C. Herringer	660,000	-	-	$ 0.07	May 15, 2016

(1) The type of securities underlying all outstanding option awards was common stock of Holdings. Upon the Closing of the Merger, Cardax, Inc. assumed the options described above and extended the expiration date for such options to February 7, 2024. In addition, the number of shares underlying such options was divided by an exchange ratio of approximately 2.2 and the exercise price was multiplied by that ratio.

(2) None of our directors have received stock awards.

Mr. Mitsakos, our Executive Chairman of the Board, received option awards for his services as a director as set forth under "Outstanding Equity Awards to Directors at Fiscal Year-End 2012."

Employment and Consulting Agreements

We are currently party to employment agreements with each of Messrs. David G. Watumull, David M. Watumull, Gilbert M. Rishton and Timothy J. King, which provide for employment for an initial term of one year, subject to renewal and earlier termination rights as provided in such agreements. These agreements provide for compensation terms and duration of employment as set forth in each such agreement. Such agreements include restrictive covenants concerning competition with us and solicitation of our employees and clients, if such individuals are terminated for cause as defined in such agreements.

On February 7, 2014, we entered into an Agreement for Services as the Executive Chairman with Nicholas Mitsakos, pursuant to which Mr. Mitsakos agreed to serve as our Executive Chairman. We agreed to pay Mr. Mitsakos an annual salary of $240,000 for his services as an executive officer.

2014 Equity Compensation Plan

Our 2014 Plan is administered by our compensation committee. The purpose of the 2014 Plan is to provide financial incentives for selected directors, employees, advisers, and consultants of Cardax and/or its subsidiaries, thereby promoting the long-term growth and financial success of the Company. The issuance of awards under the 2014 Plan is at the discretion of our compensation committee, which has the authority to determine the persons to whom any awards shall be granted and the terms, conditions and restrictions applicable to any award. Under the 2014 Plan, we may grant equity based incentive awards, including options, restricted stock, and other stock-based awards, to any directors, employees, advisers, and consultants that provide services to us or any of our subsidiaries. An aggregate of 30,420,148 shares (after giving effect to the Stock Dividend) of our Common Stock have been reserved for issuance under the 2014 Plan, which is equal to 25% of the fully diluted shares of our Common Stock on the Closing Date, and which number is subject to adjustment as described in such plan. As of February 7, 2014, there are 2,663,327 shares of Common Stock available for future awards under the 2014 Plan.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Transactions with Related Persons

Nicholas Mitsakos, our Executive Chairman, is the sole owner, Chairman and Chief Executive Officer of Arcadia Holdings, Inc. ("Arcadia"). On September 23, 2010, Arcadia purchased a certain secured promissory note from Holdings in the principal amount of $99,900. On March 23, 2013, that certain secured promissory note, as amended, together with all accrued interest thereon owed to Arcadia, was converted into a certain secured convertible promissory note of Holdings in the principal amount of $125,852. On May 31, 2013, that certain secured convertible promissory note, together with all accrued interest thereon owed to Arcadia, was exchanged for a certain secured convertible promissory note of Pharma in the principal amount of $128,231, and with terms *pari passu* with the terms of the senior secured convertible promissory notes sold by Pharma in the First Financing described below in "Recent Sales of Unregistered Securities." Upon the consummation of the Merger, (i) the outstanding principal amount of that certain secured convertible promissory note of Pharma, together with all accrued interest thereon owed to Arcadia, was automatically converted into an aggregate number of 219,335 shares of our Common Stock and (ii) Cardax issued to Arcadia a warrant to purchase an aggregate of 219,335 shares of our Common Stock at an exercise price equal to $0.625 per share through February 7, 2019.

In 2012, the Company paid business expense advances to Mr. Mitsakos. As of December 31, 2012, the aggregate outstanding balance of business expense advances paid to Mr. Mitsakos was $19,011. In 2013, the outstanding balance was settled in full.

Frank C. Herringer, our Director, is the trustee of the Frank C. and Maryellen Cattani Herringer 1995 Family Trust (the "Herringer Trust"). On September 23, 2010, the Herringer Trust purchased a certain secured promissory note from Holdings in the principal amount of $49,950. On March 23, 2013, that certain secured promissory note, as amended, together with all accrued interest thereon owed to the Herringer Trust, was converted into a certain secured convertible promissory note of Holdings in the principal amount of $62,926. On May 31, 2013, that certain secured convertible promissory note, together with all accrued interest thereon owed to the Herringer Trust, was exchanged for a certain senior secured convertible promissory note of Pharma in the principal amount of $64,116, and with terms *pari passu* with the terms of the senior secured convertible notes sold by Pharma in the First Financing described below in "Recent Sales of Unregistered Securities." Upon the consummation of the Merger, (i) the outstanding principal amount of that certain secured convertible promissory note of Pharma, together with all accrued interest thereon owed to the Herringer Trust, was automatically converted into an aggregate number of 109,667 shares of our Common Stock and (ii) Cardax issued to the Herringer Trust a warrant to purchase an aggregate of 109,667 shares of our Common Stock at an exercise price equal to $0.625 per share through February 7, 2019.

As of December 31, 2010, Holdings owed David G. Watumull, our President, Chief Executive Officer, and Director, a remaining balance of $29,000 in connection with advances that he previously made to the Company to support the financing of operations, including payroll. In 2011, such balance was paid in full.

On January 30, 2012, Koffee Korner Inc. issued (1) 10,000,000 shares of its common stock to its sole director and sole officer Nazneen D'Silva in exchange for her ownership interest in Koffee Korner's Inc., a Texas corporation, and (2) 200,000 shares of its common stock to its former legal counsel Frank J. Hariton as a founder and promoter. We distributed all of the shares of Koffee Korner's Inc., to Nazneen D'Silva, pursuant to that certain Spin-Off Agreement which will provide that we are indemnified and held harmless against any and all losses, liabilities, damages and expenses whatsoever as and when incurred arising out of, or based upon, or in connection with our business and the business of Koffee Korner's Inc. prior to the date of such distribution.

On July 30, 2013, Pharma entered into an agreement with JBR Business Solutions, LLC, pursuant to which John B. Russell agreed to serve as Pharma's chief financial officer. Pharma agreed to pay JBR Business Solutions a fee of $7,000 per month. John B. Russell, our Chief Financial Officer, is the founder and president of JBR Business Solutions.

Between May 2013 and November 2013, Paulson Cardax Investments I, LLC purchased certain senior secured convertible promissory notes from Pharma in the aggregate principal amount of $2,281,792. Upon the consummation of the Merger, (i) the outstanding principal amount of those certain senior secured convertible promissory notes, together with all accrued interest thereon, was automatically converted into an aggregate number of 3,872,434 shares of our Common Stock and (ii) Cardax issued to Paulson Cardax Investments I, LLC a warrant to purchase an aggregate of 3,872,434 shares of our Common Stock at an exercise price equal to $0.625 per share through February 7, 2019.

Immediately prior to the Closing of the Merger Agreement by and among us, Cardax Sub, Holdings and Pharma, as further described above, Holdings owned approximately 39% of our issued and outstanding Common Stock and we owned 40% of the issued and outstanding common stock of Pharma.

We currently lease our principal office, located at 167 Penn Street, Washington Boro, Pennsylvania, on a month-to-month basis from our former chief executive officer Austin Kibler for a monthly rent of $1.00. We intend to move our principal office to Honolulu, Hawaii, after the spin-off of our wholly owned subsidiary Koffee Korner's Inc.

Code of Ethics

Our Code of Ethics contains the ethical principles by which our Chief Executive Officer and Chief Financial Officer, among others, are expected to conduct themselves when carrying out their duties and responsibilities. A copy of our Code of Ethics may be found on our website at www.cardaxpharma.com. We will provide a copy of our Code of Ethics to any person, without charge, upon request, by writing to David G. Watumull, Cardax, Inc., 167 Penn Street, Washington Boro, Pennsylvania 17582. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of our Code of Ethics by posting such information on our website at www.cardaxpharma.com.

Director Independence

We only have one independent director. Because our Common Stock is not currently listed on a national securities exchange, we have used the definition of "independence" of The NASDAQ Stock Market to make this determination. NASDAQ Listing Rule 5605(a)(2) provides that an "independent director" is a person other than an officer or employee of the Company or any other individual having a relationship that, in the opinion of the Company's Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The NASDAQ listing rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the Company;
- the director or a family member of the director accepted any compensation from the Company in excess of $120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- a family member of the director is, or at any time during the past three years was, an executive officer of the Company;
- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the Company made, or from which the Company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or $200,000, whichever is greater (subject to certain exclusions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the Company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the Company's outside auditor, or at any time during the past three years was a partner or employee of the Company's outside auditor, and who worked on the Company's audit.

LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

MARKET PRICE AND DIVIDENDS ON OUR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Our shares of Common Stock are quoted on the OTC Bulletin Board commencing on August 30, 2012 under the symbol KOFF. There were no trades recorded for the quarters ended September 30, 2012, December 31, 2012, September 30, 2013 or December 31, 2013. The high and low bid quotations for our shares of Common Stock for each full quarterly period within the two most recent fiscal years are:

Quarter Ended	High	Low
September 30, 2012	$ 0.15	$ 0.15
December 31, 2012	$ 0.15	$ 0.15
March 31, 2013	$ 0.15	$ 0.15
June 30, 2013	$ 0.70	$ 0.15
September 30, 2013	$ 0.70	$ 0.70
December 31, 2013	$ 0.70	$ 0.70

Such quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and do not necessarily represent actual transactions.

As of February 7, 2014, there were 21 stockholders of record of our Common Stock. The number of stockholders does not include beneficial owners holding shares through nominee names.

Dividends

We have never paid any cash dividends and intend, for the foreseeable future, to retain any future earnings for the development of our business. Our future dividend policy will be determined by our Board of Directors on the basis of various factors, including our results of operations, financial condition, capital requirements and investment opportunities.

Securities Authorized for Issuance under Equity Compensation Plans

Prior to the Closing Date of the Merger, we adopted, and our stockholders approved, the 2014 Plan, effective as of February 7, 2014. Under such plan, we may grant equity based incentive awards, including options, restricted stock, and other stock-based awards, to any directors, employees, advisers, and consultants that provide services to us or any of our subsidiaries on terms and conditions that are from time to time determined by us. An aggregate of 30,420,148 shares (after giving effect to the Stock Dividend) of our Common Stock are reserved for issuance under the 2014 Plan, which is equal to 25% of the fully diluted shares of our Common Stock on the Closing Date, and which number is subject to adjustment as described in such plan. The purpose of the 2014 Plan is to provide financial incentives for selected directors, employees, advisers, and consultants of Cardax and/or its subsidiaries, thereby promoting the long-term growth and financial success of the Company.

Upon the Closing of the Merger, we granted options to purchase our Common Stock in substitution of the outstanding options granted by Holdings under the 2006 Plan (the "Holdings Options"). The number of shares underlying the Holdings Options was divided by an exchange ratio of approximately 2.2 and the exercise price was multiplied by that ratio. After giving effect to the exchange, options to purchase an aggregate of 6,889,555 shares of Common Stock at an exercise price of $0.155 per share were assumed by us. In addition, options to purchase an aggregate of 20,867,266 shares of Common Stock at an exercise price of $0.625 per share were awarded to directors, employees, advisers, and consultants of Cardax and/or its subsidiaries upon the Closing, leaving 2,663,327 shares available for issuance.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	27,756,821	$ 0.51	2,663,327
Equity compensation plans not approved by security holders	-	-	-
Total	27,756,821	$ 0.51	2,663,327

Penny Stock Regulations

Our shares of Common Stock are subject to the "penny stock" rules of the Exchange Act and various rules under this Act. In general terms, "penny stock" is defined as any equity security that has a market price less than $5.00 per share, subject to certain exceptions. The rules provide that any equity security is considered to be a penny stock unless that security is registered and traded on a national securities exchange meeting specified criteria set by the SEC, issued by a registered investment company, or excluded from the definition on the basis of price (at least $5.00 per share) or based on the issuer's net tangible assets or revenues. If our net tangible assets exceed $2,000,000, as determined by our audited financial statements, then our Common Stock will not be deemed "penny stock".

Trading in shares of penny stock is subject to additional sales practice requirements for broker-dealers who sell penny stocks to persons other than established customers and accredited investors. Accredited investors, in general, include individuals with assets in excess of $1,000,000 or annual income exceeding $200,000 (or $300,000 together with their spouse), and certain institutional investors. For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of the security and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the security. Finally, monthly statements must be sent disclosing recent price information for the penny stocks. These rules may restrict the ability of broker-dealers to trade or maintain a market in our Common Stock, to the extent it is penny stock, and may affect the ability of stockholders to sell their shares.

RECENT SALES OF UNREGISTERED SECURITIES

We issued shares of Common Stock in the following transactions:

Stock Purchase

Pursuant to the Purchase Agreement described above, on January 10, 2014, we issued an aggregate of 30,000,000 shares of our Common Stock (after giving effect to the Stock Dividend) to Pharma, which Pharma then transferred to Holdings, the then sole stockholder of Pharma.

The shares of Common Stock issued to Pharma in connection with the Purchase Agreement were offered and sold to Pharma in a private transaction in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder. Our reliance on Section 4(2) of the Securities Act was based upon the following factors: (a) the issuance of the securities was an isolated private transaction by us which did not involve a public offering; (b) there was only one offeree; (c) there were no subsequent or contemporaneous public offerings of the securities by us; and (d) the negotiations for the sale of the stock took place directly between the offeree and us.

Merger

Pursuant to the Merger Agreement described above in Item 2.01 – "Completion of Acquisition or Disposition of Assets", on February 7, 2014, we issued an aggregate of 3,229,093 shares of our Common Stock to Holdings.

The shares of Common Stock issued to Holdings in connection with the Merger were offered and sold to Holdings in a private transaction in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder. Our reliance on Section 4(2) of the Securities Act was based upon the following factors: (a) the issuance of the securities was an isolated private transaction by us which did not involve a public offering; (b) there was only one offeree; (c) there were no subsequent or contemporaneous public offerings of the securities by us; and (d) the negotiations for the sale of the stock took place directly between the offeree and us.

Securities issued by our Predecessor, Cardax Pharma, Inc.

Between May 31, 2013 and November 1, 2013, Pharma sold notes to investors in the aggregate principal amount of $4,840,792 (the "First Financing"). Upon the consummation of the Merger, (i) the outstanding principal amount of the notes plus all accrued interest thereon owed to each investor in the First Financing were automatically converted into an aggregate number of 8,206,611 shares of Common Stock and (ii) Cardax issued warrants to such investors to purchase an aggregate of 8,206,611 shares of Common Stock at an exercise price equal to $0.625 through February 7, 2019.

On May 31, 2013, Pharma assumed the obligations under certain notes sold by Holdings to investors prior to May 31, 2013. As a result, all of the notes sold by Holdings and assumed by Pharma, were canceled, and in exchange, senior secured convertible promissory notes were issued by Pharma in the aggregate principal amount of $3,648,244 (the "Second Financing"), such amount being comprised of the previously outstanding principal amount and all accrued interest thereon owed to each investor, and with terms *pari passu* with the terms of the notes sold by Pharma in the First Financing, with the exception of one note, which was not cancelled and which was repaid by Pharma on February 7, 2014, in the principal amount of $500,000 plus all accrued interest thereon owed to the investor. Upon the consummation of the Merger, (i) the outstanding principal amount of the notes plus all accrued interest thereon owed to each investor in the Second Financing were automatically converted into an aggregate number of 6,240,166 shares of Common Stock and (ii) Cardax issued warrants to such investors to purchase an aggregate of 6,240,166 shares of Common Stock at an exercise price equal to $0.625 through February 7, 2019.

On May 31, 2013, in connection with the Second Financing, certain investors that were sold notes by Holdings between November 15, 2012 and January 29, 2013, and between February 14, 2013 and April 25, 2013, were issued warrants (the "Additional Warrants") by Holdings to purchase shares of a public company to be acquired by Holdings, at an exercise price equal to $0.15625, or $0.3125, respectively, for a period of one year from the date of the acquisition of the public company. Upon the consummation of the Merger, the number of shares underlying the Additional Warrants were adjusted and converted into an aggregate of 164,192 shares of Common Stock, and 64,901 shares of Common Stock, respectively.

Upon the Closing of the Merger, each holder of the warrants issued in connection with the First Financing and the Second Financing were given the option to amend the terms of their warrant to receive the same terms as the Class A Warrants issued pursuant to the Subscription Agreement described above in Item 1.01 – "Entry Into a Definitive Material Agreement."

On January 3, 2014, Pharma sold convertible unsecured notes to investors in the aggregate principal amount of $2,076,000 (the "Third Financing"). Upon the consummation of the Merger, (i) the outstanding principal amount of the notes plus all accrued interest thereon owed to each investor were automatically converted into an aggregate number of 3,353,437 shares of Common Stock and (ii) Cardax issued warrants to such investors to purchase an aggregate of 3,321,600 shares of Common Stock at an exercise price equal to $0.625 through February 7, 2019.

The shares of Common Stock and warrants to purchase shares of Common Stock at a price per share of $0.625 were issued by us to the holders of senior secured convertible promissory notes and convertible unsecured promissory notes that were issued by Pharma in accordance with the terms and conditions of such notes. The issuance and sale of such securities were issued in a private transaction in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and Regulation D, Rule 506 promulgated thereunder, to purchasers who are "accredited investors" as defined by Regulation D.

Offering of Shares of Common Stock

On the Closing Date of the Merger, we issued an aggregate of 6,276,960 shares of Common Stock at a purchase price per share equal to $0.625 and warrants to purchase an aggregate of 6,276,960 shares of Common Stock at an exercise price of $0.625 per share to investors pursuant to the Subscription Agreement and the Agincourt Agreements described above in Item 1.01 – "Entry Into a Definitive Material Agreement."

The shares of Common Stock and warrants to purchase shares of Common Stock at an exercise price of $0.625 per share pursuant to the Subscription Agreement and the Agincourt Agreements were issued to purchasers in a private transaction in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and Regulation D, Rule 506 promulgated thereunder, to purchasers who are "accredited investors" as defined by Regulation D.

Placement Agents

In connection with the offering of securities by Pharma in the First Financing, the Third Financing, and the offering of our shares of Common Stock, we issued warrants to certain broker dealers that acted as placement agents in such transactions in an aggregate amount of 2,260,445 shares of our Common Stock, at an exercise price per share of $0.625 through February 7, 2019.

In connection with investor relations and financial consulting services provided by Highline Research Advisors LLC, an affiliate of a principal of Agincourt, to Holdings and Pharma, and services provided to us after the Merger, upon the Closing of the Merger, we issued (a) a warrant to Highline Research Advisors LLC to purchase an aggregate of 750,000 shares of Common Stock, at an exercise price of $0.625 per share, that will expire in 5 years and (b) a warrant to an entity that provides certain website and investment relations related services to us to purchase an aggregate of 250,000 shares of Common Stock, at an exercise price of $0.625 per share, that will expire in 5 years.

In connection with investor relations and financial consulting services provided by Portfolio Advisors Alliance, Inc. to Pharma, and services provided to us after the Merger, upon the Closing of the Merger, we issued a warrant to Portfolio Advisors Alliance, Inc. to purchase an aggregate of 400,000 shares of Common Stock, at an exercise price of $0.625 per share, that will expire in 5 years.

The warrants to purchase shares of Common Stock were issued to such placement agents and other persons in connection with the offering by Pharma of its senior secured convertible notes and the offering of the shares of our Common Stock in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and Regulation D, Rule 506 promulgated thereunder.

Services Agreement

In connection with consulting services to be provided by JLS Ventures, LLC, upon the Closing of the Merger, we issued a warrant to JLS Ventures, LLC to purchase up to 700,000 shares of Common Stock pursuant to the terms, exercise prices and schedule set forth in such warrant, with an initial exercise price of not less than $1.25 per share. A form of such warrant is filed as exhibit to this Current Report on Form 8-K.

The warrant to purchase shares of Common Stock as issued to JLS Ventures, LLC in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act.

Options.

Upon the Closing of the Merger, (i) options to purchase an aggregate of 6,889,555 shares of Common Stock at an exercise price of $0.155 per share were granted by us in full substitution for certain options that were previously granted by Holdings, and (ii) options to purchase an aggregate of 20,867,266 shares of Common Stock at an exercise price of $0.625 per share were awarded to directors, employees, advisers, and consultants of Cardax and/or its subsidiaries. Options issued to employees are intended to comply with Section 409A of the Internal Revenue Code and shall be construed and interpreted in accordance with such intent. Such options were granted upon exemptions from registration pursuant to Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder.

DESCRIPTION OF SECURITIES

Authorized Capital Stock

Our authorized share capital consists of 400,000,000 shares of Common Stock, par value $0.001 per share, and 50,000,000 shares of preferred stock, par value $0.001.

Common Stock

As of February 7, 2014, 62,854,662.6 shares of our Common Stock (after giving effect to the Stock Dividend) were outstanding. The outstanding shares of Common Stock are validly issued, fully paid and non-assessable.

Holders of Common Stock are entitled to one vote for each share on all matters submitted to a stockholder vote. Holders of Common Stock do not have cumulative voting rights. Therefore, holders of a majority of the shares of Common Stock voting for the election of directors can elect all of the directors. Holders of Common Stock representing a majority of the voting power of the Company's capital stock issued, outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of stockholders. A vote by the holders of a majority of the Company's outstanding shares is required to effectuate certain fundamental corporate changes such as liquidation, merger or an amendment to the Company's certificate of incorporation.

Holders of Common Stock are entitled to share in all dividends that our Board of Directors, in its discretion, declares from legally available funds. In the event of a liquidation, dissolution or winding up, each outstanding share entitles its holder to participate pro rata in all assets that remain after payment of liabilities and after providing for each class of stock, if any, having preference over the Common Stock. The Common Stock has no pre-emptive, subscription or conversion rights and there are no redemption provisions applicable to the Common Stock.

In addition, our authorized but unissued common shares could be used by our Board of Directors for defensive purposes against a hostile takeover attempt, including (by way of example) the private placement of shares or the granting of options to purchase shares to persons or entities sympathetic to, or contractually bound to support, management. We have no such present arrangement or understanding with any person. Further, our Common Stock may be reserved for issuance upon exercise of stock purchase rights designed to deter hostile takeovers, commonly known as a "poison pill."

Preferred Stock

As of February 7, 2014, there were no shares of our preferred stock that are issued and outstanding.

Our authorized preferred stock is "blank check" preferred. Accordingly, subject to limitations prescribed by law, our Board is expressly authorized, at its discretion, to adopt resolutions to issue shares of preferred stock of any class or series, to fix the number of shares of any class or series of preferred stock and to change the number of shares constituting any series and to provide for or change the voting powers, designations, preferences and relative, participating, optional or other special rights, qualifications, limitations or restrictions thereof, including dividend rights (including whether the dividends are cumulative), dividend rates, terms of redemption (including sinking fund provisions), redemption prices, conversion rights and liquidation preferences of the shares constituting any series of the preferred stock, in each case without any further action or vote by our stockholders.

Options

Prior to the Closing of the Merger, we have adopted an equity incentive plan pursuant to which we may grant options or other equity incentive awards to employees or other persons on terms and conditions determined by our Board of Directors or our compensation committee. The options or other equity awards that may be granted under this plan may qualify as incentive stock options under the Internal Revenue Code of 1986, as amended. The number of shares of our Common Stock reserved for issuance upon the exercise or exchange of such options or other equity incentive awards accounted for 25% of our capitalization on the Closing Date of the Merger, determined on a fully diluted basis.

We have outstanding (a) options to purchase an aggregate of 19,148,909 shares of our Common Stock at an exercise price equal to $0.625 per share, exercisable through February 7, 2024, which we issued under our 2014 Plan (b) options to purchase an aggregate of 1,718,357 shares of our Common Stock at an exercise price equal to $0.625 per share, exercisable through May 15, 2016, which we issued under our 2014 Plan. In addition, we have the following outstanding options, which we granted in full substitution of the outstanding options granted by Holdings under the 2006 Plan: (a) options to purchase an aggregate of 2,614,949 shares of our Common Stock at an exercise price equal to $0.155 per share, exercisable through May 15, 2016, and (b) options to purchase an aggregate of 4,274,606 shares of our Common Stock at an exercise price equal to $0.155 per share, exercisable through February 7, 2024.

Warrants

As of February 7, 2014, we have outstanding warrants to purchase an aggregate of 14,446,777 shares of our Common Stock in the form of the Noteholder Warrant and an aggregate of 9,598,560 shares of our Common Stock in the form of the Class A Warrant, both forms of warrant filed as exhibits to this Current Report on Form 8-K. Each warrant provides the holder the right to purchase a share of our Common Stock at a price per share equal to $0.625, provided that the number of shares of Common Stock and the price per share are subject to certain specified adjustments for changes or reclassifications to our Common Stock. Each warrant may be exercised at any time, in whole or in part, on any business day that is on or prior to February 7, 2019. Each holder of the Noteholder Warrants has the option to amend the terms of its warrant to receive the same terms as the Class A Warrant.

As of February 7, 2014, we have outstanding warrants to purchase an aggregate of 2,260,445 shares of our Common Stock in the form of the Placement Agent Warrant and an aggregate of 1,400,000 shares of our Common Stock in the form of the Financial Consultant Warrant, both forms of warrants filed as exhibits to this Current Report on form 8-K. Each warrant provides the holder the right to purchase a share of our Common Stock at a price per share equal to $0.625, provided that the number of shares of Common Stock and the price per share are subject to certain specified adjustments for changes or reclassifications to our Common Stock. Each warrant may be exercised at any time, in whole or in part, on any business day that is on or prior to February 7, 2019. Such warrants may also be exercised, in whole or in part, on a cashless basis, in accordance with the terms set forth in such warrants. A "cashless exercise" means that in lieu of paying the aggregate purchase price for the shares being purchased upon exercise of the warrants in cash, the holder will forfeit a number of shares underlying the warrants with a "fair market value" equal to such aggregate exercise price.

As of February 7, 2014, we have an outstanding warrant to purchase an aggregate of 700,000 shares of our Common Stock in the form of the JLS Warrant, which form of warrant is filed as an exhibit to this Current Report on form 8-K. Such warrant provides the right to purchase up to 700,000 shares of our Common Stock, as follows: (i) until the date that is 2 years after the Closing Date of the Merger, 500,000 shares at a price based on the initial trading price of the shares of our Common Stock on February 10, 2014 but not less than $1.25 per share; (ii) until the date that is 3 years after the Closing Date of the Merger,100,000 shares at 140% of the price per share of the initial tranche of 500,000 shares; and (iii) until the date that is 3 years after the Closing Date of the Merger, 100,000 shares at 140% of the price per share of the second tranche, all as provided in the form of such warrant.

The above description of warrants is qualified in its entirety by reference to the forms of such warrants filed as exhibits to this Current Report on Form 8-K.

Other Convertible Securities

Other than as described above, we do not have outstanding any options, warrants or other securities that are convertible into, or exchangeable for, shares of our Common Stock.

Transfer Agent

Our independent stock transfer agent is VStock Transfer, LLC. VStock Transfer's address is 77 Spruce Street, Suite 201, Cedarhurst, NY 11516.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Our amended and restated certificate of incorporation and bylaws limit our directors' and officers' liability to the fullest extent permitted under Delaware corporate law. Specifically, our directors and officers are not liable to us or our stockholders for monetary damages for any breach of fiduciary duty by a director or officer, except for liability:

- for any breach of the director's or officer's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law; or
- for any transaction from which a director or officer derives an improper personal benefit.

If the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of our directors or officers shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

The provision regarding indemnification of our directors and officers in our amended and restated certificate of incorporation generally does not limit liability under state or federal securities laws.

Delaware law and our amended and restated certificate of incorporation and bylaws provide that we will, in certain situations, indemnify any person made or threatened to be made a party to a proceeding by reason of that person's former or present official capacity with our company against judgments, penalties, fines, settlements and reasonable expenses including reasonable attorney's fees. Any person is also entitled, subject to certain limitations, to payment or reimbursement of reasonable expenses in advance of the final disposition of the proceeding.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Dismissal of Independent Registered Public Accountant

On January 3, 2014, the Board of Directors of Cardax approved the dismissal of Li and Company, PC, its independent registered public accountants, effective as of the consummation of the Merger of Cardax Sub with and into Pharma. The Merger was consummated on February 7, 2014 and, therefore, the effective date of Li and Company, PC's dismissal was on such date.

The report of Li and Company, PC on the financial statements of Koffee Korner Inc. for the fiscal years ended March 31, 2013 and 2012 did not contain any adverse opinion or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principle other than an explanatory paragraph as a going concern.

During the last two fiscal years, and through February 7, 2014, the effective date of Li and Company, PC's dismissal, (i) there were no disagreements (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) between Koffee Korner Inc. and Li and Company, PC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of Li and Company, PC would have caused Li and Company, PC to make reference to the subject matter of the disagreement in connection with its report, and (ii) there were no "reportable events" (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

Cardax has provided Li and Company, PC with a copy of this disclosure and requested that Li and Company, PC provide Cardax with a letter addressed to the Commission stating whether or not Li and Company, PC agrees with the above disclosures. A copy of Li and Company, PC's letter, dated February 7, 2014, is attached as Exhibit 16.1 to this Form 8-K.

Newly Appointed Independent Registered Public Accountant

On January 3, 2014, the Board of Directors of Cardax approved the appointment of KBL, LLP as Cardax's independent registered public accounting firm, effective as of the consummation of the Merger of Cardax Sub with and into Pharma on February 7, 2014. At the time of the consummation of the Merger, KBL, LLP was the independent registered public accounting firm for Holdings and Pharma. During the two most recent fiscal years and through the date of its engagement, neither Cardax nor anyone on its behalf, consulted KBL, LLP regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered with respect to the financial statements of Cardax; or (ii) any matter that was the subject of a disagreement (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a "reportable event" (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

FINANCIAL STATEMENTS AND EXHIBITS

See Item 9.01 of this Current Report on Form 8-K.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES.

The information contained in Item 2.01 above is incorporated herein by reference in response to this Item 3.02.

The shares of Common Stock issued to Pharma in connection with the Purchase Agreement were offered and sold to Pharma in a private transaction in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder. Our reliance on Section 4(2) of the Securities Act was based upon the following factors: (a) the issuance of the securities was an isolated private transaction by us which did not involve a public offering; (b) there was only one offeree; (c) there were no subsequent or contemporaneous public offerings of the securities by us; and (d) the negotiations for the sale of the stock took place directly between the offeree and us.

The shares of Common Stock issued to Holdings in connection with the Merger were offered and sold to Holdings in a private transaction in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder. Our reliance on Section 4(2) of the Securities Act was based upon the following factors: (a) the issuance of the securities was an isolated private transaction by us which did not involve a public offering; (b) there was only one offeree; (c) there were no subsequent or contemporaneous public offerings of the securities by us; and (d) the negotiations for the sale of the stock took place directly between the offeree and us.

The shares of Common Stock and warrants to purchase shares of Common Stock at a price per share of $0.625 were issued by us to the holders of senior secured convertible promissory notes and convertible unsecured promissory notes that were issued by Pharma in accordance with the terms and conditions of such notes. The issuance and sale of such securities were issued in a private transaction in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and Regulation D, Rule 506 promulgated thereunder, to purchasers who are “accredited investors” as defined by Regulation D.

The shares of Common Stock and warrants to purchase shares of Common Stock at an exercise price of $0.625 per share pursuant to the Subscription Agreement and the Agincourt Agreements were issued to purchasers in a private transaction in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and Regulation D, Rule 506 promulgated thereunder, to purchasers who are “accredited investors” as defined by Regulation D.

Warrants to purchase shares of Common Stock at a purchase price per share equal to $0.625 were issued to certain placement agents, in connection with the offering by Pharma of its convertible notes and the offering of the shares of our Common Stock, in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and Regulation D, Rule 506 promulgated thereunder.

A warrant to purchase shares of Common Stock at a purchase price per share equal to $0.625 was issued to each Highline Research Advisors LLC and an entity that provides certain website and investment relations related services to us, in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and Regulation D, Rule 506 promulgated thereunder.

A warrant to purchase shares of Common Stock as issued to JLS Ventures, LLC in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act.

The options granted under our 2014 Plan were granted upon exemptions from registration pursuant to Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder.

ITEM 3.03 MATERIAL MODIFICATION TO RIGHTS OF SECURITY HOLDERS.

Reference is made to the disclosure set forth under Item 5.03 of this report, which disclosure is incorporated herein by reference.

ITEM 4.01 CHANGES IN REGISTRANT’S CERTIFYING ACCOUNTANT.

Reference is made to the disclosure set forth under the heading “Changes in and Disagreements with Accountants on Accounting and Financial Disclosure” under Item 2.01 of this report, which disclosure is incorporated herein by reference.

ITEM 5.01 CHANGES IN CONTROL OF REGISTRANT.

Reference is made to the disclosure set forth under Item 2.01 of this report, which disclosure is incorporated herein by reference.

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

Reference is made to the disclosure set forth under Item 2.01 of this report, which disclosure is incorporated herein by reference.

In accordance with the Merger Agreement and the transactions contemplated thereby, effective as of the Closing Date, the following directors and officers were appointed:

Name	Position
Nicholas Mitsakos	Executive Chairman of the Board of Directors
David G. Watumull	President, Chief Executive Officer, and Director
Frank C. Herringer	Director
John B. Russell	Chief Financial Officer and Treasurer
Richard M. Morris	Secretary
David M. Watumull	Vice President, Operations, Assistant Treasurer and Assistant Secretary

In addition, Austin Kibler has agreed to resign as an officer and director of the Company effective upon the consummation of the Merger.

ITEM 5.03 AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGES IN FISCAL YEAR.

On January 3 and 10, 2014, the Board of Directors and majority stockholder of Cardax approved the following corporate actions, each contingent and effective upon the Closing of the Merger: (a) amending and restating our certificate of incorporation to increase the number of authorized shares of our Common Stock from 100,000,000 to 400,000,000 (the "Authorized Share Increase"); (b) changing our name from Koffee Korner Inc. to Cardax, Inc.; (c) changing our fiscal year end from March 31 to December 31 (the "Change of Fiscal Year") and (d) changing the par value of our Common Stock and the par value of our preferred stock from $0.0001 to $0.001 per share (the foregoing actions set forth in clauses (a) through (d) are referred to collectively as the "Corporate Actions"). We have filed our amended and restated certificate of incorporation to effect the Corporate Actions, effective February 7, 2014.

As a result of the Authorized Share Increase, on the Closing Date of the Merger we have 400,000,000 shares of Common Stock authorized for issuance, of which approximately 337,145,337 were available for issuance without seeking further action or vote of our stockholders. We have reserved 56,162,603 shares of our Common Stock for issuance upon exercise of warrants and options that have been granted, and are outstanding, as of the Closing Date of the Merger.

As a result of the Change of Fiscal Year, the Company intends to file the report covering the transition period ending December 31, 2013 on a Form 10-K.

The foregoing description of the Corporate Actions does not purport to be complete and is qualified in its entirety by reference to the descriptions thereof set forth in our amended and restated certificate of incorporation, filed herewith as Exhibit 3.1 and incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Business Acquired

Filed herewith as Exhibit 99.1 and incorporated herein by reference are the audited consolidated financial statements of Holdings and Pharma for each of the fiscal year ended December 31, 2012 and December 31, 2011 and the period from Inception to December 31, 2012.

Filed herewith as Exhibit 99.2 and incorporated herein by reference are the unaudited consolidated financial statements of Holdings and Pharma as of for the nine periods ended September 30, 2012 and September 30, 2013 and the period from inception to September 30, 2013.

(b) Pro forma financial information

Filed herewith as Exhibit 99.3 and incorporated herein by reference are the pro forma consolidated financial statements for the year ended December 31, 2012 and the nine month period ended September 30, 3013.

(c) Exhibits

Exhibit No.	**Description**
2.1	Agreement and Plan of Merger, dated as of November 27, 2013, by and among Koffee Korner Inc., Cardax Acquisition, Inc., Cardax Pharmaceuticals, Inc. and Cardax Pharma, Inc.*
2.2	First Amendment to the Agreement and Plan of Merger, dated as of January 10, 2014, by and among Koffee Korner Inc., Cardax Acquisition, Inc., Cardax Pharmaceuticals, Inc. and Cardax Pharma, Inc.**
2.3	Second Amendment to the Agreement and Plan of Merger, dated as of February 7, 2014, by and among Koffee Korner Inc., Cardax Acquisition, Inc., Cardax Pharmaceuticals, Inc. and Cardax Pharma, Inc.
3.1	Form of Amended and Restated Certificate of Incorporation**
3.2	Form of Amended and Restated Bylaws**
4.1	Form of specimen certificate representing common stock of Cardax, Inc.
4.2	Form of Class A Warrant
4.3	Form of Noteholder Warrant
4.4	Form of Placement Agent Warrant
4.5	Form of Financial Consultant Warrant
4.6	Form of Warrant issued to JLS Ventures, LLC
10.1	Bill of Sale, Assignment and Assumption Agreement dated as of May 31, 2013, by and between Cardax Pharmaceuticals, Inc. and Cardax Pharma, Inc.
10.2	Cardax, Inc. 2014 Equity Compensation Plan**
10.3	Form of Stock Option Agreement under the 2014 Equity Compensation Plan
10.4	Form of Notice of Stock Option Grant under the 2014 Equity Compensation Plan
10.5	Form of Notice of Stock Option Grant In Substitution of Stock Option Grant under the Cardax Pharmaceuticals, Inc. 2006 Stock Incentive Plan

10.6	Stock Purchase Agreement, dated as of January 10, 2014, by and among Koffee Korner Inc., Cardax Pharmaceuticals, Inc. and Cardax Pharma, Inc.**
10.7	Spin-off Agreement, dated as of February 7, 2014, between Koffee Korner Inc. and Nazneen D'Silva
10.8	Form of Indemnification Agreement
10.9	Senior Executive Employment Agreement, dated February 7, 2014, of David G. Watumull
10.10	Senior Executive Employment Agreement, dated February 7, 2014, of David M. Watumull
10.11	Senior Executive Employment Agreement, dated February 7, 2014, of Gilbert M. Rishton
10.12	Senior Executive Employment Agreement, dated February 7, 2014, of Timothy J. King
10.13	Agreement dated July 30, 2013, by and between JBR Business Solutions, LLC and Cardax Pharma, Inc.
10.14	Agreement for Services as the Executive Chairman dated February 7, 2014, by and between Cardax, Inc. and Nicholas Mitsakos
10.15	Joint Development and Supply Agreement effective on November 15, 2006, by and between BASF Aktiengesellschaft and Cardax Pharmaceuticals, Inc., as amended by Amendment No. 1 to Joint Development and Supply Agreement effective on April 15, 2007***
10.16	Placement Agent Agreement dated January 3, 2014, by and between Cardax Pharma, Inc. and Portfolio Advisors Alliance, Inc., and acknowledged by Agincourt, Ltd.
10.17	Financial Consulting Agreement dated January 3, 2014, by and between Cardax Pharma, Inc. and Portfolio Advisors Alliance, Inc., and acknowledged by Agincourt, Ltd.
10.18	Exclusive Investment Banking Agreement dated as of March 12, 2013, and supplemented as of May 21, 2013 and December 3, 2013, by and among Cardax Pharmaceuticals, Inc., Cardax Pharma, Inc., and Agincourt, Ltd., as the placement agent
10.19	Sub-Agency Agreement dated December 12, 2013, by and between Agincourt, Ltd. and Paulson Investment Company, Inc., as the sub-agent, and acknowledged by Cardax Pharmaceuticals, Inc. and Cardax Pharma, Inc.

16.1 Letter dated February 7, 2014 from Li and Company, PC

21.1 Subsidiaries of Cardax, Inc.

99.1 Audited Consolidated Balance Sheets of Cardax Pharmaceuticals Inc. and Cardax Pharma, Inc. as of December 31, 2012 and 2011 and the related Statements of Operations, Changes in Stockholders' Equity (Deficit) and Cash Flows for the year ended December 31, 2012 and 2011 and the period from Inception to December 31, 2012

99.2 Unaudited Consolidated Balance Sheets of Cardax Pharmaceuticals Inc. and Cardax Pharma, Inc. as of September 30, 2013 and the related Statements of Operations and Cash Flows for the nine months ended September 30, 2013 and 2012 and the period from Inception to September 30, 2013

99.3 Pro forma consolidated financial statements for the year ended December 31, 2012 and the nine month period ended September 30, 2013

_____

* Filed as an exhibit to the Current Report on Form 8-K of the Company dated November 27, 2013.
** Filed as an exhibit to the Current Report on Form 8-K of the Company dated January 13, 2014.
*** Confidential treatment has been requested for this exhibit, and confidential portions have been filed separately with the SEC.

SIGNATURE

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

Dated: February 10, 2014

CARDAX, INC.

By: /s/ David G. Watumull
David G. Watumull
Chief Executive Officer and President

Exhibit 2.3

SECOND AMENDMENT TO THE
AGREEMENT AND PLAN OF MERGER DATED AS OF NOVEMBER 27, 2013
by and among
KOFFEE KORNER INC., a Delaware corporation,
CARDAX ACQUISITION, INC., a Delaware corporation,
CARDAX PHARMACEUTICALS, INC., a Delaware corporation, and
CARDAX PHARMA, INC., a Delaware corporation

This Amendment, dated as of the 7th day of February, 2014, by and among KOFFEE KORNER INC., a Delaware corporation ("PubCo"), CARDAX ACQUISITION, INC., a Delaware corporation ("PubCo Sub"), CARDAX PHARMACEUTICALS, INC., a Delaware corporation ("Holdings"), and CARDAX PHARMA, INC., a Delaware corporation ("Pharma"), amends that certain AGREEMENT AND PLAN OF MERGER, dated as of NOVEMBER 27, 2013, as amended by the First Amendment thereto dated as of January 10, 2014 (the "Merger Agreement"), by and among PubCo, PubCo Sub, Holdings, and Pharma.

WHEREAS, the parties desire to amend the Merger Agreement to change the number of shares that will be issued upon the effective date of the Merger;

WHEREAS, Section 7.05 of the Merger Agreement provides that the parties may modify the Merger Agreement by written agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, hereby ratify and confirm the following amendments to the Merger Agreement.

1. Definitions. Capitalized terms used in this second amendment to the Merger Agreement (this "Amendment") that are not otherwise defined in this Amendment shall have the respective meanings ascribed thereto in the Merger Agreement.

2. Amendments to the Merger Agreement.

2.1. Section 2.01 is hereby amended by amending and restating subsection (a) so that it reads in its entirety as follows:

(a) The shares of common stock, par value $0.01 per share, of Pharma ("Pharma Common Stock") outstanding at the Effective Time shall be converted into and exchanged for an aggregate of 3,229,093 shares ("Merger Shares") of common stock, par value $0.001 per share, of PubCo ("PubCo Common Stock"), except that shares of Pharma Common Stock held in Pharma's treasury or owned by PubCo at the Effective Time shall be cancelled. The ratio of Merger Shares to the number of shares of issued and outstanding Pharma Common Stock (giving effect to the cancellation referenced in the immediately preceding sentence) is referred to hereinafter as the "Exchange Ratio."

2.2. Section 2.05 is hereby amended and restated so that it reads in its entirety as follows:

2.05 **Capital Stock of PubCo Sub.** Each share of common stock, par value $0.0001 per share, of PubCo Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become 1/2 of a newly issued, fully paid and non-assessable share of common stock of Pharma so that immediately after the Effective Time, Pharma will be a wholly owned subsidiary of PubCo.

---

3. Ratification. The terms and provisions of the Merger Agreement, as amended by this Amendment, are hereby ratified, confirmed, adopted and approved.

4. Full Force and Effect. As expressly modified by this Amendment, all of the terms and provisions of the Merger Agreement shall continue in full force and effect, and all parties hereto shall be entitled to the benefits thereof. The agreements herein contained are limited specifically to the matters set forth above and do not constitute directly or by implication an amendment or waiver of any other provision of the Merger Agreement which has not been expressly amended or waived herein.

5. Effective Date. This Amendment shall become effective upon the execution of all parties hereto.

6. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws and decisions of the State of New York, without regard to conflict of law rules applied in such State.

7. Interpretation. All Article and Section titles and captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. All references to Sections, Exhibits or Schedules shall be, unless the context otherwise requires, a reference to a Section, Exhibit or Schedule to this Agreement. The words “herein”, “hereof”, “hereby” or “hereto” shall refer to this Agreement unless otherwise expressly provided. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine or neuter forms. The singular form of nouns, pronouns and verbs shall include the plural, conjunctive derivation and vice versa.

8. Modification. This Amendment sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes all existing agreements among them concerning such subject matter. This Amendment shall only be modified by the written agreement of all parties.

9. Counterparts. This Amendment may be executed in two or more counterparts, all of which when taken together shall be considered one and the same amendment to the Merger Agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the 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.

[Signature Page to Follow]

IN WITNESS WHEREOF, this Second Amendment has been executed by duly authorized officers of each of the parties hereto as of the date first above written.

KOFFEE KORNER, INC.

By: /s/ Austin Kibler
Name: Austin Kibler
Title: Chief Executive Officer

CARDAX ACQUISITION, INC.

By: /s/ Austin Kibler
Name: Austin Kibler
Title: Chief Executive Officer

CARDAX PHARMACEUTICALS, INC.

By: /s/ David M. Watumull
Name: David M. Watumull
Title: Vice President

CARDAX PHARMA, INC.

By: /s/ David M. Watumull
Name: David M. Watumull
Title: Vice President

Exhibit 4.1

NUMBER

CERT

CARDAX, INC.

SHARES

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
$0.001 PAR VALUE COMMON STOCK

COMMON STOCK
CUSIP

THIS CERTIFIES THAT

Is The Owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF
CARDAX, INC.

Transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

Dated:

COUNTERSIGNED AND REGISTERED:
VSTOCK TRANSFER, LLC
Transfer Agent and Registrar

Chief Executive Officer

By:_____
AUTHORIZED SIGNATURE

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	- as tenants in common	UNIF GIFT MIN ACT.....Custodian.....
TEN ENT	- as tenants by the entireties	(Cust) (Minor)
JT TEN	- as joint tenants with the right of survivorship and not as tenants in common	Act..... (State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ *hereby sell, assign and transfer unto*

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____

_____ *shares*

of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____, *Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.*

*Dated*_____

X_____

THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THIS CERTIFICATE. THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions).

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURTIES ACT"), AND , ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

SIGNATURE GUARANTEED:

TRANSFER FEE WILL APPLY

WARRANT NUMBER _____

CARDAX, INC.

WARRANT TO PURCHASE SHARES OF CAPITAL STOCK

NEITHER THIS WARRANT NOR THE SHARES ISSUABLE UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER EITHER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

THIS CERTIFIES THAT, for value received, _____ (together with its successors and assigns, the "***Holder***"), commencing _____ (the "***Date of Issue***") is entitled to purchase, subject to the conditions set forth below, at any time and from time to time, in whole or in part, during the Exercise Period (as defined in Section 1.2 below), up to _____ fully paid and non-assessable shares (the "***Shares***") of common stock, par value $0.001 per share ("***Common Stock***"), of Cardax, Inc., a Delaware corporation (the "***Company***"), at the per share purchase price (the "***Warrant Exercise Price***") set forth in Section 1.1, subject to the further provisions of this Warrant.

This Warrant is issued pursuant to one of the following agreements by and among the Company, the Holder and such other parties as may be listed in such agreement (the agreement applicable to the initial holder of this Warrant being referred to as the "***Agreement***"), and is subject to the provisions thereof to the extent applicable hereto (provided, however, that in the event of any conflict between any of the terms of this Warrant and any of the terms of the Agreement, the terms of this Warrant shall prevail): (i) the Note and Warrant Purchase Agreement, dated as of May 31, 2013; (ii) the Amended and Restated Subscription Agreement dated as of January 3, 2014; (iii) the Subscription Agreement dated as of February 7, 2014; or (iv) such other agreement.

1. **EXERCISE OF WARRANT**

The terms and conditions upon which this Warrant may be exercised, and the shares of Common Stock covered hereby which may be purchased hereunder, are as follows:

1.1 Warrant. The Company hereby issues to the Holder this warrant to purchase an aggregate number of _____ newly issued shares of Common Stock (the "***Warrant***").

1.2 The Warrant Exercise Price. The exercise price for the Warrant shall be equal to $0.625 per share, subject to adjustment as provided in Section 4 below.

1.3 Method of Exercise. The Holder of this Warrant may, during the period commencing on the Date of Issue and ending on the fifth (5th) anniversary of the Date of Issue, unless extended by the Company in its sole discretion (the "***Exercise Period***"), exercise in whole or in part the purchase rights evidenced by this Warrant. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly executed copy of the form of subscription attached hereto, to the Secretary of the Company at its principal offices;

(b) the payment to the Company, by certified check or bank draft payable to its order, of an amount equal to the aggregate Warrant Exercise Price for the number of Shares for which the purchase rights hereunder are being exercised; and

(c) the delivery to the Company, if necessary, to assure compliance with federal and state securities laws, of an instrument executed by the Holder certifying that the Shares are being acquired for the sole account of the Holder and not with a view to any resale or distribution.

1.4 Satisfaction with Requirements of Securities Act of 1933. Notwithstanding the provisions of Section 1.3 and Section 7 hereof, exercise of this Warrant is contingent upon the Company's satisfaction that the issuance of the Shares for which this Warrant is being exercised is exempt from the requirements of the Securities Act and all applicable state securities laws. The Holder of this Warrant agrees to execute any and all documents deemed necessary by the Company to effect the exercise of this Warrant.

1.5 Issuance of Shares. In the event the purchase rights evidenced by this Warrant are exercised in whole or in part, one or more certificates for the purchased Shares shall be issued as soon as practicable thereafter to the Holder.

1.6 Partial Exercise. If this Warrant shall have been exercised only in part, then the Company shall, at the time of delivery of the certificate or certificates for the Shares purchased upon such exercise, also deliver to the Holder a new Warrant evidencing the remaining outstanding unexercised balance of Shares purchasable hereunder.

1.7 Cancellation. Notwithstanding anything in this Warrant to the contrary, this Warrant shall be cancelled, and shall not be exercisable, if it is not exercised before the expiration of the Exercise Period.

2. **TRANSFER RESTRICTIONS**

2.1 Transfer. This Warrant and the Shares issuable upon exercise hereof are "restricted securities" as such term is defined by the rules and regulations promulgated under the Securities Act. This Warrant and the Shares issuable upon exercise hereof may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of this Warrant or the Shares issuable upon exercise hereof, other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Holder, the Company may require the transferor to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of the transferred Warrant or Shares under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Warrant and the Agreement and shall have the rights and obligations of a Holder under this Warrant and the Agreement.

2.2 Legend. The Holder agrees to the imprinting of a legend on any of the Shares issuable upon exercise hereof in the following form:

> THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE CORPORATION. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Notwithstanding the foregoing, certificates evidencing this Warrant or the Shares issuable upon exercise hereof shall not contain any legend (including the legend set forth above), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of this Warrant or such Shares issuable upon exercise hereof pursuant to Rule 144, (iii) if this Warrant or such Shares issuable upon exercise hereof are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to this Warrant or such Shares issuable upon exercise hereof and without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission).

2.3 Sale. Each Holder, severally and not jointly with the other Holders, agrees that such Holder will sell this Warrant or any Shares issuable upon exercise hereof only pursuant to either: (i) the registration requirements of the Securities Act, including any applicable prospectus delivery requirements; or (ii) an exemption therefrom, and that if this Warrant or any Shares issuable upon exercise hereof are sold pursuant to any such effective registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing the Shares or this Warrant is predicated upon the Company's reliance upon this understanding.

3. FRACTIONAL SHARES

Notwithstanding that the number of Shares purchasable upon the exercise of this Warrant may have been adjusted pursuant to the terms hereof, the Company shall nonetheless not be required to issue fractions of Shares upon exercise of this Warrant or to distribute certificates that evidence fractional shares, provided that in lieu of any fraction shares, the Company shall make a cash payment to the Holder in an amount equal to the fair market value (as determined by the Board of Directors of the Company in its reasonable good faith) of such fractional share.

4. ANTIDILUTION PROVISIONS

4.1 Stock Splits and Combinations. If the Company shall at any time subdivide or combine its outstanding shares of Common Stock, this Warrant shall, after that subdivision or combination, evidence the right to purchase the number of shares of Common Stock that would have been issuable as a result of that change with respect to the shares of Common Stock which were purchasable under this Warrant immediately before that subdivision or combination. If the Company shall at any time subdivide the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that subdivision shall be proportionately decreased, and, if the Company shall at any time combine the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that combination shall be proportionately increased. Any adjustment under this section shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.2 Reclassification, Exchange And Substitution. If the Common Stock issuable upon exercise of this Warrant shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares provided for above), the Holder of this Warrant shall, on its exercise, be entitled to purchase for the same aggregate consideration, in lieu of the Common Stock that the Holder would have been entitled to purchase but for such change, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to purchase by the Holder on exercise of this Warrant immediately before that change.

4.3 Reorganizations, Mergers, Consolidations Or Sale Of Assets. If at any time there shall be a capital reorganization of the Company's Common Stock (other than a combination, reclassification, exchange, or subdivision of shares provided for elsewhere above) or merger or consolidation of the Company with or into another entity, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person or entity, then, as a part of such reorganization, merger, consolidation or sale, lawful provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Warrant Exercise Price then in effect, the number of shares of Common Stock or other securities or property of the Company, or of the successor entity resulting from such merger or consolidation, to which a holder of the Common Stock deliverable upon exercise of this Warrant would have been entitled in such capital reorganization, merger, or consolidation or sale if this Warrant had been exercised immediately before that capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder of this Warrant after the reorganization, merger, consolidation, or sale to the end that the provisions of this Warrant (including adjustment of the Warrant Exercise Price then in effect and number of Shares purchasable upon exercise of this Warrant) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant. The Company shall, within thirty (30) days after making such adjustment, give written notice (by first class mail, postage prepaid) to the Holder of this Warrant at the address of the Holder shown on the Company's books. That notice shall set forth, in reasonable detail, the event requiring the adjustment and the method by which the adjustment was calculated, and specify the Warrant Exercise Price then in effect after the adjustment and the increased or decreased number of Shares or the other shares or property purchasable upon exercise of this Warrant. When appropriate, that notice may be given in advance and include as part of the notice required under other provisions of this Warrant.

4.4 Reservation of Stock Issuable Upon Exercise. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the exercise of this Warrant such number of its shares of Common Stock as shall from time to time be sufficient to effect the exercise of this Warrant and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the exercise of this Warrant, in addition to such other remedies as shall be available to the Holder of this Warrant, the Company will use its best efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but un-issued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

5. RIGHTS PRIOR TO EXERCISE OF WARRANT

This Warrant does not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to receive dividends or other distributions, to exercise any preemptive rights, to vote, or to consent or to receive notice as a stockholder of the Company. If, however, at any time prior to the termination of this Warrant and prior to its exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Common Stock or make any distribution (other than a regular cash dividend) to the Holders of its shares of Common Stock; or

(b) the Company shall offer to the holders of its shares of Common Stock any additional Warrant of Common Stock or securities convertible into or exchangeable for shares of Common Stock or any right to subscribe for or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets and business as an entirety) shall be proposed and action by the Company with respect thereto has been approved by the Company's Board of Directors;

then in any one or more of said events the Company shall give notice in writing of such event to the Holder at the last address of the Holder as it shall appear on the Company's records at least twenty (20) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividends, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action taken in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up. Each person in whose name any certificate for shares of Common Stock is to be issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which this instrument was surrendered and payment of the Warrant Exercise Price was made, irrespective of the date of delivery of such stock certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares of Common Stock at the close of business on the next succeeding date on which the stock transfer books are open.

6. SUCCESSORS AND ASSIGNS

The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder hereof and their respective successors and permitted assigns.

7. LOSS OR MUTILATION

Upon receipt by the Company of satisfactory evidence of the ownership of and the loss, theft, destruction, or mutilation of any Warrant, and (i) in the case of loss, theft, or destruction, upon receipt by the Company of indemnity satisfactory to it, or (ii) in the case of mutilation, upon receipt of such Warrant and upon surrender and cancellation of such Warrant, the Company shall execute and deliver in lieu thereof a new Warrant representing the right to purchase an equal number of shares of Common Stock.

The Holder also acknowledges that each of the Shares issuable upon the due exercise hereof will be subject to any transfer restrictions in the Company's Articles of Incorporation, including a right of first refusal to the Company, and the certificate or certificates evidencing the Shares will bear a legend to this effect.

8. **TERMINATION DATE**

This Warrant shall terminate upon the sooner of (a) five years from the Date of Issue; or (b) the exercise of all or any portion of this Warrant pursuant to the terms of Section 1 hereof.

9. **GOVERNING LAW**

This Warrant and any dispute, disagreement or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the internal laws of the State of New York without regard to conflicts of law.

10. **HEADINGS**. The headings and captions used in this Warrant are used only for convenience and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections and exhibits shall, unless otherwise provided, refer to sections hereof and exhibits attached hereto, all of which exhibits are incorporated herein by this reference.

11. **NOTICES**. All notices or other communications given or made hereunder shall be in writing and shall be mailed by certified or registered mail, delivered by professional courier or hand, or transmitted via email or facsimile, to such party's address as set forth in the Agreement, or such other address as the Holder or the Company shall notify the other in writing as above provided. Any notice sent in accordance with this section shall be effective on the date three days after the date of mailing or, if delivered by hand or professional courier, or transmitted via email or facsimile with delivery receipt, on the date of delivery, provided, however, that notices to the Company will be effective upon receipt.

12. **SEVERABILITY**. If one or more provisions of this Warrant are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Warrant and the balance of this Warrant shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

13. **AGREEMENT**. This Warrant incorporates by reference all the terms of the Agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

In Witness Whereof, the parties have executed this Warrant as of the date first written above.

COMPANY

Cardax, Inc.

By: _____

Name: _____

Title: _____

HOLDER

_____

By: _____

Name: _____

Title: _____

NOTICE OF WARRANT EXERCISE

To: Cardax, Inc.

Gentlemen:

The undersigned, _____, hereby elects to purchase, pursuant to the provisions of the foregoing Warrant held by the undersigned, _____shares of the common stock ("Common Stock") of Cardax, Inc.

Payment of the purchase price of _____ per Share required under such Warrant accompanies this subscription.

The undersigned hereby represents and warrants that the undersigned is acquiring such Common Stock for the account of the undersigned and not for resale or with a view to distribution of such Common Stock or any part hereof; that the undersigned is fully aware of the transfer restrictions affecting restricted securities under the pertinent securities laws and the undersigned understands that the shares purchased hereby are restricted securities and that the certificate or certificates evidencing the same will bear a legend to that effect.

DATED: _____, ____.

Signature: _____

Name: _____

Title: _____

Address: _____

_____

WARRANT NUMBER _____

CARDAX, INC.

WARRANT TO PURCHASE SHARES OF CAPITAL STOCK

NEITHER THIS WARRANT NOR THE SHARES ISSUABLE UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER EITHER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

THIS CERTIFIES THAT, for value received, (the "Holder"), commencing _____ (the "Date of Issue") is entitled to purchase, subject to the conditions set forth below, at any time during the Exercise Period (as defined in Section 1.2 below), up to _____ shares ("Shares") of fully paid and non-assessable restricted capital stock, of ("Warrant Stock"), of Cardax, Inc., a Delaware corporation (the "Company"), at the per share purchase price (the "Warrant Exercise Price") set forth in Section 1.2, subject to the further provisions of this Warrant.

This Warrant is issued pursuant to that certain Note and Warrant Purchase Agreement dated as of _____ (the "***Purchase Agreement***") by and among the Company and the original holder of this Warrant, and is subject to the provisions thereof.

1. **EXERCISE OF WARRANT**

The terms and conditions upon which this Warrant may be exercised, and the Warrant Stock covered hereby may be purchased, are as follows:

1.1 Warrants. The Company hereby issues to the Holder warrants to purchase _____ new issued shares of Warrant Stock (the "***Warrants***").

1.2 The Warrant Exercise Price. The exercise price for the Warrants shall be equal to $0.625 per share, if exercised before five years from the date hereof, subject to adjustment as provided in Section 4 below.

1.3 Method of Exercise. The Holder of this Warrant may, prior to five years from the Date of Issue, unless extended by the Company in its sole discretion (the "Exercise Period"), exercise in whole or in part the purchase rights evidenced by this Warrant. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly executed copy of the form of subscription attached hereto, to the Secretary of the Company at its principal offices;

(b) the payment to the Company, by certified check or bank draft payable to its order, of an amount equal to the aggregate Warrant Exercise Price for the number of Shares for which the purchase rights hereunder are being exercised; and

(c) the delivery to the Company, if necessary, to assure compliance with federal and state securities laws, of an instrument executed by the Holder certifying that the Shares are being acquired for the sole account of the Holder and not with a view to any resale or distribution.

1.4 Satisfaction with Requirements of Securities Act of 1933. Notwithstanding the provisions of Section 1.1 and Section 7, exercise of this Warrant is contingent upon the Company's satisfaction that the issuance of Warrant Stock upon the exercise is exempt from the requirements of the Securities Act of 1933, as amended (the "Securities Act") and all applicable state securities laws. The Holder of this Warrant agrees to execute any and all documents deemed necessary by the Company to effect the exercise of this Warrant.

1.5 Issuance of Shares. In the event the purchase rights evidenced by this Warrant are exercised in whole or in part, one or more certificates for the purchased Shares shall be issued as soon as practicable thereafter to the Holder. In the event of a partial exercise, the Holder will not have the right to purchase any additional Shares pursuant to this Warrant.

1.6 Cancellation. Notwithstanding anything in this Warrant to the contrary, this Warrant shall be cancelled, and shall not be exercisable if, on or before five years from the Date of Issue.

2. TRANSFERS

This Warrant and all rights hereunder are not transferable by the Holder except upon the distribution, dissolution or liquidation of the Holder, in which case the rights of the Holder hereunder shall pass pursuant to the articles of organization of the limited liability corporation.

3. FRACTIONAL SHARES

Notwithstanding that the number of Shares purchasable upon the exercise of this Warrant may have been adjusted pursuant to the terms hereof, the Company shall nonetheless not be required to issue fractions of Shares upon exercise of this Warrant or to distribute certificates that evidence fractional shares nor shall the Company be required to make any cash payments in lieu thereof upon exercise of this Warrant. Holder hereby waives any right to receive fractional Shares.

4. **ANTIDILUTION PROVISIONS**

4.1 Stock Splits and Combinations. If the Company shall at any time subdivide or combine its outstanding shares of Warrant Stock, this Warrant shall, after that subdivision or combination, evidence the right to purchase the number of shares of Warrant Stock that would have been issuable as a result of that change with respect to the shares of Warrant Stock which were purchasable under this Warrant immediately before that subdivision or combination. If the Company shall at any time subdivide the outstanding shares of Warrant Stock, the Warrant Exercise Price then in effect immediately before that subdivision shall be proportionately decreased, and, if the Company shall at any time combine the outstanding shares of Warrant Stock, the Warrant Exercise Price then in effect immediately before that combination shall be proportionately increased. Any adjustment under this section shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.2 Reclassification, Exchange And Substitution. If the Warrant Stock issuable upon exercise of this Warrant shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares provided for above), the Holder of this Warrant shall, on its exercise, be entitled to purchase for the same aggregate consideration, in lieu of the Warrant Stock that the Holder would have become entitled to purchase but for such change, a number of shares of such other class or classes of stock equivalent to the number of shares of Warrant Stock that would have been subject to purchase by the Holder on exercise of this Warrant immediately before that change.

4.3 Reorganizations, Mergers, Consolidations Or Sale Of Assets. If at any time there shall be a capital reorganization of the Company's Warrant Stock (other than a combination, reclassification, exchange, or subdivision of shares provided for elsewhere above) or merger or consolidation of the Company with or into another entity, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person or entity, then, as a part of such reorganization, merger, consolidation or sale, lawful provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Warrant Exercise Price then in effect, the number of shares of Warrant Stock or other securities or property of the Company, or of the successor entity resulting from such merger or consolidation, to which a holder of the Warrant Stock deliverable upon exercise of this Warrant would have been entitled in such capital reorganization, merger, or consolidation or sale if this Warrant had been exercised immediately before that capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder of this Warrant after the reorganization, merger, consolidation, or sale to the end that the provisions of this Warrant (including adjustment of the Warrant Exercise Price then in effect and number of Shares purchasable upon exercise of this Warrant) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant. The Company shall, within thirty (30) days after making such adjustment, give written notice (by first class mail, postage prepaid) to the Holder of this Warrant at the address of the Holder shown on the Company's books. That notice shall set forth, in reasonable detail, the event requiring the adjustment and the method by which the adjustment was calculated, and specify the Warrant Exercise Price then in effect after the adjustment and the increased or decreased number of Shares purchasable upon exercise of this Warrant. When appropriate, that notice may be given in advance and include as part of the notice required under other provisions of this Warrant.

4.4 Reservation of Stock Issuable Upon Exercise. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Warrant Stock solely for the purpose of effecting the exercise of this Warrant such number of its shares of Warrant Stock as shall from time to time be sufficient to effect the exercise of this Warrant and if at any time the number of authorized but unissued shares of Warrant Stock shall not be sufficient to effect the exercise of this Warrant, in addition to such other remedies as shall be available to the Holder of this Warrant, the Company will use its best efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but un-issued shares of Warrant Stock to such number of shares as shall be sufficient for such purposes.

5. RIGHTS PRIOR TO EXERCISE OF WARRANT

This Warrant does not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to receive dividends or other distributions, to exercise any preemptive rights, to vote, or to consent or to receive notice as a stockholder of the Company. If, however, at any time prior to the termination of this Warrant and prior to its exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Warrant Stock or make any distribution (other than a regular cash dividend) to the Holders of its shares of Warrant Stock; or

(b) the Company shall offer to the holders of its shares of Warrant Stock any additional Warrant of Warrant Stock or securities convertible into or exchangeable for shares of Warrant Stock or any right to subscribe for or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets and business as an entirety) shall be proposed and action by the Company with respect thereto has been approved by the Company's Board of Directors;

then in any one or more of said events the Company shall give notice in writing of such event to the Holder at the last address of the Holder as it shall appear on the Company's records at least twenty (20) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividends, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action taken in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up. Each person in whose name any certificate for shares of Warrant Stock is to be issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which this instrument was surrendered and payment of the Warrant Exercise Price was made, irrespective of the date of delivery of such stock certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares of Warrant Stock at the close of business on the next succeeding date on which the stock transfer books are open.

6. **SUCCESSORS AND ASSIGNS**

The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder hereof and their respective successors and permitted assigns.

7. **RESTRICTED SECURITIES**

The Holder acknowledges that this Warrant is, and each of the shares of Warrant Stock issuable upon the due exercise hereof will be, a restricted security, that he understands the provisions of Rule 144 of the Securities and Exchange Commission, and that the certificate or certificates evidencing such shares of Warrant Stock will bear a legend substantially similar to the following:

> "The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, or under the securities laws of any state. They may not be sold, transferred or otherwise disposed of in the absence of an effective registration statement covering these securities under the said Act or laws, or an opinion of counsel satisfactory to the Company and its counsel that registration is not required thereunder."

8. **LOSS OR MUTILATION**

Upon receipt by the Company of satisfactory evidence of the ownership of and the loss, theft, destruction, or mutilation of any Warrant, and (i) in the case of loss, theft, or destruction, upon receipt by the Company of indemnity satisfactory to it, or (ii) in the case of mutilation, upon receipt of such Warrant and upon surrender and cancellation of such Warrant, the Company shall execute and deliver in lieu thereof a new Warrant representing the right to purchase an equal number of shares of Warrant Stock.

The Holder also acknowledges that each of the Shares issuable upon the due exercise hereof will be subject to any transfer restrictions in the Company's Articles of Incorporation, including a right of first refusal to the Company, and the certificate or certificates evidencing the Shares will bear a legend to this effect.

9. **TERMINATION DATE**

This Warrant shall terminate upon the sooner of (a) five years from the Date of Issue; (b) the exercise of all or any portion of this Warrant pursuant to the terms of Section 1 hereof; or (c) cancellation pursuant to Section 1.5 hereof.

10. **GOVERNING LAW**

This Warrant and any dispute, disagreement or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the internal laws of the State of New York without regard to conflicts of law.

11. **HEADINGS**. The headings and captions used in this Warrant are used only for convenience and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections and exhibits shall, unless otherwise provided, refer to sections hereof and exhibits attached hereto, all of which exhibits are incorporated herein by this reference.

12. **NOTICES**. All notices or other communications given or made hereunder shall be in writing and shall be mailed by certified or registered mail, delivered by professional courier or hand, or transmitted via email or facsimile, to such party's address as set forth in the Purchase Agreement, or such other address as the Holder or the Company shall notify the other in writing as above provided. Any notice sent in accordance with this section shall be effective on the date three days after the date of mailing or, if delivered by hand or professional courier, or transmitted via email or facsimile with delivery receipt, on the date of delivery, provided, however, that notices to the Company will be effective upon receipt.

13. **SEVERABILITY**. If one or more provisions of this Warrant are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Warrant and the balance of this Warrant shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

14. **PURCHASE AGREEMENT**. This Warrant incorporates by reference all the terms of the Purchase Agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

In Witness Whereof, the parties have executed this Warrant as of the date first written above.

COMPANY

_____

By: _____

Name: _____

Title: _____

HOLDER

_____

By: _____

Name: _____

Title: _____

SUBSCRIPTION

_____

Gentlemen:

The undersigned, _____, hereby elects to purchase, pursuant to the provisions of the foregoing Warrant held by the undersigned, _____ shares of the _____Stock ("Warrant Stock") of Cardax, Inc., a Delaware corporation.

Payment of the purchase price of _____ per Share required under such Warrant accompanies this subscription.

The undersigned hereby represents and warrants that the undersigned is acquiring such Warrant Stock for the account of the undersigned and not for resale or with a view to distribution of such Warrant Stock or any part hereof; that the undersigned is fully aware of the transfer restrictions affecting restricted securities under the pertinent securities laws and the undersigned understands that the shares purchased hereby are restricted securities and that the certificate or certificates evidencing the same will bear a legend to that effect.

DATED: _____, ____.

Signature: _____

Name: _____

Title: _____

Address: _____

_____

Exhibit 4.4

WARRANT NUMBER _____

CARDAX, INC.

WARRANT TO PURCHASE SHARES OF CAPITAL STOCK

NEITHER THIS WARRANT NOR THE SHARES ISSUABLE UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER EITHER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

THIS CERTIFIES THAT, for value received, _____ (together with its successors and assigns, the "***Holder***"), commencing _____ (the "***Date of Issue***") is entitled to purchase, subject to the conditions set forth below, at any time and from time to time, in whole or in part, during the Exercise Period (as defined in Section 1.3 below), up to _____ fully paid and non-assessable shares (the "***Shares***") of common stock, par value $0.001 per share ("***Common Stock***"), of Cardax, Inc., a Delaware corporation formerly known as Koffee Korner, Inc. (the "***Company***"), at the per share purchase price (the "***Warrant Exercise Price***") set forth in Section 1.2, subject to the further provisions of this Warrant.

This Warrant is issued pursuant to that certain Placement Agent Agreement dated as of January 3, 2014 (the "***Placement Agent Agreement***") by and among Portfolio Advisors Alliance, Inc., a California corporation, and Cardax Pharma, Inc., a Delaware corporation and a wholly owned subsidiary of the Company.

1. **EXERCISE OF WARRANT**

The terms and conditions upon which this Warrant may be exercised, and the shares of Common Stock covered hereby which may be purchased hereunder, are as follows:

1.1 Warrants. The Company hereby issues to the Holder warrants to purchase _____ newly issued shares of Common Stock (the "***Warrants***").

1.2 The Warrant Exercise Price. The exercise price for the Warrants shall be equal to $0.625 per share, subject to adjustment as provided in Section 4 below.

1.3 Method of Exercise. The Holder of this Warrant may, during the period commencing on the Date of Issue and ending on the fifth (5th) anniversary of the Date of Issue, unless extended by the Company in its sole discretion (the "***Exercise Period***"), exercise in whole or in part the purchase rights evidenced by this Warrant. Such exercise shall be effected by either "cash exercise" as provided in Section 1.3(a) hereof or by "cashless exercise" as provided in Section 1.3(b) hereof.

(a) Cash Exercise. The Holder may exercise this Warrant by means of a "Cash Exercise" as follows:

(i) the surrender of the Warrant, together with a duly executed copy of the form of subscription attached hereto, to the Secretary of the Company at its principal offices;

(ii) the payment to the Company, by certified check or bank draft payable to its order, of an amount equal to the aggregate Warrant Exercise Price for the number of Shares for which the purchase rights hereunder are being exercised; and

(iii) the delivery to the Company, if necessary, to assure compliance with federal and state securities laws, of an instrument executed by the Holder certifying that the Shares are being acquired for the sole account of the Holder and not with a view to any resale or distribution.

(b) Cashless Exercise. The Holder may exercise this Warrant by means of a "cashless exercise" as follows:

(i) The Holder may elect to exercise this Warrant, in whole or in part, and to receive, without the payment by such Holder of any cash ("***Cashless Exercise***"), Shares equal to the value of this Warrant or any portion hereof by surrendering this Warrant, along with the Notice of Exercise providing such number of Shares to be surrendered in the Cashless Exercise. The Company shall then issue to the Holder such number of validly issued, fully paid and non-assessable Shares as is computed using the following formula:

$$X = \frac{Y * (A-B)}{A}$$

where X = the number of shares of Common Stock to be issued to the Holder pursuant to this Section 1.3(b).

Y = the number of Shares subject to this Warrant to be surrendered according to the Notice of Exercise delivered to the Company pursuant to this Section 1.3(b).

A = the Market Price of one share of Common Stock at the time the Notice of Exercise is made pursuant to this Section 1.3(b).

B = the Exercise Price in effect under this Warrant at the time the Notice of Exercise is made pursuant to this Section 1.3(b).

(ii) The term "***Market Price***" of a share of Common Stock shall mean the fair market value of a share, which shall be, (i) at any time such security is listed or traded on any securities exchange or quoted in an over-the-counter market, (A) the average of the closing prices of sales of Common Stock on the principal national securities exchange on which the Common Stock is listed or admitted to trading, averaged over the period of the 10 consecutive trading days prior to the day as of which the Market Price is being determined, or, if there have been no sales reported on any day, the average of the highest bid and lowest asked prices on such exchange, averaged over the period of the 10 consecutive trading days prior to the day as of which the Market Price is being determined (or such earlier period from the date that this Warrant is issued), (B) if on any day such security is not so listed and is instead quoted in the OTC Bulletin Board, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau, Incorporated, or any similar successor organization, in each of (A) and (B) of this paragraph, averaged over a period of the 20 consecutive trading days prior to the day as of which the Market Price is being determined, or (ii) at any time such security is not listed on any securities exchange or quoted on any quotation system, as determined reasonably and in good faith by the Board of Directors of the Company (the "Board").

(iii) The Holder may object in writing to the Board's determination of Market Price within 10 days of receipt of written notice thereof. If the Holder and the Company are unable to agree on the Market Price during the 10-day period following the delivery of the Holder's objection, the Appraisal Procedure may be invoked by either party to determine Market Price by delivering written notice thereof not later than the 30th day after delivery of the Holder's objection. Notwithstanding the provisions of this paragraph, if the Market Price has been determined by the Company through an Appraisal Procedure under this Warrant or any warrant of the same class of warrants held by any other Person within 90 days of the date that the Holder exercises this Warrant through a cashless exercise, then the Holder and the Company shall not have the right to invoke the Appraisal Procedure and the Market Price, in the event the Holder disputes the amount determined by the Board pursuant to the last clause of paragraph (ii) above, shall be the most recently determined Market Price as appropriately adjusted for any dividends, distributions or issuances of securities since such date.

(iv) The term "***Appraisal Procedure***" shall mean a procedure whereby two independent appraisers, one chosen by the Company and one by the Holder, shall mutually agree upon the determinations then the subject of appraisal. Each party shall deliver a notice to the other appointing its appraiser within 15 days after the Appraisal Procedure is invoked. If within 30 days after appointment of the two appraisers they are unable to agree upon the amount in question, a third independent appraiser shall be chosen within 10 days thereafter by the mutual consent of such first two appraisers or, if such first two appraisers are unable to agree upon the appointment of a third appraiser, such appointment shall be made by the American Arbitration Association, or any organization successor thereto, from a panel of arbitrators having experience in the appraisal of the subject matter to be appraised. The decision of the third appraiser so appointed and chosen shall be given within 30 days after the selection of such third appraiser. If three appraisers shall be appointed and the determination of one appraiser is disparate from the middle determination by more than twice the amount by which the other determination is disparate from the middle determination, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be binding and conclusive upon the Company and the Holder; otherwise, the average of all three determinations shall be binding upon the Company and the Holder. The costs of one appraiser selected by the Company that conducts any Appraisal Procedure shall be borne by the Company, the costs of one appraiser selected by the Holder that conducts any Appraisal Procedure shall be borne by the Holder and the costs of the third appraiser shall be borne by the Company; provided, that if the difference of the Market Price determined by the third appraiser and the appraiser selected by the Company is less than 10% of the Market Price determined by the appraiser selected by the Company, then the Holder shall bear the costs of the third appraiser.

Notwithstanding the foregoing, if, within 90 days of the exercise of this Warrant upon a Cashless Exercise, the Company has issued Common Stock in a bona fide offering for cash to investors and such securities were not issued upon the exercise of an option or convertible security, then the Market Price of a share of Common Stock shall be the Market Price of a share of Common Stock in such transaction, as appropriately adjusted for any dividends, distributions or issuances of securities since such date.

(v) Upon receipt of the executed Notice of Exercise by the Company, the Holder shall be deemed to be the holder of record of such Shares to be issued pursuant to the Cashless Exercise, notwithstanding that the Company's stock transfer books may be closed or that certificates representing such Shares have not been issued or delivered to the Holder, provided, however, that in the event the Appraisal Procedure has been invoked in connection with a dispute regarding the Market Price, then the Holder shall be deemed to be the holder of record of the number of Shares that it would own if the Company were to prevail in the Appraisal Procedure, pending the outcome of such proceeding, and the Company shall deliver to the Holder, upon receipt of the executed Notice of Exercise, and, if applicable, following the outcome of the Appraisal Procedure, the number of Shares necessary to effect the foregoing.

(vi) The Company shall, as promptly as practicable after completion of the exercise of the Warrant as specified in this Section 1.3(b), cause to be executed, and delivered to the Holder exercising such Warrants, a certificate representing the aggregate number of Shares calculated pursuant to the Cashless Exercise formula described above. Each certificate for Shares so delivered shall be in such denomination as may be requested by the Holder and shall be registered in the name of the Holder. If this Warrant shall have been exercised only in part, then the Company shall, at the time of delivery of said certificate or certificates, also deliver to the Holder a new Warrant evidencing the remaining outstanding unexercised balance of Shares. The Company shall pay all expenses, stock transfer taxes and other charges payable in connection with the preparation, execution and delivery of such certificates for Shares and new Warrants, if any.

1.4 Satisfaction with Requirements of Securities Act of 1933. Notwithstanding the provisions of Section 1.3 and Section 7 hereof, exercise of this Warrant is contingent upon the Company's satisfaction that the issuance of the Shares for which this Warrant is being exercised is exempt from the requirements of the Securities Act of 1933, as amended (the "***Securities Act***") and all applicable state securities laws. The Holder of this Warrant agrees to execute any and all documents deemed necessary by the Company to effect the exercise of this Warrant.

1.5 Issuance of Shares. In the event the purchase rights evidenced by this Warrant are exercised in whole or in part, one or more certificates for the purchased Shares shall be issued as soon as practicable thereafter to the Holder.

1.6 Partial Exercise. If this Warrant shall have been exercised only in part, then the Company shall, at the time of delivery of the certificate or certificates for the Shares purchased upon such exercise, also deliver to the Holder a new Warrant evidencing the remaining outstanding unexercised balance of Shares purchasable hereunder.

1.7 Cancellation. Notwithstanding anything in this Warrant to the contrary, this Warrant shall be cancelled, and shall not be exercisable, if it is not exercised before the expiration of the Exercise Period.

2. TRANSFER RESTRICTIONS

2.1 Transfer. This Warrant and the Shares issuable upon exercise hereof are "restricted securities" as such term is defined by the rules and regulations promulgated under the Securities Act. This Warrant and the Shares issuable upon exercise hereof may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of this Warrant or the Shares issuable upon exercise hereof, other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of the Holder, the Company may require the transferor to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of the transferred Warrant or Shares under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Warrant. The Holder of this Warrant agrees that if this Warrant or any Shares issuable upon exercise hereof are sold pursuant to any such effective registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing the Shares or this Warrant is predicated upon the Company's reliance upon this understanding. Each Holder of this Warrant may be required to provide information regarding the beneficial ownership of the Holder in the Company and may be required to represent and warrant to the Company that such information is true and correct.

2.2 Legend. The Holder agrees to the imprinting of a legend on any of the Shares issuable upon exercise hereof in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE CORPORATION. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Notwithstanding the foregoing, certificates evidencing this Warrant or the Shares issuable upon exercise hereof shall not contain any legend (including the legend set forth above), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of this Warrant or such Shares issuable upon exercise hereof pursuant to Rule 144, (iii) if this Warrant or such Shares issuable upon exercise hereof are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to this Warrant or such Shares issuable upon exercise hereof and without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission).

3. FRACTIONAL SHARES

Notwithstanding that the number of Shares purchasable upon the exercise of this Warrant may have been adjusted pursuant to the terms hereof, the Company shall nonetheless not be required to issue fractions of Shares upon exercise of this Warrant or to distribute certificates that evidence fractional shares, provided that in lieu of any fraction shares, the Company shall make a cash payment to the Holder in an amount equal to the fair market value (as determined by the Board of Directors of the Company in its reasonable good faith) of such fractional share.

4. **ANTIDILUTION PROVISIONS**

4.1 Stock Splits and Combinations. If the Company shall at any time subdivide or combine its outstanding shares of Common Stock, this Warrant shall, after that subdivision or combination, evidence the right to purchase the number of shares of Common Stock that would have been issuable as a result of that change with respect to the shares of Common Stock which were purchasable under this Warrant immediately before that subdivision or combination. If the Company shall at any time subdivide the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that subdivision shall be proportionately decreased, and, if the Company shall at any time combine the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that combination shall be proportionately increased. Any adjustment under this section shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.2 Reclassification, Exchange And Substitution. If the Common Stock issuable upon exercise of this Warrant shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares provided for above), the Holder of this Warrant shall, on its exercise, be entitled to purchase for the same aggregate consideration, in lieu of the Common Stock that the Holder would have been entitled to purchase but for such change, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to purchase by the Holder on exercise of this Warrant immediately before that change.

4.3 Reorganizations, Mergers, Consolidations Or Sale Of Assets. If at any time there shall be a capital reorganization of the Company's Common Stock (other than a combination, reclassification, exchange, or subdivision of shares provided for elsewhere above) or merger or consolidation of the Company with or into another entity, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person or entity, then, as a part of such reorganization, merger, consolidation or sale, lawful provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Warrant Exercise Price then in effect, the number of shares of Common Stock or other securities or property of the Company, or of the successor entity resulting from such merger or consolidation, to which a holder of the Common Stock deliverable upon exercise of this Warrant would have been entitled in such capital reorganization, merger, or consolidation or sale if this Warrant had been exercised immediately before that capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder of this Warrant after the reorganization, merger, consolidation, or sale to the end that the provisions of this Warrant (including adjustment of the Warrant Exercise Price then in effect and number of Shares purchasable upon exercise of this Warrant) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant. The Company shall, within thirty (30) days after making such adjustment, give written notice (by first class mail, postage prepaid) to the Holder of this Warrant at the address of the Holder shown on the Company's books. That notice shall set forth, in reasonable detail, the event requiring the adjustment and the method by which the adjustment was calculated, and specify the Warrant Exercise Price then in effect after the adjustment and the increased or decreased number of Shares or the other shares or property purchasable upon exercise of this Warrant. When appropriate, that notice may be given in advance and include as part of the notice required under other provisions of this Warrant.

4.4 Reservation of Stock Issuable Upon Exercise. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the exercise of this Warrant such number of its shares of Common Stock as shall from time to time be sufficient to effect the exercise of this Warrant and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the exercise of this Warrant, in addition to such other remedies as shall be available to the Holder of this Warrant, the Company will use its best efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but un-issued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

5. RIGHTS PRIOR TO EXERCISE OF WARRANT

This Warrant does not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to receive dividends or other distributions, to exercise any preemptive rights, to vote, or to consent or to receive notice as a stockholder of the Company. If, however, at any time prior to the termination of this Warrant and prior to its exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Common Stock or make any distribution (other than a regular cash dividend) to the Holders of its shares of Common Stock; or

(b) the Company shall offer to the holders of its shares of Common Stock any additional Warrant of Common Stock or securities convertible into or exchangeable for shares of Common Stock or any right to subscribe for or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets and business as an entirety) shall be proposed and action by the Company with respect thereto has been approved by the Company's Board of Directors;

then in any one or more of said events the Company shall give notice in writing of such event to the Holder at the last address of the Holder as it shall appear on the Company's records at least twenty (20) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividends, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action taken in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up. Each person in whose name any certificate for shares of Common Stock is to be issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which this instrument was surrendered and payment of the Warrant Exercise Price was made, irrespective of the date of delivery of such stock certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares of Common Stock at the close of business on the next succeeding date on which the stock transfer books are open.

6. **SUCCESSORS AND ASSIGNS**

The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder hereof and their respective successors and permitted assigns.

7. **LOSS OR MUTILATION**

Upon receipt by the Company of satisfactory evidence of the ownership of and the loss, theft, destruction, or mutilation of any Warrant, and (i) in the case of loss, theft, or destruction, upon receipt by the Company of indemnity satisfactory to it, or (ii) in the case of mutilation, upon receipt of such Warrant and upon surrender and cancellation of such Warrant, the Company shall execute and deliver in lieu thereof a new Warrant representing the right to purchase an equal number of shares of Common Stock.

The Holder also acknowledges that each of the Shares issuable upon the due exercise hereof will be subject to any transfer restrictions in the Company's Articles of Incorporation, including a right of first refusal to the Company, and the certificate or certificates evidencing the Shares will bear a legend to this effect.

8. **TERMINATION DATE**

This Warrant shall terminate upon the sooner of (a) five years from the Date of Issue; or (b) the exercise of all or any portion of this Warrant pursuant to the terms of Section 1 hereof.

9. **GOVERNING LAW**

This Warrant and any dispute, disagreement or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the internal laws of the State of New York without regard to conflicts of law.

10. **HEADINGS**. The headings and captions used in this Warrant are used only for convenience and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections and exhibits shall, unless otherwise provided, refer to sections hereof and exhibits attached hereto, all of which exhibits are incorporated herein by this reference.

11. **NOTICES**. All notices or other communications given or made hereunder shall be in writing and shall be mailed by certified or registered mail, delivered by professional courier or hand, or transmitted via email or facsimile, to such party's address as set forth in the register maintained by the Company for the Holder of this Warrant, or such other address as the Holder or the Company shall notify the other in writing as above provided. Any notice sent in accordance with this section shall be effective on the date three days after the date of mailing or, if delivered by hand or professional courier, or transmitted via email or facsimile with delivery receipt, on the date of delivery, provided, however, that notices to the Company will be effective upon receipt.

12. **SEVERABILITY**. If one or more provisions of this Warrant are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Warrant and the balance of this Warrant shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

In Witness Whereof, the parties have executed this Warrant as of the date first written above.

COMPANY

CARDAX, INC.

By: _____

Name: _____

Title: _____

HOLDER

_____

By: _____

Name: _____

Title: _____

NOTICE OF WARRANT EXERCISE

To: Cardax, Inc.

Gentlemen:

The undersigned, _____, hereby elects to purchase, pursuant to the provisions of the foregoing Warrant held by the undersigned, _____ shares of the common stock ("Common Stock") of Cardax, Inc.

[Payment of the purchase price of _____ per Share required under such Warrant accompanies this subscription.]

[The exercise of this Warrant is by the Cashless Exercise Procedure under Section 1.3(b) of this Warrant for all the shares of Common Stock that may be purchased under this Warrant.]

The undersigned hereby represents and warrants that the undersigned is acquiring such Common Stock for the account of the undersigned and not for resale or with a view to distribution of such Common Stock or any part hereof; that the undersigned is fully aware of the transfer restrictions affecting restricted securities under the pertinent securities laws and the undersigned understands that the shares purchased hereby are restricted securities and that the certificate or certificates evidencing the same will bear a legend to that effect.

DATED: _____, ____.

Signature: _____

Name: _____

Title: _____

Address: _____

_____

Exhibit 4.5

WARRANT NUMBER _____

CARDAX, INC.

WARRANT TO PURCHASE SHARES OF CAPITAL STOCK

NEITHER THIS WARRANT NOR THE SHARES ISSUABLE UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER EITHER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

THIS CERTIFIES THAT, for value received, _____ (together with its successors and assigns, the "***Holder***"), commencing _____ (the "***Date of Issue***") is entitled to purchase, subject to the conditions set forth below, at any time and from time to time, in whole or in part, during the Exercise Period (as defined in Section 1.3 below), up to _____ fully paid and non-assessable shares (the "***Shares***") of common stock, par value $0.001 per share ("***Common Stock***"), of Cardax, Inc., a Delaware corporation formerly known as Koffee Korner, Inc. (the "***Company***"), at the per share purchase price (the "***Warrant Exercise Price***") set forth in Section 1.2, subject to the further provisions of this Warrant.

This Warrant is issued pursuant to that certain Financial Consulting Agent Agreement dated as of January 3, 2014 (the "***Financial Consulting Agreement***") by and among Portfolio Advisors Alliance, Inc., a California corporation, and Cardax Pharma, Inc., a Delaware corporation and a wholly owned subsidiary of the Company.

1. **EXERCISE OF WARRANT**

The terms and conditions upon which this Warrant may be exercised, and the shares of Common Stock covered hereby which may be purchased hereunder, are as follows:

1.1 Warrants. The Company hereby issues to the Holder warrants to purchase _____ newly issued shares of Common Stock (the "***Warrants***").

1.2 The Warrant Exercise Price. The exercise price for the Warrants shall be equal to $0.625 per share, subject to adjustment as provided in Section 4 below.

1.3 Method of Exercise. The Holder of this Warrant may, during the period commencing on the Date of Issue and ending on the fifth (5th) anniversary of the Date of Issue, unless extended by the Company in its sole discretion (the "***Exercise Period***"), exercise in whole or in part the purchase rights evidenced by this Warrant. Such exercise shall be effected by either "cash exercise" as provided in Section 1.3(a) hereof or by "cashless exercise" as provided in Section 1.3(b) hereof.

(a) Cash Exercise. The Holder may exercise this Warrant by means of a "Cash Exercise" as follows:

(i) the surrender of the Warrant, together with a duly executed copy of the form of subscription attached hereto, to the Secretary of the Company at its principal offices;

(ii) the payment to the Company, by certified check or bank draft payable to its order, of an amount equal to the aggregate Warrant Exercise Price for the number of Shares for which the purchase rights hereunder are being exercised; and

(iii) the delivery to the Company, if necessary, to assure compliance with federal and state securities laws, of an instrument executed by the Holder certifying that the Shares are being acquired for the sole account of the Holder and not with a view to any resale or distribution.

(b) Cashless Exercise. The Holder may exercise this Warrant by means of a "cashless exercise" as follows:

(i) The Holder may elect to exercise this Warrant, in whole or in part, and to receive, without the payment by such Holder of any cash ("***Cashless Exercise***"), Shares equal to the value of this Warrant or any portion hereof by surrendering this Warrant, along with the Notice of Exercise providing such number of Shares to be surrendered in the Cashless Exercise. The Company shall then issue to the Holder such number of validly issued, fully paid and non-assessable Shares as is computed using the following formula:

$$X = \frac{Y * (A-B)}{A}$$

where X = the number of shares of Common Stock to be issued to the Holder pursuant to this Section 1.3(b).

Y = the number of Shares subject to this Warrant to be surrendered according to the Notice of Exercise delivered to the Company pursuant to this Section 1.3(b).

A = the Market Price of one share of Common Stock at the time the Notice of Exercise is made pursuant to this Section 1.3(b).

B = the Exercise Price in effect under this Warrant at the time the Notice of Exercise is made pursuant to this Section 1.3(b).

(ii) The term "***Market Price***" of a share of Common Stock shall mean the fair market value of a share, which shall be, (i) at any time such security is listed or traded on any securities exchange or quoted in an over-the-counter market, (A) the average of the closing prices of sales of Common Stock on the principal national securities exchange on which the Common Stock is listed or admitted to trading, averaged over the period of the 10 consecutive trading days prior to the day as of which the Market Price is being determined, or, if there have been no sales reported on any day, the average of the highest bid and lowest asked prices on such exchange, averaged over the period of the 10 consecutive trading days prior to the day as of which the Market Price is being determined (or such earlier period from the date that this Warrant is issued), (B) if on any day such security is not so listed and is instead quoted in the OTC Bulletin Board, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau, Incorporated, or any similar successor organization, in each of (A) and (B) of this paragraph, averaged over a period of the 20 consecutive trading days prior to the day as of which the Market Price is being determined, or (ii) at any time such security is not listed on any securities exchange or quoted on any quotation system, as determined reasonably and in good faith by the Board of Directors of the Company (the "Board").

(iii) The Holder may object in writing to the Board's determination of Market Price within 10 days of receipt of written notice thereof. If the Holder and the Company are unable to agree on the Market Price during the 10-day period following the delivery of the Holder's objection, the Appraisal Procedure may be invoked by either party to determine Market Price by delivering written notice thereof not later than the 30th day after delivery of the Holder's objection. Notwithstanding the provisions of this paragraph, if the Market Price has been determined by the Company through an Appraisal Procedure under this Warrant or any warrant of the same class of warrants held by any other Person within 90 days of the date that the Holder exercises this Warrant through a cashless exercise, then the Holder and the Company shall not have the right to invoke the Appraisal Procedure and the Market Price, in the event the Holder disputes the amount determined by the Board pursuant to the last clause of paragraph (ii) above, shall be the most recently determined Market Price as appropriately adjusted for any dividends, distributions or issuances of securities since such date.

(iv) The term "***Appraisal Procedure***" shall mean a procedure whereby two independent appraisers, one chosen by the Company and one by the Holder, shall mutually agree upon the determinations then the subject of appraisal. Each party shall deliver a notice to the other appointing its appraiser within 15 days after the Appraisal Procedure is invoked. If within 30 days after appointment of the two appraisers they are unable to agree upon the amount in question, a third independent appraiser shall be chosen within 10 days thereafter by the mutual consent of such first two appraisers or, if such first two appraisers are unable to agree upon the appointment of a third appraiser, such appointment shall be made by the American Arbitration Association, or any organization successor thereto, from a panel of arbitrators having experience in the appraisal of the subject matter to be appraised. The decision of the third appraiser so appointed and chosen shall be given within 30 days after the selection of such third appraiser. If three appraisers shall be appointed and the determination of one appraiser is disparate from the middle determination by more than twice the amount by which the other determination is disparate from the middle determination, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be binding and conclusive upon the Company and the Holder; otherwise, the average of all three determinations shall be binding upon the Company and the Holder. The costs of one appraiser selected by the Company that conducts any Appraisal Procedure shall be borne by the Company, the costs of one appraiser selected by the Holder that conducts any Appraisal Procedure shall be borne by the Holder and the costs of the third appraiser shall be borne by the Company; provided, that if the difference of the Market Price determined by the third appraiser and the appraiser selected by the Company is less than 10% of the Market Price determined by the appraiser selected by the Company, then the Holder shall bear the costs of the third appraiser.

Notwithstanding the foregoing, if, within 90 days of the exercise of this Warrant upon a Cashless Exercise, the Company has issued Common Stock in a bona fide offering for cash to investors and such securities were not issued upon the exercise of an option or convertible security, then the Market Price of a share of Common Stock shall be the Market Price of a share of Common Stock in such transaction, as appropriately adjusted for any dividends, distributions or issuances of securities since such date.

(v) Upon receipt of the executed Notice of Exercise by the Company, the Holder shall be deemed to be the holder of record of such Shares to be issued pursuant to the Cashless Exercise, notwithstanding that the Company's stock transfer books may be closed or that certificates representing such Shares have not been issued or delivered to the Holder, provided, however, that in the event the Appraisal Procedure has been invoked in connection with a dispute regarding the Market Price, then the Holder shall be deemed to be the holder of record of the number of Shares that it would own if the Company were to prevail in the Appraisal Procedure, pending the outcome of such proceeding, and the Company shall deliver to the Holder, upon receipt of the executed Notice of Exercise, and, if applicable, following the outcome of the Appraisal Procedure, the number of Shares necessary to effect the foregoing.

(vi) The Company shall, as promptly as practicable after completion of the exercise of the Warrant as specified in this Section 1.3(b), cause to be executed, and delivered to the Holder exercising such Warrants, a certificate representing the aggregate number of Shares calculated pursuant to the Cashless Exercise formula described above. Each certificate for Shares so delivered shall be in such denomination as may be requested by the Holder and shall be registered in the name of the Holder. If this Warrant shall have been exercised only in part, then the Company shall, at the time of delivery of said certificate or certificates, also deliver to the Holder a new Warrant evidencing the remaining outstanding unexercised balance of Shares. The Company shall pay all expenses, stock transfer taxes and other charges payable in connection with the preparation, execution and delivery of such certificates for Shares and new Warrants, if any.

1.4 Satisfaction with Requirements of Securities Act of 1933. Notwithstanding the provisions of Section 1.3 and Section 7 hereof, exercise of this Warrant is contingent upon the Company's satisfaction that the issuance of the Shares for which this Warrant is being exercised is exempt from the requirements of the Securities Act of 1933, as amended (the "***Securities Act***") and all applicable state securities laws. The Holder of this Warrant agrees to execute any and all documents deemed necessary by the Company to effect the exercise of this Warrant.

1.5 Issuance of Shares. In the event the purchase rights evidenced by this Warrant are exercised in whole or in part, one or more certificates for the purchased Shares shall be issued as soon as practicable thereafter to the Holder.

1.6 Partial Exercise. If this Warrant shall have been exercised only in part, then the Company shall, at the time of delivery of the certificate or certificates for the Shares purchased upon such exercise, also deliver to the Holder a new Warrant evidencing the remaining outstanding unexercised balance of Shares purchasable hereunder.

1.7 Cancellation. Notwithstanding anything in this Warrant to the contrary, this Warrant shall be cancelled, and shall not be exercisable, if it is not exercised before the expiration of the Exercise Period.

2. TRANSFER RESTRICTIONS

2.1 Transfer. This Warrant and the Shares issuable upon exercise hereof are "restricted securities" as such term is defined by the rules and regulations promulgated under the Securities Act. This Warrant and the Shares issuable upon exercise hereof may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of this Warrant or the Shares issuable upon exercise hereof, other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of the Holder, the Company may require the transferor to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of the transferred Warrant or Shares under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Warrant. The Holder of this Warrant agrees that if this Warrant or any Shares issuable upon exercise hereof are sold pursuant to any such effective registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing the Shares or this Warrant is predicated upon the Company's reliance upon this understanding. Each Holder of this Warrant may be required to provide information regarding the beneficial ownership of the Holder in the Company and may be required to represent and warrant to the Company that such information is true and correct.

2.2 Legend. The Holder agrees to the imprinting of a legend on any of the Shares issuable upon exercise hereof in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE CORPORATION. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Notwithstanding the foregoing, certificates evidencing this Warrant or the Shares issuable upon exercise hereof shall not contain any legend (including the legend set forth above), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of this Warrant or such Shares issuable upon exercise hereof pursuant to Rule 144, (iii) if this Warrant or such Shares issuable upon exercise hereof are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to this Warrant or such Shares issuable upon exercise hereof and without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission).

3. FRACTIONAL SHARES

Notwithstanding that the number of Shares purchasable upon the exercise of this Warrant may have been adjusted pursuant to the terms hereof, the Company shall nonetheless not be required to issue fractions of Shares upon exercise of this Warrant or to distribute certificates that evidence fractional shares, provided that in lieu of any fraction shares, the Company shall make a cash payment to the Holder in an amount equal to the fair market value (as determined by the Board of Directors of the Company in its reasonable good faith) of such fractional share.

4. **ANTIDILUTION PROVISIONS**

4.1 Stock Splits and Combinations. If the Company shall at any time subdivide or combine its outstanding shares of Common Stock, this Warrant shall, after that subdivision or combination, evidence the right to purchase the number of shares of Common Stock that would have been issuable as a result of that change with respect to the shares of Common Stock which were purchasable under this Warrant immediately before that subdivision or combination. If the Company shall at any time subdivide the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that subdivision shall be proportionately decreased, and, if the Company shall at any time combine the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that combination shall be proportionately increased. Any adjustment under this section shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.2 Reclassification, Exchange And Substitution. If the Common Stock issuable upon exercise of this Warrant shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares provided for above), the Holder of this Warrant shall, on its exercise, be entitled to purchase for the same aggregate consideration, in lieu of the Common Stock that the Holder would have been entitled to purchase but for such change, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to purchase by the Holder on exercise of this Warrant immediately before that change.

4.3 Reorganizations, Mergers, Consolidations Or Sale Of Assets. If at any time there shall be a capital reorganization of the Company's Common Stock (other than a combination, reclassification, exchange, or subdivision of shares provided for elsewhere above) or merger or consolidation of the Company with or into another entity, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person or entity, then, as a part of such reorganization, merger, consolidation or sale, lawful provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Warrant Exercise Price then in effect, the number of shares of Common Stock or other securities or property of the Company, or of the successor entity resulting from such merger or consolidation, to which a holder of the Common Stock deliverable upon exercise of this Warrant would have been entitled in such capital reorganization, merger, or consolidation or sale if this Warrant had been exercised immediately before that capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder of this Warrant after the reorganization, merger, consolidation, or sale to the end that the provisions of this Warrant (including adjustment of the Warrant Exercise Price then in effect and number of Shares purchasable upon exercise of this Warrant) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant. The Company shall, within thirty (30) days after making such adjustment, give written notice (by first class mail, postage prepaid) to the Holder of this Warrant at the address of the Holder shown on the Company's books. That notice shall set forth, in reasonable detail, the event requiring the adjustment and the method by which the adjustment was calculated, and specify the Warrant Exercise Price then in effect after the adjustment and the increased or decreased number of Shares or the other shares or property purchasable upon exercise of this Warrant. When appropriate, that notice may be given in advance and include as part of the notice required under other provisions of this Warrant.

4.4 Reservation of Stock Issuable Upon Exercise. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the exercise of this Warrant such number of its shares of Common Stock as shall from time to time be sufficient to effect the exercise of this Warrant and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the exercise of this Warrant, in addition to such other remedies as shall be available to the Holder of this Warrant, the Company will use its best efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but un-issued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

5. RIGHTS PRIOR TO EXERCISE OF WARRANT

This Warrant does not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to receive dividends or other distributions, to exercise any preemptive rights, to vote, or to consent or to receive notice as a stockholder of the Company. If, however, at any time prior to the termination of this Warrant and prior to its exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Common Stock or make any distribution (other than a regular cash dividend) to the Holders of its shares of Common Stock; or

(b) the Company shall offer to the holders of its shares of Common Stock any additional Warrant of Common Stock or securities convertible into or exchangeable for shares of Common Stock or any right to subscribe for or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets and business as an entirety) shall be proposed and action by the Company with respect thereto has been approved by the Company's Board of Directors;

then in any one or more of said events the Company shall give notice in writing of such event to the Holder at the last address of the Holder as it shall appear on the Company's records at least twenty (20) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividends, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action taken in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up. Each person in whose name any certificate for shares of Common Stock is to be issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which this instrument was surrendered and payment of the Warrant Exercise Price was made, irrespective of the date of delivery of such stock certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares of Common Stock at the close of business on the next succeeding date on which the stock transfer books are open.

6. **SUCCESSORS AND ASSIGNS**

The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder hereof and their respective successors and permitted assigns.

7. **LOSS OR MUTILATION**

Upon receipt by the Company of satisfactory evidence of the ownership of and the loss, theft, destruction, or mutilation of any Warrant, and (i) in the case of loss, theft, or destruction, upon receipt by the Company of indemnity satisfactory to it, or (ii) in the case of mutilation, upon receipt of such Warrant and upon surrender and cancellation of such Warrant, the Company shall execute and deliver in lieu thereof a new Warrant representing the right to purchase an equal number of shares of Common Stock.

The Holder also acknowledges that each of the Shares issuable upon the due exercise hereof will be subject to any transfer restrictions in the Company's Articles of Incorporation, including a right of first refusal to the Company, and the certificate or certificates evidencing the Shares will bear a legend to this effect.

8. **TERMINATION DATE**

This Warrant shall terminate upon the sooner of (a) five years from the Date of Issue; or (b) the exercise of all or any portion of this Warrant pursuant to the terms of Section 1 hereof.

9. **GOVERNING LAW**

This Warrant and any dispute, disagreement or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the internal laws of the State of New York without regard to conflicts of law.

10. **HEADINGS**. The headings and captions used in this Warrant are used only for convenience and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections and exhibits shall, unless otherwise provided, refer to sections hereof and exhibits attached hereto, all of which exhibits are incorporated herein by this reference.

11. **NOTICES**. All notices or other communications given or made hereunder shall be in writing and shall be mailed by certified or registered mail, delivered by professional courier or hand, or transmitted via email or facsimile, to such party's address as set forth in the register maintained by the Company for the Holder of this Warrant, or such other address as the Holder or the Company shall notify the other in writing as above provided. Any notice sent in accordance with this section shall be effective on the date three days after the date of mailing or, if delivered by hand or professional courier, or transmitted via email or facsimile with delivery receipt, on the date of delivery, provided, however, that notices to the Company will be effective upon receipt.

12. **SEVERABILITY**. If one or more provisions of this Warrant are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Warrant and the balance of this Warrant shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

In Witness Whereof, the parties have executed this Warrant as of the date first written above.

COMPANY

CARDAX, INC.

By: _____

Name: _____

Title: _____

HOLDER

_____

By: _____

Name: _____

Title: _____

NOTICE OF WARRANT EXERCISE

To: Cardax, Inc.

Gentlemen:

The undersigned, _____, hereby elects to purchase, pursuant to the provisions of the foregoing Warrant held by the undersigned, _____shares of the common stock ("Common Stock") of Cardax, Inc.

[Payment of the purchase price of _____ per Share required under such Warrant accompanies this subscription.]

[The exercise of this Warrant is by the Cashless Exercise Procedure under Section 1.3(b) of this Warrant for all the shares of Common Stock that may be purchased under this Warrant.]

The undersigned hereby represents and warrants that the undersigned is acquiring such Common Stock for the account of the undersigned and not for resale or with a view to distribution of such Common Stock or any part hereof; that the undersigned is fully aware of the transfer restrictions affecting restricted securities under the pertinent securities laws and the undersigned understands that the shares purchased hereby are restricted securities and that the certificate or certificates evidencing the same will bear a legend to that effect.

DATED: _____, ____.

Signature: _____

Name: _____

Title: _____

Address: _____

_____

Exhibit 4.6

WARRANT NUMBER _____

CARDAX, INC.

WARRANT TO PURCHASE SHARES OF CAPITAL STOCK

NEITHER THIS WARRANT NOR THE SHARES ISSUABLE UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER EITHER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

THIS WARRANT MAY NOT BE TRANSFERRED WITHOUT THE PRIOR CONSENT OF CARDAX, INC., A DELAWARE CORPORATION, PRIOR TO THE DATE OF ISSUE.

THIS CERTIFIES THAT, for value received, JLS Ventures, LLC, a limited liability company with a place of business at 625 Ave. Ponce de León, San Juan, Puerto Rico 00917-4819 (together with its successors and assigns, the "***Holder***"), commencing February ___, 2014 (the "***Date of Issue***") is entitled to purchase, subject to the conditions set forth below, at any time and from time to time, in whole or in part, during the Exercise Period (as defined below), up to 700,000 fully paid and non-assessable shares (the "***Shares***") of common stock, par value $0.001 per share ("***Common Stock***"), of Cardax, Inc., a Delaware corporation (the "***Company***"), at the per share purchase price, the Warrant Exercise Price (as defined below), subject to the further provisions of this Warrant.

This Warrant is issued pursuant to that certain Services Agreement dated as of February ___, 2014 (the "***Services Agreement***") by and between JLS Ventures, LLC and Cardax, Inc., a Delaware corporation.

1. **EXERCISE OF WARRANT**

The terms and conditions upon which this Warrant may be exercised, and the shares of Common Stock covered hereby which may be purchased hereunder, are as follows:

1.1 Warrant. The Company hereby issues to the Holder of this warrant to purchase an aggregate number of 700,000 newly issued shares of Common Stock (the "***Warrant***"). The Warrant is divided into the following tranches (each, a "***Tranche***"):

(a) *Warrant A*. Warrant A, is granted on the Date of Issue and expires on the second anniversary of the Date of Issue ("***Warrant A Exercise Period***"), to purchase up to 500,000 shares of Common Stock at $1.25 per share of Common Stock or the initial trading price of the Company on February 10, 2014, whichever is higher ("***Warrant A Exercise Price***"), and to be granted as follows:

(i) Warrant A-1: 166,667 may be exercised from and after the Date of Issue;

(ii) Warrant A-2: 166,667 may be exercised thirty days after the Date of Issue;

(iii) Warrant A-3: 166,666 may be exercised sixty days after the Date of Issue.

(b) *Warrant B*. Warrant B, is granted on the Date of Issue, and may be exercised during the period that commences on the date that is three months after the Date of Issue and expires on the third anniversary of the Date of Issue ("***Warrant B Exercise Period***"), to purchase up to 100,000 shares of Common Stock at an exercise price per share equal to the Warrant A Exercise Price multiplied by 1.4 ("***Warrant B Exercise Price***").

(c) *Warrant C*. Warrant C, is granted on the Date of Issue, and may be exercised during the period that commences on the date that is six months after the Date of Issuance and expires on the third anniversary of the Date of Issue ("***Warrant C Exercise Period***", and with respect to each, Warrant A Exercise Period, Warrant B Exercise Period, and Warrant C Exercise Period, the "***Exercise Period***"), to purchase up to 100,000 shares of Common Stock at an exercise price per share equal to the Warrant B Exercise Price multiplied by 1.4 ("***Warrant C Exercise Price***", and with respect to each, Warrant A Exercise Price, Warrant B Exercise Price, and Warrant C Exercise Price, the "***Exercise Price***").

1.2 The Warrant Exercise Price. The Exercise Price for the shares of Common Stock shall be determined by the Tranche of the Warrant that is then being exercised and shall be the price per share described in Section 1.1, above, in each case, subject to adjustment as provided in Section 4 below (the "***Warrant Exercise Price***").

1.3 Method of Exercise. The Holder of this Warrant may, during the Exercise Period of each Tranche of the Warrant, exercise such Tranche, unless extended by the Company in its sole discretion, exercise in whole or in part the purchase rights evidenced by this Warrant. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly executed copy of the form of subscription attached hereto, to the Secretary of the Company at its principal offices;

(b) the payment to the Company, by certified check or bank draft payable to its order, of an amount equal to the aggregate Warrant Exercise Price for the number of Shares for which the purchase rights hereunder are being exercised; and

(c) the delivery to the Company, if necessary, to assure compliance with federal and state securities laws, of an instrument executed by the Holder certifying that the Shares are being acquired for the sole account of the Holder and not with a view to any resale or distribution.

1.4 Satisfaction with Requirements of Securities Act of 1933. Notwithstanding the provisions of Section 1.3 and Section 7 hereof, exercise of this Warrant is contingent upon the Company's satisfaction that the issuance of the Shares for which this Warrant is being exercised is exempt from the requirements of the Securities Act and all applicable state securities laws. The Holder of this Warrant agrees to execute any and all documents deemed necessary by the Company to effect the exercise of this Warrant.

1.5 Issuance of Shares. In the event the purchase rights evidenced by this Warrant are exercised in whole or in part, one or more certificates for the purchased Shares shall be issued as soon as practicable thereafter to the Holder.

1.6 Partial Exercise. If this Warrant shall have been exercised only in part, then the Company shall, at the time of delivery of the certificate or certificates for the Shares purchased upon such exercise, also deliver to the Holder a new Warrant evidencing the remaining outstanding unexercised balance of Shares purchasable hereunder.

1.7 Cancellation. Notwithstanding anything in this Warrant to the contrary, this Warrant shall be cancelled, and shall not be exercisable, if it is not exercised before the expiration of the Exercise Period.

2. TRANSFER RESTRICTIONS

2.1 Transfer.

(a) This Warrant and the Shares issuable upon exercise hereof are "restricted securities" as such term is defined by the rules and regulations promulgated under the Securities Act. This Warrant and the Shares issuable upon exercise hereof may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of this Warrant or the Shares issuable upon exercise hereof, other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Holder, the Company may require the transferor to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of the transferred Warrant or Shares under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Warrant and the Services Agreement and shall have the rights and obligations of a Holder under this Warrant and the Services Agreement.

(b) Notwithstanding any provision of this Warrant to the contrary, this right to purchase shares of Common Stock are subject to termination in accordance with a separate agreement between the initial Holder and the Company and this Warrant may not be transferred or assigned without the prior written consent of the Company at any time prior to the date that is six months after the Date of Issue.

2.2 Legend. The Holder agrees to the imprinting of a legend on any of the Shares issuable upon exercise hereof in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE CORPORATION. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Notwithstanding the foregoing, certificates evidencing this Warrant or the Shares issuable upon exercise hereof shall not contain any legend (including the legend set forth above), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of this Warrant or such Shares issuable upon exercise hereof pursuant to Rule 144, (iii) if this Warrant or such Shares issuable upon exercise hereof are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to this Warrant or such Shares issuable upon exercise hereof and without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission).

2.3 Sale. Each Holder, severally and not jointly with the other Holders, agrees that such Holder will sell this Warrant or any Shares issuable upon exercise hereof only pursuant to either: (i) the registration requirements of the Securities Act, including any applicable prospectus delivery requirements; or (ii) an exemption therefrom, and that if this Warrant or any Shares issuable upon exercise hereof are sold pursuant to any such effective registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing the Shares or this Warrant is predicated upon the Company's reliance upon this understanding.

3. **FRACTIONAL SHARES**

Notwithstanding that the number of Shares purchasable upon the exercise of this Warrant may have been adjusted pursuant to the terms hereof, the Company shall nonetheless not be required to issue fractions of Shares upon exercise of this Warrant or to distribute certificates that evidence fractional shares, provided that in lieu of any fraction shares, the Company shall make a cash payment to the Holder in an amount equal to the fair market value (as determined by the Board of Directors of the Company in its reasonable good faith) of such fractional share.

4. **ANTIDILUTION PROVISIONS**

4.1 Stock Splits and Combinations. If the Company shall at any time subdivide or combine its outstanding shares of Common Stock, this Warrant shall, after that subdivision or combination, evidence the right to purchase the number of shares of Common Stock that would have been issuable as a result of that change with respect to the shares of Common Stock which were purchasable under this Warrant immediately before that subdivision or combination. If the Company shall at any time subdivide the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that subdivision shall be proportionately decreased, and, if the Company shall at any time combine the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that combination shall be proportionately increased. Any adjustment under this section shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.2 Reclassification, Exchange And Substitution. If the Common Stock issuable upon exercise of this Warrant shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares provided for above), the Holder of this Warrant shall, on its exercise, be entitled to purchase for the same aggregate consideration, in lieu of the Common Stock that the Holder would have been entitled to purchase but for such change, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to purchase by the Holder on exercise of this Warrant immediately before that change.

4.3 Reorganizations, Mergers, Consolidations Or Sale Of Assets. If at any time there shall be a capital reorganization of the Company's Common Stock (other than a combination, reclassification, exchange, or subdivision of shares provided for elsewhere above) or merger or consolidation of the Company with or into another entity, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person or entity, then, as a part of such reorganization, merger, consolidation or sale, lawful provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Warrant Exercise Price then in effect, the number of shares of Common Stock or other securities or property of the Company, or of the successor entity resulting from such merger or consolidation, to which a holder of the Common Stock deliverable upon exercise of this Warrant would have been entitled in such capital reorganization, merger, or consolidation or sale if this Warrant had been exercised immediately before that capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder of this Warrant after the reorganization, merger, consolidation, or sale to the end that the provisions of this Warrant (including adjustment of the Warrant Exercise Price then in effect and number of Shares purchasable upon exercise of this Warrant) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant. The Company shall, within thirty (30) days after making such adjustment, give written notice (by first class mail, postage prepaid) to the Holder of this Warrant at the address of the Holder shown on the Company's books. That notice shall set forth, in reasonable detail, the event requiring the adjustment and the method by which the adjustment was calculated, and specify the Warrant Exercise Price then in effect after the adjustment and the increased or decreased number of Shares or the other shares or property purchasable upon exercise of this Warrant. When appropriate, that notice may be given in advance and include as part of the notice required under other provisions of this Warrant.

4.4 Reservation of Stock Issuable Upon Exercise. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the exercise of this Warrant such number of its shares of Common Stock as shall from time to time be sufficient to effect the exercise of this Warrant and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the exercise of this Warrant, in addition to such other remedies as shall be available to the Holder of this Warrant, the Company will use its best efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but un-issued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

5. RIGHTS PRIOR TO EXERCISE OF WARRANT

This Warrant does not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to receive dividends or other distributions, to exercise any preemptive rights, to vote, or to consent or to receive notice as a stockholder of the Company. If, however, at any time prior to the termination of this Warrant and prior to its exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Common Stock or make any distribution (other than a regular cash dividend) to the Holders of its shares of Common Stock; or

(b) the Company shall offer to the holders of its shares of Common Stock any additional Warrant of Common Stock or securities convertible into or exchangeable for shares of Common Stock or any right to subscribe for or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets and business as an entirety) shall be proposed and action by the Company with respect thereto has been approved by the Company's Board of Directors;

then in any one or more of said events the Company shall give notice in writing of such event to the Holder at the last address of the Holder as it shall appear on the Company's records at least twenty (20) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividends, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action taken in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up. Each person in whose name any certificate for shares of Common Stock is to be issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which this instrument was surrendered and payment of the Warrant Exercise Price was made, irrespective of the date of delivery of such stock certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares of Common Stock at the close of business on the next succeeding date on which the stock transfer books are open.

6. **SUCCESSORS AND ASSIGNS**

The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder hereof and their respective successors and permitted assigns.

7. **LOSS OR MUTILATION**

Upon receipt by the Company of satisfactory evidence of the ownership of and the loss, theft, destruction, or mutilation of any Warrant, and (i) in the case of loss, theft, or destruction, upon receipt by the Company of indemnity satisfactory to it, or (ii) in the case of mutilation, upon receipt of such Warrant and upon surrender and cancellation of such Warrant, the Company shall execute and deliver in lieu thereof a new Warrant representing the right to purchase an equal number of shares of Common Stock.

The Holder also acknowledges that each of the Shares issuable upon the due exercise hereof will be subject to any transfer restrictions in the Company's Articles of Incorporation, including a right of first refusal to the Company, and the certificate or certificates evidencing the Shares will bear a legend to this effect.

8. **TERMINATION DATE**

This Warrant shall terminate upon the sooner of (a) five years from the Date of Issue; or (b) the exercise of all or any portion of this Warrant pursuant to the terms of Section 1 hereof.

9. **GOVERNING LAW**

This Warrant and any dispute, disagreement or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the internal laws of the State of New York without regard to conflicts of law.

10. **HEADINGS**. The headings and captions used in this Warrant are used only for convenience and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections and exhibits shall, unless otherwise provided, refer to sections hereof and exhibits attached hereto, all of which exhibits are incorporated herein by this reference.

11. **NOTICES**. All notices or other communications given or made hereunder shall be in writing and shall be mailed by certified or registered mail, delivered by professional courier or hand, or transmitted via email or facsimile, to such party's address as set forth in the Services Agreement, or such other address as the Holder or the Company shall notify the other in writing as above provided. Any notice sent in accordance with this section shall be effective on the date three days after the date of mailing or, if delivered by hand or professional courier, or transmitted via email or facsimile with delivery receipt, on the date of delivery, provided, however, that notices to the Company will be effective upon receipt.

12. **SEVERABILITY**. If one or more provisions of this Warrant are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Warrant and the balance of this Warrant shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

In Witness Whereof, the parties have executed this Warrant as of the date first written above.

COMPANY

Cardax, Inc.

By: _____

Name: _____

Title: _____

HOLDER

JLS Ventures, LLC

By: _____

Name: _____

Title: _____

NOTICE OF WARRANT EXERCISE

To: Cardax, Inc.

Gentlemen:

The undersigned, _____, hereby elects to purchase, pursuant to the provisions of the foregoing Warrant held by the undersigned, _____ shares of the common stock ("Common Stock") of Cardax, Inc.

The applicable Tranche (as defined by the Warrant) for the purchase of shares of Common Stock that are (check one)

☐ Tranche A

☐ Tranche B

☐ Tranche C

Payment of the purchase price of _____ per Share required under such Warrant accompanies this subscription.

The undersigned hereby represents and warrants that the undersigned is acquiring such Common Stock for the account of the undersigned and not for resale or with a view to distribution of such Common Stock or any part hereof; that the undersigned is fully aware of the transfer restrictions affecting restricted securities under the pertinent securities laws and the undersigned understands that the shares purchased hereby are restricted securities and that the certificate or certificates evidencing the same will bear a legend to that effect.

DATED: _____, ____.

Signature: _____

Name: _____

Title: _____

Address: _____

_____

Exhibit 10.1

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

CARDAX PHARMACEUTICALS, INC.

as the Assignor

and

CARDAX PHARMA, INC.

as the Assignee

Dated: As of May 31, 2013

BILL OF SALE AND ASSIGNMENT:

CARDAX PHARMACEUTICALS, INC., a Delaware corporation (the "Assignor"), for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, subject to the terms and provisions of this Bill of Sale, Assignment and Assumption Agreement (this "instrument") does hereby and with immediate effect grant, assign, sell, convey, transfer and deliver ("Transfer"), unto CARDAX PHARMA, INC., a Delaware corporation, and its successors and assigns (the "Assignee") all of Assignor's right, title and interest in and to all of its assets, properties and rights of the Assignor of every type, character and description, whether real or personal, tangible or intangible, wherever situated in which the Assignor has any right, title or interest on and as of the date hereof, including without limitation all cash funds of the Assignor and all rights to receive cash funds after the date hereof OTHER THAN the assets and rights that are listed on Schedule I, attached hereto (collectively, the "Excluded Assets");

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns, to and for its use forever. The assets, properties, and rights of the Assignor being Transferred to the Assignee hereunder are hereinafter referred to as the "Transferred Assets."

AND, for the consideration aforesaid, the Assignor hereby constitutes and appoints the Assignee, its successors and assigns, the true and lawful attorney or attorneys of the Assignor, with full power of substitution, in its name and stead or otherwise, to demand and receive from time to time any and all of the Transferred Assets hereby Transferred, and to give receipts and releases for and in respect of the same and any part thereof, and from time to time to institute and prosecute in the name of the Assignor or otherwise, but at the expense and for the benefit of the Assignee, its successors and assigns, any and all proceedings at law, in equity or otherwise which the Assignee, its successors and assigns, may deem proper in order to collect, assert, or enforce any claim, right or title of any kind in and to the Transferred Assets hereby Transferred, and to defend or compromise any and all actions, suits, or proceedings in respect of any of the Transferred Assets and to do all such acts and things in relation thereto as the Assignee, its successors or assigns, shall deem desirable; and the Assignor hereby declares that the appointment made and the powers hereby granted are coupled with an interest and are and shall be irrevocable by the Assignor in any manner or for any reason;

AND, for the consideration aforesaid, the Assignor for itself and its successors and assigns has covenanted and by this instrument does covenant with the Assignee, its successors and assigns, that it, the Assignor, and its successors and assigns, will do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, transfers, assignments, conveyances, powers of attorney and assurances, for the better assuring, conveying and confirming unto the Assignee, its successors, and assigns, all and singular the entire right, title and interest in the Transferred Assets hereby Transferred as the Assignee, its successors, or assigns or any surviving corporation in a merger in which the Assignor is a constituent corporation, shall reasonably require. Without limiting the foregoing, the Assignor shall as promptly as possible Transfer to the Assignee all cash funds, accounts, instruments or other assets received after the date of this instrument which relate to services rendered or the conduct of business on or prior to the date of this Agreement or are in any way otherwise related to any of the Transferred Assets, and all cash funds shall be transferred or paid to the account or accounts from time to time designated by the Assignee or its successor or assign.

The Assignor agrees to execute, deliver and file such additional instruments and to take such other actions as the Assignee may reasonably request in order to effectuate the purposes hereof.

ASSUMPTION OF LIABILITIES:

The Assignee, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, subject to the terms and provisions of this instrument does hereby and with immediate effect assume and agree to perform and discharge fully and timely, and to pay fully and timely, in each case, subject to all defenses (in law and in equity), right to set off, credits and other discounts of the Assignor on the date of this instrument, the following: any and all obligations, debts, and liabilities of any kind of the Assignor, known or unknown, contingent or otherwise, accrued, accruing or becoming due prior to the date hereof. The obligations, debts, and liabilities being assumed by the Assignee include, without limitation, obligations, debts, and liabilities owed by the Assignor on account of, or pursuant to: promissory notes, settlement agreements, leases, joint venture agreements, customer contracts, supply contracts, trade debt and other payables, insurance policies, permits and licenses of any kind, commitments, arrangements, and contracts of any kind.

OTHER PROVISIONS:

This instrument and the covenants and agreements herein contained shall inure to the benefit of the Assignee, its successors and assigns, and any surviving corporation or other entity in a merger in which the Assignee is a constituent corporation, and shall be binding upon the Assignor, its successors and assigns and any surviving corporation or other entity in a merger in which the Assignor is a constituent corporation. All transfers and assumptions herein shall be deemed with effect on the date first written above.

This instrument and any and all related instruments of transfer or assignment delivered hereunder, if any, shall be governed by and interpreted in accordance with the laws of the State of New York applicable to contracts executed and wholly performed within such State.

This instrument may be executed in any number of counterparts, each of which shall be an original, and all of which shall together constitute one instrument.

IN WITNESS WHEREOF, each of the parties to this instrument has caused this instrument to be duly executed on its behalf by its duly authorized officer as of the date first written above.

THE ASSIGNOR:

CARDAX PHARMACEUTICALS, INC.

By: /s/ David G. Watumull
Name: David G. Watumull
Title: President and CEO

THE ASSIGNEE:

CARDAX PHARMA, INC.

By: /s/ David G. Watumull
Name: David G. Watumull
Title: President and CEO

ACKNOWLEDGMENT

STATE OF HAWAII

ss.:

COUNTY OF HONOLULU:

On May 31, 2013, before me personally came David G. Watamull, to me known, and known to me to be the individual who executed the foregoing instrument.

Notary Public

[Seal]

Schedule I
Excluded Assets

1. All shares of Assignee owned by Assignor.
2. All cash of Assignor.
3. All assets or rights whereby the transfer and assignment of such asset or right requires the consent, approval or authorization of a third party, until such date that such consent, approval or authorization is obtained; provided, that until such consent, approval or authorization is obtained, the Assignor shall license or otherwise arrange for all rights and benefits of Assignor to such Excluded Asset to be provided to the Assignee and such license or rights in any such other arrangement shall be a Transferred Asset under this instrument.

Exhibit 10.3

CARDAX, INC.

2014 EQUITY COMPENSATION PLAN

STOCK OPTION AGREEMENT

SECTION 1. KIND OF OPTION.

This Option is intended to be either an incentive stock option intended to meet the requirements of section 422 of the Internal Revenue Code (an "ISO") or a non-statutory option (an "NQSO"), which is not intended to meet the requirements of an ISO, as indicated in the Notice of Stock Option Grant. Even if this Option is designated as an ISO, it shall be deemed to be an NQSO to the extent required by the $100,000 annual limitation under Section 422(d) of the Code.

SECTION 2. VESTING.

The shares subject to this Option shall vest in accordance with the schedule set forth in the Notice of Stock Option Grant.

SECTION 3. TERM.

Except as otherwise set forth in the Notice of Stock Option Grant, your Option will expire in any event at the close of business at Company headquarters on ten (10) years after the Date of Grant; provided, however, that if your Option is an ISO it will expire five (5) years after the Date of Grant if you are a Ten-Percent Stockholder of the Company (the "Expiration Date").

SECTION 4. TERMINATION OF SERVICE.

Except as otherwise set forth in the Notice of Stock Option Grant, if your employment or other association with the Company ends for any reason, your Option, to the extent vested, shall cease to be exercisable in any respect and shall terminate not later than ninety (90) days following such termination of service with the Company and, for the period it remains exercisable following such termination, shall be exercisable only to the extent exercisable at the date of your termination of service (and to the extent not then exercisable, shall terminate as of the date of such termination). Military or sick leave or other bona fide leave shall not be deemed a termination of employment or other association, *provided* that it does not exceed the longer of ninety (90) days or the period during which the your reemployment rights, if any, are guaranteed by statute or by contract.

SECTION 5. EXERCISING YOUR OPTION.

To exercise your Option, you must execute the Notice of Exercise and Common Stock Purchase Agreement (the "Exercise Notice"), attached as Exhibit A. You must submit this form, together with full payment, to the Company. Your exercise will be effective when it is received by the Company. If someone else wants to exercise your Option after your death, that person must prove to the Company's satisfaction that he or she is entitled to do so.

SECTION 6. PAYMENT FORMS.

When you exercise your Option, you must include payment of the Exercise Price for the Shares you are purchasing in cash or cash equivalents. Alternatively, you may pay all or part of the Exercise Price by surrendering, or attesting to ownership of, Shares already owned by you, unless such action would cause the Company to recognize any (or additional) compensation expense with respect to the Option for financial reporting purposes. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value on the date of Option exercise. To the extent that a public market for the Shares exists and to the extent permitted by applicable law, in each case as determined by the Company, you also may exercise your Option by delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of the aggregate Exercise Price and, if requested, applicable withholding taxes. The Company will provide the forms necessary to make such a cashless exercise. The Board may permit such other payment forms as it deems appropriate, subject to applicable laws, regulations and rules.

SECTION 7. TAX WITHHOLDING AND REPORTING.

(a) You will not be allowed to exercise this Option unless you pay, or make acceptable arrangements to pay, any taxes required to be withheld as a result of the Option exercise or the sale of Shares acquired upon exercise of this Option. You hereby authorize withholding from payroll or any other payment due you from the Company or your employer to satisfy any such withholding tax obligation.

(b) If you sell or otherwise dispose of any of the Shares acquired pursuant to an ISO on or before the later of (i) two years after the grant date, or (ii) one year after the exercise date, you shall immediately notify the Company in writing of such disposition.

SECTION 8. RESALE RESTRICTIONS/MARKET STAND-OFF.

In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the U.S. Securities Act of 1933, as amended, including the Company's initial public offering, you may be prohibited from engaging in any transaction with respect to any of the Company's common stock without the prior written consent of the Company or its underwriters in accordance with the provisions of the Exercise Notice.

SECTION 9. TRANSFER OF OPTION.

Prior to your death, only you may exercise this Option. This Option and the rights and privileges conferred hereby cannot be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process. For instance, you may not sell this Option or use it as security for a loan. If you attempt to do any of these things, this Option will immediately become invalid. You may, however, dispose of this Option in your will. Regardless of any marital property settlement agreement, the Company is not obligated to honor an Exercise Notice from your spouse or former spouse, nor is the Company obligated to recognize such individual's interest in your Option in any other way. Notwithstanding the foregoing, however, to the extent permitted by the Board in its sole discretion, an NQSO may be transferred by you to one or more family members or to a trust established for your benefit and/or one or more of your family members to the extent permitted by the Plan.

SECTION 10. RETENTION RIGHTS.

This Agreement does not give you the right to be retained by the Company in any capacity. The Company reserves the right to terminate your employment or other association with the Company at any time and for any reason without thereby incurring any liability to you.

SECTION 11. STOCKHOLDER RIGHTS.

Neither you nor your estate or heirs have any rights as a stockholder of the Company until a certificate for the Shares acquired upon exercise of this Option has been issued. No adjustments are made for dividends or other rights if the applicable record date occurs before your stock certificate is issued, except as described in the Plan.

SECTION 12. ADJUSTMENTS.

In the event of a stock split, a stock dividend or a similar change in the Common Stock, the number of Shares covered by this Option and the Exercise Price per share may be adjusted pursuant to the Plan. Your Option shall be subject to the terms of the agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity as set forth in the Plan.

SECTION 13. TAX DISCLAIMER.

You agree that you are responsible for consulting your own tax advisor as to the tax consequences associated with your Option. The tax rules governing options are complex, change frequently and depend on the individual taxpayer's situation. Although the Company will make available to you general tax information about stock options, you agree that the Company shall not be held liable or responsible for making such information available to you and any tax or financial consequences that you may incur in connection with your Option.

By accepting this Option, you acknowledge that any tax liability or other adverse tax consequences to you resulting from the grant of the Option will be the responsibility of, and will be borne entirely by, you. YOU ARE THEREFORE ENCOURAGED TO CONSULT YOUR OWN TAX ADVISOR BEFORE ACCEPTING THE GRANT OF THIS OPTION.

SECTION 14. THE PLAN AND OTHER AGREEMENTS.

The text of the Plan is incorporated in this Agreement by reference. Certain capitalized terms used in this Agreement are defined in the Plan. The Notice of Stock Option Grant, this Agreement, including its attachments, and the Plan constitute the entire understanding between you and the Company regarding this Option. Any prior agreements, commitments or negotiations concerning this Option are superseded.

SECTION 15. MISCELLANEOUS PROVISIONS.

(a) You understand and acknowledge that (i) the Plan is entirely discretionary, (ii) the Company and your employer have reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an option does not in any way create any contractual or other right to receive additional grants of options (or benefits in lieu of options) at any time or in any amount, and (iv) all determinations with respect to any additional grants, including (without limitation) the times when options will be granted, the number of Shares offered, the Exercise Price and the vesting schedule, will be at the sole discretion of the Company.

(b) The value of this Option shall be an extraordinary item of compensation outside the scope of your employment contract, if any, and shall not be considered a part of your normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long service awards, pension or retirement benefits or similar payments.

(c) You understand and acknowledge that participation in the Plan ceases upon termination of your employment or association with the Company for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

(d) You hereby authorize and direct your employer to disclose to the Company or any Subsidiary any information regarding your employment, the nature and amount of your compensation and the fact and conditions of your participation in the Plan, as your employer deems necessary or appropriate to facilitate the administration of the Plan.

(e) You consent to the collection, use and transfer of personal data as described in this Subsection. You understand and acknowledge that the Company, your employer and the Company's other Subsidiaries hold certain personal information regarding you for the purpose of managing and administering the Plan, including (without limitation) your name, home address, telephone number, date of birth, social security number, salary, nationality, job title, any Shares or directorships held in the Company and details of all options or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in the your favor (the "Data"). You further understand and acknowledge that the Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan and that the Company and/or any Subsidiary may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. You understand and acknowledge that the recipients of Data may be located in the United States or elsewhere. You authorize such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering your participation in the Plan, including a transfer to any broker or other third party with whom you elect to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf. You may, at any time, view the Data, require any necessary modifications of Data or withdraw the consents set forth in this Subsection by contacting the Human Resources Department of the Company in writing.

SECTION 16. APPLICABLE LAW.

This Agreement will be interpreted and enforced under the laws of the State of Delaware (without regard to their choice of law provisions).

EXHIBIT A
CARDAX, INC. 2014 EQUITY COMPENSATION PLAN
NOTICE OF EXERCISE AND COMMON STOCK PURCHASE AGREEMENT

THIS AGREEMENT is dated as of , , 20__ between Cardax, Inc. (the "Company"), and _____ ("Purchaser").

WITNESSETH:

WHEREAS, the Company granted Purchaser a stock option on February 7, 2014 (the "Date of Grant") pursuant to a stock option agreement (the "Option Agreement") under which Purchaser has the right to purchase up to _____ shares of the Company's common stock (the "Option Shares"); and

WHEREAS, the Option is exercisable with respect to certain of the Option Shares as of the date hereof, and

WHEREAS, pursuant to the Option Agreement, Purchaser desires to purchase shares of the Company as herein described, on the terms and conditions set forth in this Agreement, the Option Agreement and the Cardax, Inc. 2014 Equity Compensation Plan (the "Plan"). Certain capitalized terms used in this Agreement are defined in the Plan.

NOW, **THEREFORE**, it is agreed between the parties as follows:

SECTION 1. PURCHASE OF SHARES.

(a) Pursuant to the terms of the Option Agreement, Purchaser hereby agrees to purchase from the Company and the Company agrees to sell and issue to Purchaser _____ shares of the Company's common stock (the "Common Stock") for the Exercise Price per share specified in the Notice of Stock Option Grant payable by personal check, cashier's check, money order or otherwise as permitted by the Option Agreement. Payment shall be delivered at the Closing, as such term is defined below.

(b) The closing (the "Closing") under this Agreement shall occur at the offices of the Company as of the date hereof, or such other time and place as may be designated by the Company (the "Closing Date").

SECTION 2. PURCHASER'S INVESTMENT REPRESENTATIONS.

This Agreement is made with Purchaser in reliance upon Purchaser's representation to the Company, which by Purchaser's acceptance hereof Purchaser confirms, that the Common Stock which Purchaser will receive will be acquired with Purchaser's own funds for investment for an indefinite period for Purchaser's own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and that Purchaser has no present intention of selling, granting participation in, or otherwise distributing the same, but subject, nevertheless, to any requirement of law that the disposition of Purchaser's property shall at all times be within Purchaser's control. By executing this Agreement, Purchaser further represents that Purchaser does not have any contract, understanding or agreement with any person to sell, transfer, or grant participation to such person or to any third person, with respect to any of the Common Stock.

SECTION 3. RIGHTS OF PURCHASER.

(a) Except as otherwise provided herein, Purchaser shall, during the term of this Agreement, exercise all rights and privileges of a stockholder of the Company with respect to the Common Stock.

(b) Nothing in this Agreement shall be construed as a right by Purchaser to be retained by the Company, or a parent or subsidiary of the Company in any capacity. The Company reserves the right to terminate Purchaser's employment or other association with the Company at any time and for any reason without thereby incurring any liability to Purchaser.

SECTION 4. RESALE RESTRICTIONS/MARKET STAND-OFF.

Purchaser hereby agrees that in connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, Purchaser shall not, directly or indirectly, engage in any transaction prohibited by the underwriter, or sell, make any short sale of, contract to sell, transfer the economic risk of ownership in, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose or transfer for value or agree to engage in any of the foregoing transactions with respect to any Common Stock without the prior written consent of the Company or its underwriters, for such period of time after the effective date of such registration statement as may be requested by the Company or such underwriters. Such period of time shall not exceed one hundred eighty (180) days and may be required by the underwriter as a market condition of the offering; provided, however, that if either (a) during the last seventeen (17) days of such one hundred eighty (180) day period, the Company issues an earnings release or material news or a material event relating to the Company occurs or (b) prior to the expiration of such one hundred eighty (180) day period, the Company announces that it will release earnings results during the sixteen (16) day period beginning on the last day of the one hundred eighty (180) day period, then the restrictions imposed during such one hundred eighty (180) day period shall continue to apply until the expiration of the eighteen (18) day period beginning on the issuance of the earnings release or the occurrence of the material news or material event; provided, further, that in the event the Company or the underwriter requests that the one hundred eighty (180) day period be extended or modified pursuant to then-applicable law, rules, regulations or trading policies, the restrictions imposed during the one hundred eighty (180) day period shall continue to apply to the extent requested by the Company or the underwriter to comply with such law, rules, regulations or trading policies. Purchaser hereby agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. To enforce the provisions of this Section, the Company may impose stop-transfer instructions with respect to the Common Stock until the end of the applicable stand-off period.

SECTION 5. OTHER NECESSARY ACTIONS.

The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

SECTION 6. NOTICE.

Any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given upon the earliest of personal delivery, physical receipt (electronically or otherwise) or the third full day following deposit in the United States Post Office with postage and fees prepaid, addressed to the other party hereto at the address last known or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto.

SECTION 7. SUCCESSORS AND ASSIGNS.

This Agreement shall inure to the benefit of the successors and assigns of the Company and be binding upon Purchaser and Purchaser's heirs, executors, administrators, successors and assigns. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition, whether of a like or different nature.

SECTION 8. APPLICABLE LAW.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such state.

SECTION 9. NO ORAL MODIFICATION.

No modification of this Agreement shall be valid unless made in writing and signed by the parties hereto.

SECTION 10. ENTIRE AGREEMENT.

This Agreement, the Option Agreement and the Plan constitute the entire complete and final agreement between the parties hereto with regard to the subject matter hereof.

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

CARDAX, INC.

By:_____
Name:
Title:

(PURCHASER)

_____

Exhibit 10.4

Cardax, Inc.
2014 Equity Compensation Plan

Notice of Stock Option Grant

Cardax, Inc. (the "Company") hereby grants you the following Option to purchase shares of its common stock ("Shares"). The terms and conditions of this Option are set forth in the Stock Option Agreement and the Cardax, Inc. 2014 Equity Compensation Plan (the "Plan"), both of which are attached to and made part of this document.

Except as otherwise defined herein, capitalized terms used in this Notice of Stock Option Grant shall have the meaning assigned to such terms in the Plan.

Date of Grant:	_____
Name of Optionee:	_____
Number of Option Shares:	The number of Option Shares equals the number of Shares necessary so that the number of Option Shares granted under this Option plus the number of Option Shares, if any, granted to the Optionee under the Plan in substitution for options issued under the Cardax Pharmaceuticals, Inc. 2006 Stock Incentive Plan equals _____ percent (___%) of the fully diluted shares of the Company on the Date of Grant.
Exercise Price per Share:	$0.625
Option Period:	Ten (10) years from the Date of Grant.
Type of Option:	ISO
Vesting Schedule:	Fifty percent (50%) of the shares subject to this Option are fully vested upon the Date of Grant and one-twelfth ($1/12^{th}$) of remaining fifty percent (50%) of the shares shall vest on the first business day of each month following the Date of Grant. [Notwithstanding the foregoing, one hundred percent (100%) of the shares subject to this Option shall be fully vested upon a Change in Control.]

By signing this Notice of Stock Option Grant, you acknowledge receipt of a copy of the Plan and agree that: (a) you have carefully read, fully understand and agree to all of the terms and conditions described in the attached Stock Option Agreement, the Plan document and the Notice of Exercise and Common Stock Purchase Agreement; (b) you hereby make the purchaser's investment representations contained in the Exercise Notice with respect to the grant of this Option; (c) you understand and agree that the Notice of Stock Option Grant and the Stock Option Agreement constitutes the entire understanding between you and the Company regarding this Option and that any prior agreements, commitments or understandings concerning this Option are replaced and superseded; and (d) you have been given an opportunity to consult your own legal and tax advisors with respect to all matters relating to this Option prior to signing this Notice of Stock Option Grant and that you have either consulted such advisors or voluntarily declined to consult such advisors.

_____	Cardax, Inc.
_____	By:_____ Name: Title:

Exhibit 10.5

Cardax, Inc.
2014 Equity Compensation Plan

Notice of Stock Option Grant
in substitution of Stock Option Grant
under the
Cardax Pharmaceuticals, Inc.
2006 Stock Incentive Plan

In accordance with the terms of that certain Agreement and Plan of Merger, dated as of November 27, 2013 (the "Merger Agreement"), Cardax, Inc. (the "Company") hereby grants you the following Option to purchase shares of its common stock ("Shares"). This Notice of Stock Option Grant is issued in substitution and replacement of the Stock Option Grant issued to you on _____ under the Cardax Pharmaceuticals, Inc. 2006 Stock Incentive Plan (the "Prior Option"). The terms and conditions of this Option are set forth in the Stock Option Agreement and the Cardax, Inc. 2014 Equity Compensation Plan (the "Plan"), both of which are attached to and made part of this document.

Except as otherwise defined herein, capitalized terms used in this Notice of Stock Option Grant shall have the meaning assigned to such terms in the Plan.

For purposes of Section 409A of the Code, the substation of the Prior Option for this Option is intended to meet the requirements of Treasury Regulation § 1.409A-1(b)(v)(D).

Notwithstanding Section 4 of the Stock Option Agreement to the contrary, in the event your employment or other service with the Company terminates for any reason, this Option shall remain exercisable for the full Option Period.

Pursuant to the Merger Agreement, as of the Date of Grant, the Prior Option is superseded, is of no force and effect, and has been replaced by this Notice of Stock Option Grant.

Date of Grant:	February 7, 2014
Name of Optionee:	_____
Number of Option Shares:	_____
Exercise Price per Share:	$0.155
Option Period:	_____
Type of Option:	NQSO
Vesting Schedule:	The shares subject to this Option are fully vested upon the Date of Grant.

By signing this Notice of Stock Option Grant, you acknowledge receipt of a copy of the Plan and agree that: (a) you have carefully read, fully understand and agree to all of the terms and conditions described in the attached Stock Option Agreement, the Plan document and the Notice of Exercise and Common Stock Purchase Agreement; (b) you hereby make the purchaser's investment representations contained in the Exercise Notice with respect to the grant of this Option; (c) you understand and agree that the Notice of Stock Option Grant and the Stock Option Agreement constitutes the entire understanding between you and the Company regarding this Option and that any prior agreements, commitments or understandings concerning this Option, including, but not limited to, the Prior Option, are replaced and superseded; and (d) you have been given an opportunity to consult your own legal and tax advisors with respect to all matters relating to this Option prior to signing this Notice of Stock Option Grant and that you have either consulted such advisors or voluntarily declined to consult such advisors.

_____ Cardax, Inc.

_____ By:_____
Name:
Title:

Exhibit 10.7

Execution Copy

SPIN-OFF AGREEMENT, dated as of February 7, 2014 (this "*Agreement*"), **KOFFEE KORNER, INC.,** a Delaware corporation (the "*Company*" or the "*Seller*") and **NAZNEEN D'SILVA** (the "*Buyer*").

INTRODUCTION

WHEREAS, all of the business, assets, operations, goodwill, and liabilities of the Company are the business, assets, operations, goodwill and liabilities of a wholly-owned subsidiary of the Company, Koffee Korner's Inc, a Texas corporation ("*KKT*"); and

WHEREAS, the Buyer and the Company are entering into this Agreement to effect the assignment of the outstanding shares of KKT to the Buyer (the "*Assignment*") on the terms and subject to the conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, warranties and covenants set forth herein, the Parties hereto hereby agree as follows:

1. Assignment. The Company hereby assigns to Buyer 100.0% of the outstanding capital stock of KKT. Following the Closing Date (as defined below), the Company shall take prompt action to change its corporate name and shall thereafter forever cease from using the name or term "Koffee Korner or Koffee Korner's."

2. Indemnity. As consideration for the Assignment, Buyer hereby agrees to indemnify and hold harmless the Company and its officers, directors, employees, counsel, agents, and stockholders, in each case past, present, or as they may exist at any time after the date of this Agreement, and each person, if any, who controls, controlled, or will control any of them within the meaning of Section 15 of the Securities Act or Section 20(a) of the Securities Exchange Act of 1934, as amended, against any and all losses, liabilities, damages, and expenses whatsoever (which shall include, for all purposes of this Section 2, but not be limited to, counsel fees and any and all expenses whatsoever incurred in investigating, preparing, or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation) as and when incurred arising out of, based upon, or in connection with the business of the Company and KKT prior to the date hereof (the "*KOFF Business*").

3. Closing. The closing of the transactions contemplated by this Agreement (the "*Closing*") shall take place by the exchange of documents by the Parties by fax or courier, on the date hereof, or such other date as the Parties may mutually determine, which date shall be the date hereof, unless agreed to in writing by the Parties (the "*Closing Date*"). At the Closing, the Company shall deliver 100.0% of the outstanding shares of capital stock of KKT. The Company and the Buyer understand the Buyer currently holds the stock certificate currently representing 100% of the outstanding shares of capital stock of KKT.

4. Further Assurances. Buyer hereby covenants that it will, whenever and as reasonably requested by Company and at Buyer's sole cost and expense, do, execute, acknowledge and deliver any and all such other and further acts, deeds, assignments, transfers, conveyances, confirmations, powers of attorney and any instruments of further assurance, approvals and consents as the Company may reasonably require in order to complete, insure and perfect the transfer, conveyance and assignment to the Buyer of all the right, title and interest of the Company in and to the shares of capital stock of KKT hereby sold, conveyed or assigned, or intended so to be.

5. Seller Makes no Representations or Warranties. The Seller's interest in the shares of KKT capital stock is being acquired by the Buyers on an **AS IS WHERE IS** basis and the Seller makes no representations as to such securities or any other matter.

6. Confidential Information. The Company shall use its commercially reasonable efforts to insure that all confidential information which the Company or any of its respective officers, directors, employees, counsel, agents, investment bankers, or accountants (each a "*Company Party*") may now possess or may hereafter create or obtain relating to the financial condition, results of operations, businesses, properties, assets, liabilities, or future prospects of the KOFF Business and/or, any affiliate thereof, or any customer or supplier thereof or of any such affiliate shall not be published, disclosed, or made accessible by any of them to any other person or entity at any time or used by any of them; provided, however, that the restrictions of this sentence shall not apply (i) as may otherwise be required by law, (ii) as may be necessary or appropriate in connection with the enforcement of this Agreement, or (iii) to the extent the information shall have otherwise become publicly available, through no improper action of the Company.

7. Miscellaneous.

(a) Since a breach of the provisions of this Agreement could not adequately be compensated by monetary damages, any Party shall be entitled, in addition to any other right or remedy available to him, her or it, to an injunction restraining such breach or a threatened breach and to specific performance of any such provision of this Agreement, and in either case no bond or other security shall be required in connection therewith, and the parties hereby consent to the issuance of such an injunction and to the ordering of specific performance.

(b) The covenants, agreements, representations, and warranties contained in or made pursuant to this Agreement shall survive any delivery of the consideration described herein.

(c) This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof, supersedes all existing agreements between them concerning such subject matter, and may be modified only by a written instrument duly executed by each party.

(d) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns (if not a natural person) and his assigns, heirs, and personal representatives (if a natural person).

(e) If any provision of this Agreement is invalid, illegal, or unenforceable, the balance of this Agreement shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.

(f) The headings in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

(g) All representations, warranties and agreements in this Agreement shall survive the Closing Date until the expiration of the applicable statute of limitations. This Agreement shall be binding upon the parties, their respective successors, representatives, heirs and estate, as applicable.

(h) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all Parties need not sign the same counterpart. Facsimile execution and delivery of this Agreement is legal, valid and binding execution and delivery for all purposes. This Agreement shall be governed in all respects, including validity, interpretation and effect, by the internal laws of the State of New York, without regard to the conflicts of law principles thereof.

(i) This Agreement may not be amended except by an instrument in writing signed by each of the parties hereto. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes in its entirety any other agreement relating to or granting any rights with respect to the subject matter hereof.

(j) Each party acknowledges that its legal counsel participated in the preparation of this Agreement and, therefore, stipulates that the rule of construction that ambiguities are to be resolved against the drafting party shall not be applied in the interpretation of this Agreement to favor any party against the other. In this Agreement, the word "**include**", "**includes**", "**including**" and "**such as**" are to be construed as if they were immediately followed by the words, without limitation.

(k) In this Agreement words importing the singular number include the plural and vice versa; words importing the masculine gender include the feminine and neutral genders. The word "**person**" includes an individual, body corporate, partnership, trustee or trust or unincorporated association, executor, administrator or legal representative.

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

IN WITNESS WHEREOF, the Parties have duly executed this Spin-Off Agreement as of the date first above written.

/s/ Nazneen D'Silva

Nazneen D'Silva

KOFFEE KORNER, INC.

By: /s/ Austin Kibler

Name: Austin Kibler

Title: Chief Executive Officer

Exhibit 10.8

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this "Agreement") is made and entered into as of February 7, 2014 by and between Cardax, Inc., a Delaware corporation (the "Company"), and the undersigned individual ("Indemnitee").

WITNESSETH THAT:

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors, officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Amended and Restated Certificate of Incorporation of the Company (the "Certificate") and the By-laws of the Company (the "By-laws") require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("DGCL"). The Certificate, the By-laws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate and the By-laws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee does not regard the protection available under the Certificate, the By-laws or insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director, or in any similar capacity, without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as a director of the Company after the date hereof, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent not prohibited by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(a) if, by reason of his Corporate Status (as hereinafter defined), Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses (as hereinafter defined), liability and loss (including judgments, fines, ERISA excise taxes or penalties, amounts paid or to be paid in settlement, and any interest, assessments, or other charges imposed on any such amounts, and any federal, state, local, or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement) (collectively, "Liabilities") actually and reasonably incurred by him, or on his behalf, in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the interests of the Company and with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful, it being acknowledged that any action taken by the Indemnitee upon the advice of counsel shall provide a rebuttable presumption that such action was not opposed to the interests of the Company or that Indemnitee had no reasonable cause to believe his conduct was unlawful.

(b) Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of his Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually incurred by Indemnitee, or on Indemnitee's behalf, in connection with such Proceeding if Indemnitee acted in good faith; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware (or any successor thereto, the "Delaware Court") shall determine that such indemnification may be made.

(c) Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified to the maximum extent not prohibited by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section 1 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

(d) If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses and Liabilities, but not, however, for the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion thereof to which the Indemnitee is entitled.

2. Additional Indemnity.

(a) In addition to, and without regard to any limitations on, the indemnification provided for in Section 1, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any Proceeding (including, without limitation, a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee.

(b) In addition to, and without regard to any limitations on, the indemnification provided for in Section 1, in the event that the Company provides rights to any person by reason of their Corporate Status or otherwise incurs a similar indemnification obligation to any individual or entity that provides any greater rights to such indemnified individual or entity than the rights provided to Indemnitee, then without any further action by any party to this Agreement, the Indemnitee shall be provided such greater rights.

(c) The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7) to be unlawful.

3. Contribution.

(a) Whether or not the indemnification provided in Sections 1 or 2 is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding) unless (i) such settlement provides for a full and final release of all claims asserted against Indemnitee, or (ii) the Indemnitee engaged in willful misconduct that violates applicable law or gross negligence, or (iii) the Indemnity consents to such settlement.

(b) Without diminishing or impairing the obligations of the Company set forth in Section 3(b), if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of expenses (including, without limitation, attorneys' fees and disbursements), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which the Law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent not prohibited under law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

5. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status, including without limitation, any retainers or similar payments or deposits, within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by an undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free.

6. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a), a determination, if required by law, with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of the Board: (1) by a majority vote of the Disinterested Directors, even though less than a quorum, (2) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum, (3), if there are no Disinterested Directors, or if the Disinterested Directors so direct, by Independent Legal Counsel (as defined below) in written advice to the Board, a copy of which shall be delivered to Indemnitee, or (4) if so directed by the Board, by the stockholders of the Company.

(c) If the determination of entitlement to indemnification is to be made by Independent Legal Counsel pursuant to Section 6(b), the Independent Legal Counsel shall be selected as provided in this Section 6(c). The Independent Legal Counsel shall be selected by the Board. Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Legal Counsel so selected does not meet the requirements of "Independent Legal Counsel" as defined in Section 13, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Legal Counsel. If a written objection is made and substantiated, the Independent Legal Counsel selected may not serve as Independent Legal Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a), no Independent Legal Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court or other court of competent jurisdiction for resolution of any objection which shall have been made by Indemnitee to the Company's selection of Independent Legal Counsel and/or for the appointment as Independent Legal Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Legal Counsel under Section 6(b). The Company shall pay any and all reasonable fees and expenses of Independent Legal Counsel incurred by such Independent Legal Counsel in connection with acting pursuant to Section 6(b), and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Legal Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including, without limitation, by its directors or Independent Legal Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including, without limitation, by its directors or Independent Legal Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(e) Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including, without limitation, financial statements, or on information supplied to Indemnitee by the officers of the Enterprise (as hereinafter defined) in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 6(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under this Section 6 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 6(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 6(b) and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat.

(g) Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including, without limitation, providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Legal Counsel, member of the Board or stockholder of the Company shall act reasonably and in good faith in making a determination regarding Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including, without limitation, attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(i) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification. Indemnitee shall commence such proceeding seeking an adjudication within one hundred and eighty (180) days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 7(a). The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 6(b) that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 6(b).

(c) If a determination shall have been made pursuant to Section 6(b) that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of his rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on his behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 13) actually and reasonably incurred by him in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any court having jurisdiction over such proceeding that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

8. Non-Exclusivity; Survival of Rights; Insurance; Subrogation; No Presumption.

(a) The rights of indemnification as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under law, the Certificate, the By-laws, any agreement, a vote of stockholders, a resolution of directors or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL or other law, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate, the By-laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director, officer, employee, agent or fiduciary under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies. In connection with any sale of the Company, including any merger, the Company shall use its reasonable commercial efforts to maintain an insurance policy for a reasonable period or "tail" after the closing date of such sale or merger.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

(f) For purposes of this Agreement, to the fullest extent permitted by law, the termination of any Proceeding, action, suit or claim, by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that the Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

9. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

(c) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under law.

10. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is a director 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), plus three (3) years thereafter, and shall continue in all events thereafter so long as Indemnitee shall be subject to any Proceeding (or any proceeding commenced under Section 7) by reason of his Corporate Status, not matter when instituted, whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives. Notwithstanding the foregoing, no legal action shall be brought and no cause of action shall be asserted by or on behalf of the Company or any affiliate of the Company against the Indemnitee, the Indemnitee's spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliate shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such period; provided, however, that if any shorter statute of limitations is otherwise applicable to any such cause of action, such shorter statute of limitations shall govern.

11. Security. To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

12. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer or director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

13. Definitions. For purposes of this Agreement

(a) "Corporate Status" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company, a subsidiary of the Company or of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the express written request of the Company. For the avoidance of doubt, "Corporate Status" does not include the status of a person described in the foregoing sentence in his or her role as a representative of any stockholder of the Company.

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

(c) "Enterprise" shall mean the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent or fiduciary.

(d) "Expenses" shall include all attorneys' fees, disbursements, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(e) "Independent Legal Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Legal Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Legal Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) "Proceeding" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of the fact that Indemnitee is or was an officer or director of the Company, by reason of any action taken by him or of any inaction on his part while acting as an officer or director of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, limited liability company, joint venture, trust or other Enterprise; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant Section 7 to enforce his rights under this Agreement.

14. Severability. The invalidity of unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by law. In the event any provision hereof conflicts with any law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

15. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

17. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if such address is so provided under this Section 17 and sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnitee at the address set forth below Indemnitee signature hereto.

(b) To the Company at:

Cardax, Inc.
2800 Woodlawn Drive, Suite 129
Honolulu, Hawaii 96822
Attention: Chairman of the Board

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be; provided, that any notice providing such other address shall be effective only if such notice expressly references this Agreement and this Section 17.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Headings. The headings of the Sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

20. Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Honolulu, Hawaii if the Indemnitee commences the action or proceeding or the State of domicile of the Indemnitee if the Company commences the action or proceeding, in each case, before three arbitrators. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction and shall not remove the exclusive jurisdiction of the Delaware Court of Chancery to the extent such court has exclusive jurisdiction with respect to any action or proceeding relating to this Agreement or the subject matter of this Agreement.

21. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that, subject to the provisions of Section 20, any action or proceeding arising out of or in connection with this Agreement shall be brought and maintained only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, unless the Delaware Court is unable to adjudicate such action or proceeding, whereupon such action or proceeding may be brought and maintained in any court of competent jurisdiction, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, unless such action or proceeding is brought or maintained in another court as provided in clause (i) above, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably the Delaware Court as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, unless such action or proceeding is brought or maintained in another court as provided in clause (i) above, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum, unless such action or proceeding is brought or maintained in another court as provided in clause (i) above.

[*remainder of this page intentionally left blank*]

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

COMPANY

CARDAX, INC.

By: _____

Name: _____

Title: _____

INDEMNITEE

By: _____

Name:

Address:

_____

_____

_____

_____

Phone: _____

Fax: _____

Email: _____

Exhibit 10.9

SENIOR EXECUTIVE EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made as of February 7, 2014 by and between CARDAX, INC., a Delaware corporation (the "Company"), and David G. Watumull, an individual (the "Employee").

WITNESSETH:

WHEREAS, the Company, together with its subsidiaries, is engaged in the business of developing, marketing and distribution of nutraceutical and pharmaceutical products (collectively, the "Business");

WHEREAS, the Company desires to employ the Employee, and the Employee desires to accept such employment, on the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the mutual covenants and conditions provided herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. **Employment, Duties and Authority**.

1.1 Exclusive Devotion of Business Time. The Company agrees to employ the Employee and, unless otherwise agreed to by the parties in writing, the Employee agrees to devote his full business time, effort, skills and loyalty to the business of the Company to effectively carry out his responsibilities to the Company hereunder and to the render his services and skills in the furtherance of the business of the Company; provided, that this provision shall not prevent the Employee from: (i) serving on civil, charitable and corporate boards and committees, subject to the Company's policies and standards; and (ii) managing his investments and the investments of his immediate family, subject to the Company's policies and standards; provided that the activities referenced in clauses (i) and (ii) above do not, individually or in the aggregate, interfere with the performance of the Employee's duties under this Agreement.

1.2 Title; Position. The Company agrees to employ the Employee as its President, Chief Executive Officer and Director. The primary responsibility of the Employee shall be the strategic, scientific, and financial direction of the Company, and the identification, negotiation, and consummation of financing and strategic transactions. Without limiting the foregoing, the Employee shall serve at the request of the Board of Directors of the Company (the "Board") as a director or officer of any corporation of any type or kind, domestic or foreign, or any partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise in the furtherance of the Business and shall otherwise assist in the preparation of, and implementation of, the strategic business plans and developments of the Company.

1.3 Reporting. The Employee shall report to (a) the Board or (b) such other person as may be designated by the Board from time to time.

1.4 Cooperation. During the term of this Agreement and any time thereafter, the Employee agrees to give prompt written notice to the Company of any claim or injury relating to the Company, and to fully cooperate in good faith and to the best of his ability with the Company in connection with all pending, potential or future claims, investigations or actions which directly or indirectly relate to any transaction, event or activity about which the Employee may have knowledge because of his employment with the Company. Such cooperation shall include all assistance that the Company, its counsel, or its representatives may reasonably request, including reviewing and interpreting documents, meeting with counsel, providing factual information and material, and appearing or testifying as a witness.

1.5 Primary Office Location; Travel Commitment. The Employee shall perform his duties primarily from the Company's headquarters in Honolulu, Hawaii or such other location as the Company may reasonably determine from time to time; provided, that the Employee shall be available and shall travel from such location from time to time as is necessary or desirable in furtherance of the Business, specifically the acquisition, renovation, improvement and development of Employee office suite centers and meetings of the Board or any committee thereof.

1.6 Performance of Duties. During the term of this Agreement, the Employee shall perform the duties assigned to him, which duties shall be consistent with the duties described above in this Section 1, and shall observe and carry out such rules, regulations, policies, directions and restrictions as the Board shall from time to time establish. In performance of his duties hereunder, the Employee shall comply in each and every respect with applicable laws, rules and regulations applicable to the Company and the Business.

1.7 Certain Defined Terms. For the purposes of this Agreement, the following terms shall have the respective meanings ascribed thereto in this Section:

1.7.1. "Cause" shall mean any of the following conditions occurred, and after a determination by the Board that such condition occurred, was not cured:

(i) The Employee commits (A) a breach of his fiduciary duty to the Company or any of its affiliates, to the extent such duty is owed, (B) gross negligence, or (C) willful misconduct;

(ii) The Employee violates the internal procedures or policies of the Company in a manner which has a material adverse effect on the reputation, business of the Company such as conduct constituting employment discrimination or sexual harassment;

which, in any event, is not cured in all material respects by the Employee within 30 days after notice thereof.

1.7.2. "Confidential Information" means all confidential and proprietary information of the Company, including, without limitation, information relating to or concerning Proprietary Products (as defined below) and the exploitation of proprietary rights relating thereto; the Business; trade secret information; client, investor, customer and supplier lists, identities and contracts or arrangements; financial information (including financial statements, budgets and projections); market research and development procedures, processes, techniques, plans and results (including inconclusive results); all information which may be included in any patent or copyright application or amendment thereof or defense or litigation with respect thereto; marketing, licensing and distribution or franchising strategies, plans or projections; investment or acquisition opportunities, plans or strategies; products and asset composition; pricing information or policies; royalty, franchising or licensing arrangements; computer software, passwords, programs or data; and all other business related information which has not been publicly disclosed by the Company or its affiliates, whether such information is in written, graphic, recorded, photographic, data or any machine readable form or is orally conveyed to, or memorized by, or developed by the Employee; provided, that Confidential Information shall not include information which: (i) at the time of disclosure is generally known in the business and industry in which the Company is engaged; or (ii) after disclosure is published or otherwise becomes generally known in such business or industry through no fault of the Employee.

1.7.3. "Developments" means discoveries, concepts, ideas, designs, methods, formulas, know-how, techniques, systems or any improvements or enhancements thereon, whether or not patentable or copyrightable, made, conceived, improved or developed, in whole or in part, by the Employee during the term of this Agreement relating to: (i) any of the Company's or its affiliates' products or services, potential products or services, developments or techniques; or (ii) any work in which the Employee is or may be engaged on behalf of the Company or its affiliates.

1.7.4. "Disability" means the Employee's physical or mental incapacity which, in the reasonable good faith determination of the Board, renders the Employee incapable of performing the essential functions of his duties under this Agreement for any consecutive forty-five (45) day period or for any sixty (60) days within any period of one hundred and twenty (120) days.

1.7.5. "Documents" means any and all books, textbooks, letters, pamphlets, drafts, memoranda, notes, records, drawings, files, documents, manuals, compilations of information, correspondence or other writings of any kind and all copies, abstracts and summaries of any of the foregoing, whether in printed, written or electronic data or any machine readable form: (i) of the Company or its affiliates; or (ii) in the possession or control of the Employee and pertaining to, and used in the furtherance of, the Business.

1.7.6. "Proprietary Products" means collectively Documents, Developments and Related Property.

1.7.7. "Related Property" means all tangible and intangible property owned by, or licensed to, or otherwise used by the Company or its affiliates including, without limitation, ideas, concepts, projects, programs, computer software or hardware, data bases, specifications, documentation, algorithms, source codes, object codes, program listings, product platforms and architectures, concepts, screens, formats, technology, know-how, Developments, research and development and patents, copyrights, trademarks, trade names, service names, service marks, logos and designs and other proprietary rights and registrations and applications and the rights to apply therefor.

2. **Compensation and Benefits**.

2.1 Annual Compensation. From the date hereof until termination of the Employee's employment hereunder in accordance with Section 3, the Company shall pay to the Employee a fixed base salary at an annual rate of $450,000 (the "Annual Payment"). The Annual Payment shall be paid to the Employee in accordance with the normal payroll practices of the Company as in effect from time to time. The amount of the Annual Payment may be increased, in the sole discretion of the Company, to be effective upon any renewal of the term of this Agreement.

2.2 Performance Bonus. The Employee shall be eligible to be considered for an incentive bonus for each fiscal year of the Company. The bonus, if any, will be awarded in the Company's sole discretion based on criteria established by the Company's Chief Executive Officer and approved by the Board.

2.3 Equity Compensation Plan.

2.3.1. Under the Employee's previous employment with the Company's predecessor, Cardax Pharmaceuticals, Inc. ("Pharmaceuticals"), the Employee was issued options to purchase shares of common stock of Pharmaceuticals pursuant to Pharmaceuticals 2006 Stock Incentive Plan and the stock option agreement thereunder (as amended to the date of this Agreement, collectively, the "Old Plan"). In accordance with the terms of the Old Plan, all rights to acquire shares of common stock of Pharmaceuticals is substituted for the right to purchase shares of common stock of the Company under the Company's 2014 Equity Compensation Plan (the "New Plan"), as of and contingent upon the closing of the merger (the "Effective Time"), as described in that certain Agreement and Plan of Merger, dated as of November 27, 2013, as amended (the "Merger Agreement"), as follows:

The right that the Employee has under the Old Plan to the right to acquire 3,885,209 shares of common stock of Pharmaceuticals at an exercise price per share of $0.07 are hereby substituted on and contingent upon the Effective Time for the right to purchase 1,750,588 shares of common stock of the Company at an exercise price equal to $0.155.

2.3.2. In addition, as a further incentive to the Employee:

(i) The substitution of the options under the Old Plan are modified on the Effective Time so that they have an exercise period of ten years, subject to earlier termination of the right to exercise an option as provided in the New Plan (which is the same exercise period for options that are granted on the Effective Time under the New Plan); and

(ii) The Company has also provided an additional grant of incentive stock options under the New Plan in accordance with a separate grant agreement that is being executed and delivered by and between the Company and the Employee as of the Effective Time. Such additional grant of stock options shall be (x) subject to the vesting restrictions and other terms and conditions to be entered into between the Employee, the Company, and the New Plan, (y) have an exercise period of 10 years, subject to earlier termination of the right to exercise an option as provided in the New Plan; and (z) have an initial exercise price per share equal to $0.625, subject to adjustment as provided in the New Plan to appropriately adjust the incentive stock option for changes to the common stock of the Company.

(iii) The total number of stock options that you have under the New Plan is equal to: (1) the number of shares that represent a substitution of your options under the Old Plan, described in clause (i), above; plus (2) the additional grant of incentive stock options granted under the New Plan, described in clause (ii), above; and is equal to 5.50% of the total number of shares of common stock of the Company as of the Effective Time, determined on a fully diluted basis (assuming that all shares of common stock of the Company reserved for issuance under the New Plan, including the shares that would be issued for grants that substitute options under the Old Plan, are issued and outstanding).

2.4 Reimbursement of Expenses. The Company shall reimburse the Employee for reasonable out-of-pocket expenses incurred by the Employee for the benefit of the Company upon presentation of appropriate documentation and in accordance with the Company's policy in effect from time to time.

2.5 Paid Time Off. The Employee shall be entitled to paid time off ("PTO") at the rate of 15 days per year during the term of this Agreement. PTO days shall begin to accrue from and after the date hereof ratably during each fiscal quarter (or pro rata for any partial quarter) the Employee actually works. PTO shall be taken at times when reasonably appropriate given the Employee's responsibilities and consistent with the needs of the Company and shall not be for a period greater than two (2) weeks at a time without the consent of the Company, which consent shall not be unreasonably withheld.

2.6 Benefits. During the period that the Employee is employed by the Company and for such longer period as required by applicable law, the Employee shall be entitled to participate in the employee benefit plans, policies and programs, including health and disability insurance (collectively, "Benefits"), on the same terms and conditions made available to other employees of the Company.

2.7 Withholding. All payments of compensation shall be subject to all applicable withholding taxes and other legally required payroll deductions. The Employee shall provide the Company with all information reasonably requested by the Company with respect to such deductions and withholdings.

3. **Term**. This Agreement has a one (1) year term, commencing on the date hereof, that automatically renews unless either party notifies the other party that the then current term will not be renewed at least ninety (90) days prior to the expiration of such current term.

4. **Termination**.

4.1 Termination. Notwithstanding any provision herein to the contrary, the Employee's employment hereunder shall be terminated upon any of the following events: (i) the death or Disability of the Employee; (ii) the termination of the Employee by the Company; or (iii) the termination by the Employee; provided that any termination hereunder, other than as a result of death, shall be communicated by a notice from the party terminating the employment to the other party and such termination shall be effective on the date such notice is deemed given by such party in accordance with Section 15. In the event of the Disability or temporary disability of the Employee, the Company shall have the right to appoint: (i) a temporary replacement to assume some or all of the Employee's duties, if the Company, in its sole discretion, determines that the Employee's condition may render him incapable of effectively performing some or all of your essential duties for your position with the Company described in this Agreement (any such determination to be made by the Company in good faith); and (ii) a permanent replacement if the Employee's employment hereunder is terminated because of such Disability. During any period the Employee is temporarily disabled, the Company will continue, on the same terms and conditions, the Employee's Annual Payment and Benefits. Any period of paid disability leave under this Section shall be counted against any period of unpaid leave to which the Employee may be entitled under any federal, state or local family and medical leave laws.

4.2 Payments Upon Termination of Employment. In the event of termination of the Employee's employment hereunder pursuant to this Section 4:

4.2.1. The Employee (or his heirs, legatees or personal representatives) shall be entitled to receive all compensation and benefits specified in this Agreement which shall have accrued prior to the date of such termination and the obligation of the Company for the payment of compensation, and the right of the Employee to receive any further compensation or benefit, except as provided by applicable law or otherwise provided herein, shall terminate as of the date of such termination.

4.2.2. All rights of the Company or the Employee which shall have accrued hereunder prior to the date of the Employee's termination, and the provisions of this Agreement which are stated herein to survive termination, shall survive such termination and the Company and the Employee shall continue to be bound by such provisions in accordance with the terms hereof.

4.2.3. If the employment hereunder is terminated because of the Employee's death or Disability, then the Company shall pay any benefits which are expressly provided to the Employee upon his death or Disability under the terms of any benefit plan, policy or program in effect at the time of such death or Disability.

4.2.4. In addition to any other compensation and benefits provided by the Company to the Employee, if the Employee is terminated by the Company for any reason other than for Cause or the Employee resigns and terminates the employment with the Company hereunder for "Good Reason," being defined as a breach or default by the Company of its obligations under this Agreement which continues for a period of five business days after notice thereof or any such breach or default that occurs three or more times during any 365 day period, then the Employee shall have the right to: (i) an aggregate cash amount (the "Covenant Payment") equal in the then Annual Payment of the Employee, which shall be payable in twelve equal monthly installments in arrears, on or prior to ten (10) days after each month; and (ii) receive an additional payment equal to the amount required by the Employee to continue health and medical benefits for one year, which amounts shall be paid monthly in advance.

4.3 Exclusive Benefits. Except as so provided in this Section 4, no further benefits, compensation or rights of the Employee shall continue to accrue after the date of the termination of the employment of the Employee hereunder.

5. **Ownership of Rights to Proprietary Products**.

5.1 The Employee acknowledges and agrees that the Proprietary Products, are and shall be the exclusive and valuable property of the Company and its affiliates, as the case may be, and the Employee shall neither have, nor claim to have, any right, title or interest therein or thereto. All opportunities relating to the Proprietary Products whether or not involving third parties shall belong to and be carried out for the account of the Company.

5.2 Any and all Developments shall be deemed work specifically ordered or commissioned by the Company and each such work shall be considered a "work made for hire" within the meaning of 17 U.S.C. §101 of the United States Copyright Act and all rights to such work shall belong entirely to the Company. The Employee shall from time to time upon the request of the Company promptly execute and deliver to the Company any instruments necessary to effect the irrevocable assignment of all of his right, title and interest, including copyright and author rights, in such works to the Company and for the Company to obtain proprietary rights in connection therewith.

5.3 The Employee's covenants under this Section 5 of this Agreement shall survive the expiration or termination of this Agreement.

6. **Confidentiality**. The Employee acknowledges and agrees that it is imperative to the success of the Company and its affiliates that all Confidential Information be maintained in strict confidence at all times. The Employee shall therefore retain in strict confidence and not, directly or indirectly, copy or disclose or transfer to any third party any Confidential Information except in the furtherance of the Business for the benefit of the Company; nor shall he use Confidential Information for any purpose except for the benefit of the Company or its affiliates. The Employee's covenants under this Section 6 of this Agreement shall survive the expiration or termination of this Agreement.

7. **Documents**. The Employee agrees that any and all Documents made or kept by him shall be and are the sole and exclusive property of the Company. The Employee agrees to execute and deliver to the Company or its affiliates, as the case may be, any and all agreements or instruments of any nature which the Company or its affiliates deem necessary or appropriate to acquire, enhance, protect, perfect, assign, sell or transfer his rights under this Section. The Employee also agrees that upon request he will place all Documents in the Company's possession and will not remove or cause to be removed any Documents or reproductions thereof, except as is necessary and customary to directly further the Business for the benefit of the Company or with the prior consent of either Co-President. Upon the expiration or termination of the employment of the Employee hereunder, all Documents shall remain in the possession or control of the Company and any Documents within the possession or control of the Employee or any of his affiliates shall be promptly returned to the Company at its principal office. The Employee's covenants under this Section 7 of this Agreement shall survive the expiration or termination of this Agreement.

8. **Developments**.

8.1 The Employee shall communicate and fully disclose to the Company any and all Developments made or conceived by him during or prior to his employment with the Company, and any and all Developments which he may conceive or make, during his employment or has conceived or made, prior to his employment, with the Company, shall be at all times and for all purposes regarded as acquired and held by him in a fiduciary capacity and solely for the benefit of the Company and shall be the sole and exclusive property of the Company; unless the parties have otherwise agreed to in writing.

8.2 The Employee shall assist the Company in every proper way upon request to obtain for its benefit patents, copyrights, trade names, trademarks, service names, service marks for any and all Proprietary Products and Developments in the United States and all foreign countries. All such patents, copyrights, trade names, trademarks, service names, service marks and any registrations and applications therefor are to be, and remain, the exclusive property of the Company and the Employee agrees that he will, whenever so requested by the Company or its duly authorized agent, make, execute and deliver to the Company its affiliates, successors, assigns, or nominees, without charge, any and all applications, assignments and all other instruments which the Company or its affiliates shall deem necessary or appropriate in order to apply for and obtain such patents, copyrights, trade names, trademarks, service names, and service marks or in order to assign and convey to the Company or its affiliates, their successors, assigns or nominees, the sole and exclusive right, title and interest therein and thereto. The Employee's obligations to execute any such instruments shall continue notwithstanding the termination or expiration of this Agreement.

9. **Post-Termination Covenants**. The Employee acknowledges and agrees that the Proprietary Products are the exclusive and valuable property of the Company and may not be used by the Employee for any purpose of any kind, directly or indirectly, except during the term of this Agreement for the sole and exclusive benefit of the Company in his capacity as an employee of the Company and that the success of the Company depends on the Employee's observance of his covenants in this Section 9.

9.1 In consideration of the rights and benefits hereunder including the Covenant Payments, the Employee agrees that so long as he is an employee or consultant of the Company and in addition, for a period of two (2) years after the date of termination or expiration of this Agreement if the Employee was terminated by the Company for Cause ("Restrictive Period A"), he shall not directly or indirectly:

9.1.1. Solicit, hire or retain any person who then is or has been an employee of or consultant to the Company within the six months prior to the Employee's date of termination or separation, or persuade or entice any such employee or consultant to terminate or lessen the extent of his, her or its relationship with the Company.

9.1.2. Engage in any activity to interfere with, maliciously disrupt or damage the Business of the Company or its relationships with any of its clients, customers, distributors, suppliers, investors or other financial co-venturer or other business relationship.

9.2 In consideration of the rights and benefits hereunder including the Covenant Payment, the Employee agrees that so long as he is an employee or consultant of the Company and in addition, for a period of six months (6) months after the date of termination (but not any expiration) of this Agreement or one (1) year ("Restrictive Period B", together with Restrictive Period A, the "Restrictive Period") if the Employee was terminated by the Company for Cause, engage in, represent, furnish consulting services to, be employed by or possess an interest in, directly or indirectly (e.g., as owner, principal, director, officer, partner, landlord, lender, agent, consultant, shareholder or member), any other business venture of any kind that is engaged in the Company business, or the business of any of the Company's affiliates, or any other business that the Company or its affiliates engages in significantly after the date hereof and defined as a Competing Business; provided, however, that the foregoing shall not restrict the Employee from holding a five percent (5%) or less non-controlling interest in a publicly traded company engaged in a Competing Business and as defined below or if the Employee is consulting or employed by a company or other entity that is engaged in a Competing Business, the Employee does not participate in, supervise, or otherwise support the Competing Business of such other company or entity; provided that this proviso shall not apply to any Specified Competitor. Notwithstanding the foregoing, the Restrictive Period for the Employee shall terminate on the date of the termination or separation of the employment of the Employee if the Employee resigns for Good Reason and the Employee shall not have any obligations under this Section 9 in any such event. A "Competing Business" shall mean any domestic or international pharmaceutical or nutraceutical company which is engaged in the sale, development, research of Carotenoid technologies or products for consumer consumption or any other technologies then currently actively pursued by the Company; including but not limited to any Specified Competitor. For the purposes of this Agreement, the term "Specified Competitor" shall mean each company or entity that is from time to time reasonably designated by the Company by a notice to the Employee after the date hereof which similarly competes with the Company or is referred to in a publicly filed document as a competitor of the Company.

9.3 Following termination of the Employee's employment by the Company for any reason, the Employee shall continue to observe and be bound by his covenants under Section 9.1 for the period provided in Section 9.1; provided that Section 9.1.1 shall not include the hiring of any employees of or consultants to the Company, if such hiring process was conducted anonymously through a third party, it being understood that this provision shall not be applicable to the hiring of senior level employees.

9.4 For purposes of this Section 9, the term "Company" shall include the Company and its affiliates in the Business, including any entity that directly or indirectly controls the business and affairs of the Company.

10. **Specific Enforcement**.

10.1 The Employee is obligated under this Agreement to render services and comply with covenants of a special, unique, unusual and extraordinary character, thereby giving this Agreement peculiar value so that the loss of such service or violation by the Employee of this Agreement could not reasonably or adequately be compensated in damages in an action at law. Therefore, in addition to any other remedies or sanctions provided by law, whether criminal or civil, and without limiting the right of the Company and successors or assigns to pursue all other legal and equitable rights available to them, the Company shall have the right during the Employee's employment hereunder (or thereafter with respect to obligations continuing after the termination of this Agreement) to compel specific performance hereof by the Employee or to obtain temporary and permanent injunctive relief against violations hereof by the Employee, and, in furtherance thereof, to apply to any court with jurisdiction over the parties hereto in accordance with Section 19 to enforce the provisions hereof.

10.2 The Employee waives any requirement for security or the posting of any bond or other surety and proof of damages in connection with any temporary or permanent award of injunctive, mandatory or other equitable relief and further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

11. **Legal Costs and Expenses**. If any party hereto prevails in any proceedings, legal or equitable, to enforce any obligations under this Agreement, such party shall also be entitled to recover all costs and expenses incurred by such party in connection therewith, including reasonable attorneys' and accountants' fees and disbursements.

12. **Assignment**. The rights and duties of the Employee hereunder are not assignable. The Company may assign this Agreement and all rights and obligations hereunder to any third party who becomes a successor to the Company's Business. Upon any such assignment by the Company, the term "Company" as used herein shall be deemed to include any such assignee of the Company, and the assignee shall have the right to enforce all of the Company's rights and remedies hereunder in its own name as if a party hereto in the place and stead of the Company. The Employee agrees to confirm his obligations to any assignee, transferee, licensee or sublicensee of the Company or their successors and assigns (a "Successor Employer") by executing a new contract with such Successor Employer containing substantially the same terms and conditions as herein provided; provided that such Successor Employer also confirms to the Employee all of the Company's obligations as herein provided.

13. **Binding Effect**. This Agreement shall be binding upon the parties hereto and their respective successors-in-interest, heirs and personal representatives and, to the extent permitted herein, the assigns of the Company.

14. **Severability**. If any provision of this Agreement or any part hereof or the application hereof to any person or circumstance shall be finally determined by a court of competent jurisdiction or by any arbitration panel to be invalid or unenforceable to any extent, the remainder of this Agreement, or the remainder of such provision or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, shall not be affected thereby and each provision of this Agreement shall remain in full force and effect to the fullest extent permitted by law. The parties also agree that if any portion of this Agreement, or any part hereof or application hereof, to any person or circumstance shall be finally determined by a court of competent jurisdiction or arbitration panel to be invalid or unenforceable to any extent, then such objectionable provision shall be deemed modified to the extent necessary so as to make it valid, reasonable and enforceable including, without limitation, modification of the restrictive covenants of Section 9 with respect to geography, time or scope of business.

15. **Notices**. Wherever provision is made in this Agreement for the giving of any notice, such notice shall be in writing and shall be deemed to have been duly given if mailed by first class United States mail, postage prepaid, addressed to the party entitled to receive the same or if delivered personally, sent by facsimile transmission (if a facsimile number is provided in this Section 15) or sent by overnight courier to such party at the address specified below:

If to the Company:

Cardax, Inc.
2800 Woodlawn Drive, Suite 129
Honolulu, Hawaii 96822
Attn: Chairman of the Board
Facsimile: (808) 237-5901

With a copy (which shall not constitute notice) to:
Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016
Attn: Richard M. Morris, Esq.
Facsimile: (212) 545-3371

If to the Employee:

to the address that is then on record with the Company for payroll purposes.

or to such other address, in any such case, as any party hereto shall have last designated by notice to each other party.

All such notices, requests and other communications will: (i) if delivered personally to the address as provided in this Section, be deemed given upon delivery; (ii) if delivered by facsimile transmission to the facsimile number as provided in this Section, be deemed given upon the completion of the facsimile transmission, if the receipt is confirmed by the telefax machine; (iii) if delivered by overnight courier, be deemed given upon the first business day after such notice, request or other communication is given to such courier with all charges and fees prepaid and any required signature of the deliveree is waived; and (iv) if delivered by mail in the manner described above to the address as provided in this Section, be deemed given upon receipt (in each case regardless of whether such notice, request or other communication is received by any other person to whom a copy of such notice, request or other communication is to be delivered pursuant to this Section).

16. **Entire Agreement; Amendment**. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior written or oral negotiations, representations, agreements, commitments, contracts or understandings with respect thereto and no modification, alteration or amendment to this Agreement may be made unless the same shall be in writing and signed by both of the parties hereto.

17. **Waivers**. No failure by either party to exercise any of such party's rights hereunder or to insist upon strict compliance with respect to any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver by either party to demand exact compliance with the terms hereof. Waiver by either party of any particular default by the other party shall not affect or impair such party's rights in respect to any subsequent default of the same or a different nature, nor shall any delay or omission of either party to exercise any rights arising from any default by the other party affect or impair such party's rights as to such default or any subsequent default.

18. **Arbitration.** Any dispute or claim arising out of or in connection with your employment with the Company will be finally settled by binding arbitration conducted in accordance with the then-current Hawaii Uniform Arbitration Act Rules (the "Hawaii Rules"), to the extent not inconsistent with the American Arbitration Association (AAA) Rules (as defined below), and pursuant to Hawaii law without reference to rules of conflicts of law or rules of statutory arbitration. The parties agree that any arbitration will be administered by the AAA and that one neutral arbitrator will be selected in a manner consistent with the AAA National Rules for the Resolution of Employment Disputes (the "AAA Rules"). The location of the arbitration shall be in the same city as the Company's headquarters at the time of the arbitration. Except as provided by the Hawaii Rules, arbitration shall be the sole, exclusive, and final remedy for any dispute between the Employee and the Company. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction hereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim relief, or to compel arbitration in accordance with this paragraph, without breach of this arbitration provision. This section shall survive the term of this Agreement, through and including the latter Restrictive Period.

19. **Governing Law**. For purposes of construction, interpretation and enforcement, this Agreement shall be deemed to have been entered into under the laws of the State of Hawaii and its validity, effect, performance, interpretation, construction and enforcement shall be governed by and subject to the laws of the State of Hawaii without reference to its choice of law rules.

20. **Exclusive Jurisdiction**. Subject to the provisions of Section 18, all actions and proceedings arising out of, or relating to, this Agreement shall be heard and determined in any state or federal court sitting in the county of Honolulu, Hawaii. Each of the Company and the Employee, by execution and delivery of this Agreement: (i) expressly and irrevocably consent and submit to the personal jurisdiction of any of such courts in any such action or proceeding; (ii) consent to the service of any complaint, summons, notice or other process relating to any such action or proceeding by delivery thereof to such party by hand or by U.S. certified mail without return receipt requested, delivered or addressed as set forth in Section 15 of this Agreement; and (iii) waive any claim or defense in any such action or proceeding based on any alleged lack of personal jurisdiction, improper venue or forum non conveniens or any similar basis.

21. **Interpretation**. Section titles and headings to sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

22. **Expenses**. Each of the Company, on the one hand, and the Employee, on the other, will pay all of their own costs and expenses incident to the negotiation and preparation of this Agreement.

23. **Miscellaneous**.

23.1 This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

23.2 The Section headings herein are for convenience of reference only and shall not be used to construe the meaning of any provision of this Agreement.

23.3 Any word or term used in this Agreement in any form shall be masculine, feminine, neuter, singular or plural, as proper reading requires. The words “herein”, “hereof”, “hereby” or “hereto” shall refer to this Agreement unless otherwise expressly provided. Any reference herein to a Section or any exhibit or schedule shall be a reference to a Section of, and an exhibit or schedule to, this Agreement unless the context otherwise requires.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

COMPANY:
Cardax, Inc., a Delaware corporation

By: /s/ Nicholas Mitsakos
Name: Nicholas Mitsakos
Title: Executive Chairman

EMPLOYEE:

/s/ David G. Watumull
David G. Watumull, Individually

Exhibit 10.10

SENIOR EXECUTIVE EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made as of February 7, 2014 by and between CARDAX, INC., a Delaware corporation (the "Company"), and David M. Watumull, an individual (the "Employee").

WITNESSETH:

WHEREAS, the Company, together with its subsidiaries, is engaged in the business of developing, marketing and distribution of nutraceutical and pharmaceutical products (collectively, the "Business");

WHEREAS, the Company desires to employ the Employee, and the Employee desires to accept such employment, on the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the mutual covenants and conditions provided herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. **Employment, Duties and Authority**.

1.1 Exclusive Devotion of Business Time. The Company agrees to employ the Employee and, unless otherwise agreed to by the parties in writing, the Employee agrees to devote his full business time, effort, skills and loyalty to the business of the Company to effectively carry out his responsibilities to the Company hereunder and to the render his services and skills in the furtherance of the business of the Company; provided, that this provision shall not prevent the Employee from: (i) serving on civil, charitable and corporate boards and committees, subject to the Company's policies and standards; and (ii) managing his investments and the investments of his immediate family, subject to the Company's policies and standards; provided that the activities referenced in clauses (i) and (ii) above do not, individually or in the aggregate, interfere with the performance of the Employee's duties under this Agreement.

1.2 Title; Position. The Company agrees to employ the Employee as its Vice President, Operations, Assistant Secretary and Assistant Treasurer. The primary responsibility of the Employee shall be to manage the day-to-day operations of the Company. Without limiting the foregoing, the Employee shall serve at the request of the Board of Directors of the Company (the "Board") as a director or officer of any corporation of any type or kind, domestic or foreign, or any partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise in the furtherance of the Business and shall otherwise assist in the preparation of, and implementation of, the strategic business plans and developments of the Company.

1.3 Reporting. The Employee shall report to (a) the Chief Executive Officer or (b) such other person as may be designated by the Board or the Chief Executive Officer from time to time.

1.4 Cooperation. During the term of this Agreement and any time thereafter, the Employee agrees to give prompt written notice to the Company of any claim or injury relating to the Company, and to fully cooperate in good faith and to the best of his ability with the Company in connection with all pending, potential or future claims, investigations or actions which directly or indirectly relate to any transaction, event or activity about which the Employee may have knowledge because of his employment with the Company. Such cooperation shall include all assistance that the Company, its counsel, or its representatives may reasonably request, including reviewing and interpreting documents, meeting with counsel, providing factual information and material, and appearing or testifying as a witness.

1.5 Primary Office Location; Travel Commitment. The Employee shall perform his duties primarily from the Company's headquarters in Honolulu, Hawaii or such other location as the Company may reasonably determine from time to time; provided, that the Employee shall be available and shall travel from such location from time to time as is necessary or desirable in furtherance of the Business, specifically the acquisition, renovation, improvement and development of Employee office suite centers and meetings of the Board or any committee thereof.

1.6 Performance of Duties. During the term of this Agreement, the Employee shall perform the duties assigned to him, which duties shall be consistent with the duties described above in this Section 1, and shall observe and carry out such rules, regulations, policies, directions and restrictions as the Board shall from time to time establish. In performance of his duties hereunder, the Employee shall comply in each and every respect with applicable laws, rules and regulations applicable to the Company and the Business.

1.7 Certain Defined Terms. For the purposes of this Agreement, the following terms shall have the respective meanings ascribed thereto in this Section:

1.7.1. "Cause" shall mean any of the following conditions occurred, and after a determination by the Board that such condition occurred, was not cured:

(i) The Employee commits (A) a breach of his fiduciary duty to the Company or any of its affiliates, to the extent such duty is owed, (B) gross negligence, or (C) willful misconduct;

(ii) The Employee violates the internal procedures or policies of the Company in a manner which has a material adverse effect on the reputation, business of the Company such as conduct constituting employment discrimination or sexual harassment;

which, in any event, is not cured in all material respects by the Employee within 30 days after notice thereof.

1.7.2. "Confidential Information" means all confidential and proprietary information of the Company, including, without limitation, information relating to or concerning Proprietary Products (as defined below) and the exploitation of proprietary rights relating thereto; the Business; trade secret information; client, investor, customer and supplier lists, identities and contracts or arrangements; financial information (including financial statements, budgets and projections); market research and development procedures, processes, techniques, plans and results (including inconclusive results); all information which may be included in any patent or copyright application or amendment thereof or defense or litigation with respect thereto; marketing, licensing and distribution or franchising strategies, plans or projections; investment or acquisition opportunities, plans or strategies; products and asset composition; pricing information or policies; royalty, franchising or licensing arrangements; computer software, passwords, programs or data; and all other business related information which has not been publicly disclosed by the Company or its affiliates, whether such information is in written, graphic, recorded, photographic, data or any machine readable form or is orally conveyed to, or memorized by, or developed by the Employee; provided, that Confidential Information shall not include information which: (i) at the time of disclosure is generally known in the business and industry in which the Company is engaged; or (ii) after disclosure is published or otherwise becomes generally known in such business or industry through no fault of the Employee.

1.7.3. "Developments" means discoveries, concepts, ideas, designs, methods, formulas, know-how, techniques, systems or any improvements or enhancements thereon, whether or not patentable or copyrightable, made, conceived, improved or developed, in whole or in part, by the Employee during the term of this Agreement relating to: (i) any of the Company's or its affiliates' products or services, potential products or services, developments or techniques; or (ii) any work in which the Employee is or may be engaged on behalf of the Company or its affiliates.

1.7.4. "Disability" means the Employee's physical or mental incapacity which, in the reasonable good faith determination of the Board, renders the Employee incapable of performing the essential functions of his duties under this Agreement for any consecutive forty-five (45) day period or for any sixty (60) days within any period of one hundred and twenty (120) days.

1.7.5. "Documents" means any and all books, textbooks, letters, pamphlets, drafts, memoranda, notes, records, drawings, files, documents, manuals, compilations of information, correspondence or other writings of any kind and all copies, abstracts and summaries of any of the foregoing, whether in printed, written or electronic data or any machine readable form: (i) of the Company or its affiliates; or (ii) in the possession or control of the Employee and pertaining to, and used in the furtherance of, the Business.

1.7.6. "Proprietary Products" means collectively Documents, Developments and Related Property.

1.7.7. "Related Property" means all tangible and intangible property owned by, or licensed to, or otherwise used by the Company or its affiliates including, without limitation, ideas, concepts, projects, programs, computer software or hardware, data bases, specifications, documentation, algorithms, source codes, object codes, program listings, product platforms and architectures, concepts, screens, formats, technology, know-how, Developments, research and development and patents, copyrights, trademarks, trade names, service names, service marks, logos and designs and other proprietary rights and registrations and applications and the rights to apply therefor.

2. **Compensation and Benefits**.

2.1 Annual Compensation. From the date hereof until termination of the Employee's employment hereunder in accordance with Section 3, the Company shall pay to the Employee a fixed base salary at an annual rate of $170,000 (the "Annual Payment"). The Annual Payment shall be paid to the Employee in accordance with the normal payroll practices of the Company as in effect from time to time. The amount of the Annual Payment may be increased, in the sole discretion of the Company, to be effective upon any renewal of the term of this Agreement.

2.2 Performance Bonus. The Employee shall be eligible to be considered for an incentive bonus for each fiscal year of the Company. The bonus, if any, will be awarded in the Company's sole discretion based on criteria established by the Company's Chief Executive Officer and approved by the Board.

2.3 Equity Compensation Plan.

2.3.1. Under the Employee's previous employment with the Company's predecessor, Cardax Pharmaceuticals, Inc. ("Pharmaceuticals"), the Employee was issued options to purchase shares of common stock of Pharmaceuticals pursuant to Pharmaceuticals 2006 Stock Incentive Plan and the stock option agreement thereunder (as amended to the date of this Agreement, collectively, the "Old Plan"). In accordance with the terms of the Old Plan, all rights to acquire shares of common stock of Pharmaceuticals is substituted for the right to purchase shares of common stock of the Company under the Company's 2014 Equity Compensation Plan (the "New Plan"), as of and contingent upon the closing of the merger (the "Effective Time"), as described in that certain Agreement and Plan of Merger, dated as of November 27, 2013, as amended (the "Merger Agreement"), as follows:

The right that the Employee has under the Old Plan to the right to acquire 100,000 shares of common stock of Pharmaceuticals at an exercise price per share of $0.07 are hereby substituted on and contingent upon the Effective Time for the right to purchase 45,058 shares of common stock of the Company at an exercise price equal to $0.155.

2.3.2. In addition, as a further incentive to the Employee:

(i) The substitution of the options under the Old Plan are modified on the Effective Time so that they have an exercise period of ten years, subject to earlier termination of the right to exercise an option as provided in the New Plan (which is the same exercise period for options that are granted on the Effective Time under the New Plan); and

(ii) The Company has also provided an additional grant of incentive stock options under the New Plan in accordance with a separate grant agreement that is being executed and delivered by and between the Company and the Employee as of the Effective Time. Such additional grant of stock options shall be (x) subject to the vesting restrictions and other terms and conditions to be entered into between the Employee, the Company, and the New Plan, (y) have an exercise period of 10 years, subject to earlier termination of the right to exercise an option as provided in the New Plan; and (z) have an initial exercise price per share equal to $0.625, subject to adjustment as provided in the New Plan to appropriately adjust the incentive stock option for changes to the common stock of the Company.

(iii) The total number of stock options that you have under the New Plan is equal to: (1) the number of shares that represent a substitution of your options under the Old Plan, described in clause (i), above; plus (2) the additional grant of incentive stock options granted under the New Plan, described in clause (ii), above; and is equal to 2.00% of the total number of shares of common stock of the Company as of the Effective Time, determined on a fully diluted basis (assuming that all shares of common stock of the Company reserved for issuance under the New Plan, including the shares that would be issued for grants that substitute options under the Old Plan, are issued and outstanding).

2.4 Reimbursement of Expenses. The Company shall reimburse the Employee for reasonable out-of-pocket expenses incurred by the Employee for the benefit of the Company upon presentation of appropriate documentation and in accordance with the Company's policy in effect from time to time.

2.5 Paid Time Off. The Employee shall be entitled to paid time off ("PTO") at the rate of 15 days per year during the term of this Agreement. PTO days shall begin to accrue from and after the date hereof ratably during each fiscal quarter (or pro rata for any partial quarter) the Employee actually works. PTO shall be taken at times when reasonably appropriate given the Employee's responsibilities and consistent with the needs of the Company and shall not be for a period greater than two (2) weeks at a time without the consent of the Company, which consent shall not be unreasonably withheld.

2.6 Benefits. During the period that the Employee is employed by the Company and for such longer period as required by applicable law, the Employee shall be entitled to participate in the employee benefit plans, policies and programs, including health and disability insurance (collectively, "Benefits"), on the same terms and conditions made available to other employees of the Company.

2.7 Withholding. All payments of compensation shall be subject to all applicable withholding taxes and other legally required payroll deductions. The Employee shall provide the Company with all information reasonably requested by the Company with respect to such deductions and withholdings.

3. **Term**. This Agreement has a one (1) year term, commencing on the date hereof, that automatically renews unless either party notifies the other party that the then current term will not be renewed at least ninety (90) days prior to the expiration of such current term.

4. **Termination**.

4.1 Termination. Notwithstanding any provision herein to the contrary, the Employee's employment hereunder shall be terminated upon any of the following events: (i) the death or Disability of the Employee; (ii) the termination of the Employee by the Company; or (iii) the termination by the Employee; provided that any termination hereunder, other than as a result of death, shall be communicated by a notice from the party terminating the employment to the other party and such termination shall be effective on the date such notice is deemed given by such party in accordance with Section 15. In the event of the Disability or temporary disability of the Employee, the Company shall have the right to appoint: (i) a temporary replacement to assume some or all of the Employee's duties, if the Company, in its sole discretion, determines that the Employee's condition may render him incapable of effectively performing some or all of your essential duties for your position with the Company described in this Agreement (any such determination to be made by the Company in good faith); and (ii) a permanent replacement if the Employee's employment hereunder is terminated because of such Disability. During any period the Employee is temporarily disabled, the Company will continue, on the same terms and conditions, the Employee's Annual Payment and Benefits. Any period of paid disability leave under this Section shall be counted against any period of unpaid leave to which the Employee may be entitled under any federal, state or local family and medical leave laws.

4.2 Payments Upon Termination of Employment. In the event of termination of the Employee's employment hereunder pursuant to this Section 4:

4.2.1. The Employee (or his heirs, legatees or personal representatives) shall be entitled to receive all compensation and benefits specified in this Agreement which shall have accrued prior to the date of such termination and the obligation of the Company for the payment of compensation, and the right of the Employee to receive any further compensation or benefit, except as provided by applicable law or otherwise provided herein, shall terminate as of the date of such termination.

4.2.2. All rights of the Company or the Employee which shall have accrued hereunder prior to the date of the Employee's termination, and the provisions of this Agreement which are stated herein to survive termination, shall survive such termination and the Company and the Employee shall continue to be bound by such provisions in accordance with the terms hereof.

4.2.3. If the employment hereunder is terminated because of the Employee's death or Disability, then the Company shall pay any benefits which are expressly provided to the Employee upon his death or Disability under the terms of any benefit plan, policy or program in effect at the time of such death or Disability.

4.2.4. In addition to any other compensation and benefits provided by the Company to the Employee, if the Employee is terminated by the Company for any reason other than for Cause or the Employee resigns and terminates the employment with the Company hereunder for "Good Reason," being defined as a breach or default by the Company of its obligations under this Agreement which continues for a period of five business days after notice thereof or any such breach or default that occurs three or more times during any 365 day period, then the Employee shall have the right to: (i) an aggregate cash amount (the "Covenant Payment") equal in the then Annual Payment of the Employee, which shall be payable in twelve equal monthly installments in arrears, on or prior to ten (10) days after each month; and (ii) receive an additional payment equal to the amount required by the Employee to continue health and medical benefits for one year, which amounts shall be paid monthly in advance.

4.3 Exclusive Benefits. Except as so provided in this Section 4, no further benefits, compensation or rights of the Employee shall continue to accrue after the date of the termination of the employment of the Employee hereunder.

5. **Ownership of Rights to Proprietary Products**.

5.1 The Employee acknowledges and agrees that the Proprietary Products, are and shall be the exclusive and valuable property of the Company and its affiliates, as the case may be, and the Employee shall neither have, nor claim to have, any right, title or interest therein or thereto. All opportunities relating to the Proprietary Products whether or not involving third parties shall belong to and be carried out for the account of the Company.

5.2 Any and all Developments shall be deemed work specifically ordered or commissioned by the Company and each such work shall be considered a "work made for hire" within the meaning of 17 U.S.C. §101 of the United States Copyright Act and all rights to such work shall belong entirely to the Company. The Employee shall from time to time upon the request of the Company promptly execute and deliver to the Company any instruments necessary to effect the irrevocable assignment of all of his right, title and interest, including copyright and author rights, in such works to the Company and for the Company to obtain proprietary rights in connection therewith.

5.3 The Employee's covenants under this Section 5 of this Agreement shall survive the expiration or termination of this Agreement.

6. **Confidentiality**. The Employee acknowledges and agrees that it is imperative to the success of the Company and its affiliates that all Confidential Information be maintained in strict confidence at all times. The Employee shall therefore retain in strict confidence and not, directly or indirectly, copy or disclose or transfer to any third party any Confidential Information except in the furtherance of the Business for the benefit of the Company; nor shall he use Confidential Information for any purpose except for the benefit of the Company or its affiliates. The Employee's covenants under this Section 6 of this Agreement shall survive the expiration or termination of this Agreement.

7. **Documents**. The Employee agrees that any and all Documents made or kept by him shall be and are the sole and exclusive property of the Company. The Employee agrees to execute and deliver to the Company or its affiliates, as the case may be, any and all agreements or instruments of any nature which the Company or its affiliates deem necessary or appropriate to acquire, enhance, protect, perfect, assign, sell or transfer his rights under this Section. The Employee also agrees that upon request he will place all Documents in the Company's possession and will not remove or cause to be removed any Documents or reproductions thereof, except as is necessary and customary to directly further the Business for the benefit of the Company or with the prior consent of either Co-President. Upon the expiration or termination of the employment of the Employee hereunder, all Documents shall remain in the possession or control of the Company and any Documents within the possession or control of the Employee or any of his affiliates shall be promptly returned to the Company at its principal office. The Employee's covenants under this Section 7 of this Agreement shall survive the expiration or termination of this Agreement.

8. **Developments**.

8.1 The Employee shall communicate and fully disclose to the Company any and all Developments made or conceived by him during or prior to his employment with the Company, and any and all Developments which he may conceive or make, during his employment or has conceived or made, prior to his employment, with the Company, shall be at all times and for all purposes regarded as acquired and held by him in a fiduciary capacity and solely for the benefit of the Company and shall be the sole and exclusive property of the Company; unless the parties have otherwise agreed to in writing.

8.2 The Employee shall assist the Company in every proper way upon request to obtain for its benefit patents, copyrights, trade names, trademarks, service names, service marks for any and all Proprietary Products and Developments in the United States and all foreign countries. All such patents, copyrights, trade names, trademarks, service names, service marks and any registrations and applications therefor are to be, and remain, the exclusive property of the Company and the Employee agrees that he will, whenever so requested by the Company or its duly authorized agent, make, execute and deliver to the Company its affiliates, successors, assigns, or nominees, without charge, any and all applications, assignments and all other instruments which the Company or its affiliates shall deem necessary or appropriate in order to apply for and obtain such patents, copyrights, trade names, trademarks, service names, and service marks or in order to assign and convey to the Company or its affiliates, their successors, assigns or nominees, the sole and exclusive right, title and interest therein and thereto. The Employee's obligations to execute any such instruments shall continue notwithstanding the termination or expiration of this Agreement.

9. **Post-Termination Covenants**. The Employee acknowledges and agrees that the Proprietary Products are the exclusive and valuable property of the Company and may not be used by the Employee for any purpose of any kind, directly or indirectly, except during the term of this Agreement for the sole and exclusive benefit of the Company in his capacity as an employee of the Company and that the success of the Company depends on the Employee's observance of his covenants in this Section 9.

9.1 In consideration of the rights and benefits hereunder including the Covenant Payments, the Employee agrees that so long as he is an employee or consultant of the Company and in addition, for a period of two (2) years after the date of termination or expiration of this Agreement if the Employee was terminated by the Company for Cause ("Restrictive Period A"), he shall not directly or indirectly:

9.1.1. Solicit, hire or retain any person who then is or has been an employee of or consultant to the Company within the six months prior to the Employee's date of termination or separation, or persuade or entice any such employee or consultant to terminate or lessen the extent of his, her or its relationship with the Company.

9.1.2. Engage in any activity to interfere with, maliciously disrupt or damage the Business of the Company or its relationships with any of its clients, customers, distributors, suppliers, investors or other financial co-venturer or other business relationship.

9.2 In consideration of the rights and benefits hereunder including the Covenant Payment, the Employee agrees that so long as he is an employee or consultant of the Company and in addition, for a period of six months (6) months after the date of termination (but not any expiration) of this Agreement or one (1) year ("Restrictive Period B", together with Restrictive Period A, the "Restrictive Period") if the Employee was terminated by the Company for Cause, engage in, represent, furnish consulting services to, be employed by or possess an interest in, directly or indirectly (e.g., as owner, principal, director, officer, partner, landlord, lender, agent, consultant, shareholder or member), any other business venture of any kind that is engaged in the Company business, or the business of any of the Company's affiliates, or any other business that the Company or its affiliates engages in significantly after the date hereof and defined as a Competing Business; provided, however, that the foregoing shall not restrict the Employee from holding a five percent (5%) or less non-controlling interest in a publicly traded company engaged in a Competing Business and as defined below or if the Employee is consulting or employed by a company or other entity that is engaged in a Competing Business, the Employee does not participate in, supervise, or otherwise support the Competing Business of such other company or entity; provided that this proviso shall not apply to any Specified Competitor. Notwithstanding the foregoing, the Restrictive Period for the Employee shall terminate on the date of the termination or separation of the employment of the Employee if the Employee resigns for Good Reason and the Employee shall not have any obligations under this Section 9 in any such event. A "Competing Business" shall mean any domestic or international pharmaceutical or nutraceutical company which is engaged in the sale, development, research of Carotenoid technologies or products for consumer consumption or any other technologies then currently actively pursued by the Company; including but not limited to any Specified Competitor. For the purposes of this Agreement, the term "Specified Competitor" shall mean each company or entity that is from time to time reasonably designated by the Company by a notice to the Employee after the date hereof which similarly competes with the Company or is referred to in a publicly filed document as a competitor of the Company.

9.3 Following termination of the Employee's employment by the Company for any reason, the Employee shall continue to observe and be bound by his covenants under Section 9.1 for the period provided in Section 9.1; provided that Section 9.1.1 shall not include the hiring of any employees of or consultants to the Company, if such hiring process was conducted anonymously through a third party, it being understood that this provision shall not be applicable to the hiring of senior level employees.

9.4 For purposes of this Section 9, the term "Company" shall include the Company and its affiliates in the Business, including any entity that directly or indirectly controls the business and affairs of the Company.

10. **Specific Enforcement**.

10.1 The Employee is obligated under this Agreement to render services and comply with covenants of a special, unique, unusual and extraordinary character, thereby giving this Agreement peculiar value so that the loss of such service or violation by the Employee of this Agreement could not reasonably or adequately be compensated in damages in an action at law. Therefore, in addition to any other remedies or sanctions provided by law, whether criminal or civil, and without limiting the right of the Company and successors or assigns to pursue all other legal and equitable rights available to them, the Company shall have the right during the Employee's employment hereunder (or thereafter with respect to obligations continuing after the termination of this Agreement) to compel specific performance hereof by the Employee or to obtain temporary and permanent injunctive relief against violations hereof by the Employee, and, in furtherance thereof, to apply to any court with jurisdiction over the parties hereto in accordance with Section 19 to enforce the provisions hereof.

10.2 The Employee waives any requirement for security or the posting of any bond or other surety and proof of damages in connection with any temporary or permanent award of injunctive, mandatory or other equitable relief and further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

11. **Legal Costs and Expenses**. If any party hereto prevails in any proceedings, legal or equitable, to enforce any obligations under this Agreement, such party shall also be entitled to recover all costs and expenses incurred by such party in connection therewith, including reasonable attorneys' and accountants' fees and disbursements.

12. **Assignment**. The rights and duties of the Employee hereunder are not assignable. The Company may assign this Agreement and all rights and obligations hereunder to any third party who becomes a successor to the Company's Business. Upon any such assignment by the Company, the term "Company" as used herein shall be deemed to include any such assignee of the Company, and the assignee shall have the right to enforce all of the Company's rights and remedies hereunder in its own name as if a party hereto in the place and stead of the Company. The Employee agrees to confirm his obligations to any assignee, transferee, licensee or sublicensee of the Company or their successors and assigns (a "Successor Employer") by executing a new contract with such Successor Employer containing substantially the same terms and conditions as herein provided; provided that such Successor Employer also confirms to the Employee all of the Company's obligations as herein provided.

13. **Binding Effect**. This Agreement shall be binding upon the parties hereto and their respective successors-in-interest, heirs and personal representatives and, to the extent permitted herein, the assigns of the Company.

14. **Severability**. If any provision of this Agreement or any part hereof or the application hereof to any person or circumstance shall be finally determined by a court of competent jurisdiction or by any arbitration panel to be invalid or unenforceable to any extent, the remainder of this Agreement, or the remainder of such provision or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, shall not be affected thereby and each provision of this Agreement shall remain in full force and effect to the fullest extent permitted by law. The parties also agree that if any portion of this Agreement, or any part hereof or application hereof, to any person or circumstance shall be finally determined by a court of competent jurisdiction or arbitration panel to be invalid or unenforceable to any extent, then such objectionable provision shall be deemed modified to the extent necessary so as to make it valid, reasonable and enforceable including, without limitation, modification of the restrictive covenants of Section 9 with respect to geography, time or scope of business.

15. **Notices**. Wherever provision is made in this Agreement for the giving of any notice, such notice shall be in writing and shall be deemed to have been duly given if mailed by first class United States mail, postage prepaid, addressed to the party entitled to receive the same or if delivered personally, sent by facsimile transmission (if a facsimile number is provided in this Section 15) or sent by overnight courier to such party at the address specified below:

If to the Company:

Cardax, Inc.
2800 Woodlawn Drive, Suite 129
Honolulu, Hawaii 96822
Attn: Chairman of the Board
Facsimile: (808) 237-5901

With a copy (which shall not constitute notice) to:
Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016
Attn: Richard M. Morris, Esq.
Facsimile: (212) 545-3371

If to the Employee:

to the address that is then on record with the Company for payroll purposes.

or to such other address, in any such case, as any party hereto shall have last designated by notice to each other party.

All such notices, requests and other communications will: (i) if delivered personally to the address as provided in this Section, be deemed given upon delivery; (ii) if delivered by facsimile transmission to the facsimile number as provided in this Section, be deemed given upon the completion of the facsimile transmission, if the receipt is confirmed by the telefax machine; (iii) if delivered by overnight courier, be deemed given upon the first business day after such notice, request or other communication is given to such courier with all charges and fees prepaid and any required signature of the deliveree is waived; and (iv) if delivered by mail in the manner described above to the address as provided in this Section, be deemed given upon receipt (in each case regardless of whether such notice, request or other communication is received by any other person to whom a copy of such notice, request or other communication is to be delivered pursuant to this Section).

16. **Entire Agreement; Amendment**. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior written or oral negotiations, representations, agreements, commitments, contracts or understandings with respect thereto and no modification, alteration or amendment to this Agreement may be made unless the same shall be in writing and signed by both of the parties hereto.

17. **Waivers**. No failure by either party to exercise any of such party's rights hereunder or to insist upon strict compliance with respect to any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver by either party to demand exact compliance with the terms hereof. Waiver by either party of any particular default by the other party shall not affect or impair such party's rights in respect to any subsequent default of the same or a different nature, nor shall any delay or omission of either party to exercise any rights arising from any default by the other party affect or impair such party's rights as to such default or any subsequent default.

18. **Arbitration.** Any dispute or claim arising out of or in connection with your employment with the Company will be finally settled by binding arbitration conducted in accordance with the then-current Hawaii Uniform Arbitration Act Rules (the "Hawaii Rules"), to the extent not inconsistent with the American Arbitration Association (AAA) Rules (as defined below), and pursuant to Hawaii law without reference to rules of conflicts of law or rules of statutory arbitration. The parties agree that any arbitration will be administered by the AAA and that one neutral arbitrator will be selected in a manner consistent with the AAA National Rules for the Resolution of Employment Disputes (the "AAA Rules"). The location of the arbitration shall be in the same city as the Company's headquarters at the time of the arbitration. Except as provided by the Hawaii Rules, arbitration shall be the sole, exclusive, and final remedy for any dispute between the Employee and the Company. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction hereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim relief, or to compel arbitration in accordance with this paragraph, without breach of this arbitration provision. This section shall survive the term of this Agreement, through and including the latter Restrictive Period.

19. **Governing Law**. For purposes of construction, interpretation and enforcement, this Agreement shall be deemed to have been entered into under the laws of the State of Hawaii and its validity, effect, performance, interpretation, construction and enforcement shall be governed by and subject to the laws of the State of Hawaii without reference to its choice of law rules.

20. **Exclusive Jurisdiction**. Subject to the provisions of Section 18, all actions and proceedings arising out of, or relating to, this Agreement shall be heard and determined in any state or federal court sitting in the county of Honolulu, Hawaii. Each of the Company and the Employee, by execution and delivery of this Agreement: (i) expressly and irrevocably consent and submit to the personal jurisdiction of any of such courts in any such action or proceeding; (ii) consent to the service of any complaint, summons, notice or other process relating to any such action or proceeding by delivery thereof to such party by hand or by U.S. certified mail without return receipt requested, delivered or addressed as set forth in Section 15 of this Agreement; and (iii) waive any claim or defense in any such action or proceeding based on any alleged lack of personal jurisdiction, improper venue or forum non conveniens or any similar basis.

21. **Interpretation**. Section titles and headings to sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

22. **Expenses**. Each of the Company, on the one hand, and the Employee, on the other, will pay all of their own costs and expenses incident to the negotiation and preparation of this Agreement.

23. **Miscellaneous**.

23.1 This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

23.2 The Section headings herein are for convenience of reference only and shall not be used to construe the meaning of any provision of this Agreement.

23.3 Any word or term used in this Agreement in any form shall be masculine, feminine, neuter, singular or plural, as proper reading requires. The words “herein”, “hereof”, “hereby” or “hereto” shall refer to this Agreement unless otherwise expressly provided. Any reference herein to a Section or any exhibit or schedule shall be a reference to a Section of, and an exhibit or schedule to, this Agreement unless the context otherwise requires.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

COMPANY:
Cardax, Inc., a Delaware corporation

By: /s/ Nicholas Mitsakos
Name: Nicholas Mitsakos
Title: Executive Chairman

EMPLOYEE:

/s/ David M. Watumull
David M. Watumull, Individually

Exhibit 10.11

SENIOR EXECUTIVE EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made as of February 7, 2014 by and between CARDAX, INC., a Delaware corporation (the "Company"), and Gilbert M. Rishton, an individual (the "Employee").

WITNESSETH:

WHEREAS, the Company, together with its subsidiaries, is engaged in the business of developing, marketing and distribution of nutraceutical and pharmaceutical products (collectively, the "Business");

WHEREAS, the Company desires to employ the Employee, and the Employee desires to accept such employment, on the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the mutual covenants and conditions provided herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. **Employment, Duties and Authority**.

1.1 Exclusive Devotion of Business Time. The Company agrees to employ the Employee and, unless otherwise agreed to by the parties in writing, the Employee agrees to devote his full business time, effort, skills and loyalty to the business of the Company to effectively carry out his responsibilities to the Company hereunder and to the render his services and skills in the furtherance of the business of the Company; provided, that this provision shall not prevent the Employee from: (i) serving on civil, charitable and corporate boards and committees, subject to the Company's policies and standards; and (ii) managing his investments and the investments of his immediate family, subject to the Company's policies and standards; provided that the activities referenced in clauses (i) and (ii) above do not, individually or in the aggregate, interfere with the performance of the Employee's duties under this Agreement.

1.2 Title; Position. The Company agrees to employ the Employee as its Chief Science Officer. The primary responsibility of the Employee shall be the scientific direction of the Company, in association with the Chief Executive Officer, and research and development of the Company's products and technology. Without limiting the foregoing, the Employee shall serve at the request of the Board of Directors of the Company (the "Board") as a director or officer of any corporation of any type or kind, domestic or foreign, or any partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise in the furtherance of the Business and shall otherwise assist in the preparation of, and implementation of, the strategic business plans and developments of the Company.

1.3 Reporting. The Employee shall report to (a) the Chief Executive Officer or (b) such other person as may be designated by the Board or the Chief Executive Officer from time to time.

1.4 Cooperation. During the term of this Agreement and any time thereafter, the Employee agrees to give prompt written notice to the Company of any claim or injury relating to the Company, and to fully cooperate in good faith and to the best of his ability with the Company in connection with all pending, potential or future claims, investigations or actions which directly or indirectly relate to any transaction, event or activity about which the Employee may have knowledge because of his employment with the Company. Such cooperation shall include all assistance that the Company, its counsel, or its representatives may reasonably request, including reviewing and interpreting documents, meeting with counsel, providing factual information and material, and appearing or testifying as a witness.

1.5 Primary Office Location; Travel Commitment. The Employee shall perform his duties primarily from the Company's headquarters in Honolulu, Hawaii or such other location as the Company may reasonably determine from time to time; provided, that the Employee shall be available and shall travel from such location from time to time as is necessary or desirable in furtherance of the Business, specifically the acquisition, renovation, improvement and development of Employee office suite centers and meetings of the Board or any committee thereof.

1.6 Performance of Duties. During the term of this Agreement, the Employee shall perform the duties assigned to him, which duties shall be consistent with the duties described above in this Section 1, and shall observe and carry out such rules, regulations, policies, directions and restrictions as the Board shall from time to time establish. In performance of his duties hereunder, the Employee shall comply in each and every respect with applicable laws, rules and regulations applicable to the Company and the Business.

1.7 Certain Defined Terms. For the purposes of this Agreement, the following terms shall have the respective meanings ascribed thereto in this Section:

1.7.1. "Cause" shall mean any of the following conditions occurred, and after a determination by the Board that such condition occurred, was not cured:

(i) The Employee commits (A) a breach of his fiduciary duty to the Company or any of its affiliates, to the extent such duty is owed, (B) gross negligence, or (C) willful misconduct;

(ii) The Employee violates the internal procedures or policies of the Company in a manner which has a material adverse effect on the reputation, business of the Company such as conduct constituting employment discrimination or sexual harassment;

which, in any event, is not cured in all material respects by the Employee within 30 days after notice thereof.

1.7.2. "Confidential Information" means all confidential and proprietary information of the Company, including, without limitation, information relating to or concerning Proprietary Products (as defined below) and the exploitation of proprietary rights relating thereto; the Business; trade secret information; client, investor, customer and supplier lists, identities and contracts or arrangements; financial information (including financial statements, budgets and projections); market research and development procedures, processes, techniques, plans and results (including inconclusive results); all information which may be included in any patent or copyright application or amendment thereof or defense or litigation with respect thereto; marketing, licensing and distribution or franchising strategies, plans or projections; investment or acquisition opportunities, plans or strategies; products and asset composition; pricing information or policies; royalty, franchising or licensing arrangements; computer software, passwords, programs or data; and all other business related information which has not been publicly disclosed by the Company or its affiliates, whether such information is in written, graphic, recorded, photographic, data or any machine readable form or is orally conveyed to, or memorized by, or developed by the Employee; provided, that Confidential Information shall not include information which: (i) at the time of disclosure is generally known in the business and industry in which the Company is engaged; or (ii) after disclosure is published or otherwise becomes generally known in such business or industry through no fault of the Employee.

1.7.3. "Developments" means discoveries, concepts, ideas, designs, methods, formulas, know-how, techniques, systems or any improvements or enhancements thereon, whether or not patentable or copyrightable, made, conceived, improved or developed, in whole or in part, by the Employee during the term of this Agreement relating to: (i) any of the Company's or its affiliates' products or services, potential products or services, developments or techniques; or (ii) any work in which the Employee is or may be engaged on behalf of the Company or its affiliates.

1.7.4. "Disability" means the Employee's physical or mental incapacity which, in the reasonable good faith determination of the Board, renders the Employee incapable of performing the essential functions of his duties under this Agreement for any consecutive forty-five (45) day period or for any sixty (60) days within any period of one hundred and twenty (120) days.

1.7.5. "Documents" means any and all books, textbooks, letters, pamphlets, drafts, memoranda, notes, records, drawings, files, documents, manuals, compilations of information, correspondence or other writings of any kind and all copies, abstracts and summaries of any of the foregoing, whether in printed, written or electronic data or any machine readable form: (i) of the Company or its affiliates; or (ii) in the possession or control of the Employee and pertaining to, and used in the furtherance of, the Business.

1.7.6. "Proprietary Products" means collectively Documents, Developments and Related Property.

1.7.7. "Related Property" means all tangible and intangible property owned by, or licensed to, or otherwise used by the Company or its affiliates including, without limitation, ideas, concepts, projects, programs, computer software or hardware, data bases, specifications, documentation, algorithms, source codes, object codes, program listings, product platforms and architectures, concepts, screens, formats, technology, know-how, Developments, research and development and patents, copyrights, trademarks, trade names, service names, service marks, logos and designs and other proprietary rights and registrations and applications and the rights to apply therefor.

2. **Compensation and Benefits**.

2.1 Annual Compensation. From the date hereof until termination of the Employee's employment hereunder in accordance with Section 3, the Company shall pay to the Employee a fixed base salary at an annual rate of $200,000 (the "Annual Payment"). The Annual Payment shall be paid to the Employee in accordance with the normal payroll practices of the Company as in effect from time to time. The amount of the Annual Payment may be increased, in the sole discretion of the Company, to be effective upon any renewal of the term of this Agreement.

2.2 Performance Bonus. The Employee shall be eligible to be considered for an incentive bonus for each fiscal year of the Company. The bonus, if any, will be awarded in the Company's sole discretion based on criteria established by the Company's Chief Executive Officer and approved by the Board.

2.3 Equity Compensation Plan.

2.3.1. Under the Employee's previous employment with the Company's predecessor, Cardax Pharmaceuticals, Inc. ("Pharmaceuticals"), the Employee was issued options to purchase shares of common stock of Pharmaceuticals pursuant to Pharmaceuticals 2006 Stock Incentive Plan and the stock option agreement thereunder (as amended to the date of this Agreement, collectively, the "Old Plan"). In accordance with the terms of the Old Plan, all rights to acquire shares of common stock of Pharmaceuticals is substituted for the right to purchase shares of common stock of the Company under the Company's 2014 Equity Compensation Plan (the "New Plan"), as of and contingent upon the closing of the merger (the "Effective Time"), as described in that certain Agreement and Plan of Merger, dated as of November 27, 2013, as amended (the "Merger Agreement"), as follows:

The right that the Employee has under the Old Plan to the right to acquire 1,000,000 shares of common stock of Pharmaceuticals at an exercise price per share of $0.07 are hereby substituted on and contingent upon the Effective Time for the right to purchase 450,578 shares of common stock of the Company at an exercise price equal to $0.155.

2.3.2. In addition, as a further incentive to the Employee:

(i) The substitution of the options under the Old Plan are modified on the Effective Time so that they have an exercise period of ten years, subject to earlier termination of the right to exercise an option as provided in the New Plan (which is the same exercise period for options that are granted on the Effective Time under the New Plan); and

(ii) The Company has also provided an additional grant of incentive stock options under the New Plan in accordance with a separate grant agreement that is being executed and delivered by and between the Company and the Employee as of the Effective Time. Such additional grant of stock options shall be (x) subject to the vesting restrictions and other terms and conditions to be entered into between the Employee, the Company, and the New Plan, (y) have an exercise period of 10 years, subject to earlier termination of the right to exercise an option as provided in the New Plan; and (z) have an initial exercise price per share equal to $0.625, subject to adjustment as provided in the New Plan to appropriately adjust the incentive stock option for changes to the common stock of the Company.

(iii) The total number of stock options that you have under the New Plan is equal to: (1) the number of shares that represent a substitution of your options under the Old Plan, described in clause (i), above; plus (2) the additional grant of incentive stock options granted under the New Plan, described in clause (ii), above; and is equal to 2.00% of the total number of shares of common stock of the Company as of the Effective Time, determined on a fully diluted basis (assuming that all shares of common stock of the Company reserved for issuance under the New Plan, including the shares that would be issued for grants that substitute options under the Old Plan, are issued and outstanding).

2.4 Reimbursement of Expenses. The Company shall reimburse the Employee for reasonable out-of-pocket expenses incurred by the Employee for the benefit of the Company upon presentation of appropriate documentation and in accordance with the Company's policy in effect from time to time.

2.5 Paid Time Off. The Employee shall be entitled to paid time off ("PTO") at the rate of 15 days per year during the term of this Agreement. PTO days shall begin to accrue from and after the date hereof ratably during each fiscal quarter (or pro rata for any partial quarter) the Employee actually works. PTO shall be taken at times when reasonably appropriate given the Employee's responsibilities and consistent with the needs of the Company and shall not be for a period greater than two (2) weeks at a time without the consent of the Company, which consent shall not be unreasonably withheld.

2.6 Benefits. During the period that the Employee is employed by the Company and for such longer period as required by applicable law, the Employee shall be entitled to participate in the employee benefit plans, policies and programs, including health and disability insurance (collectively, "Benefits"), on the same terms and conditions made available to other employees of the Company.

2.7 Withholding. All payments of compensation shall be subject to all applicable withholding taxes and other legally required payroll deductions. The Employee shall provide the Company with all information reasonably requested by the Company with respect to such deductions and withholdings.

3. **Term**. This Agreement has a one (1) year term, commencing on the date hereof, that automatically renews unless either party notifies the other party that the then current term will not be renewed at least ninety (90) days prior to the expiration of such current term.

4. **Termination**.

4.1 Termination. Notwithstanding any provision herein to the contrary, the Employee's employment hereunder shall be terminated upon any of the following events: (i) the death or Disability of the Employee; (ii) the termination of the Employee by the Company; or (iii) the termination by the Employee; provided that any termination hereunder, other than as a result of death, shall be communicated by a notice from the party terminating the employment to the other party and such termination shall be effective on the date such notice is deemed given by such party in accordance with Section 15. In the event of the Disability or temporary disability of the Employee, the Company shall have the right to appoint: (i) a temporary replacement to assume some or all of the Employee's duties, if the Company, in its sole discretion, determines that the Employee's condition may render him incapable of effectively performing some or all of your essential duties for your position with the Company described in this Agreement (any such determination to be made by the Company in good faith); and (ii) a permanent replacement if the Employee's employment hereunder is terminated because of such Disability. During any period the Employee is temporarily disabled, the Company will continue, on the same terms and conditions, the Employee's Annual Payment and Benefits. Any period of paid disability leave under this Section shall be counted against any period of unpaid leave to which the Employee may be entitled under any federal, state or local family and medical leave laws.

4.2 Payments Upon Termination of Employment. In the event of termination of the Employee's employment hereunder pursuant to this Section 4:

4.2.1. The Employee (or his heirs, legatees or personal representatives) shall be entitled to receive all compensation and benefits specified in this Agreement which shall have accrued prior to the date of such termination and the obligation of the Company for the payment of compensation, and the right of the Employee to receive any further compensation or benefit, except as provided by applicable law or otherwise provided herein, shall terminate as of the date of such termination.

4.2.2. All rights of the Company or the Employee which shall have accrued hereunder prior to the date of the Employee's termination, and the provisions of this Agreement which are stated herein to survive termination, shall survive such termination and the Company and the Employee shall continue to be bound by such provisions in accordance with the terms hereof.

4.2.3. If the employment hereunder is terminated because of the Employee's death or Disability, then the Company shall pay any benefits which are expressly provided to the Employee upon his death or Disability under the terms of any benefit plan, policy or program in effect at the time of such death or Disability.

4.2.4. In addition to any other compensation and benefits provided by the Company to the Employee, if the Employee is terminated by the Company for any reason other than for Cause or the Employee resigns and terminates the employment with the Company hereunder for "Good Reason," being defined as a breach or default by the Company of its obligations under this Agreement which continues for a period of five business days after notice thereof or any such breach or default that occurs three or more times during any 365 day period, then the Employee shall have the right to: (i) an aggregate cash amount (the "Covenant Payment") equal in the then Annual Payment of the Employee, which shall be payable in twelve equal monthly installments in arrears, on or prior to ten (10) days after each month; and (ii) receive an additional payment equal to the amount required by the Employee to continue health and medical benefits for one year, which amounts shall be paid monthly in advance.

4.3 Exclusive Benefits. Except as so provided in this Section 4, no further benefits, compensation or rights of the Employee shall continue to accrue after the date of the termination of the employment of the Employee hereunder.

5. **Ownership of Rights to Proprietary Products**.

5.1 The Employee acknowledges and agrees that the Proprietary Products, are and shall be the exclusive and valuable property of the Company and its affiliates, as the case may be, and the Employee shall neither have, nor claim to have, any right, title or interest therein or thereto. All opportunities relating to the Proprietary Products whether or not involving third parties shall belong to and be carried out for the account of the Company.

5.2 Any and all Developments shall be deemed work specifically ordered or commissioned by the Company and each such work shall be considered a "work made for hire" within the meaning of 17 U.S.C. §101 of the United States Copyright Act and all rights to such work shall belong entirely to the Company. The Employee shall from time to time upon the request of the Company promptly execute and deliver to the Company any instruments necessary to effect the irrevocable assignment of all of his right, title and interest, including copyright and author rights, in such works to the Company and for the Company to obtain proprietary rights in connection therewith.

5.3 The Employee's covenants under this Section 5 of this Agreement shall survive the expiration or termination of this Agreement.

6. **Confidentiality**. The Employee acknowledges and agrees that it is imperative to the success of the Company and its affiliates that all Confidential Information be maintained in strict confidence at all times. The Employee shall therefore retain in strict confidence and not, directly or indirectly, copy or disclose or transfer to any third party any Confidential Information except in the furtherance of the Business for the benefit of the Company; nor shall he use Confidential Information for any purpose except for the benefit of the Company or its affiliates. The Employee's covenants under this Section 6 of this Agreement shall survive the expiration or termination of this Agreement.

7. **Documents**. The Employee agrees that any and all Documents made or kept by him shall be and are the sole and exclusive property of the Company. The Employee agrees to execute and deliver to the Company or its affiliates, as the case may be, any and all agreements or instruments of any nature which the Company or its affiliates deem necessary or appropriate to acquire, enhance, protect, perfect, assign, sell or transfer his rights under this Section. The Employee also agrees that upon request he will place all Documents in the Company's possession and will not remove or cause to be removed any Documents or reproductions thereof, except as is necessary and customary to directly further the Business for the benefit of the Company or with the prior consent of either Co-President. Upon the expiration or termination of the employment of the Employee hereunder, all Documents shall remain in the possession or control of the Company and any Documents within the possession or control of the Employee or any of his affiliates shall be promptly returned to the Company at its principal office. The Employee's covenants under this Section 7 of this Agreement shall survive the expiration or termination of this Agreement.

8. **Developments**.

8.1 The Employee shall communicate and fully disclose to the Company any and all Developments made or conceived by him during or prior to his employment with the Company, and any and all Developments which he may conceive or make, during his employment or has conceived or made, prior to his employment, with the Company, shall be at all times and for all purposes regarded as acquired and held by him in a fiduciary capacity and solely for the benefit of the Company and shall be the sole and exclusive property of the Company; unless the parties have otherwise agreed to in writing.

8.2 The Employee shall assist the Company in every proper way upon request to obtain for its benefit patents, copyrights, trade names, trademarks, service names, service marks for any and all Proprietary Products and Developments in the United States and all foreign countries. All such patents, copyrights, trade names, trademarks, service names, service marks and any registrations and applications therefor are to be, and remain, the exclusive property of the Company and the Employee agrees that he will, whenever so requested by the Company or its duly authorized agent, make, execute and deliver to the Company its affiliates, successors, assigns, or nominees, without charge, any and all applications, assignments and all other instruments which the Company or its affiliates shall deem necessary or appropriate in order to apply for and obtain such patents, copyrights, trade names, trademarks, service names, and service marks or in order to assign and convey to the Company or its affiliates, their successors, assigns or nominees, the sole and exclusive right, title and interest therein and thereto. The Employee's obligations to execute any such instruments shall continue notwithstanding the termination or expiration of this Agreement.

9. **Post-Termination Covenants**. The Employee acknowledges and agrees that the Proprietary Products are the exclusive and valuable property of the Company and may not be used by the Employee for any purpose of any kind, directly or indirectly, except during the term of this Agreement for the sole and exclusive benefit of the Company in his capacity as an employee of the Company and that the success of the Company depends on the Employee's observance of his covenants in this Section 9.

9.1 In consideration of the rights and benefits hereunder including the Covenant Payments, the Employee agrees that so long as he is an employee or consultant of the Company and in addition, for a period of two (2) years after the date of termination or expiration of this Agreement if the Employee was terminated by the Company for Cause ("Restrictive Period A"), he shall not directly or indirectly:

9.1.1. Solicit, hire or retain any person who then is or has been an employee of or consultant to the Company within the six months prior to the Employee's date of termination or separation, or persuade or entice any such employee or consultant to terminate or lessen the extent of his, her or its relationship with the Company.

9.1.2. Engage in any activity to interfere with, maliciously disrupt or damage the Business of the Company or its relationships with any of its clients, customers, distributors, suppliers, investors or other financial co-venturer or other business relationship.

9.2 In consideration of the rights and benefits hereunder including the Covenant Payment, the Employee agrees that so long as he is an employee or consultant of the Company and in addition, for a period of six months (6) months after the date of termination (but not any expiration) of this Agreement or one (1) year ("Restrictive Period B", together with Restrictive Period A, the "Restrictive Period") if the Employee was terminated by the Company for Cause, engage in, represent, furnish consulting services to, be employed by or possess an interest in, directly or indirectly (e.g., as owner, principal, director, officer, partner, landlord, lender, agent, consultant, shareholder or member), any other business venture of any kind that is engaged in the Company business, or the business of any of the Company's affiliates, or any other business that the Company or its affiliates engages in significantly after the date hereof and defined as a Competing Business; provided, however, that the foregoing shall not restrict the Employee from holding a five percent (5%) or less non-controlling interest in a publicly traded company engaged in a Competing Business and as defined below or if the Employee is consulting or employed by a company or other entity that is engaged in a Competing Business, the Employee does not participate in, supervise, or otherwise support the Competing Business of such other company or entity; provided that this proviso shall not apply to any Specified Competitor. Notwithstanding the foregoing, the Restrictive Period for the Employee shall terminate on the date of the termination or separation of the employment of the Employee if the Employee resigns for Good Reason and the Employee shall not have any obligations under this Section 9 in any such event. A "Competing Business" shall mean any domestic or international pharmaceutical or nutraceutical company which is engaged in the sale, development, research of Carotenoid technologies or products for consumer consumption or any other technologies then currently actively pursued by the Company; including but not limited to any Specified Competitor. For the purposes of this Agreement, the term "Specified Competitor" shall mean each company or entity that is from time to time reasonably designated by the Company by a notice to the Employee after the date hereof which similarly competes with the Company or is referred to in a publicly filed document as a competitor of the Company.

9.3 Following termination of the Employee's employment by the Company for any reason, the Employee shall continue to observe and be bound by his covenants under Section 9.1 for the period provided in Section 9.1; provided that Section 9.1.1 shall not include the hiring of any employees of or consultants to the Company, if such hiring process was conducted anonymously through a third party, it being understood that this provision shall not be applicable to the hiring of senior level employees.

9.4 For purposes of this Section 9, the term "Company" shall include the Company and its affiliates in the Business, including any entity that directly or indirectly controls the business and affairs of the Company.

10. **Specific Enforcement**.

10.1 The Employee is obligated under this Agreement to render services and comply with covenants of a special, unique, unusual and extraordinary character, thereby giving this Agreement peculiar value so that the loss of such service or violation by the Employee of this Agreement could not reasonably or adequately be compensated in damages in an action at law. Therefore, in addition to any other remedies or sanctions provided by law, whether criminal or civil, and without limiting the right of the Company and successors or assigns to pursue all other legal and equitable rights available to them, the Company shall have the right during the Employee's employment hereunder (or thereafter with respect to obligations continuing after the termination of this Agreement) to compel specific performance hereof by the Employee or to obtain temporary and permanent injunctive relief against violations hereof by the Employee, and, in furtherance thereof, to apply to any court with jurisdiction over the parties hereto in accordance with Section 19 to enforce the provisions hereof.

10.2 The Employee waives any requirement for security or the posting of any bond or other surety and proof of damages in connection with any temporary or permanent award of injunctive, mandatory or other equitable relief and further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

11. **Legal Costs and Expenses**. If any party hereto prevails in any proceedings, legal or equitable, to enforce any obligations under this Agreement, such party shall also be entitled to recover all costs and expenses incurred by such party in connection therewith, including reasonable attorneys' and accountants' fees and disbursements.

12. **Assignment**. The rights and duties of the Employee hereunder are not assignable. The Company may assign this Agreement and all rights and obligations hereunder to any third party who becomes a successor to the Company's Business. Upon any such assignment by the Company, the term "Company" as used herein shall be deemed to include any such assignee of the Company, and the assignee shall have the right to enforce all of the Company's rights and remedies hereunder in its own name as if a party hereto in the place and stead of the Company. The Employee agrees to confirm his obligations to any assignee, transferee, licensee or sublicensee of the Company or their successors and assigns (a "Successor Employer") by executing a new contract with such Successor Employer containing substantially the same terms and conditions as herein provided; provided that such Successor Employer also confirms to the Employee all of the Company's obligations as herein provided.

13. **Binding Effect**. This Agreement shall be binding upon the parties hereto and their respective successors-in-interest, heirs and personal representatives and, to the extent permitted herein, the assigns of the Company.

14. **Severability**. If any provision of this Agreement or any part hereof or the application hereof to any person or circumstance shall be finally determined by a court of competent jurisdiction or by any arbitration panel to be invalid or unenforceable to any extent, the remainder of this Agreement, or the remainder of such provision or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, shall not be affected thereby and each provision of this Agreement shall remain in full force and effect to the fullest extent permitted by law. The parties also agree that if any portion of this Agreement, or any part hereof or application hereof, to any person or circumstance shall be finally determined by a court of competent jurisdiction or arbitration panel to be invalid or unenforceable to any extent, then such objectionable provision shall be deemed modified to the extent necessary so as to make it valid, reasonable and enforceable including, without limitation, modification of the restrictive covenants of Section 9 with respect to geography, time or scope of business.

15. **Notices**. Wherever provision is made in this Agreement for the giving of any notice, such notice shall be in writing and shall be deemed to have been duly given if mailed by first class United States mail, postage prepaid, addressed to the party entitled to receive the same or if delivered personally, sent by facsimile transmission (if a facsimile number is provided in this Section 15) or sent by overnight courier to such party at the address specified below:

If to the Company:

Cardax, Inc.
2800 Woodlawn Drive, Suite 129
Honolulu, Hawaii 96822
Attn: Chairman of the Board
Facsimile: (808) 237-5901

With a copy (which shall not constitute notice) to:
Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016
Attn: Richard M. Morris, Esq.
Facsimile: (212) 545-3371

If to the Employee:

to the address that is then on record with the Company for payroll purposes.

or to such other address, in any such case, as any party hereto shall have last designated by notice to each other party.

All such notices, requests and other communications will: (i) if delivered personally to the address as provided in this Section, be deemed given upon delivery; (ii) if delivered by facsimile transmission to the facsimile number as provided in this Section, be deemed given upon the completion of the facsimile transmission, if the receipt is confirmed by the telefax machine; (iii) if delivered by overnight courier, be deemed given upon the first business day after such notice, request or other communication is given to such courier with all charges and fees prepaid and any required signature of the deliveree is waived; and (iv) if delivered by mail in the manner described above to the address as provided in this Section, be deemed given upon receipt (in each case regardless of whether such notice, request or other communication is received by any other person to whom a copy of such notice, request or other communication is to be delivered pursuant to this Section).

16. **Entire Agreement; Amendment**. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior written or oral negotiations, representations, agreements, commitments, contracts or understandings with respect thereto and no modification, alteration or amendment to this Agreement may be made unless the same shall be in writing and signed by both of the parties hereto.

17. **Waivers**. No failure by either party to exercise any of such party's rights hereunder or to insist upon strict compliance with respect to any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver by either party to demand exact compliance with the terms hereof. Waiver by either party of any particular default by the other party shall not affect or impair such party's rights in respect to any subsequent default of the same or a different nature, nor shall any delay or omission of either party to exercise any rights arising from any default by the other party affect or impair such party's rights as to such default or any subsequent default.

18. **Arbitration.** Any dispute or claim arising out of or in connection with your employment with the Company will be finally settled by binding arbitration conducted in accordance with the then-current Hawaii Uniform Arbitration Act Rules (the "Hawaii Rules"), to the extent not inconsistent with the American Arbitration Association (AAA) Rules (as defined below), and pursuant to Hawaii law without reference to rules of conflicts of law or rules of statutory arbitration. The parties agree that any arbitration will be administered by the AAA and that one neutral arbitrator will be selected in a manner consistent with the AAA National Rules for the Resolution of Employment Disputes (the "AAA Rules"). The location of the arbitration shall be in the same city as the Company's headquarters at the time of the arbitration. Except as provided by the Hawaii Rules, arbitration shall be the sole, exclusive, and final remedy for any dispute between the Employee and the Company. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction hereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim relief, or to compel arbitration in accordance with this paragraph, without breach of this arbitration provision. This section shall survive the term of this Agreement, through and including the latter Restrictive Period.

19. **Governing Law**. For purposes of construction, interpretation and enforcement, this Agreement shall be deemed to have been entered into under the laws of the State of Hawaii and its validity, effect, performance, interpretation, construction and enforcement shall be governed by and subject to the laws of the State of Hawaii without reference to its choice of law rules.

20. **Exclusive Jurisdiction**. Subject to the provisions of Section 18, all actions and proceedings arising out of, or relating to, this Agreement shall be heard and determined in any state or federal court sitting in the county of Honolulu, Hawaii. Each of the Company and the Employee, by execution and delivery of this Agreement: (i) expressly and irrevocably consent and submit to the personal jurisdiction of any of such courts in any such action or proceeding; (ii) consent to the service of any complaint, summons, notice or other process relating to any such action or proceeding by delivery thereof to such party by hand or by U.S. certified mail without return receipt requested, delivered or addressed as set forth in Section 15 of this Agreement; and (iii) waive any claim or defense in any such action or proceeding based on any alleged lack of personal jurisdiction, improper venue or forum non conveniens or any similar basis.

21. **Interpretation**. Section titles and headings to sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

22. **Expenses**. Each of the Company, on the one hand, and the Employee, on the other, will pay all of their own costs and expenses incident to the negotiation and preparation of this Agreement.

23. **Miscellaneous**.

23.1 This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

23.2 The Section headings herein are for convenience of reference only and shall not be used to construe the meaning of any provision of this Agreement.

23.3 Any word or term used in this Agreement in any form shall be masculine, feminine, neuter, singular or plural, as proper reading requires. The words “herein”, “hereof”, “hereby” or “hereto” shall refer to this Agreement unless otherwise expressly provided. Any reference herein to a Section or any exhibit or schedule shall be a reference to a Section of, and an exhibit or schedule to, this Agreement unless the context otherwise requires.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

COMPANY:
Cardax, Inc., a Delaware corporation

By: /s/ David G. Watumull
Name: David G. Watumull
Title: Chief Executive Officer

EMPLOYEE:

/s/ Gilbert M. Rishton
Gilbert M. Rishton, Individually

Exhibit 10.12

SENIOR EXECUTIVE EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made as of February 7, 2014 by and between CARDAX, INC., a Delaware corporation (the "Company"), and Timothy J. King, an individual (the "Employee").

WITNESSETH:

WHEREAS, the Company, together with its subsidiaries, is engaged in the business of developing, marketing and distribution of nutraceutical and pharmaceutical products (collectively, the "Business");

WHEREAS, the Company desires to employ the Employee, and the Employee desires to accept such employment, on the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the mutual covenants and conditions provided herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. **Employment, Duties and Authority**.

1.1 Exclusive Devotion of Business Time. The Company agrees to employ the Employee and, unless otherwise agreed to by the parties in writing, the Employee agrees to devote his full business time, effort, skills and loyalty to the business of the Company to effectively carry out his responsibilities to the Company hereunder and to the render his services and skills in the furtherance of the business of the Company; provided, that this provision shall not prevent the Employee from: (i) serving on civil, charitable and corporate boards and committees, subject to the Company's policies and standards; and (ii) managing his investments and the investments of his immediate family, subject to the Company's policies and standards; provided that the activities referenced in clauses (i) and (ii) above do not, individually or in the aggregate, interfere with the performance of the Employee's duties under this Agreement.

1.2 Title; Position. The Company agrees to employ the Employee as its Vice President, Research. The primary responsibility of the Employee shall be the research and development of the Company's products and technology. Without limiting the foregoing, the Employee shall serve at the request of the Board of Directors of the Company (the "Board") as a director or officer of any corporation of any type or kind, domestic or foreign, or any partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise in the furtherance of the Business and shall otherwise assist in the preparation of, and implementation of, the strategic business plans and developments of the Company.

1.3 Reporting. The Employee shall report to (a) the Chief Executive Officer or (b) such other person as may be designated by the Board or the Chief Executive Officer from time to time.

1.4 Cooperation. During the term of this Agreement and any time thereafter, the Employee agrees to give prompt written notice to the Company of any claim or injury relating to the Company, and to fully cooperate in good faith and to the best of his ability with the Company in connection with all pending, potential or future claims, investigations or actions which directly or indirectly relate to any transaction, event or activity about which the Employee may have knowledge because of his employment with the Company. Such cooperation shall include all assistance that the Company, its counsel, or its representatives may reasonably request, including reviewing and interpreting documents, meeting with counsel, providing factual information and material, and appearing or testifying as a witness.

1.5 Primary Office Location; Travel Commitment. The Employee shall perform his duties primarily from the Company's headquarters in Honolulu, Hawaii or such other location as the Company may reasonably determine from time to time; provided, that the Employee shall be available and shall travel from such location from time to time as is necessary or desirable in furtherance of the Business, specifically the acquisition, renovation, improvement and development of Employee office suite centers and meetings of the Board or any committee thereof.

1.6 Performance of Duties. During the term of this Agreement, the Employee shall perform the duties assigned to him, which duties shall be consistent with the duties described above in this Section 1, and shall observe and carry out such rules, regulations, policies, directions and restrictions as the Board shall from time to time establish. In performance of his duties hereunder, the Employee shall comply in each and every respect with applicable laws, rules and regulations applicable to the Company and the Business.

1.7 Certain Defined Terms. For the purposes of this Agreement, the following terms shall have the respective meanings ascribed thereto in this Section:

1.7.1. "Cause" shall mean any of the following conditions occurred, and after a determination by the Board that such condition occurred, was not cured:

(i) The Employee commits (A) a breach of his fiduciary duty to the Company or any of its affiliates, to the extent such duty is owed, (B) gross negligence, or (C) willful misconduct;

(ii) The Employee violates the internal procedures or policies of the Company in a manner which has a material adverse effect on the reputation, business of the Company such as conduct constituting employment discrimination or sexual harassment;

which, in any event, is not cured in all material respects by the Employee within 30 days after notice thereof.

1.7.2. "Confidential Information" means all confidential and proprietary information of the Company, including, without limitation, information relating to or concerning Proprietary Products (as defined below) and the exploitation of proprietary rights relating thereto; the Business; trade secret information; client, investor, customer and supplier lists, identities and contracts or arrangements; financial information (including financial statements, budgets and projections); market research and development procedures, processes, techniques, plans and results (including inconclusive results); all information which may be included in any patent or copyright application or amendment thereof or defense or litigation with respect thereto; marketing, licensing and distribution or franchising strategies, plans or projections; investment or acquisition opportunities, plans or strategies; products and asset composition; pricing information or policies; royalty, franchising or licensing arrangements; computer software, passwords, programs or data; and all other business related information which has not been publicly disclosed by the Company or its affiliates, whether such information is in written, graphic, recorded, photographic, data or any machine readable form or is orally conveyed to, or memorized by, or developed by the Employee; provided, that Confidential Information shall not include information which: (i) at the time of disclosure is generally known in the business and industry in which the Company is engaged; or (ii) after disclosure is published or otherwise becomes generally known in such business or industry through no fault of the Employee.

1.7.3. "Developments" means discoveries, concepts, ideas, designs, methods, formulas, know-how, techniques, systems or any improvements or enhancements thereon, whether or not patentable or copyrightable, made, conceived, improved or developed, in whole or in part, by the Employee during the term of this Agreement relating to: (i) any of the Company's or its affiliates' products or services, potential products or services, developments or techniques; or (ii) any work in which the Employee is or may be engaged on behalf of the Company or its affiliates.

1.7.4. "Disability" means the Employee's physical or mental incapacity which, in the reasonable good faith determination of the Board, renders the Employee incapable of performing the essential functions of his duties under this Agreement for any consecutive forty-five (45) day period or for any sixty (60) days within any period of one hundred and twenty (120) days.

1.7.5. "Documents" means any and all books, textbooks, letters, pamphlets, drafts, memoranda, notes, records, drawings, files, documents, manuals, compilations of information, correspondence or other writings of any kind and all copies, abstracts and summaries of any of the foregoing, whether in printed, written or electronic data or any machine readable form: (i) of the Company or its affiliates; or (ii) in the possession or control of the Employee and pertaining to, and used in the furtherance of, the Business.

1.7.6. "Proprietary Products" means collectively Documents, Developments and Related Property.

1.7.7. "Related Property" means all tangible and intangible property owned by, or licensed to, or otherwise used by the Company or its affiliates including, without limitation, ideas, concepts, projects, programs, computer software or hardware, data bases, specifications, documentation, algorithms, source codes, object codes, program listings, product platforms and architectures, concepts, screens, formats, technology, know-how, Developments, research and development and patents, copyrights, trademarks, trade names, service names, service marks, logos and designs and other proprietary rights and registrations and applications and the rights to apply therefor.

2. **Compensation and Benefits**.

2.1 Annual Compensation. From the date hereof until termination of the Employee's employment hereunder in accordance with Section 3, the Company shall pay to the Employee a fixed base salary at an annual rate of $170,000 (the "Annual Payment"). The Annual Payment shall be paid to the Employee in accordance with the normal payroll practices of the Company as in effect from time to time. The amount of the Annual Payment may be increased, in the sole discretion of the Company, to be effective upon any renewal of the term of this Agreement.

2.2 Performance Bonus. The Employee shall be eligible to be considered for an incentive bonus for each fiscal year of the Company. The bonus, if any, will be awarded in the Company's sole discretion based on criteria established by the Company's Chief Executive Officer and approved by the Board.

2.3 Equity Compensation Plan.

2.3.1. Under the Employee's previous employment with the Company's predecessor, Cardax Pharmaceuticals, Inc. ("Pharmaceuticals"), the Employee was issued options to purchase shares of common stock of Pharmaceuticals pursuant to Pharmaceuticals 2006 Stock Incentive Plan and the stock option agreement thereunder (as amended to the date of this Agreement, collectively, the "Old Plan"). In accordance with the terms of the Old Plan, all rights to acquire shares of common stock of Pharmaceuticals is substituted for the right to purchase shares of common stock of the Company under the Company's 2014 Equity Compensation Plan (the "New Plan"), as of and contingent upon the closing of the merger (the "Effective Time"), as described in that certain Agreement and Plan of Merger, dated as of November 27, 2013, as amended (the "Merger Agreement"), as follows:

The right that the Employee has under the Old Plan to the right to acquire 200,000 shares of common stock of Pharmaceuticals at an exercise price per share of $0.07 are hereby substituted on and contingent upon the Effective Time for the right to purchase 90,116 shares of common stock of the Company at an exercise price equal to $0.155.

2.3.2. In addition, as a further incentive to the Employee:

(i) The substitution of the options under the Old Plan are modified on the Effective Time so that they have an exercise period of ten years, subject to earlier termination of the right to exercise an option as provided in the New Plan (which is the same exercise period for options that are granted on the Effective Time under the New Plan); and

(ii) The Company has also provided an additional grant of incentive stock options under the New Plan in accordance with a separate grant agreement that is being executed and delivered by and between the Company and the Employee as of the Effective Time. Such additional grant of stock options shall be (x) subject to the vesting restrictions and other terms and conditions to be entered into between the Employee, the Company, and the New Plan, (y) have an exercise period of 10 years, subject to earlier termination of the right to exercise an option as provided in the New Plan; and (z) have an initial exercise price per share equal to $0.625, subject to adjustment as provided in the New Plan to appropriately adjust the incentive stock option for changes to the common stock of the Company.

(iii) The total number of stock options that you have under the New Plan is equal to: (1) the number of shares that represent a substitution of your options under the Old Plan, described in clause (i), above; plus (2) the additional grant of incentive stock options granted under the New Plan, described in clause (ii), above; and is equal to 2.00% of the total number of shares of common stock of the Company as of the Effective Time, determined on a fully diluted basis (assuming that all shares of common stock of the Company reserved for issuance under the New Plan, including the shares that would be issued for grants that substitute options under the Old Plan, are issued and outstanding).

2.4 Reimbursement of Expenses. The Company shall reimburse the Employee for reasonable out-of-pocket expenses incurred by the Employee for the benefit of the Company upon presentation of appropriate documentation and in accordance with the Company's policy in effect from time to time.

2.5 Paid Time Off. The Employee shall be entitled to paid time off ("PTO") at the rate of 15 days per year during the term of this Agreement. PTO days shall begin to accrue from and after the date hereof ratably during each fiscal quarter (or pro rata for any partial quarter) the Employee actually works. PTO shall be taken at times when reasonably appropriate given the Employee's responsibilities and consistent with the needs of the Company and shall not be for a period greater than two (2) weeks at a time without the consent of the Company, which consent shall not be unreasonably withheld.

2.6 Benefits. During the period that the Employee is employed by the Company and for such longer period as required by applicable law, the Employee shall be entitled to participate in the employee benefit plans, policies and programs, including health and disability insurance (collectively, "Benefits"), on the same terms and conditions made available to other employees of the Company.

2.7 Withholding. All payments of compensation shall be subject to all applicable withholding taxes and other legally required payroll deductions. The Employee shall provide the Company with all information reasonably requested by the Company with respect to such deductions and withholdings.

3. **Term**. This Agreement has a one (1) year term, commencing on the date hereof, that automatically renews unless either party notifies the other party that the then current term will not be renewed at least ninety (90) days prior to the expiration of such current term.

4. **Termination**.

4.1 Termination. Notwithstanding any provision herein to the contrary, the Employee's employment hereunder shall be terminated upon any of the following events: (i) the death or Disability of the Employee; (ii) the termination of the Employee by the Company; or (iii) the termination by the Employee; provided that any termination hereunder, other than as a result of death, shall be communicated by a notice from the party terminating the employment to the other party and such termination shall be effective on the date such notice is deemed given by such party in accordance with Section 15. In the event of the Disability or temporary disability of the Employee, the Company shall have the right to appoint: (i) a temporary replacement to assume some or all of the Employee's duties, if the Company, in its sole discretion, determines that the Employee's condition may render him incapable of effectively performing some or all of your essential duties for your position with the Company described in this Agreement (any such determination to be made by the Company in good faith); and (ii) a permanent replacement if the Employee's employment hereunder is terminated because of such Disability. During any period the Employee is temporarily disabled, the Company will continue, on the same terms and conditions, the Employee's Annual Payment and Benefits. Any period of paid disability leave under this Section shall be counted against any period of unpaid leave to which the Employee may be entitled under any federal, state or local family and medical leave laws.

4.2 Payments Upon Termination of Employment. In the event of termination of the Employee's employment hereunder pursuant to this Section 4:

4.2.1. The Employee (or his heirs, legatees or personal representatives) shall be entitled to receive all compensation and benefits specified in this Agreement which shall have accrued prior to the date of such termination and the obligation of the Company for the payment of compensation, and the right of the Employee to receive any further compensation or benefit, except as provided by applicable law or otherwise provided herein, shall terminate as of the date of such termination.

4.2.2. All rights of the Company or the Employee which shall have accrued hereunder prior to the date of the Employee's termination, and the provisions of this Agreement which are stated herein to survive termination, shall survive such termination and the Company and the Employee shall continue to be bound by such provisions in accordance with the terms hereof.

4.2.3. If the employment hereunder is terminated because of the Employee's death or Disability, then the Company shall pay any benefits which are expressly provided to the Employee upon his death or Disability under the terms of any benefit plan, policy or program in effect at the time of such death or Disability.

4.2.4. In addition to any other compensation and benefits provided by the Company to the Employee, if the Employee is terminated by the Company for any reason other than for Cause or the Employee resigns and terminates the employment with the Company hereunder for "Good Reason," being defined as a breach or default by the Company of its obligations under this Agreement which continues for a period of five business days after notice thereof or any such breach or default that occurs three or more times during any 365 day period, then the Employee shall have the right to: (i) an aggregate cash amount (the "Covenant Payment") equal in the then Annual Payment of the Employee, which shall be payable in twelve equal monthly installments in arrears, on or prior to ten (10) days after each month; and (ii) receive an additional payment equal to the amount required by the Employee to continue health and medical benefits for one year, which amounts shall be paid monthly in advance.

4.3 Exclusive Benefits. Except as so provided in this Section 4, no further benefits, compensation or rights of the Employee shall continue to accrue after the date of the termination of the employment of the Employee hereunder.

5. **Ownership of Rights to Proprietary Products**.

5.1 The Employee acknowledges and agrees that the Proprietary Products, are and shall be the exclusive and valuable property of the Company and its affiliates, as the case may be, and the Employee shall neither have, nor claim to have, any right, title or interest therein or thereto. All opportunities relating to the Proprietary Products whether or not involving third parties shall belong to and be carried out for the account of the Company.

5.2 Any and all Developments shall be deemed work specifically ordered or commissioned by the Company and each such work shall be considered a "work made for hire" within the meaning of 17 U.S.C. §101 of the United States Copyright Act and all rights to such work shall belong entirely to the Company. The Employee shall from time to time upon the request of the Company promptly execute and deliver to the Company any instruments necessary to effect the irrevocable assignment of all of his right, title and interest, including copyright and author rights, in such works to the Company and for the Company to obtain proprietary rights in connection therewith.

5.3 The Employee's covenants under this Section 5 of this Agreement shall survive the expiration or termination of this Agreement.

6. **Confidentiality**. The Employee acknowledges and agrees that it is imperative to the success of the Company and its affiliates that all Confidential Information be maintained in strict confidence at all times. The Employee shall therefore retain in strict confidence and not, directly or indirectly, copy or disclose or transfer to any third party any Confidential Information except in the furtherance of the Business for the benefit of the Company; nor shall he use Confidential Information for any purpose except for the benefit of the Company or its affiliates. The Employee's covenants under this Section 6 of this Agreement shall survive the expiration or termination of this Agreement.

7. **Documents**. The Employee agrees that any and all Documents made or kept by him shall be and are the sole and exclusive property of the Company. The Employee agrees to execute and deliver to the Company or its affiliates, as the case may be, any and all agreements or instruments of any nature which the Company or its affiliates deem necessary or appropriate to acquire, enhance, protect, perfect, assign, sell or transfer his rights under this Section. The Employee also agrees that upon request he will place all Documents in the Company's possession and will not remove or cause to be removed any Documents or reproductions thereof, except as is necessary and customary to directly further the Business for the benefit of the Company or with the prior consent of either Co-President. Upon the expiration or termination of the employment of the Employee hereunder, all Documents shall remain in the possession or control of the Company and any Documents within the possession or control of the Employee or any of his affiliates shall be promptly returned to the Company at its principal office. The Employee's covenants under this Section 7 of this Agreement shall survive the expiration or termination of this Agreement.

8. **Developments**.

8.1 The Employee shall communicate and fully disclose to the Company any and all Developments made or conceived by him during or prior to his employment with the Company, and any and all Developments which he may conceive or make, during his employment or has conceived or made, prior to his employment, with the Company, shall be at all times and for all purposes regarded as acquired and held by him in a fiduciary capacity and solely for the benefit of the Company and shall be the sole and exclusive property of the Company; unless the parties have otherwise agreed to in writing.

8.2 The Employee shall assist the Company in every proper way upon request to obtain for its benefit patents, copyrights, trade names, trademarks, service names, service marks for any and all Proprietary Products and Developments in the United States and all foreign countries. All such patents, copyrights, trade names, trademarks, service names, service marks and any registrations and applications therefor are to be, and remain, the exclusive property of the Company and the Employee agrees that he will, whenever so requested by the Company or its duly authorized agent, make, execute and deliver to the Company its affiliates, successors, assigns, or nominees, without charge, any and all applications, assignments and all other instruments which the Company or its affiliates shall deem necessary or appropriate in order to apply for and obtain such patents, copyrights, trade names, trademarks, service names, and service marks or in order to assign and convey to the Company or its affiliates, their successors, assigns or nominees, the sole and exclusive right, title and interest therein and thereto. The Employee's obligations to execute any such instruments shall continue notwithstanding the termination or expiration of this Agreement.

9. **Post-Termination Covenants**. The Employee acknowledges and agrees that the Proprietary Products are the exclusive and valuable property of the Company and may not be used by the Employee for any purpose of any kind, directly or indirectly, except during the term of this Agreement for the sole and exclusive benefit of the Company in his capacity as an employee of the Company and that the success of the Company depends on the Employee's observance of his covenants in this Section 9.

9.1 In consideration of the rights and benefits hereunder including the Covenant Payments, the Employee agrees that so long as he is an employee or consultant of the Company and in addition, for a period of two (2) years after the date of termination or expiration of this Agreement if the Employee was terminated by the Company for Cause ("Restrictive Period A"), he shall not directly or indirectly:

9.1.1. Solicit, hire or retain any person who then is or has been an employee of or consultant to the Company within the six months prior to the Employee's date of termination or separation, or persuade or entice any such employee or consultant to terminate or lessen the extent of his, her or its relationship with the Company.

9.1.2. Engage in any activity to interfere with, maliciously disrupt or damage the Business of the Company or its relationships with any of its clients, customers, distributors, suppliers, investors or other financial co-venturer or other business relationship.

9.2 In consideration of the rights and benefits hereunder including the Covenant Payment, the Employee agrees that so long as he is an employee or consultant of the Company and in addition, for a period of six months (6) months after the date of termination (but not any expiration) of this Agreement or one (1) year ("Restrictive Period B", together with Restrictive Period A, the "Restrictive Period") if the Employee was terminated by the Company for Cause, engage in, represent, furnish consulting services to, be employed by or possess an interest in, directly or indirectly (e.g., as owner, principal, director, officer, partner, landlord, lender, agent, consultant, shareholder or member), any other business venture of any kind that is engaged in the Company business, or the business of any of the Company's affiliates, or any other business that the Company or its affiliates engages in significantly after the date hereof and defined as a Competing Business; provided, however, that the foregoing shall not restrict the Employee from holding a five percent (5%) or less non-controlling interest in a publicly traded company engaged in a Competing Business and as defined below or if the Employee is consulting or employed by a company or other entity that is engaged in a Competing Business, the Employee does not participate in, supervise, or otherwise support the Competing Business of such other company or entity; provided that this proviso shall not apply to any Specified Competitor. Notwithstanding the foregoing, the Restrictive Period for the Employee shall terminate on the date of the termination or separation of the employment of the Employee if the Employee resigns for Good Reason and the Employee shall not have any obligations under this Section 9 in any such event. A "Competing Business" shall mean any domestic or international pharmaceutical or nutraceutical company which is engaged in the sale, development, research of Carotenoid technologies or products for consumer consumption or any other technologies then currently actively pursued by the Company; including but not limited to any Specified Competitor. For the purposes of this Agreement, the term "Specified Competitor" shall mean each company or entity that is from time to time reasonably designated by the Company by a notice to the Employee after the date hereof which similarly competes with the Company or is referred to in a publicly filed document as a competitor of the Company.

9.3 Following termination of the Employee's employment by the Company for any reason, the Employee shall continue to observe and be bound by his covenants under Section 9.1 for the period provided in Section 9.1; provided that Section 9.1.1 shall not include the hiring of any employees of or consultants to the Company, if such hiring process was conducted anonymously through a third party, it being understood that this provision shall not be applicable to the hiring of senior level employees.

9.4 For purposes of this Section 9, the term "Company" shall include the Company and its affiliates in the Business, including any entity that directly or indirectly controls the business and affairs of the Company.

10. **Specific Enforcement**.

10.1 The Employee is obligated under this Agreement to render services and comply with covenants of a special, unique, unusual and extraordinary character, thereby giving this Agreement peculiar value so that the loss of such service or violation by the Employee of this Agreement could not reasonably or adequately be compensated in damages in an action at law. Therefore, in addition to any other remedies or sanctions provided by law, whether criminal or civil, and without limiting the right of the Company and successors or assigns to pursue all other legal and equitable rights available to them, the Company shall have the right during the Employee's employment hereunder (or thereafter with respect to obligations continuing after the termination of this Agreement) to compel specific performance hereof by the Employee or to obtain temporary and permanent injunctive relief against violations hereof by the Employee, and, in furtherance thereof, to apply to any court with jurisdiction over the parties hereto in accordance with Section 19 to enforce the provisions hereof.

10.2 The Employee waives any requirement for security or the posting of any bond or other surety and proof of damages in connection with any temporary or permanent award of injunctive, mandatory or other equitable relief and further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

11. **Legal Costs and Expenses**. If any party hereto prevails in any proceedings, legal or equitable, to enforce any obligations under this Agreement, such party shall also be entitled to recover all costs and expenses incurred by such party in connection therewith, including reasonable attorneys' and accountants' fees and disbursements.

12. **Assignment**. The rights and duties of the Employee hereunder are not assignable. The Company may assign this Agreement and all rights and obligations hereunder to any third party who becomes a successor to the Company's Business. Upon any such assignment by the Company, the term "Company" as used herein shall be deemed to include any such assignee of the Company, and the assignee shall have the right to enforce all of the Company's rights and remedies hereunder in its own name as if a party hereto in the place and stead of the Company. The Employee agrees to confirm his obligations to any assignee, transferee, licensee or sublicensee of the Company or their successors and assigns (a "Successor Employer") by executing a new contract with such Successor Employer containing substantially the same terms and conditions as herein provided; provided that such Successor Employer also confirms to the Employee all of the Company's obligations as herein provided.

13. **Binding Effect**. This Agreement shall be binding upon the parties hereto and their respective successors-in-interest, heirs and personal representatives and, to the extent permitted herein, the assigns of the Company.

14. **Severability**. If any provision of this Agreement or any part hereof or the application hereof to any person or circumstance shall be finally determined by a court of competent jurisdiction or by any arbitration panel to be invalid or unenforceable to any extent, the remainder of this Agreement, or the remainder of such provision or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, shall not be affected thereby and each provision of this Agreement shall remain in full force and effect to the fullest extent permitted by law. The parties also agree that if any portion of this Agreement, or any part hereof or application hereof, to any person or circumstance shall be finally determined by a court of competent jurisdiction or arbitration panel to be invalid or unenforceable to any extent, then such objectionable provision shall be deemed modified to the extent necessary so as to make it valid, reasonable and enforceable including, without limitation, modification of the restrictive covenants of Section 9 with respect to geography, time or scope of business.

15. **Notices**. Wherever provision is made in this Agreement for the giving of any notice, such notice shall be in writing and shall be deemed to have been duly given if mailed by first class United States mail, postage prepaid, addressed to the party entitled to receive the same or if delivered personally, sent by facsimile transmission (if a facsimile number is provided in this Section 15) or sent by overnight courier to such party at the address specified below:

If to the Company:

Cardax, Inc.
2800 Woodlawn Drive, Suite 129
Honolulu, Hawaii 96822
Attn: Chairman of the Board
Facsimile: (808) 237-5901

With a copy (which shall not constitute notice) to:
Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016
Attn: Richard M. Morris, Esq.
Facsimile: (212) 545-3371

If to the Employee:

to the address that is then on record with the Company for payroll purposes.

or to such other address, in any such case, as any party hereto shall have last designated by notice to each other party.

All such notices, requests and other communications will: (i) if delivered personally to the address as provided in this Section, be deemed given upon delivery; (ii) if delivered by facsimile transmission to the facsimile number as provided in this Section, be deemed given upon the completion of the facsimile transmission, if the receipt is confirmed by the telefax machine; (iii) if delivered by overnight courier, be deemed given upon the first business day after such notice, request or other communication is given to such courier with all charges and fees prepaid and any required signature of the deliveree is waived; and (iv) if delivered by mail in the manner described above to the address as provided in this Section, be deemed given upon receipt (in each case regardless of whether such notice, request or other communication is received by any other person to whom a copy of such notice, request or other communication is to be delivered pursuant to this Section).

16. **Entire Agreement; Amendment**. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior written or oral negotiations, representations, agreements, commitments, contracts or understandings with respect thereto and no modification, alteration or amendment to this Agreement may be made unless the same shall be in writing and signed by both of the parties hereto.

17. **Waivers**. No failure by either party to exercise any of such party's rights hereunder or to insist upon strict compliance with respect to any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver by either party to demand exact compliance with the terms hereof. Waiver by either party of any particular default by the other party shall not affect or impair such party's rights in respect to any subsequent default of the same or a different nature, nor shall any delay or omission of either party to exercise any rights arising from any default by the other party affect or impair such party's rights as to such default or any subsequent default.

18. **Arbitration.** Any dispute or claim arising out of or in connection with your employment with the Company will be finally settled by binding arbitration conducted in accordance with the then-current Hawaii Uniform Arbitration Act Rules (the "Hawaii Rules"), to the extent not inconsistent with the American Arbitration Association (AAA) Rules (as defined below), and pursuant to Hawaii law without reference to rules of conflicts of law or rules of statutory arbitration. The parties agree that any arbitration will be administered by the AAA and that one neutral arbitrator will be selected in a manner consistent with the AAA National Rules for the Resolution of Employment Disputes (the "AAA Rules"). The location of the arbitration shall be in the same city as the Company's headquarters at the time of the arbitration. Except as provided by the Hawaii Rules, arbitration shall be the sole, exclusive, and final remedy for any dispute between the Employee and the Company. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction hereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim relief, or to compel arbitration in accordance with this paragraph, without breach of this arbitration provision. This section shall survive the term of this Agreement, through and including the latter Restrictive Period.

19. **Governing Law**. For purposes of construction, interpretation and enforcement, this Agreement shall be deemed to have been entered into under the laws of the State of Hawaii and its validity, effect, performance, interpretation, construction and enforcement shall be governed by and subject to the laws of the State of Hawaii without reference to its choice of law rules.

20. **Exclusive Jurisdiction**. Subject to the provisions of Section 18, all actions and proceedings arising out of, or relating to, this Agreement shall be heard and determined in any state or federal court sitting in the county of Honolulu, Hawaii. Each of the Company and the Employee, by execution and delivery of this Agreement: (i) expressly and irrevocably consent and submit to the personal jurisdiction of any of such courts in any such action or proceeding; (ii) consent to the service of any complaint, summons, notice or other process relating to any such action or proceeding by delivery thereof to such party by hand or by U.S. certified mail without return receipt requested, delivered or addressed as set forth in Section 15 of this Agreement; and (iii) waive any claim or defense in any such action or proceeding based on any alleged lack of personal jurisdiction, improper venue or forum non conveniens or any similar basis.

21. **Interpretation**. Section titles and headings to sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

22. **Expenses**. Each of the Company, on the one hand, and the Employee, on the other, will pay all of their own costs and expenses incident to the negotiation and preparation of this Agreement.

23. **Miscellaneous**.

23.1 This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

23.2 The Section headings herein are for convenience of reference only and shall not be used to construe the meaning of any provision of this Agreement.

23.3 Any word or term used in this Agreement in any form shall be masculine, feminine, neuter, singular or plural, as proper reading requires. The words “herein”, “hereof”, “hereby” or “hereto” shall refer to this Agreement unless otherwise expressly provided. Any reference herein to a Section or any exhibit or schedule shall be a reference to a Section of, and an exhibit or schedule to, this Agreement unless the context otherwise requires.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

COMPANY:
Cardax, Inc., a Delaware corporation

By: /s/ David G. Watumull
Name: David G. Watumull
Title: Chief Executive Officer

EMPLOYEE:

/s/ Timothy J. King
Timothy J. King, Individually

Exhibit 10.13

JBR
Business Solutions LLC

July 30, 2013

Mr. David G. Watumull
President & CEO
Cardax Pharma Inc.
Manoa Innovation Center
2800 Woodlawn Drive, Suite #129
Honolulu, HI 96822

On behalf of JBR Business Solutions, LLC ("JBR"), I appreciate the opportunity to assist Cardax Pharma Inc. ("Cardax") with CFO services. This letter serves as our engagement letter.

Objectives

The objective of this engagement is to serve Cardax as its Chief Financial Officer.

Scope

The scope of this engagement is outlined as follows:

- Address outstanding accounting issues at the parent company in order to close out the current financial audit.
- Participate in board meetings and investor / earnings calls.
- Assist in the preparation of the 10-Qs and 10-Ks.
- Develop and apply internal controls necessary to ensure SOX compliance.
- Manage the relationships with your external auditor, tax advisor and accounting staff.
- Assist with maintaining the budget and cash forecasting.

Project Approach

On an ongoing basis, JBR will visit Cardax's office to review support documents (contracts, invoices, bills, and journal entries), and be available to discuss new finance and accounting matters with management. Occasionally, JBR plans to bring support documents to JBR's office and work remotely.

Deliverables

JBR's deliverables are as follows:

- Resolution to open accounting issues as identified with the current external auditor.
- Accounting and financial reporting related sections of the 10-Qs & 10-Ks.
- Implementation and monitoring of internal controls.
- Monthly accounting close, annual budget, and cash forecast reports.

Cardax's Responsibilities
Cardax must deliver all financial records and other information necessary for preparation of the Deliverables.

Other Matters

JBR will provide the services in accordance with the terms and conditions mutually acceptable to the parties, it being agreed that such services are not intended to be an audit, examination, attestation, compilation, special report or agreed-upon procedures engagement as those services are defined in American Institute of Certified Public Accountants (AICPA) literature applicable to such engagements conducted by independent auditors. Accordingly, these services will not result in the issuance of a written communication to third parties by JBR directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

All services to be provided by JBR shall be personally provided by John B. Russell unless otherwise approved by Cardax, which approval shall not be unreasonably withheld.

Timing and Professional Fees
I am prepared to start work upon receipt of a signed copy of this engagement letter. Our rate for this service is an aggregate of $7,000 a month, payable by Cardax. All of the fees are exclusive of any travel related out-of-pocket expenses and related Hawaii general excise tax. If the servies begin in July or August, the fee for such month will be prorated.

Terms and Conditions
The term of this engagement is for one (1) year with an option to extend for an additional one (1) year term. Either party may terminate the engagement with a 30 day written notice of termination. Cardax may terminate this Agreement upon notice of any breach or default by JBR.

* * * * *

If the terms of this engagement letter as set forth above are acceptable to you, please indicate your acceptance and authorization for JBR to proceed with the related work by signing this letter in the appropriate space and returning a copy of the signed letter to me.

Very Truly Yours,

JBR Business Solutions, LLC

/s/ John B. Russell

John B. Russell
Managing Partner

ACCEPTED

Company: Cardax Pharma Inc.

By: /s/ David G. Watumull
David G. Watumull, President and Chief Executive Officer

Date: 7/31/2013

Exhibit 10.14

Agreement for Services as the Executive Chairman

This agreement (this "Agreement") is made this 7th day of February, 2014 by and among: (i) Cardax, Inc., a Delaware corporation with its principal offices at 2800 Woodlawn Drive, Suite 129, Honolulu, HI 96822 that was formerly known as Koffee Korner, Inc. (the "Company"); and (ii) Nicholas Mitsakos (the "Executive Chairman").

WHEREAS, prior to the date of this Agreement, the Executive Chairman provided good and valuable services to the predecessor of the Company, Cardax Pharma, Inc., a Delaware corporation that is now a wholly owned subsidiary of the Company ("Pharma"); and

WHEREAS, effective on the date of this Agreement, the Executive Chairman has been elected to the position of Chairman of the Board of Directors (the "Board") of the Company and will provide good and valuable services to the Company and Pharma, including services and the executive chairman of the Board, serving on committees of the Board and continuing as the executive chairman and member of the board of directors of Pharma;

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Company and the Executive Chairman agree as follows:

1. Services. From and after the date of this Agreement and during the Term (as defined below) of this Agreement, the Executive Chairman shall provide services to the Company and Pharma as the executive chairman of each entity and provide services to committees of the Board, as from time to time reasonably determined by the Board. The Executive Chairman will also provide similar services to any other subsidiary that may be organized by the Company. The Executive Chairman shall provide such time and attention to the performance of his duties in such capacity as the Executive Chairman in good faith determines is required. As a member of the Board, the Executive Chairman shall have such duties to the Company and its stockholders as required under applicable law, giving full force and effect to provisions of the certificate of incorporation of the Company. The services provided by the Executive Chairman under this Agreement need not be performed at the offices of the Company and may be performed at any location as determined from time to time by the Executive Chairman.

2. Compensation. As compensation for the services provided under this Agreement, the Executive Chairman shall receive: (i) a grant of 2,762,121 stock options under the terms and conditions of the Company's 2014 Equity Compensation Plan and the Grant and Stock Option Agreement (collectively, the "Option Documents"), which vest as follows: (A) 50% shall vest on the date of this Agreement; and (B) the remaining 50% shall vest in 12 months, in equal monthly installments, in arrears; and (ii) an annual cash compensation amount equal to $240,000 (the "Annual Payment Amount") payable on the same dates as the Company's normal payroll payments. The Annual Payment Amount may be increased by the Company. The Executive Chairman is responsible for payments of all taxes on the compensation payable to him under the terms of this Agreement other than taxes assessed by the State of Hawaii on such amounts, which such taxes shall be paid by the Company as and when due and payable. The Company may withhold any taxes or other payroll deductions to the extent that the Company is required to withhold such amounts under applicable law.

3. Term of Agreement. This Agreement has a one (1) year term, commencing on the date hereof, that automatically renews unless either party notifies the other party that the then current term will not be renewed at least ninety (90) days prior to the expiration of such current term. The initial term of this Agreement as the same may be renewed is referred to as the "Term".

4. Termination and Severance.

4.1. This Agreement may be terminated by the Company upon notice to the Executive Chairman at any time within 30 days after the Company has knowledge that the Executive Chairman has committed conduct constituting Cause. This Agreement may be terminated by the Executive Chairman at any time if the Company breaches or is in default of any of its obligations under this Agreement or any other obligation to the Executive Chairman as a member of the Board and: (i) such breach or default is not cured on or prior to five (5) business days after the date the Executive Chairman provides notice of such breach or default; or (ii) such breach or default occurs three or more times during any 365 day period. Any such termination by the Executive Chairman is referred to as termination for "Good Reason". For the purposes of this Agreement, the term "Cause" shall mean any of the following conditions occurred, and after a determination by the Board (without participation by the Executive Chairman) that such condition occurred, was not cured: (i) the Executive Chairman commits (A) a breach of his fiduciary duty to the Company or any of its affiliates, to the extent such duty is owed, (B) gross negligence, or (C) willful misconduct; or (ii) the Executive Chairman violates the internal procedures or policies of the Company in a manner which has a material adverse effect on the reputation, business of the Company such as conduct constituting employment discrimination or sexual harassment, which, in each case, is not cured in all material respects by the Executive Chairman within 30 days after notice thereof.

4.2. In addition to any other compensation and benefits provided by the Company to the Executive Chairman, if this Agreement is terminated by the Company for any reason other than for Cause or the Executive Chairman terminates this Agreement for Good Reason then the Executive Chairman shall have the right to an amount equal to the then Annual Payment Amount of the Executive Chairman which shall be payable monthly in arrears, on or prior to ten (10) days after each month.

5. Assignment. The rights and duties of the Executive Chairman hereunder are not assignable. The Company may assign this Agreement and all rights and obligations hereunder to any third party who becomes a successor to the Company. Upon any such assignment by the Company, the term "Company" as used herein shall be deemed to include any such assignee of the Company, and the assignee shall have the right to enforce all of the Company's rights and remedies hereunder in its own name as if a party hereto in the place and stead of the Company.

6. Binding Effect. This Agreement shall be binding upon the parties hereto and their respective successors-in-interest, heirs and personal representatives and, to the extent permitted herein, the assigns of the Company.

7. Severability. If any provision of this Agreement or any part hereof or the application hereof to any person or circumstance shall be finally determined by a court of competent jurisdiction or by any arbitration panel to be invalid or unenforceable to any extent, the remainder of this Agreement, or the remainder of such provision or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, shall not be affected thereby and each provision of this Agreement shall remain in full force and effect to the fullest extent permitted by law. The parties also agree that if any portion of this Agreement, or any part hereof or application hereof, to any person or circumstance shall be finally determined by a court of competent jurisdiction or arbitration panel to be invalid or unenforceable to any extent, then such objectionable provision shall be deemed modified to the extent necessary so as to make it valid, reasonable and enforceable including, without limitation, modification of the restrictive covenants of Section 9 with respect to geography, time or scope of business.

8. Arbitration**.** Any dispute or claim arising out of or in connection with your employment with the Company will be finally settled by binding arbitration conducted in accordance with the then-current Hawaii Uniform Arbitration Act Rules (the "Hawaii Rules") and pursuant to Hawaii law without reference to rules of conflicts of law or rules of statutory arbitration. The parties agree that any arbitration will be administered by the AAA. The location of the arbitration shall be in the same city as the Company's headquarters at the time of the arbitration unless otherwise agreed by Company and the Executive Chairman. Except as provided by the Hawaii Rules, arbitration shall be the sole, exclusive, and final remedy for any dispute between the Executive Chairman and the Company. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction hereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim relief, or to compel arbitration in accordance with this paragraph, without breach of this arbitration provision.

9. Notices.

9.1. Wherever provision is made in this Agreement for the giving of any notice, such notice shall be in writing and shall be deemed to have been duly given if mailed by first class United States mail, postage prepaid, addressed to the party entitled to receive the same or sent by overnight courier to such party at the address specified below:

If to the Company:

Cardax, Inc.
2800 Woodlawn Drive, Suite 129
Honolulu, Hawaii 96822
Attn: Secretary of the Board of Directors

If to the Executive Chairman:

to the address maintained by the Company in its books and records as provided by the Executive Chairman.

or to such other address, in any such case, as any party hereto shall have last designated by notice to each other party.

9.2. All such notices, requests and other communications will: (i) if delivered personally to the address as provided in this Section, be deemed given upon delivery; (ii) if delivered by overnight courier, be deemed given upon the first business day after such notice, request or other communication is given to such courier with all charges and fees prepaid and any required signature of the deliveree is waived; and (iii) if delivered by mail in the manner described above to the address as provided in this Section, be deemed given upon receipt (in each case regardless of whether such notice, request or other communication is received by any other person to whom a copy of such notice, request or other communication is to be delivered pursuant to this Section).

10. Governing Law. For purposes of construction, interpretation and enforcement, this Agreement shall be deemed to have been entered into under the laws of the State of Hawaii and its validity, effect, performance, interpretation, construction and enforcement shall be governed by and subject to the laws of the State of Hawaii without reference to its choice of law rules.

11. Exclusive Jurisdiction. Subject to the provisions of Section 8, all actions and proceedings arising out of, or relating to, this Agreement shall be heard and determined in any state or federal court sitting in the county of Honolulu, Hawaii. Each of the Company and the Executive Chairman, by execution and delivery of this Agreement: (i) expressly and irrevocably consent and submit to the personal jurisdiction of any of such courts in any such action or proceeding; (ii) consent to the service of any complaint, summons, notice or other process relating to any such action or proceeding by delivery thereof to such party by hand or by U.S. certified mail without return receipt requested, delivered or addressed as set forth in Section 9 of this Agreement; and (iii) waive any claim or defense in any such action or proceeding based on any alleged lack of personal jurisdiction, improper venue or forum non conveniens or any similar basis.

12. Interpretation. Section titles and headings to sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

13. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

[Remainder of this Page is Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

THE COMPANY

Cardax, Inc.

By: /s/ David G. Watumull
Name: David G. Watumull
Title: Chief Executive Officer

THE EXECUTIVE CHAIRMAN

/s/ Nicholas Mitsakos
NICHOLAS MITSAKOS, Individually

Exhibit 10.15

JOINT DEVELOPMENT AND SUPPLY AGREEMENT

This Agreement is effective on the 15th day of November 2006 (the "Effective Date") by and between

BASF Aktiengesellschaft, 67056 Ludwigshafen, Germany acting also on behalf of its Affiliates (hereinafter referred to as "BASF").

and

Cardax Pharmaceuticals, Inc., Aiea, Hawaii 96701, USA (hereinafter referred to as "Cardax").

BASF and Cardax are referred to herein individually as a "Party" and collectively as the "Parties".

Whereas BASF develops, manufactures, markets and sells high-value performance chemicals, including fine chemicals for the pharmaceutical industry;

Whereas Cardax is developing proprietary pharmaceutical compounds;

Whereas Cardax and BASF are interested in developing a process for the manufacture of the Product (hereinafter defined) with the intention that BASF will manufacture the Product and Cardax will market or license human pharmaceuticals which utilize the Product as a manufacturing intermediate;

Whereas BASF received an inquiry from Cardax to prepare a proposal for process development and manufacturing of 3S, 3'S-Astaxanthin. Cardax intends to use Product as an intermediate in the manufacture of or as an active ingredient in pharmaceutical or nutraceutical products. After signature of the Confidentiality Agreement between Cardax and BASF dated 24.05.05/01.06.05, Cardax provided laboratory information relating to an experimental protocol for the synthesis of homochiral Product and an analytical method for the determination of the Astaxanthin stereoisomers and intermediates;

Now therefore, in consideration of the above, it is hereby agreed as follows:

1. DEFINITIONS

1.1 "Affiliate" shall mean any corporation, company, partnership, joint venture and/or firm which controls, is controlled by, or is under common control with a specified person or entity. For purposes of this definition, "control" shall mean (a) in the case of corporate entities, direct or indirect ownership of more than fifty percent (50%) of the stock or shares having the right to vote for the election of directors, and (b) in the case of non corporate entities, direct or indirect ownership of more than fifty percent (50%) of the equity interest with the power to direct the management and policies of such non-corporate entities.

1.2 "Carotenoid Manufacturing Competitor" shall mean a manufacturer of synthetic carotenoids.

1.3 "Chemical Manufacturing Competitor" shall mean a chemical manufacturing business.

1.4 "Foreground Intellectual Property Rights" mean patents, trade, secrets and other confidential information, database rights, know-how and all other intellectual property and neighboring rights and rights of a similar or corresponding character in any part of the world and all applications for the protection of these rights, which cover Results.

1.5 "Net Nutraceutical Sales" shall mean total invoiced sales, as licensed in Section 4.4, made by BASF or its Affiliates to third parties in any calendar year after deduction of [***].

1.6 "Product" shall mean chemically synthesized 3S, 3'S-Astaxanthin with a specification of [***].

1.7 "Results" shall mean any development or modification in or to the Technology, whether patentable or not, conceived or developed under this Agreement.

1.8 "Technology" shall mean any discovery, invention, know-how, trade secret, sample of material, report, formulation, drawing and/or other works, technical information or data, together with any and all patent rights, relating to the manufacture of Product.

2. CARRYING OUT OF THE PROJECT

2.1 The work, timing, resources, target profiles, milestones and payments for the performance of the work under this Agreement are documented in Appendix 1 of this Agreement. BASF shall use the same diligence and professional standards of performance consistent with those employed for BASF's own affairs in performing the work.

2.2 The Parties agree and understand that the performance of the project within the agreed deadlines depends upon the accurate and timely allocation of necessary resources by both Parties.

2.3 Cardax will advise BASF in due time if the pilot material to be supplied by BASF will be for human clinical use and if the final synthetic step for the manufacture of Product will have to meet cGMP requirements. In the event Cardax requests more than the final synthetic step to be performed in accordance with cGMP, the Parties will negotiate in good faith a reasonable increase of the price for Product, corresponding to the increase in cost of production in order to meet cGMP requirements and a reasonable margin for BASF.

3. CONFIDENTIAL INFORMATION

3.1 All information, plans for research and development, samples, technologies, or other matters disclosed or to be disclosed by either Party to the other in connection with this Agreement (including intermediate and final Results and Foreground Intellectual Property Rights) will be received and held in confidence by the recipient Party and shall be subject to the terms and conditions set forth for the exchange of Confidential Information defined in and covered by the Confidentiality Agreement entered into by and between the Parties on 24.05.05/01.06.05, modified in that the confidentiality obligations shall stay in effect for [***] following the expiration or termination of this Agreement, the laws of the Switzerland shall apply as specified in Section 7.1 hereof, and disputes shall be settled as specified in Section 7.2 hereof. For the avoidance of doubt, the Parties agree that pursuant to Section 6.9 below, the royalty obligations of Section 4.4 hereof shall survive any future expiration of such confidentiality obligations.

3.2 All Confidential Information exchanged under this Agreement shall be used by the receiving Party solely internally within its organization for the performance of the project, as defined in Appendix 1, unless otherwise agreed by the disclosing Party, or explicitly stated otherwise in this Agreement.

3.3 Cardax may provide the Confidential Information to possible investors to the Cardax, but only provided that such investors have signed a confidentiality agreement containing essentially similar provisions of confidentiality as contemplated herein.

4. INTELLECTUAL PROPERTY RIGHTS

4.1 The Parties agree that:

(a) BASF shall have the entire and exclusive worldwide rights, title and interest in and to all Results relating to the manufacture of the Product ("BASF's Interests"). BASF, at its sole discretion and expense, will have the right to prepare, file, prosecute, maintain and enforce patents and patent applications directed to BASF's Interests.

(b) Cardax shall have the entire and exclusive worldwide rights, title and interest in and to all Results relating to the formulation and the pre-clinical and clinical development of the Product as an intermediate in the manufacture of or as an ingredient in human pharmaceutical compounds ("Cardax's Pharmaceutical Interests") or nutraceutical compounds ("Cardax's Nutraceutical Interests") (collectively "Cardax's Interests"). Cardax, at its sole discretion and expense, will have the right to prepare, file, prosecute, maintain and enforce patents and patent applications directed to Cardax's Interests.

4.2 The Parties agree that any invention shall be and become the sole property of the relevant Party, as set out here above, which Party shall have the right to determine whether any application for a patent shall be made and shall have the exclusive benefit throughout the world of all Foreground Intellectual Property Rights, together with the right to maintain, assign or abandon such Foreground Intellectual Property Rights without reference to any other person. The Parties agree to execute and do all things necessary to vest the title and interest in such Foreground Intellectual Property Rights in the relevant Party as set out above, at the expense of said relevant Party, which shall pay the costs of the prosecution of all applications for Foreground Intellectual Property Rights to which it becomes entitled under this Agreement.

The Party intending to file a patent application shall inform the other Party of such intended filing and shall provide the other Party with an opportunity to comment on the text of the patent application, whenever this is possible without endangering protection. Further, not later than thirty days after the filing date, the Party filing the patent application shall furnish the other Party with a copy of the patent application, subject to the provisions of Article 3 here above.

4.3 Each Party shall keep the Results and any Foreground Intellectual Property Rights belonging to the other Party confidential and shall not, except as provided in this Agreement, use them without the prior written consent of the other Party or disclose it to any third party and shall treat it in accordance with the provisions of Article 3 here above.

4.4 Cardax hereby grants a non-exclusive worldwide, nontransferable license to BASF to use Cardax's Nutraceutical Interests (but not Pharmaceutical Interests) for the purpose of development and commercialization (directly or through a third party) of human nutraceutical compounds containing or utilizing Product and to make available to BASF the reasonable assistance of Cardax in designing and conducting clinical studies in the United States therefor all subject to the negotiation and agreement by the Parties of reasonable commercial terms for such license and assistance. Such license shall be subject to the following tiered royalty structure:

(a)

(i) [***]% on Net Nutraceutical Sales < $[***]

(ii) [***]% on Net Nutraceutical Sales of $[***] or more but < $[***]

(iii) [***]% on Net Nutraceutical Sales of $[***] or more but < $[***]

(iv) [***]% on Net Nutraceutical Sales of $[***] or more but < $[***]

(v) [***]% on Net Nutraceutical Sales of $[***] or above

BASF shall have the option to have the license converted to an exclusive license, subject to the following provisions (b)- (d). BASF shall exercise the option by written document at any time, subject to 4.4 (e) below.

(b) Tiered royalty structure

(i) [***]% on Net Nutraceutical Sales < $[***]

(ii) [***]% on Net Nutraceutical Sales of $[***] or more but < $[***]

(iii) [***]% on Net Nutraceutical Sales of $[***] or more but < $[***]

(iv) [***]% on Net Nutraceutical Sales of $[***] or more but < $[***]

(v) [***]% on Net Nutraceutical Sales of $[***] or above

(c) Commercialization obligations

(i) [***]

(ii) [***]

(d) If BASF fails the commercialization obligations, Cardax may terminate by written notice to BASF the exclusivity of the license. In such event, the license shall become non-exclusive and the tiered royalty schedule set out in 4.4 (a) shall apply as of the date of the notice.

(e) If at any time prior to the execution of the option with respect to an exclusive license, Cardax gives BASF written notice that Cardax desires to [***], BASF's right to exercise the option shall [***].

(f) Any license (either non-exclusive or exclusive) granted pursuant to this agreement or contemplated by this agreement to BASF by Cardax for Cardax's Nutraceutical Interests shall terminate [***].

4.5 [***]

4.6 [***]

5. COMMERCIAL EXPLOITATION

5.1 BASF agrees to supply Cardax with up to [***] kg of Product for use by Cardax in preclinical and human clinical trials, to be supplied at the prices and on the terms and conditions set forth in Appendix 1.

5.2 [***], BASF shall exclusively manufacture the Product for Cardax or its licensees for use as an intermediate in the manufacture of or as an ingredient in human pharmaceutical or [***] compounds, and Cardax or its licensee shall exclusively purchase from BASF all of its clinical trial and commercial requirements of Product for such use. The Parties agree that the supply and purchase of Products shall further be governed by the terms outlined in Appendix 2 hereto and such further terms as may be set out in a definitive Supply Agreement to be negotiated in good faith by the Parties and that the Parties shall, prior to the commencement by Cardax of the first [***] of a compound which utilizes [***] as an [***] or as an [***] (the "Supply Date"), conclude a written Supply Agreement in accordance with such terms. In case Cardax decides to transfer Cardax's Interests to a third party, Cardax shall procure that such third party assumes the obligations of Cardax under the Supply Agreement, including the obligation to exclusively purchase the Product from BASF, and, subject to such assumption by the third party, BASF shall perform its obligations under the Supply Agreement for the benefit of the third party, including the obligation to exclusively manufacture the Product for the third party and its licensees.

5.3 In consideration of the rights granted pursuant to this Agreement, except as set forth in Section 4.4 above, BASF shall not, during the term of this Agreement, [***], directly or indirectly through one or more third parties, the [***].

6. TERM AND TERMINATION

6.1 This Agreement is valid as of the date first set forth above (the "Effective Date") and will continue until the end of the third year thereafter. After this initial term of three years, it shall automatically be prolonged by periods of [***] each unless terminated by either Party giving [***] written notice prior to the end of the initial term or any prolongation term.

6.2 In the event that both Parties agree that the Project is not technically or commercially viable, this Agreement may be terminated forthwith, upon decision by the Parties to this effect.

6.3 This Agreement may be terminated immediately by either Party should the other Party be in breach of any material obligation imposed upon it by the terms of this Agreement and shall not have remedied such breach (if capable of remedy) within [***] days of written notice to the other Party specifying the breach and requiring such remedy.

6.4 This Agreement will terminate immediately should any Party to it become insolvent, shall have a receiver appointed or the whole or any material part of its assets or shall have any order made or resolution passed for it to be wound up (otherwise than in furtherance of a scheme for amalgamation or reconstruction details of which shall have been notified to the other Party).

6.5 Each Party may terminate this Agreement if any third party not being an affiliated company of the other Party shall acquire an interest in more than fifty percent of the issued equity share capital or voting capital of the other Party. This provision shall not apply if such an interest in Cardax is acquired by an entity that is not a Chemical Manufacturing Competitor.

6.6 BASF shall be entitled to terminate this agreement in writing without notice period if BASF in its own discretion decides to exit the business of manufacture of Astaxanthin. However, upon request of Cardax, BASF shall make available a stock of Product in order to cover Cardax's requirements for a transition period, [***]. Except as provided in Section 6.8 and in the Supply Agreement, there shall be no compensation rights of Cardax or any third party arising from such termination.

6.7 Either Party may terminate this Agreement in writing without notice period if any of the milestones listed in Appendix 1 hereto is not reached within the timeframe indicated in Appendix 1 plus [***] and the Parties could not agree to a prolongation of such timeframes.

6.8 In the event of termination of this Agreement by either Party in accordance with Sections 6.1 and 6.6, the terminating Party shall, upon request of the other Party, grant the other Party a reasonable royalty-bearing, irrevocable, worldwide, non-exclusive license, with the right to sublicense, to use BASF's Interests (if BASF is the terminating Party) or Cardax's Nutraceutical Interests (but not Cardax's Pharmaceutical Interests) (if Cardax is the terminating Party), including such assistance and advice as may be reasonably required to enable the other Party to exercise the rights licensed to it; excluding, however, the license or transfer of any rights that are not part of the Foreground Intellectual Property Rights.

6.9 The provisions of Sections 3, 4, 6.6, 6.8, 7 and 8 shall survive the expiry or termination of the present Agreement.

7. LAW AND ARBITRATION

7.1 This Agreement shall be governed in all respects by, and be construed and governed in accordance with the laws of Switzerland excluding its conflicts of law principles and excluding any application of the United Nations Convention on the International Sale of Goods.

7.2 If a controversy, claim or dispute arises out of or relates to any provision of this Agreement or the breach thereof, and including the validity of any provisions thereof, the Parties will make all efforts to find a mutually acceptable solution. In the absence of such an agreement within [***] days after the date at which one Party has notified the other Party that a dispute exists, the dispute shall be finally settled, ousting jurisdiction by ordinary courts, by a three-member arbitral tribunal in accordance with the arbitration rules of the International Chamber of Commerce. The unsuccessful party shall bear the costs of the proceedings and the costs and expenses incurred by the successful party for the proper conduct of the matter. Where no party is completely successful, the costs of the proceedings and the costs and expenses incurred by the parties for the proper conduct of the matter shall be shared proportionately. The seat of the arbitration shall be New York City and New York City shall be the location where all proceedings will be conducted. The language for the proceedings shall be the English language.

8. GENERAL PROVISIONS

8.1 Neither Party is entitled to assign, transfer, charge, encumber or otherwise deal with the whole or any part of this Agreement or its obligations hereunder provided, however, that either Party may assign this Agreement, without the consent of the other Party, (i) to any of its Affiliates, if the assigning Party guarantees the full performance of its Affiliates' obligations hereunder, provided however, that the Affiliate shall be obliged to re-assign the Agreement and all rights and obligations thereunder to Cardax once the Affiliate ceases to be an Affiliate of Cardax, or (ii) in connection with the transfer or sale of all or substantially all of the assets or business to which this Agreement relates or in the event of its merger or consolidation with another company, provided however, that BASF shall in such event enjoy the rights of [***] and [***] set out in Section 4.5 and 4.6 herein.

8.2 Other than as specified in this Agreement or otherwise agreed in writing, nothing in this Agreement shall imply, create, grant or transfer any license or authority in respect of any intellectual property including patents, designs, trademarks, copyrights or confidential information or know-how. Except as specified in this Agreement nothing in this Agreement shall be construed as providing a commitment of any kind to enter into or modify any further agreement, undertake or modify any further obligation, accept or modify any liability or purchase any goods or services. This Agreement shall not constitute the Parties partners or either Party the agent of the other for any purpose.

8.3 Other than as specified in this Agreement, the Parties shall at all times be free to engage in research, development and/or supply programmes and agreements with third parties relating to or encompassing their respective know-how, information, data and/or experience.

8.4 Any notices given under this Agreement shall be in writing and sent to the recipient Party's address as indicated at the head of this Agreement.

8.5 This Agreement and any Appendix hereto, as well as the Confidentiality Agreement dated 24.05.05/01.06.05, as expressly modified pursuant to Section 3.1, contain the entire understanding of the Parties as to the subject matter, supersedes all prior and collateral communications, reports and understandings between the Parties relating to the subject matter and cannot be modified except by a written document bearing the signatures of both Parties hereto.

8.6 All communications between the Parties with respect to any of the provisions of this Agreement will be sent to the addresses set out below, or to other addresses as designated by one Party to the other by notice pursuant hereto, by internationally recognized courier or by prepaid certified, air mail (which shall be deemed received by the other Party on the seventh business day following deposit in the mails), or by facsimile transmission or other electronic means of communication

If to BASF, at:

BASF Aktiengesellschaft
[***]
67117 Limburgerhof
GERMANY

If to Cardax at:

Cardax Pharmaceuticals, Inc.
David Watumull
99-193 Aiea Heights Drive Suite 400
Alea, HI 96701

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Made in two originals in Honolulu, Hawaii USA on October 13, 2006.

Cardax Pharmaceuticals, Inc.	BASF Aktiengesellschaft
By: /s/ David G. Watumull	By: [***]
Title: President & CEO	Title: Director Legal Counsel

CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT UNDER RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

APPENDIX I

to the

Joint Development and Supply Agreement

between BASF AG and Cardax Pharmaceuticals, Inc.

The following project proposal was developed based on the Cardax information and on BASF process knowledge for racemic Astaxanthin.

A. Milestones

It is proposed to conduct the project in discrete steps (Milestones). Each milestone will define clear go-no go positions; the completion of the milestones are essential for the successful completion of the project.

Milestone 1.

[***]

Upon acceptance of BASF's proposal by Cardax BASF will provide an updated [***] for the project.

Completion Date: [***] after the Effective Date of this Agreement

Milestone 2.

[***]

Completion Date: [***] weeks after Completion of Milestone 1

Cost: [***] EUR, payment due within [***] days after date of invoice from BASF

Milestone 3.

[***]

Completion Date: [***] weeks, start parallel to Milestone 1; completion after [***]

Cost: [***] EUR, payment due within [***] days after date of invoice from BASF

Milestone 4.

[***]

Completion Date: [***] weeks after Completion of Milestone 3

Cost: [***] EUR. The first payment of [***] EUR will be due within [***] days after BASF has announced the start of its work. After successful completion at BASF's discretion, the second payment of [***] EUR will be due within [***] days after date of invoice from BASF.

Milestone 5.

[***]

Completion Date: Within [***] weeks after successful completion of Milestone 4

Milestone 6.

[***]

[***]kg

Completion Date: [***] weeks after Completion of Milestone 5

Total product cost: [***] EUR; payment due within [***] days after date of invoice from BASF

Or

[***] kg

Completion Date: [***] weeks after Completion of Milestone 5

Total product cost: [***] EUR; payment due within [***] days after date of invoice from BASF

Or

[***] kg

Completion Date: total of [***] weeks after Completion of Milestone 5

Total product cost: [***] EUR; payment due within [***] days after date of invoice from BASF

Additional quantities ([***] kg, [***] weeks per [***] kg) beyond the [***] kg batch: [***] EUR/kg, to be specified as needed and dependent of appropriate timing.

Milestone 7.

[***]

Duration: [***]

Cost: [***]

B. Progress Reports

Upon completion of each milestone BASF will provide Cardax with a written progress report detailing an updated time and cost estimate for the remaining milestones based on the experience made and ask Cardax for clearance to begin the following milestone. In case unforeseen problems occur during elaboration of a milestone, BASF will immediately inform Cardax specifying the effect of such problems on further development and on cost and time estimates any work requiring additional time of more than [***] to complete or additional cost of more than [***]% shall be subject to the prior written approval of Cardax.

C. Payment

Payment by Cardax of the costs associated with each milestone will be due as defined above. If the project is terminated by Cardax, Cardax will pay to BASF all costs reasonably incurred until the date of termination.

APPENDIX 2

To the Joint Development and Supply Agreement

between BASF Aktiengesellschaft and Cardax Pharmaceuticals, Inc.

Terms of Supply of Product

Subject to the negotiation and execution by the Parties of a mutually acceptable

definitive Supply Agreement

A Supply Agreement between the Parties would include, but not be limited to, the following terms:

A. [***], BASF shall exclusively supply the Product to Cardax and its licensees for use as an intermediate in the manufacture of or an ingredient in human pharmaceutical or [***] compound, and Cardax and its licensees shall exclusively purchase their requirements of Product exclusively from BASF or BASF's affiliates for such use, including clinical supplies, and for commercial supplies, for a period of [***] years from the earliest date of commercial introduction of the Product or any compound that contains the Product, subject to earlier termination under the provisions of the Supply Agreement. The term of the Supply Agreement shall be subject to extension upon mutual agreement of the Parties.

B. The purchase price for the Product shall be calculated according to the formula attached hereto as Schedule l. Payment shall be made within [***] days after the date of invoice without any deductions, except as may be specifically set forth in the Supply Agreement.

C. Every [***] months, Cardax will submit to BASF its best estimates of its requirements of Products for the following [***] months period, providing forecasted volumes split by [***]. Cardax undertakes to purchase and take a minimum amount of Products of [***]% of the latest forecast for the [***] concerned ("Minimum Amount"). BASF shall make its reasonable best efforts to meet Cardax's requirements, provided that BASF shall not be required to supply Product in excess of the latest forecast by more than [***]% ([***] percent) and BASF shall not be obliged to sell and deliver more than [***] of Products in any [***] months period. Firm and binding purchase orders for the quantities of Products shall be placed by Cardax in writing at least [***] working days prior to the desired delivery date.

D. Products supplied to Cardax shall conform to the specifications to be agreed upon by the Parties and to requirements of applicable laws and regulations. There is no other warranty or representation of BASF of any kind, especially with regard to the merchantability, the quality or the fitness of the Products for any use and none shall be implied by law.

E. Cardax has the duty to examine the Products upon delivery. Unless claims concerning quality or quantity of Product are raised by Cardax without undue delay within [***] days following receipt of the respective delivery or, in case of hidden defects that cannot be detected upon reasonable inspection, without undue delay following detection, but no later than [***] days after delivery, the Products delivered shall be deemed to be accepted. If the Product does not meet the agreed to specifications, Cardax's sole remedy and BASF's sole liability to Cardax is limited to replacement of the nonconforming Product or payment in an amount not to exceed the purchase price of the specific Product for which damages are claimed, at BASF's option. Except as provided in the patent indemnity below and in any indemnity for third party claims (backed by applicable insurance for Cardax) which the Parties may agree to during Supply Contract negotiations, the liability of either Party to the other Party shall not exceed in the aggregate [***]. Neither Party will in any event be liable for any loss of profits, loss of use, or any indirect, incidental, consequential or special damages of any kind whatsoever.

F. Any and all claims in relation to the delivery of Products, except for claims in case of liability due to death or personal injury, are subject to a statute of limitation of 2 (two) years.

G. BASF shall indemnify Cardax for infringement of third party rights to the extent arising from manufacture of the Product, and Cardax shall indemnify BASF for infringement of third party rights to the extent arising from its further formulation of the Product as well as the manufacture, storage, sale, distribution and any other use of its finished products or intermediates containing the Product.

H. The Supply Agreement shall be governed by and construed in accordance with the substantive laws of the State of New York, USA, including its provisions of the Uniform Commercial Code, but excluding its conflicts of law principles and excluding any application of the United Nations Convention on the International Sale of Goods.

I. Any dispute arising out of or in connection with the supply of Product that cannot be settled amicably between the Parties shall be finally resolved as provided in Section 7.2 of the Agreement.

J. In the event that BASF cannot supply for any reason, BASF shall [***]. As such [***] solely in order to [***] for Cardax, [***]. Upon resolution of the supply interruption, all [***] under this paragraph shall [***] and [***], to assure that Cardax [***]. The following shall be deemed to constitute a failure of supply for this purpose: [***]% of any ordered quantity is not delivered within [***] business days following the committed delivery dates, or if so delivered, is not in material compliance with the agreed specifications.

K. Upon request of Cardax, BASF shall [***], as designated by Cardax, [***], provided that Cardax give BASF sufficient notice and agrees to [***] (a) before Cardax [***], and (b) at the termination or expiration of the Contract.

L. The Supply Agreement shall contain other reasonable and customary provisions including, without limitation, provisions relating to termination, patents and intellectual property, recalls, adverse event reporting, packaging, manner of payment, taxes, determination of compliance with specifications, delivery procedures, inventory, audits and inspections, supply interruption, force majeure, Purchaser financial / credit status, indemnification, indemnification procedures, and regulatory requirements and qualifications.

M. BASF shall be entitled to terminate any supply contract without notice period if BASF in its own discretion decides to exit the business of manufacture of Astaxanthin. There shall be no compensation rights of Cardax or any third party arising from such termination. However, upon request of Cardax, BASF shall make available a stock of Product in order to cover Cardax's requirements for a transition period not to exceed the greater of: [***].

Schedule 1

Purchase price index chemicals (PPIC) BASF AG in [***] is [***].

Purchase price in EUR/kg [***] (Incoterms 2000):

- Volume of [***] but less than [***]:

Purchase price according to Appendix I, Milestone 6

- Volume of [***] or more:

  [***]

AMENDMENT NO. 1

TO

JOINT DEVELOPMENT AND SUPPLY AGREEMENT

This Amendment No. 1 is entered into effective on the 15th day of April 2007 (the "Amendment Effective Date") with respect to the Joint Development and Supply Agreement entered into effective the 15th day of November, 2006 (the "JDSA") by and between

BASF Aktiengesellschaft, 67056 Ludwigshafen, Germany acting also on behalf of its Affiliates (hereinafter referred to as "BASF").

and

Cardax Pharmaceuticals, Inc., Aiea, Hawaii 96701, USA (hereinafter referred to as "Cardax").

BASF and Cardax are referred to herein individually as a "Party" and collectively as the "Parties".

Whereas, BASF develops, manufactures, markets and sells high-value performance chemicals, including fine chemicals for the pharmaceutical industry;

Whereas, Cardax is developing proprietary pharmaceutical compounds;

Whereas, the JDSA involves the joint development and supply of 3S, 3'S Astaxanthin (defined for purposes of this Amendment as the "Original Product" and defined in the JDSA as the "Product") which can be used as an intermediate in the manufacture of an active ingredient in pharmaceutical products or as a nutraceutical product;

Whereas, Cardax has developed and owns an active pharmaceutical ingredient 3S, 3'S Astaxanthin-[***] (the "New Product") which can be manufactured using the Original Product as an intermediate;

Whereas, pursuant Section 4.1(b) of the JDSA, Cardax owns the exclusive rights to the formulation and pre-clinical and clinical development of the Original Product as an intermediate in the manufacture of an active ingredient in pharmaceutical products, including the New Product as such a pharmaceutical product;

Whereas, the Parties desire that Cardax market or license the New Product as a pharmaceutical product (but not as a nutraceutical product) and that BASF manufacture and supply the New Product to Cardax and its licensees for this purpose.

Now therefore, in consideration of the above, it is hereby agreed as follows:

1. BASF agrees to supply the New Product exclusively to Cardax or its licensees under the same terms and conditions as contained in the JDSA and its Appendix 2 entered into between the Parties for the Original Product, except as outlined in Section 2 below.

2. For avoidance of doubt, the Parties acknowledge and agree that the New Product is not a [***].

3. The milestone plan and feasibility costs for the New Product shall be as set forth in Appendix 1 to this Amendment No. 1. Pricing for [***] (Milestone 4), [***] (Milestone 5), [***], and [***] of the New Product shall be [***].

4. Subject to the foregoing, the JDSA shall continue in full force and effect in accordance with the provisions thereof.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 as of the Amendment Effective Date set forth above.

Made in two originals in Ludwigshafen on April 24, 2007.

Cardax Pharmaceuticals, Inc.

By: /s/ Thomas H. Goodin

Title: VP Preclinical and Clinical Operations

BASF Aktiengesellschaft

By: [***]

Title: DIRECTOR

By: [***]

Senior Counsel IP

APPENDIX I

to the

Extension of the Joint Development and Supply Agreement

between BASF AG and Cardax Pharmaceuticals, Inc.

The following project proposal was developed based on the Cardax information and on BASF process knowledge for 3S,3'S-Astaxanthin-[***].

A. Start Date

It is agreed between Cardax Pharmaceuticals and BASF AG that the project shall start 15, April 2007.

B. Milestones

It is proposed to conduct the project in discrete steps (Milestones). Each Milestone will define clear go-no go positions; the completion of the Milestones are essential for the successful completion of the project.

Milestone 1.

[***]

Completion Date: [***]

Cost: [***] €, payment due within [***] days after date of invoice from BASF

Deliverables: Monthly progress reports

Go/No go decision (to proceed to Milestone 2 and in parallel Milestone 3, or to extend Milestone 1, or stop)

Milestone 2.

[***]

Completion Date: [***]

Go/No go decision (to proceed or stop)

[***]

Milestone 3.

[***]

Cost: [***] €, payment due within [***] days after date of invoice from BASF

Completion Date: [***]

Milestone 4.

[***]

Completion Date: [***]

Cost and payment schedule: [***]

Milestone 5.

[***]

Completion Date: [***]

Cost and payment schedule: [***]

C. Progress Reports

Upon completion of each Milestone BASF will provide Cardax with a written progress report detailing an updated time and cost estimate for the remaining Milestones based on the experience made and ask Cardax for clearance to begin the following Milestone. In case unforeseen problems occur during elaboration of a Milestone, BASF will immediately inform Cardax specifying the effect of such problems on further development and on cost and time estimates any work requiring additional time of more than [***] to complete or additional cost of more than [***] % shall be subject to the prior written approval of Cardax.

D. Payment

Payment by Cardax of the costs associated with each Milestone will be due as defined above. If the project is terminated by Cardax, Cardax will pay to BASF all costs reasonably incurred until the date of termination.

Cardax Pharma, Inc.
2800 Woodlawn Drive, Suite 129, Honolulu, HI 96822
telephone 808.457.1400 fax 808.237.5901
www.cardaxpharma.com

January 14, 2014

BASF SE
Carl-Bosch-Straße 38
67056 Ludwigshafen
Germany

We refer to the Joint Development and Supply Agreement (as amended or supplemented, the "Agreement") dated with effect on the 15th day of November, 2006 by and between BASF SE (formerly named BASF Aktiengesellschaft), acting also on behalf of its Affiliates (collectively, "BASF") and Cardax Pharmaceuticals, Inc., a Delaware corporation ("Cardax Holdings"). Cardax Pharma, Inc., a Delaware corporation ("Pharma"), is a subsidiary of Cardax Holdings. On May 31, 2013, Pharma assumed all of the obligations and was assigned all of the rights of Cardax Holdings.

By executing and delivering to us a copy of this letter, you agree that:

(1) all rights and obligations of Cardax Holdings under the terms of the Agreement have been assigned to, and assumed by, Pharma and, accordingly, all references to "Cardax" in the Agreement shall be a reference to Pharma; and

(2) BASF has previously exercised its option in Article 4.4 of the Agreement to convert the non-exclusive license to use Cardax's Neutraceutical Interests (as defined in the Agreement) into an exclusive worldwide license in accordance with the terms of the Agreement.

We look forward to continuing our long-standing relationship with you.

Sincerely,

/s/ David G. Watumull
David G. Watumull
President and CEO

[continued on the following page]

Accepted and agreed as of the date
of this letter first written above.

BASF SE

/s/ Ceransui
Name: Ceransui
Title: SVP

/s/ Corinna Klopprogge
Name: Dr. Corinna Klopprogge
Title: Senior Counsel IP
Global Intellectual Property

Exhibit 10.16

PLACEMENT AGENT AGREEMENT

between CARDAX

PHARMA, INC. and
PORTFOLIO ADVISORS ALLIANCE, INC.

January 3, 2014

Defined Terms Cross Reference Table

Accredited Investors	Section 1(a)
Action	Annex A
Agreement	Annex A
Cash Fee	Section 3(b)(i)(A)
Closing	Section 2
Closing Date	Section 2
Commission	Section 1(d)
Companies	Section 4(d)
Company	Annex A, Page 1
Company Counsel	Section 8(a)(ii)
Concurrent Offering	Section 1(e)
Convertible Notes	Section 1(a)
Covered Investors	Section 10(a)
Damages	Annex A
Escrow Account	Section 1(c)
Escrow Agent	Section 1(c)
Exchange Act	Section 4(a)
Existing Secured Note Purchasers	Section 4(p)
FINRA	Section 5(a)
Holdings	Section 4(c)
Indemnified Person	Annex A
Indemnified Persons	Annex A
Intellectual Property Rights	Section 4(e)
Material Adverse Effect	Section 4(d)
Merger Agreement	Section 4(c)
Money Laundering Laws	Section 4(v)
Non-Accountable Expense Allowance	Section 3(b)(i)(B)
Non-Solicitation and ‘Tail’	Section 3(e)
Non-Solicitation Period	Section 10(a)
Note Shares	Section 1(a)
OFAC	Section 4(u)
Offering	Section 1(a)
Offering Shares	Section 1(a)
Officers Certificate	Section 8(a)(iii)
Permit	Section 4(f)
Placement Agent	Annex A, Page 1
Placement Agent Fee	Section 3(b)(i)(B)
Placement Agent Warrants	Section 3(b)(ii)
Pubco Sub	Section 4(c)
Public Filings	Section 4(b)
Public Parent	Section 1(a)

Public Parent Common Stock	Section 1(a)
Purchasers	Section 1(b)
Registration Limitation	Section 12(a)
Registration Statement	Section 12(a)
Regulation D	Section 1(d)
Regulation S	Section 1(d)
Reverse Merger	Section 4(c)
Securities	Annex A
Securities Act	Section 1(a)
Subscription Agreement	Section 1(b)
Units	Section 1(e)
Warrant	Section 1(a)
Warrant Shares	Section 1(a)

CARDAX PHARMA, INC.
2800 Woodlawn Drive, Suite 129
Honolulu, Hawaii 96822

$2,076,000 in Principal Amount
of Convertible Unsecured Promissory Notes

PLACEMENT AGENT AGREEMENT

January 3, 2014

Portfolio Advisors Alliance, Inc.
330 Madison Avenue, 6th Floor
New York, New York 10017

Ladies and Gentlemen:

Cardax Pharma, Inc., a Delaware corporation (the "Company"), hereby confirms its agreements with Portfolio Advisors Alliance, Inc., a California corporation (the "Placement Agent"), as follows:

Section 1. The Offering.

(a) The Company proposes to issue and sell (the "Offering") to selected accredited investors ("Accredited Investors"), as that term is defined in Rule 501(a) of the Securities Act of 1933 (the "Securities Act"), $2,076,000 in aggregate principal amount of convertible unsecured promissory notes of the Company (the "Convertible Notes"), with each such Convertible Note in the form attached as Exhibit II to the Subscription Agreement (as defined in Section 1(b) hereof). Upon consummation of the Reverse Merger (as hereinafter defined), each Convertible Note and the interest accrued thereunder shall be converted automatically into (i) shares of the common stock, par value $0.001 per share (the "Public Parent Common Stock"), of Koffee Korner, Inc., a Delaware corporation (such entity, or, in lieu thereof, any other applicable public company (in the Company's reasonable discretion) with which the Company effects a reverse merger transaction similar in effect to the "Merger" described elsewhere herein, the "Public Parent") that will change its name to Cardax, Inc. upon consummation of the Reverse Merger, at a conversion price of sixty-two and one-half cents ($0.625) for each share of the Public Parent Common Stock; and (ii) a warrant (each, a "Warrant" and, collectively, the "Warrants"), in the form attached as Exhibit I to the Subscription Agreement, to purchase for five years a number of shares of Public Parent Common Stock determined by dividing the initial principal amount of the applicable Convertible Note by $0.625. The shares of Public Parent Common Stock issuable by the Public Parent upon conversion of the Convertible Notes offered and sold in the Offering are hereinafter referred to as the "Note Shares"; the shares of Public Parent Common Stock underlying the Warrants that will be issued at the time of the Reverse Merger upon conversion of the Convertible Notes are hereinafter referred to as the "Warrant Shares"; and the Note Shares and the Warrant Shares are collectively hereinafter referred to as the "Offering Shares."

(b) The Company shall enter into a subscription agreement in the form attached hereto as Exhibit A (the "Subscription Agreement") with respect to each sale of Convertible Notes in the Offering. Persons offering to subscribe for and who thereafter purchase Convertible Notes are referred to herein as "Purchasers." The Company reserves the right to refuse to sell Convertible Notes to any person at any time prior to the Company's written acceptance of the applicable Subscription Agreement for such person. The Company's acceptance of any subscription shall be irrevocable unless the Placement Agent consents otherwise or any representation and warranty of the applicable Purchaser shall not be true and correct. The Closing of the sale of the Convertible Notes in the Offering will take place in accordance with Section 3 hereof.

(c) Proceeds received from prospective Purchasers for the purchase of Convertible Notes initially will be deposited in an escrow account ("Escrow Account") with Signature Bank, as escrow agent (the "Escrow Agent"), pursuant to that certain escrow deposit agreement dated as of November 18, 2013 and amended as of January 2, 2014 between the Company, the Placement Agent and the Escrow Agent, and will be released only pursuant to the terms of Section 2 hereof.

(d) Neither the offer for sale nor the sale of the Convertible Notes has been or will be registered with the United States Securities and Exchange Commission (the "Commission"). The Company and the Placement Agent shall each conduct all of their activities with respect to the Offering in a manner that will ensure that the Convertible Notes will be offered for sale, and sold in reliance upon, the exemptions from the registration requirements of Section 5 of the Securities Act provided by the provisions of Regulation D promulgated thereunder ("Regulation D"), or if permitted by the Company Regulation S promulgated under the Securities Act ("Regulation S"), and the Company will file all appropriate notices of the Offering with the Commission on Form D with respect to the Offering. In addition, the Company shall obtain all "Blue Sky" and state securities registrations, qualifications, approvals or exemptions therefrom and take all necessary action and file all necessary forms and documents in order to qualify or register all or a portion of the Convertible Notes for offer or sale in such states as the Placement Agent shall reasonably request or effect the exemption therefrom; provided, however, that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action which would subject it to service of process in suits, other than those arising out of the offering or sale of the Convertible Notes. If permitted by the Company, the offering of the Convertible Notes may be made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by the provisions of Regulation S, in which case, the Purchaser will be required to agree to certain restrictions with respect to the sale of any Note Shares or Warrant Shares in the United States.

(e) The Placement Agent acknowledges that the Company is currently conducting a concurrent offering (the "Concurrent Offering") of units ("Units") of shares of Public Parent Common Stock and warrants to be issued by the Public Parent. In the Concurrent Offering, the Units will be offered and sold for the same offering price as the conversion price of the Notes being offered and sold in the Offering described in this Agreement (i.e., $0.625 per share), and the warrants to be issued by the Public Parent in the Concurrent Offering will be exercisable at the same exercise price per share as the exercise price of the Warrants to be issued upon conversion of the Convertible Notes being offered and sold in the Offering described in this Agreement (i.e., $0.625 per share) and have other similar terms and conditions as the Warrants.

(f) The Company and the Placement Agent agree that Agincourt Ltd., and its subagent Paulson Investment Company, Inc. will not receive any compensation described in Section 3 hereof with respect to the sale of the Convertible Notes offered hereby except as specifically contemplated in Section 3(b)(i)(C) hereof. Further, the Placement Agent agrees that it will not receive any compensation described in Section 3 hereof with respect to the securities being offered and sold in the Concurrent Offering that were introduced to the Company by any such Person. On or prior to the closing of the Concurrent Offering, Agincourt Ltd. shall confirm to the Placement Agent that the investors in the Concurrent Offering were introduced to the Company by Agincourt Ltd.; provided, however, that it is acknowledged and agreed by the Placement Agent that neither Holdings, the Company nor the Public Parent nor any of their respective affiliates shall be responsible for any breach of the obligations of Agincourt, Ltd under this sentence and the obligations under this sentence shall be the sole obligation of Agincourt Ltd.

Section 2. Closing. At such time as the Company has accepted subscriptions from one or more Purchasers for such amount as the Company and the Placement Agent shall agree will be the closing amount, the Company and the Placement Agent shall, subject to the satisfaction of the conditions of closing required by Section 8(a) hereof, agree upon a date and time for a closing at which the Company shall issue and sell to the Purchasers the Convertible Notes subscribed for in the applicable Subscription Agreements (the "Closing"). The Closing is anticipated to occur on January 3, 2014, provided that such date may be extended by mutual agreement between the Company and the Placement Agent. The date of the Closing is referred to in this Agreement as the "Closing Date."

Section 3. Retention and Compensation of Placement Agent.

(a) The Company hereby engages the Placement Agent as its agent to solicit subscriptions for the Convertible Notes to be sold in the Offering in accordance with the terms of this Agreement, and the Placement Agent hereby accepts such engagement and agrees to use its reasonable best efforts to solicit such subscriptions. The Placement Agent shall cause each of its prospective Purchasers to evidence its intent to subscribe for Convertible Notes by the completion and execution of a Subscription Agreement and the related documents referred to therein.

(b) At the Closing (or, in the case of the warrants referred to in item (ii) below, upon the closing of the Reverse Merger), the Company will pay the following:

(i) A cash fee from the gross purchase price of the Convertible Notes sold at the Closing to Purchasers introduced, identified, sourced or in any other way brought to the attention of the Company by the Placement Agent, as follows:

(A) To the Placement Agent, seven percent (7%) of such gross purchase price (the "Cash Fee");

(B) To the Placement Agent, a non-accountable expense allowance equal to three percent (3%) of such gross purchase price (the "Non-Accountable Expense Allowance") and collectively with the Cash Fee, the "Placement Agent Fee"), and

(C) To Agincourt Ltd. (a registered broker-dealer with a prior placement agent relationship with the Company), in lieu of any other compensation to which it may otherwise be entitled with respect to the Offering from the Company or the Public Parent under any separate agreement, a manager's fee of three percent (3%) of such gross purchase price; and

(ii) To the Placement Agent, five-year warrants to acquire four hundred ninety-eight thousand, two hundred forty (498,240) shares of the Public Parent's common stock, which warrants will have an exercise price of $0.625 per share, will have a cashless exercise feature, and will provide customary anti-dilution protection for structural changes in the issuer's capitalization, such warrants to be in the form attached hereto as Exhibit B (the "Placement Agent Warrants").

(c) For the avoidance of doubt, no compensation shall be payable to the Placement Agent under this Agreement with respect to any Units sold to current investors in the Company or to the purchasers in the Concurrent Offering.

(d) The wire transfer instructions for all cash payments to the Placement Agent are as follows:

Account Name:
Bank:
Phone:
ABA Routing #:
Account #:

(e) The Placement Agent shall also be entitled to compensation as contemplated in Section 10 hereof ("Non-Solicitation and 'Tail'"), if applicable.

(f) The Company shall pay the Placement Agent's reasonable costs and expenses in connection with the Offering, including, but not limited to, travel, mail, overnight packages, copying, printing and legal fees. For this purpose, the fees and expenses of the Placement Agent's legal counsel, Troutman Sanders LLP, are estimated to be in the range of $60,000 to $75,000 (and shall not exceed such amount without the Company's prior written consent) in connection with the Offering; it is acknowledged that Pharma has previously paid the amount of $20,000 of such fees and expenses.

Section 4. Representations and Warranties of the Company. The Company represents and warrants to the Placement Agent, for the benefit of the Placement Agent and the Purchasers, as follows:

(a) The Public Parent is registered as a reporting company under the Securities and Exchange Act of 1934 (the "Exchange Act"). The Public Parent has taken no action intended to, or that would terminate, or would be likely to have the effect of terminating, the registration under the Exchange Act, nor has the Public Parent received any notification that the Commission is contemplating terminating such registration.

(b) The documents filed by the Public Parent (the "Public Filings") with the Commission since May 29, 2012, at the time they were filed with the Commission, complied in all material respects with the requirements of the Securities Act, the Exchange Act, and the rules and regulations promulgated thereunder, as applicable. The Public Filings do not include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) As promptly as practicable after the date hereof (assuming that the closing conditions of the Merger Agreement may be satisfied and there would not be a breach or default by Public Parent under the Merger Agreement), the Company will cause a merger (the "Reverse Merger") to be consummated between Cardax Acquisition, Inc., a Delaware corporation and a wholly-owned subsidiary of the Public Parent ("Pubco Sub"), and the Company, with the Company being the surviving corporation of the Reverse Merger and becoming a wholly owned subsidiary of the Public Parent. The Reverse Merger will be consummated pursuant to the Agreement and Plan of Merger dated as of November 27, 2013 (as such agreement may be amended, the "Merger Agreement"), by and among the Company, Pubco Sub, Cardax Pharmaceuticals, Inc., a Delaware corporation ("Holdings"), and Pharma. Pursuant to the Merger Agreement, the parties thereto will give effect to the transactions described on Schedule 1 attached hereto.

(d) Each of the Company and the Purblic Parent (together, hereinafter, the "Companies") is a corporation duly organized and validly existing under the laws of the state of Delaware with full corporate power and authority to own, lease and operate its respective properties and to conduct its respective business as presently conducted, and is duly registered and qualified to conduct its business and is in good standing in each jurisdiction or place where the nature of its properties or the conduct of itsbusiness requires such registration or qualification, except where the failure to so register or qualify would not reasonably be expected to have a Material Adverse Effect. For purposes of this Agreement, a "Material Adverse Effect" shall mean a material adverse effect on the condition (financial or other), business, properties, net worth or results of operations of the Company or the Public Parent.

(e) The Company owns or possesses or has valid rights to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses, inventions, trade secrets and similar rights ("Intellectual Property Rights") necessary for the conduct of the business of the Company as currently carried on.

(f) The Company is engaged in the development of certain carotenoid products, in particular a synthetic form of astaxanthin, directly and through agreement with BASF, Aktiengesselschaft, a German chemical company. Each of the Companies (i) has all permits, licenses, franchises, approvals, consents and authorizations of governmental or regulatory authorities or private persons or entities (hereinafter "permit" or "permits") as are necessary to own its properties and to conduct its business in the manner currently conducted, except where the failure to have obtained any such permit has not and will not have a Material Adverse Effect, and (ii) has fulfilled and performed all of its obligations with respect to each such permit in all material respects.

(g) The Company has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder, including without limitation the obligation to issue the Convertible Notes at the Closing hereunder. The execution and delivery of this Agreement and the performance by the Company of its obligations hereunder have been duly and validly authorized by all necessary action on the part of the Company, including its board of directors, and this Agreement has been duly executed and delivered by the Company and constitutes the valid and legally binding agreement of the Company, enforceable against the Company in accordance with its terms.

(h) The execution and delivery of the Merger Agreement and the performance by the Public Parent, PubCo Sub, the Company, Holdings and any other party thereto of its respective obligations thereunder and the transactions contemplated thereby were duly and validly authorized by all necessary action on the part of each such entity, its board of directors and its stockholders, as applicable, and the Merger Agreement was duly executed and delivered by Public Parent, PubCo Sub, the Company, Holdings and any other party thereto and constitutes the valid and legally binding agreement of each of such parties, enforceable against such party in accordance with its terms.

(i) The outstanding shares of Public Parent Common Stock, and all securities and other agreements or obligations of the Public Parent that represent the right to acquire shares of Public Parent Common Stock, in each case to be outstanding on the effective date of the Reverse Merger following (i) the consummation of the Reverse Merger, (ii) the conversion of the Convertible Notes offered and sold hereby, (iii) the conversion of the convertible secured notes offered and sold by the Company in a private placement transaction during 2013, (iv) the conversion of the convertible secured notes issued by the Company to prior investors in Cardax Pharmaceuticals, Inc. during 2013, and (v) the issuance of any shares of Public Parent Common Stock in the Concurrent Offering, are as set forth on Schedule 2 attached hereto (subject to the assumptions set forth in such Schedule). All of such shares of Public Parent Common Stock to be issued as shown on Schedule 2, will have been duly authorized and validly issued, and are fully paid and nonassessable. Except as described on Schedule 2, including without limitation the authorization of the Company to issue options and other awards under its Equity Incentive Plan, the Public Parent will not have outstanding any shares of Public Parent Common Stock or preferred stock, or any options to purchase, any warrants to subscribe for, or any other securities or obligations convertible into or exchangeable for, or any contracts or commitments to issue or sell, or otherwise providing the right to acquire, any shares of Public Parent Common Stock or preferred stock of the Public Parent or any rights of any kind that would allow the holder thereof to acquire any such options, warrants, securities or obligations; provided, however, that the Placement Agent acknowledges and agrees that the actual capitalization of Public Parent may be changed (but in any event not by an amount that in the aggregate would change the fully diluted shares by more than 5% or such other amount as may be agreed to by the Placement Agent) to reflect stock or warrants issued to other persons involved in the Reverse Merger or the transactions related thereto or the number of shares that will be held by stockholders of Public Parent prior to the closing of the Reverse Merger. The Placement Agent accepts the changes between Schedule 3.2(b) to the Subscription Agreement and Schedule 2 of this Agreement for the purposes of Section 3.1(b) of the Subscription Agreement.

(j) When issued and sold in accordance with the terms hereof and the applicable Subscription Agreements, the Convertible Notes will be validly authorized by all necessary action on the part of the Company, including its board of directors. Assuming that the Reverse Merger is effected in accordance with the terms of the Merger Agreement, when issued upon conversion of the Convertible Notes, the Note Shares, the Warrants issuable by the Public Parent upon such conversion and the Warrant Shares issuable upon exercise of the Warrants will be duly and validly authorized by all necessary action on the part of the Public Parent, including its board of directors. Assuming that the Reverse Merger is effected in accordance with the terms of the Merger Agreement, when issued upon conversion of the Convertible Notes, the Note Shares will be duly authorized, validly issued, fully paid and nonassessable shares of Public Parent Common Stock. Assuming that the Reverse Merger is effected in accordance with the terms of the Merger Agreement, when issued upon exercise of the Warrants in accordance with their terms, the Warrant Shares will be duly authorized, validly issued, fully paid and nonassessable shares of Public Parent Common Stock.

(k) Immediately following the Reverse Merger, except for the Company, the Public Parent will not have any subsidiaries or own a material interest in or control directly or indirectly any other domestic of foreign corporation, limited liability company, limited partnership, general partnership, joint venture, association, trust or other business organization, provided that on or promptly after the Closing, the Company, distribute all of the shares of Koffee Korner's Inc., a Texas corporation, to Nazneen D'Silva.

(l) All offers and sales of the capital stock and debt or other securities of the Company and of the Public Parent prior to the date hereof were made in compliance with the Securities Act and all other applicable state and federal laws and regulations, or any actions under the Securities Act or any state or federal laws or regulations in respect of any such offers or sales are barred by effective waivers or statutes of limitation.

(m) Assuming the compliance by the Placement Agent with its obligations under Sections 5 and 7 of this Agreement, the sale of the Convertible Notes in the Offering is exempt from the registration requirements of the Securities Act.

(n) There is no material action, suit, inquiry or proceeding by or before any court or governmental or other regulatory or administrative agency or commission pending or, to the knowledge of the Company, overtly threatened against or involving the Company or any of its property or assets, nor, to the knowledge of the Company, is there any investigation by any governmental or other regulatory or administrative agency or commission against the Company or any of its property or assets, nor is there any reasonable basis for any such action, suit, inquiry, proceeding or investigation.

(o) Neither the issuance and sale of the Convertible Notes, the execution or delivery of this Agreement nor the consummation by the Company or the Public Parent of the transactions contemplated hereby (i) violates any agreement to which the Company or the Public Parent is a party, or (ii) requires any consent, approval, authorization or other order of or registration or filing with, any person or entity, including without limitation any court, regulatory body, administrative agency or other governmental body, agency or official (except such as may be required for the compliance with the securities or "Blue Sky" laws of various jurisdictions, all of which shall have been obtained or timely filed and obtained and except for filings with respect to the Reverse Merger that will be made on the effective date of the Reverse Merger).

(p) On the effective date of the Reverse Merger, no person or entity, including without limitation any holder of any securities of the Public Parent or the Company or any rights exercisable for or convertible or exchangeable into securities of the Public Parent or the Company or any of their affiliates, has the right to require the Public Parent or the Company to register any such securities of the Public Parent or the Company under the Securities Act or to include any such securities in a registration statement to be filed by the Public Parent or the Company, except for shares of Public Parent Common Stock issued to the holders who purchased or otherwise acquired senior secured convertible notes from the Company in a private placement in 2013 (the "Existing Secured Note Purchasers") and purchasers of Units in the Concurrent Offering or others who purchase Units and placement agents and others who receive securities issued by the Public Parent in connection with the Reverse Merger or any issuance of securities by Pharma. Subject to the Registration Limitation (as hereinafter defined in Section 12), the Company agrees to file a registration statement to include the Note Shares and the Warrant Shares to be offered on a delayed or continuous basis.

(q) The Company is covered by insurance in such amounts and covering such risks as is adequate for the conduct of its business and the value of its properties and as is customary for companies engaged in similar businesses in similar industries.

(r) The Company is not, and after consummation of the Reverse Merger the Public Parent will not be, an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an investment company within the meaning of the Investment Company Act of 1940, as amended.

(s) Each of the Company and the Public Parent has complied with all federal, state, local, and foreign laws, ordinances, administrative or government rules or regulations, and of any decree of any court or governmental agency or body having jurisdiction over the Company or the Public Parent, as applicable, except where the failure to comply with any such laws or requirements has not, and will not, have a Material Adverse Effect.

(t) Neither the Company nor the Public parent, nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or the Public Parent, nor any other person acting on behalf of the Company or the Public Parent, has, directly or indirectly, given or agreed to give any money, gift or similar benefit (other than legal price concessions to customers in the ordinary course of business) to any customer, supplier, employee or agent of a customer or supplier, or official or employee of any governmental agency or instrumentality of any government (domestic or foreign) or any political party or candidate for office (domestic or foreign) or other person who was, is, or may be in a position to help or hinder the business of the Company (or assist it in connection with any actual or proposed transaction) that would be reasonably likely to pose a material risk of subjecting the Company or the Public Parent to any damage or penalty in any civil, criminal or governmental litigation or proceeding. Each of the Company the Public Parent has taken reasonable steps to ensure that its accounting controls and procedures are sufficient to cause the Company and the Public Parent to comply in all material respects with the Foreign Corrupt Practices Act of 1977.

(u) Neither the Company nor the Public Parent nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or the Public Parent or any other person acting on behalf of the Company or the Public Parent, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), and the Company will not, directly or indirectly, use the proceeds of the Offering hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(v) The operations of the Company and its the Public Parent are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental entity (collectively, the "Money Laundering Laws"); and no action, suit or proceeding by or before any governmental entity involving the Company or the Public Parent with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(w) The Company maintains, and the Public Parent will maintain, a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorizations; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any material differences.

(x) There are no business relationships or related party transactions involving the Company or the Public Parent except transactions on terms that are not materially less favorable to the Company or the Public Parent than could have been obtained in an arms-length transaction with unrelated third parties and investments by officers or directors in the Company and as otherwise previously disclosed to the Placement Agent.

(y) The board of directors of the Company are Nicholas Mitsakos, Frank C. Herringer and David G. Watumull. It is expected that the board of directors of the Public Parent upon the consummation of the Reverse Merger will be the same individuals.

Section 5. Representations and Warranties of the Placement Agent. The Placement Agent represents and warrants to the Company as follows:

(a) The Placement Agent is duly registered pursuant to the provisions of the Exchange Act, as a broker-dealer and is in good standing with the Financial Industry Regulatory Association ("FINRA") and is duly registered as a broker-dealer in those states in which the Placement Agent is required to be so registered in order to carry out the Offering contemplated hereby, and there are no orders issued or, to the knowledge of the Placement Agent, proposed to be issued against the Placement Agent by FINRA or any state or other regulatory authority having jurisdiction over the Placement Agent that would prevent it from conducting the Offering contemplated hereby.

(b) The execution and delivery of this Agreement and the performance by the Placement Agent of its obligations hereunder have been duly and validly authorized by the Placement Agent, and this Agreement has been duly executed and delivered by the Placement Agent and constitutes the valid and legally binding agreement of the Placement Agent, enforceable against the Placement Agent in accordance with its terms.

(c) The Placement Agent is a duly organized and validly existing corporation partnership under the laws of the State of California.

(d) The disclosure regarding the Placement Agent or its principals in the Subscription Agreement accurately discloses all actions or matters referred to in Section 506(d) of Regulation D with respect to the Placement Agent or any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with such sale of securities in the Offering that is associated with, an executive officer or owner of the Placement Agent.

Section 6. Covenants of the Company. The Company covenants and agrees with the Placement Agent, for the benefit of the Placement Agent and the Purchasers, as follows:

(a) Each certificate, if any, evidencing the Convertible Notes, the Note Shares, the Warrants or the Warrants Shares, or, if applicable, any advice from the Company's transfer agent evidencing the ownership of any such securities in book- entry form on the records of the transfer agent's Direct Registration System or otherwise, shall, until such time as the same is no longer required under the applicable requirements of the Securities Act, bear substantially the following legend (along with such other legends as the Placement Agent and its counsel reasonably deem necessary), and the Company shall cause its transfer agent to issue stop transfer instructions with respect to such securities:

> "THE SECURITIES [EVIDENCED BY THIS CERTIFICATE] [DESCRIBED HEREIN] HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") OR APPLICABLE STATE SECURITIES LAWS (THE "STATE ACTS"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT, THE STATE ACTS AND ANY OTHER APPLICABLE SECURITIES LAWS UNLESS, IN THE WRITTEN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, WHICH OPINION SHALL BE IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION IS EXEMPT FROM REGISTRATION OR IS OTHERWISE IN COMPLIANCE WITH THE ACT, THE STATE ACTS AND ANY OTHER APPLICABLE SECURITIES LAWS."

(b) During the course of the Offering, until the Closing Date, except to the extent agreed by the Placement Agent, the Company shall not, and the Company shall cause the Public Parent not to, make any offers, offers to sell, offers of sale or sales of the shares (or any notes, warrants, stock or other securities of or interests in the Public Parent) other than in accordance with the terms hereof or in connection with the Concurrent Offering or to current investors in Holdings.

(c) The Company will apply the net proceeds from the sale of the Convertible Notes as described in the Subscription Agreement.

(d) Until the Closing Date, and thereafter with specifically respect to the Offering, the Company will not issue any press release, grant any interview, or otherwise communicate with the media in any manner whatsoever without the Placement Agent's express prior written consent, which shall not be unreasonably withheld. Notwithstanding the foregoing, the Company may make any press release or other statements that it reasonably believes is consistent with the obligations of a public company.

(e) The Company acknowledges that the Placement Agent and its affiliates are in the business of, among other things, providing financial advisory and consulting services and agrees that the provision of such services to other persons and entities (including, but not limited to, a direct and/or indirect competitor of the Company or the Public Parent), shall not constitute a breach of any duty owed to the Company or the Public Parent by virtue of this Agreement or otherwise.

Section 7. Expenses of Sale. In addition to payment of certain of the Placement Agent's legal fees and expenses as contemplated in Section 3(f) hereof, the Company shall bear all other fees, disbursements and expenses in connection with the Offering and the matters contemplated hereby, including, without limitation, the Company's legal and accounting fees and disbursements, the costs of issuing Convertible Notes and the underlying securities, the fees and expenses of any transfer agent or registrar for the Convertible Notes and the underlying securities, reasonable costs and expenses of qualifying or exempting the Offering under the "Blue Sky" laws of the states specified by the Placement Agent or the Company, and the costs related to the Company management's participation in any roadshow or investor presentations (including slides, consultants, travel and lodging expenses of representatives and officers of the Company, aircraft and other transportation costs).

Section 8. Conditions to the Placement Agent's Closing Obligations. The Placement Agent's obligations to direct the Escrow Agent to release funds for the Closing shall be subject to the accuracy of and compliance with, as of the date hereof and as of the date of such Closing, the Company's representations, warranties and covenants contained in Sections 2 and 4 hereof, the performance by the Company of its obligations hereunder required to be performed on or before such Closing, and to the following further conditions:

(i) Since September 30, 2013, there shall not have occurred any material and adverse change, or any development involving or which would reasonably be expected to involve a potential future material and adverse change, in the condition (financial or other), business, properties, net worth prospects or results of operations of the Company or the Public Parent.

(ii) The Placement Agent shall have received (for its benefit and the benefit of the Purchasers) an opinion, dated as of the date of the Closing, of the law firm of Herrick Feinstein LLP ("Company Counsel"), coveringsuch customary corporate matters (pertaining to the Company) regarding corporate existence and good standing, authorizations, validity, enforceability, no violations and the like, as to the absence of a requirement to register the Securities under the Securities Act and with respect to any such other matters as the Placement Agent may reasonably request.

(iii) The Placement Agent shall have received a certificate, dated the date of the Closing, from the Chief Executive Officer of the Company with respect to certain corporate matters, confirming the continued accuracy of the Company's representations and warranties hereunder and the performance by the Company with the agreements and covenants required to be performed at or prior to the date of such certificate and with respect to other customary matters satisfactory in form and substance to the Placement Agent and its counsel (the foregoing, an "Officers Certificate").

(iv) The Company shall have furnished to the Placement Agent such further certificates and documents as the Placement Agent shall reasonably request.

Section 9. Conditions to the Company's Closing Obligations. The obligations of the Company shall be subject to the accuracy of and compliance with, as of the date hereof and on each Closing Date, the representations, warranties and covenants contained in Sections 2 and 5 hereof.

Section 10. Non-Solicitation and "Tail."

(a) For a period of 24 months from the date of the final Closing under the Offering (the "Non-Solicitation Period"), the Company shall not, and it shall cause each of its subsidiaries and other affiliates not to, solicit any offer to buy from or offer to sell to any of the persons (individuals and/or entities) first introduced to the Company by the Placement Agent who are Purchasers under the Subscription Agreement (the "Covered Investors"), any securities of the Company or of any subsidiary or other affiliate or any other person or entity, either directly or indirectly through any selling agent, placement agent, broker or dealer or other person or entity, without, in each case, providing for and making the payment of the compensation to the Agent described in Section 10(c) hereof. The Company agrees that the Placement Agent shall be entitled to the Placement Agent Fee and Placement Agent Warrants (or (if applicable) a cash fee and warrants as near as possible thereto) with respect to any securities of the Company or the successor or (as applicable) the securities of any other entity that are sold during the Non-Solicitation Period as a result of any such solicitation to any of the Covered Investors.

(b) During the Non-Solicitation Period, the Company shall not give the names or other information of the Covered Investors to any other broker dealer or selling or placement agent; provided, however, it shall not be a violation of this provision if the Company includes the names and other information regarding the Covered Investors in any public filing made by the Company as may be required by law, including but not limited to filings that the Company may make with Commission or if the Company provides the names of Covered Investors to persons that are entitled to such information under applicable law (after appropriate demand or request by any such person, as applicable). Without limitation of the foregoing, the Company shall cause its legal counsel and other representatives to use their best commercially reasonable efforts to redact names and other identifying information from all closing binder materials prepared in connection with the Offering.

(c) The Placement Agent understands that: (i) Cardax may disclose information about Covered Investors to Agincourt, Ltd. but (ii) Agincourt may not solicit such Covered Investors for securities transactions, it being acknowledged and agreed by the Placement Agent that neither Holdings, the Company nor the Public Parent nor any of their respective affiliates shall be responsible for any breach of clause (ii) of this paragraph by Agincourt, Ltd.

(d) Upon receipt of written request by the Placement Agent, the Company shall promptly deliver to the Placement Agent the names of any persons with whom the Company completes a subsequent financing within 24 months from the date of the Closing that were introduced to the Company by the Placement Agent and who become investors in the Offering.

(e) This provision shall survive termination of this Agreement.

(f) By signing below, Agincourt, Ltd. agrees that it shall not, and it shall cause all of its affiliates, agents, sub-agents and representatives not to, directly or indirectly solicit any offer to buy from, or offer to sell to, any of the persons (individuals and/or entities) introduced to Cardax by the Agent who become investors in the Offering, any securities of any person or entity (other than Cardax or its Successor as may be permitted under Section 10(a) hereof), either directly or indirectly through any selling agent, placement agent, broker or dealer or other person or entity. Further Agincourt, Ltd. shall not give the names or other information of the subscribers to any other broker dealer or selling or placement agent. This provision shall survive termination of this Agreement. The Agent acknowledges and agrees that this Section 10(f) is a separate covenant of Agincourt, Ltd. and that Cardax is not responsible for any breach hereof by Agincourt, Ltd.

(g) In the event that either Cardax or Agincourt, directly or through any agent or other person, violates any provision applicable to them under this Section 10, the Placement Agent shall be entitled (in addition to any other rights the Placement Agent may have in law or equity) to treble damages with respect to such violation which shall consist of three times the fee and three times the warrants that would have been payable to the Agent if it had given its consent to such solicitation; provided, however, that such penalty shall not be enforced if there is a good faith dispute by the Company as to whether such compensation is payable to Placement Agent and the Company first offers to mediate (and then mediates) any dispute to determine whether such compensation is in fact payable with JAMS or other mediation service reasonably specified by the Placement Agent and the dispute is amicably resolved in such mediation.

Section 11. Indemnification.

(a) The Company hereby agrees to the provisions with respect to the indemnification of the Placement Agent and related parties and other matters set forth in Annex I, which is incorporated herein by reference as if a part hereof. The Company's obligations as set forth in such Annex I shall survive any termination of this Agreement.

(b) All representations, warranties, covenants and agreements of the Company and the Placement Agent herein or in certificates delivered pursuant hereto, and the indemnity agreement contained in Section 11(a) hereof (and Annex A hereto), shall survive the execution and delivery of this Agreement and the Closings and shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Placement Agent or any controlling person thereof, the Company or any of its officers, directors, or any controlling persons.

Section 12. Registration.

(a) As promptly as possible after the Closing, and in any event on or prior to the seven-month anniversary of the effective date of the Reverse Merger, the Company shall cause the Public Parent to prepare and file with the Commission, (prior to the filing by the Public Parent of any other registration statement after the effective date of the Reverse Merger other than a registration statement for the issuance of securities for cash or a registration statement on Form S-4), a registration statement (the "Registration Statement") covering the resale of all of the Note Shares and all of the Warrant Shares, and such other outstanding shares of Public Parent Common Stock (and outstanding securities convertible, exercisable or exchangeable for Public Parent Common Stock) as the Board of the Public Parent may determine in its discretion. Such registration shall be for an offering to be made on a delayed or continuous basis pursuant to Rule 415 and each holder of such registrable shares shall be required to provide such information as the Public Parent reasonably requires for inclusion in such Registration Statement and shall sell such registered shares in accordance with the plan of distribution provided in such Registration Statement. The obligations of the Public Parent to include Note Shares and Warrant Shares or any other shares included in such Registration Statement in any such registration shall be subject to the limitations of applicable law (which include comments by the Commission with respect to any such registration statement), including without limitation, any restriction on the number of such shares so that such offering is not deemed an offering by or on behalf of the Company or other restriction on the use of Rule 415 with respect to such registration statement (the "Registration Limitation"). Subject to the Registration Limitation, the Company shall cause the Public Parent to use its reasonable efforts to give priority to the Note Shares and the Warrant Shares equal to all other securities included in the Registration Statement (for example, and without limitation, if by virtue of a Commission comment the number of shares included in the Registration Statement must be reduced, then the number of shares of each holder whose shares are included in the Registration Statement would be reduced by the same percentage, except where, by virtue of Commission rules and regulations, the shares of different holders would be required to be treated differently and as a result different percentages of shares would be accepted by the Commission in such registration statement).

(b) Subject to the Registration Limitation and the last sentence of Section 12(a) hereof, the Company shall use its reasonable efforts to cause the Registration Statement, or a successor registration statement, if applicable, to be declared effective by the Commission as promptly as possible after the filing thereof, and shall use its reasonable efforts to keep the Registration Statement, or a successor registration statement, if applicable, continuously effective under the Securities Act until the date that all shares covered thereby have been sold or can be sold publicly under Rule 144 without volume limitations by the holders of such shares assuming that such holders are not affiliates of the Public Parent as defined under Rule 144.

(c) The Company shall notify the Investors in writing promptly (and in any event within two trading days) after receiving notification from the Commission that the Registration Statement has been declared effective.

(d) The Company shall not, from the date hereof until the effective date of the registration statement referred to above, prepare and file with the Commission a registration statement relating to an offering for its own account under the Securities Act of any of its equity securities, unless such registration statement includes all of the Note Shares and Warrant Shares offered and sold hereby.

(e) With a view to making available the benefits of certain rules and regulations of the Commission which may at any time permit the sale of the Note Share and Warrant Shares to the public without registration or pursuant to a registration on Form S-3, assuming that the Reverse Merger is effected in accordance with the terms of the Merger Agreement, the Company shall cause the Public Parent to use its reasonable efforts to:

(i) Make and keep public information available, as those terms are understood and defined in Rule 144, at all times;

(ii) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(iii) Furnish to any Purchaser forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of Rule 144, the Securities Act and the Exchange Act, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents of the Company as a Purchaser may reasonably request in availing itself of any rule or regulation of the Commission allowing a Purchaser to sell any such securities without registration.

Section 13. Termination. The appointment and authorization of the Placement Agent shall expire on the Closing but in any event on January 4, 2014, unless such date is extended by written agreement of the Company and the Placement Agent. In addition, either the Company or the Placement Agent shall have the right to terminate this Agreement at any time by giving the other party at least 10 days prior written notice. Notwithstanding the foregoing, the provisions of Sections 3(f), 7, 11, and 14 through 21 shall survive any expiration or any termination of this Agreement pursuant to this Section 13 or otherwise.

Section 14. Notices. All notices or communications hereunder, except as herein otherwise specifically provided, shall be in writing and if given to Placement Agent, shall be mailed, delivered via courier or by facsimile or e-mail to the parties at the following addresses:

If to the Placement Agent, to:

Portfolio Advisor Alliance, Inc.
330 Madison Avenue, 6th Floor
New York, New York 10017
Telephone: 212-812-8900
Facsimile: 212-867-1993
E-Mail: kwasserman@allenps.com
Attention: Ms. Kerri Wasserman,
Chief Compliance Officer

With a copy to:

Timothy I. Kahler, Esq.
Troutman Sanders,
LLP The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Telephone: (212) 704-6169
Fax: (212) 704-5948
E-Mail: timothy.kahler@troutmansanders.com

If to the Company, to:
Cardax Pharma, Inc.
2800 Woodlawn Drive, Suite 129
Honolulu, Hawaii 96822
Telephone: (808) 457-1400
Facsimile: (808) n237-1509
E-Mail: DWatamull@cardaxpharma.com
Attention: Mr. David G. Watamull,
President and Chief Executive Officer

With a copy to:

Richard M. Morris, Esq.
Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016
Telephone: (212) 592-1432
Facsimile: (212) 545-3371
Email: RMorris@Herrick.com

The Company or the Placement Agent may change its address for receiving notices by giving written notice to the other party.

Section 15. Parties. This Agreement shall inure to the benefit of and be binding upon the Placement Agent and the Company, and each of their respective successors and assigns. In addition, the representations and warranties of the Company under Section 4 and the covenants of the Company in Section 6 hereof and Section 12 hereof shall also be for the direct benefit of the Purchasers, each of whom shall be an intended third party beneficiary of this Agreement for such purposes and shall have the right to enforce this Agreement directly against the Company. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person or corporation, other than the parties hereto and their respective successors and assigns, controlling persons, officers and directors and counsel referred to in this Agreement, any legal or equitable right, remedy or claim under or in respect to this Agreement or any provision herein contained.

Section 16. Severability. Every provision in this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder hereof.

Section 17. Captions. The captions or headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provisions hereof.

Section 18. Applicable Law. This Agreement shall be governed by, construed and interpreted under the law of the state of New York other than any provision thereof that would result in the application of the law of any other jurisdiction; for the avoidance of doubt, this choice of governing and applicable law is made in reliance on Sections 5-1401 and 5-1402 of the New York General Obligations Law.

Section 19. Prior Agreements. This Agreement is the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, verbal or written, covering such subject matter, including the Financial Representative Agreement dated November 8, 2013, as amended.

Section 20. Limitations. The Company acknowledges and agrees that (i) the Placement Agent and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, and (ii) the Placement Agent has not provided any legal, accounting, regulatory or tax advice with respect to the Offering and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

Section 21. Counterparts. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile, e-mail or other electronic means shall constitute effective execution and delivery of this Agreement by the parties hereto and may be used in lieu of the original signatures pages to this Agreement for all purposes.

[The remainder of this page is intentionally blank.]

If the foregoing correctly sets forth our understanding, please so indicate in the space provided below for that purpose whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

CARDAX PHARMA, INC.

By:/s/ David G. Watumull
Name: David G. Watumull
Title: President and
Chief Executive Officer

CONFIRMED as of the date first set forth above.

PORTFOLIO ADVIS RS ALLIANCE, INC.

By: _____
Name: Kerri Wasserman
Title: Chief Compliance Officer
and Authorized Signatory

Agincourt Ltd. hereby consents and agrees to the matters set forth in Section 10 above as of the date first set forth above.

AGINCOURT LTD.

By: _____
Name: James J. Cahill
Title: Managing Director

[Signature Page to Placement Agent Agreement]

If the foregoing correctly sets forth our understanding, please so indicate in the space provided below for that purpose whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

CARDAX PHARMA, INC.

By:_____
Name: David G. Watumull
Title: President and
Chief Executive Officer

CONFIRMED as of the date first set forth above.

PORTFOLIO ADVIS RS ALLIANCE, INC.

By: /s/ Kerri Wasserman
Name: Kerri Wasserman
Title: Chief Compliance Officer
and Authorized Signatory

Agincourt Ltd. hereby consents and agrees to the matters set forth in Section 10 above as of the date first set forth above.

AGINCOURT LTD.

_____
Name:
Title:

[Signature Page to Placement Agent Agreement]

If the foregoing correctly sets forth our understanding, please so indicate in the space provided below for that purpose whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

CARDAX PHARMA, INC.

By: _____
Name: David G. Watumull
Title: President and
Chief Executive Officer

CONFIRMED as of the date first set forth above.

PORTFOLIO ADVIS RS ALLIANCE, INC.

By: _____
Name: Kerri Wasserman
Title: Chief Compliance Officer
and Authorized Signatory

Agincourt Ltd. hereby consents and agrees to the matters set forth in Section 10 above as of the date first set forth above.

AGINCOURT LTD.

By: /s/ James J. Cahill
Name: James J. Cahill
Title: Managing Director

[Signature Page to Placement Agent Agreement]

ANNEX A

This Annex A is attached to and incorporated by reference into the Placement Agent Agreement (the "Agreement") between the Company, Inc., a Delaware corporation (the "Company"), and Portfolio Advisors Alliance, Inc., a California corporation (the "Placement Agent"), dated January 3, 2014. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

The Company hereby agrees to indemnify and hold harmless the Placement Agent and its affiliates, and the respective directors, officers, partners, controlling persons (within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended), agents, sub-agents, and employees of the Placement Agent or any of its affiliates (the Placement Agent and each such other person or entity being referred to individually as an "Indemnified Person" and, collectively, as "Indemnified Persons"), to the fullest extent lawful, from and against any and all Damages (as hereinafter defined) directly or indirectly related to or arising out of the Offering, the Convertible Notes sold therein and the Note Shares and Warrant Shares that may be issued upon the conversion of the Convertible Notes (together with the Convertible Notes, the "Securities") or any information contained in the Offering Materials or otherwise provided by the Company, the Company's employees or other agents, which either the Company or an Indemnified Person provides to any person or entity, or otherwise directly or indirectly in connection with, arising out of, based upon, or in any way related to the engagement of the Placement Agent under the Agreement or any transaction, thing or conduct in connection therewith, including without limitation the Offering and the Securities. The Company will not, however, be responsible for any Damages, or any associated counsel fees or expenses, that are finally determined in the manner specified by the Agreement (and not subject to further review) to have resulted from the Placement Agent's or other Indemnified Person's bad faith, willful misconduct or gross negligence.

"Damages" means any and all losses, Actions (as hereinafter defined), damages, judgments, assessments, investigation costs, settlement costs, fines, penalties, arbitration awards and any other liabilities, costs, fees and expenses, including without limitation all documented out of pocket costs and expenses, including reasonable counsel fees and disbursements, in connection with investigating, preparing for and defending any Action to which the Placement Agent or any other Indemnified Person is named as a party or is reasonably anticipated to become a party thereto, whether or not in connection with any pending or threatened Action, caused by or arising out of or in connection with the Placement Agent acting pursuant to the Agreement or otherwise relating to the Offering or the Securities.

"Action" means any formal or informal action, case, claim, litigation, appeal, hearing, inquest, investigation, arbitration, mediation, inquiry or other proceeding (including, without limitation, stockholder actions).

If multiple claims are brought against an Indemnified Person, with respect to at least one of which indemnification is permitted under applicable law and provided for under the terms of this Annex A, the Company agrees that all Damages associated therewith, including any judgment or award against such Indemnified Person in connection therewith, shall be conclusively deemed to be based on claims as to which indemnification is permitted and provided for hereunder, except to the extent the judgment or award expressly states that it, or any portion thereof, is based on a claim as to which indemnification is not available.

The Company also agrees that neither the Placement Agent nor any other Indemnified Person shall have any liability to the Company for, in connection with or arising out of the engagement of the Placement Agent under the Agreement except for any such liability for Damages, including attorneys fees, incurred by the Company that are finally determined in the manner specified by the Agreement (and not subject to further review) to have resulted from the Placement Agent's or other Indemnified Person's bad faith, willful misconduct or gross negligence.

In no event shall the Company or any Indemnified Person be responsible for any special, indirect or consequential damages incurred by the other; provided that nothing in this sentence shall be deemed to (i) relieve the Company of any obligation it may otherwise have hereunder to indemnify an Indemnified Person for any such damages asserted by an unaffiliated third party or (ii) relieve the Placement Agent of any liability it may otherwise have hereunder to the Company for any such damages which the Company becomes legally obligated to pay to an unaffiliated third party.

In the event that the foregoing indemnity is unavailable (except by reason of the bad faith, willful misconduct or gross negligence of the Placement Agent or an Indemnified Party), then the Placement Agent and the Company shall contribute to amounts paid or payable by the Indemnified Parties, in respect of the Damages sustained or incurred by the Indemnified Parties, in such proportion as appropriately reflects the relative benefits received by, and the relative fault of, the Placement Agent and the Company in connection with the matters as to which such Damages relate and other equitable considerations; provided, however, that in no event shall the amount to be contributed by the Placement Agent exceed the amount of the Placement Agent Fees actually received by the Placement Agent in cash from the Company under the terms of the Agreement.

The Company will not, without the Placement Agent's prior written consent (which shall not be unreasonably withheld), consent to the entry of any judgment in or otherwise seek to terminate any Action in respect of which indemnification may be sought hereunder (if any Indemnified Person is a party, or reasonably anticipated to become a party, thereto) unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Person from all Damages arising out of such Action. No Indemnified Person seeking indemnification, reimbursement or contribution hereunder will, without prior written consent the Company, which consent shall not be unreasonably withheld, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action in respect of which indemnification may be sought hereunder.

Promptly after receipt by an Indemnified Person of notice of its involvement in any Action, the Placement Agent shall, if a claim for indemnification in respect thereof is to be made against the Company hereunder, notify the Company of such involvement; provided, however, that the failure to so notify the Company shall not relieve the Company of any liability that it may have under the provisions of this Annex A except to the extent that it has been prejudiced in any material respect by such failure, or from any liability which it may otherwise have to the Indemnified Parties.

If an Indemnified Person is entitled to indemnification under this Annex A with respect to any action or proceeding brought by a third party, the Company shall be entitled to assume the defense of any such action or proceeding with counsel reasonably satisfactory to the Indemnified Person. Upon assumption by the Company of the defense of any such action or proceeding, the Indemnified Person shall have the right to participate in such action or proceeding and to retain its own counsel, but the Company shall not be liable for any legal expenses of other counsel subsequently incurred by such Indemnified Person in connection with the defense thereof unless the Company shall have failed to employ counsel reasonably satisfactory to the Indemnified Person in a timely manner. the Company shall not have any obligation to pay for more than one counsel of the Indemnified Persons.

Exhibit 10.17

PORTFOLIO ADVISORS ALLIANCE, INC.
330 Madison Avenue, 6th Floor
New York, New York 10016
Tel.: (212) 812-8900 / (800) 804-2595
Fax: (212) 867-1993

January 3, 2014

Cardax Pharma, Inc.
2800 Woodlawn Drive, Suite 129
Honolulu, Hawaii 96822
Attention: Mr. David G. Watumull,
President and Chief Executive Officer

Re: Financial Consulting Agreement

Dear Mr. Watumull:

This financial consulting agreement (this "Agreement") sets forth the terms upon which Cardax Pharma, Inc., a Delaware corporation (and unless the context otherwise requires, from and after the Commencement Date (as hereinafter defined), PubCo, including any of their respective successors thereto, the "Company"), shall engage Portfolio Advisors Alliance, Inc., a California corporation (the "Consultant"), which is a registered broker-dealer and a member of the Financial Industry Regulatory Authority, on a non-exclusive basis and during the Term (as hereinafter defined) to perform services related to financial consulting and public relations matters as more particularly set forth herein. We acknowledge that our non-exclusive right to act as the Company's financial and public relations advisor is with the consent of Agincourt Ltd. (which consent is evidenced by its signature below) whose prior existing commitment from the Company to serve as the Company's exclusive financial advisor will continue in effect following the termination of the Consultant's services hereunder. In addition, with the consent of Agincourt, Ltd., the Consultant is, concurrently herewith, entering into a Placement Agent Agreement relating to the Consultant's services as placement agent for a private placement (the "Private Placement") of securities of the Company.

1. Services. Commencing on the Commencement Date, the Consultant shall act as a non-exclusive advisor to the Company with respect to financial and public relations matters, and in that capacity the Consultant shall perform such services related to financial and public relations matters (the "Services") as may be reasonably requested by the Company from time to time, which services may include, but will not necessarily be limited to:

(a) advice regarding obtaining financing, including introducing the Company to accredited investors, which may be corporations, partnerships, mutual funds, hedge funds, investment partnerships, securities firms, lending and other institutions and entities, as well as select high net worth individuals for the purposes of providing financing in the form of equity or equity-linked securities of the Company or a combination of the foregoing (a "Corporate Financing Transaction");

(b) advice regarding the financial structure of the Company or its divisions or any programs and projects undertaken by any of the foregoing;

(c) counsel to the Company regarding its overall strategy and related activities within the financial community;

(d) advice regarding proposed press releases by the Company;

(e) assistance to the Company with the preparation and revision of presentation materials for meetings with the investment community; and

(f) such other services as the Company may reasonably request of the Consultant from time to time.

In addition, from time to time, subject to scheduling availability, the Consultant shall:

(i) meet with the financial community on behalf of Company;

(ii) survey key analysts, brokers and institutional investors:

(iii) arrange meetings between Company's senior management and members of the financial community, including individual meetings, informal group meetings and formal presentations.

2. Performance of Services. The Consultant shall provide the Services requested by Company at times determined in the reasonable good faith discretion of the Consultant, giving due regard to the timing needs of the Company and the reasonable scheduling and other commitments of the Consultant. Such services shall be provided in person, by telephone, by email or by such other means as the Consultant shall reasonably determine in good faith. The Company and the Consultant agree that the Services to be provided hereunder by the Consultant are not exclusive, that the Company has existing relationships and is free to pursue new relationships with other financial advisors, and that the Consultant has other business obligations, including providing financial advisory and consultant services to others. The Company agrees that the provision of such services shall not constitute a breach hereof of any duty owed to the Company by virtue of this Agreement and that the provision of similar financial advisory service by other advisors to the Company shall not constitute a breach hereof of any duty owed by the Company to the Consultant by virtue of this Agreement. Nothing contained herein shall be construed to limit or restrict the Consultant in conducting such businesses with respect to others or in rendering such services to others.

3. Relationship of the Parties. The Consultant shall be, and at all times during the Term (as hereinafter defined) shall remain, an independent contractor. As such, the Consultant shall determine the means and methods of performing the Services hereunder and shall render the Services at such places and by such means as it determines.

4. Expenses. The Company shall pay all -approved reasonable costs and expenses incurred by the Consultant that were pre-approved by the Company in the performance of its duties hereunder, including but not limited to reasonable and documented travel, legal fees and other expenses. The Consultant will not bear any of the Company's legal, accounting, printing or other expenses in connection with any transaction considered or consummated hereby. It also is understood that neither the Consultant, nor any of its officers, directors, employees or agents, will be responsible for any fees or commissions payable to any finder or to any other financial or other advisor utilized or retained by the Company.

5. Compensation. As the compensation to the Consultant for its services hereunder, the Company shall cause to be issued to the Consultant, on the Commencement Date, five-year warrants to purchase four hundred thousand (400,000) shares of the common stock of PubCo (as hereinafter defined), which warrants will have an exercise price equal to the unit purchase price in the Private Placement (expected to be $0.625 per share), will have a cashless exercise feature, and will provide customary anti-dilution protection for structural changes in the issuer's capitalization. The form of the warrant is attached hereto.

6. Additional Services. Should Company desire the Consultant to perform additional services not outlined herein, Company may make such request to the Consultant in writing. The Consultant may agree to perform those services at its sole discretion and may enter into additional definitive agreements with the Company which shall set forth the Consultant's obligations in connection with such transactions, as well as the compensation to be paid the Consultant with respect to its additional services.

7. Term. This Agreement shall commence on the date (if any, the "Commencement Date") of the consummation of the merger contemplated by that certain merger agreement dated as of November 27, 2013, as the same may be amended, by and between the Company, Koffee Korner, Inc., a Delaware corporation ("PubCo"), and Cardax Pharmaceuticals, Inc., that provides for the merger of the Company with a wholly owned subsidiary of PubCo ("PubCo Sub"), and shall remain in effect for twelve (12) months from the Commencement Date.

8. Confidentiality. The Non-Disclosure Agreement between the Company and the Consultant dated as of November 5, 2013 shall remain in full force and effect following the execution and delivery of this Agreement.

9. Indemnification. The Company shall indemnify the Consultant in accordance with the provisions of Annex A hereto, which is incorporated by reference and made a part hereof.

10. Limitation Upon the Use of Advice and Services. Use of the Consultant's name requires the prior written approval of the Consultant unless the Company is required by law to include the Consultant's name in annual filings, other report or release of the Company, in which event the Company shall furnish to the Consultant copies of such annual reports or other reports or releases using the Consultant's name in advance of publication by the Company.

11. Cooperation. The Company will cooperate with and will furnish the Consultant or entities introduced by the Consultant with all reasonable information and data concerning the Company which the Consultant considers appropriate and will provide the Consultant with reasonable access to the Company's officers, directors, employees, independent accountants and legal counsel. The Company represents that all information provided to the Consultant for distribution to investors will be complete and correct in all material respects. Notwithstanding anything set forth above to the contrary, the Consultant shall not be responsible for any due diligence investigation of the Company on behalf of any other party in connection with its services hereunder or in connection with any Corporate Finance Transaction.

12. Termination. This Agreement may be terminated at any time prior to the expiration of the Term by Consultant upon five (5) days prior written notice to the Company if there a breach or default by the Company and by the Company upon five (5) days prior written notice to Consultant for any breach or default by Consultant or by the mutual consent of . In the event of any such termination, this engagement letter shall terminate and shall be of no further force and effect except that (i) Consultant shall be entitled to retain the warrants issued to it pursuant to paragraph 5 hereof and receive reimbursement for expenses it has incurred up to the date of such termination in accordance with Paragraph 5 hereof and (ii) the sections headed "Confidentiality," "Indemnification," "Limitation," and "Miscellaneous," will survive.

13. Miscellaneous.

(a) Successors and Assigns. Except as otherwise provided in this Agreement, no party hereto shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party hereto, and any such attempted assignment without such prior written consent shall be void and of no force and effect. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto. Anything to the contrary notwithstanding, the Company shall cause all of its obligations hereunder, including its obligations under Annex A hereto, to be binding upon and enforceable directly against PubCo.

(b) Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be delivered by overnight courier to the parties at the following addresses (or at such other address for a party as shall be specified by like changes of address which shall be effective upon receipt) or sent by electronic transmission, with confirmation received:

If to the Consultant, to:

Portfolio Advisor Alliance, Inc.
330 Madison Avenue, 6th Floor
New York, New York 10017
Telephone: 212-812-8900
Facsimile: 212-867-1993
E-Mail: kwasserman@allenps.com
Attention: Ms. Kerri Wasserman,
Chief Compliance Officer

With a copy to:

Timothy I. Kahler, Esq.
Troutman Sanders, LLP
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Telephone: (212) 704-6169
Fax: (212) 704-5948
E-Mail: timothy.kahler@troutmansanders.com

If to the Company, to:

Cardax Pharma, Inc.
2800 Woodlawn Drive, Suite 129
Honolulu, Hawaii 96822
Telephone: (808) 457-1400
Facsimile: (808) n237-1509
E-Mail: DWatumull@cardaxpharma.com
Attention: Mr. David G. Watumull,
President and Chief Executive Officer

With a copy to:

Richard M. Morris, Esq.
Herrick, Feinstein LLP
Two Park Avenue
New York, New York 10016
Telephone: (212) 592-1432
Fax: (212) 592-1500
E-Mail: rmorris@herrick.com

(c) Applicable Law; Arbitration. This Agreement shall be deemed to have been made and delivered exclusively in New York, New York and shall be governed as to validity, interpretation, construction, effect and in all other respects solely and exclusively by the internal laws of the State of New York without regard to principles of conflicts of law thereof. Any and all disputes, controversies or claims arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be finally and exclusively resolved by arbitration in accordance with the Rules of FINRA as at present in force. The parties hereto exclusively and irrevocably agree that arbitration shall take place in New York, New York. The parties hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the arbitration tribunal in New York, New York under the auspices of FINRA. The award of the arbitrators may include, without limitation, one or more of the following: a monetary award, a declaration of rights, an order of specific performance, an injunction, reformation of the contract. The decision of the arbitrators shall be final and binding upon the parties hereto, and judgment on the award may be entered in any court having jurisdiction over the subject matter thereof. The cash expenses of the arbitration (including without limitation reasonable fees and expenses of counsel, experts and consultants) shall be borne by the party against whom the decision of the arbitrators is rendered; provided that if a party prevails only partially, such party shall be entitled to be reimbursed for such costs and expenses in the proportion that the dollar amount successfully claimed by the prevailing party bears to the aggregate dollar amount claimed.

(d) Counterparts. This Agreement and any amendments, waivers, consents, or supplements may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement, any amendments, waivers, consents or supplements, by facsimile or by email of a pdf or similar copy shall be as effective as delivery of a manually executed counterpart thereof.

(e) No Waiver, Etc. No provision of this Agreement may be changed or terminated except by a writing signed by the party or parties to be charged therewith. Any party hereto may waive compliance by the other with any of the terms, provisions and conditions set forth herein; provided, however, that any such waiver shall be in writing specifically setting forth those provisions waived thereby. No such waiver shall be deemed to constitute or imply a waiver of any other term, provision or condition of this Agreement.

(f) Entire Agreement. This Agreement contains the entire agreement between the parties hereto and is intended to supersede any and all prior agreements between the parties relating to the same subject matter.

[The remainder of this page is intentionally blank.]

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return this Agreement, whereupon it will become a binding agreement between the Company and the Consultant in accordance with its terms as of the date first appearing above.

Very truly yours,

PORTFOLIO ADVISORS ALLIANCE, INC.

By: /s/ Kerri Wasserman
Name: Kerri Wasserman
Title: Chief Compliance Officer
and Authorized Signatory

Accepted and approved this Third (3rd) day of January 2014:

CARDAX PHARMA, INC.

By: /s/ David G. Watumull
Name: David G. Watumull
Title: President and Chief Executive Officer

Agincourt Ltd. hereby consents and agrees to the foregoing matters as of the date first set forth above.

AGINCOURT LTD.

By: /s/ James J. Cahill
Name: James J. Cahill
Title: Managing Director

ANNEX A

This Annex A is attached to and incorporated by reference into the Financial Consulting Agreement (the "Agreement") between Cardax Pharma, Inc., a Delaware corporation (the "Company"), and Portfolio Advisors Alliance, Inc., a California corporation (the "Consultant"), dated January 3, 2013. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

The Company hereby agrees to indemnify and hold harmless the Consultant and its affiliates, and the respective directors, officers, partners, controlling persons (within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended), agents, sub-agents, and employees of the Consultant or any of its affiliates (the Consultant and each such other person or entity being referred to individually as an "Indemnified Person" and, collectively, as "Indemnified Persons"), to the fullest extent lawful, from and against any and all Damages (as hereinafter defined) directly or indirectly in connection with, arising out of, based upon, or in any way related to the engagement of the Consultant under the Agreement or any transaction, thing or conduct in connection therewith. The Company will not, however, be responsible for any Damages, or any associated counsel fees or expenses, that are finally determined in the manner specified by the Agreement (and not subject to further review) to have resulted from the Consultant's or other Indemnified Person's bad faith, willful misconduct or gross negligence.

"Damages" means any and all losses, Actions (as hereinafter defined), damages, judgments, assessments, investigation costs, settlement costs, fines, penalties, arbitration awards and any other liabilities, costs, fees and expenses, including without limitation all documented out of pocket costs and expenses, including reasonable counsel fees and disbursements, in connection with investigating, preparing for and defending any Action to which the Consultant or any other Indemnified Person is named as a party or is reasonably anticipated to become a party thereto, whether or not in connection with any pending or threatened Action, caused by or arising out of or in connection with the Consultant acting pursuant to the Agreement.

"Action" means any formal or informal action, case, claim, litigation, appeal, hearing, inquest, investigation, arbitration, mediation, inquiry or other proceeding (including, without limitation, stockholder actions).

If multiple claims are brought against an Indemnified Person, with respect to at least one of which indemnification is permitted under applicable law and provided for under the terms of this Annex A, the Company agrees that all Damages associated therewith, including any judgment or award against such Indemnified Person in connection therewith, shall be conclusively deemed to be based on claims as to which indemnification is permitted and provided for hereunder, except to the extent the judgment or award expressly states that it, or any portion thereof, is based on a claim as to which indemnification is not available.

The Company also agrees that neither the Consultant nor any other Indemnified Person shall have any liability to the Company for, in connection with or arising out of the engagement of the Consultant under the Agreement except for any such liability for Damages, including attorneys fees, incurred by the Company that are finally determined in the manner specified by the Agreement (and not subject to further review) to have resulted from the Consultant's or other Indemnified Person's bad faith, willful misconduct or gross negligence.

In no event shall the Company or any Indemnified Person be responsible for any special, indirect or consequential damages incurred by the other; provided that nothing in this sentence shall be deemed to (i) relieve the Company of any obligation it may otherwise have hereunder to indemnify an Indemnified Person for any such damages asserted by an unaffiliated third party or (ii) relieve the Consultant of any liability it may otherwise have hereunder to the Company for any such damages which the Company becomes legally obligated to pay to an unaffiliated third party.

In the event that the foregoing indemnity is unavailable (except by reason of the bad faith, willful misconduct or gross negligence of the Consultant or an Indemnified Party), then the Consultant and the Company shall contribute to amounts paid or payable by the Indemnified Parties, in respect of the Damages sustained or incurred by the Indemnified Parties, in such proportion as appropriately reflects the relative benefits received by, and the relative fault of, the Consultant and the Company in connection with the matters as to which such Damages relate and other equitable considerations; provided, however, that in no event shall the amount to be contributed by the Consultant exceed the amount of the Consultant Fees actually received by the Consultant in cash from the Company under the terms of the Agreement.

The Company will not, without the Consultant's prior written consent (which shall not be unreasonably withheld), consent to the entry of any judgment in or otherwise seek to terminate any Action in respect of which indemnification may be sought hereunder (if any Indemnified Person is a party, or reasonably anticipated to become a party, thereto) unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Person from all Damages arising out of such Action. No Indemnified Person seeking indemnification, reimbursement or contribution hereunder will, without prior written consent the Company, which consent shall not be unreasonably withheld, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action in respect of which indemnification may be sought hereunder.

Promptly after receipt by an Indemnified Person of notice of its involvement in any Action, the Consultant shall, if a claim for indemnification in respect thereof is to be made against the Company hereunder, notify the Company of such involvement; provided, however, that the failure to so notify the Company shall not relieve the Company of any liability that it may have under the provisions of this Annex A except to the extent that it has been prejudiced in any material respect by such failure, or from any liability which it may otherwise have to the Indemnified Parties.

If an Indemnified Person is entitled to indemnification under this Annex A with respect to any action or proceeding brought by a third party, the Company shall be entitled to assume the defense of any such action or proceeding with counsel reasonably satisfactory to the Indemnified Person. Upon assumption by the Company of the defense of any such action or proceeding, the Indemnified Person shall have the right to participate in such action or proceeding and to retain its own counsel, but the Company shall not be liable for any legal expenses of other counsel subsequently incurred by such Indemnified Person in connection with the defense thereof unless the Company shall have failed to employ counsel reasonably satisfactory to the Indemnified Person in a timely manner.

EXCLUSIVE INVESTMENT BANKING AGREEMENT

THIS **AGREEMENT** (the "**Agreement**") is entered into as of this 12th day of March 2013 (the "**Effective Date**") by and between **CARDAX PHARMACEUTICALS, INC.** (hereafter the "**Client**") and **AGINCOURT LTD**, with its principal address at 10 South Riverside Plaza, #1800, Chicago, IL 60606 USA (the "**Banker**").

WITNESSETH:

WHEREAS, the Client desires to retain the Banker and the Banker desires to be retained by the Client pursuant to the terms and conditions hereinafter set forth; and

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants herein contained, it is hereby agreed as follows:

SECTION 1. RETENTION.

1.1. **Appointment**. The Client hereby retains the Banker as the Client's exclusive investment banker to perform the services set forth in Section 1.3 below (referred to herein as the "**Services**") throughout the Term, as defined in Section 7 below. The Banker hereby accepts such retention and shall provide the Services the Client in accordance with the terms and conditions of this Agreement.

1.2. **Services**. The Banker shall render advice and services to the Client concerning a reverse merger and a concurrent financing, as well as strategic planning, merger and acquisition possibilities and business development activities including, without limitation, the following:

(a) review of the business, operations, and historical financial performance of the Client (based upon management's forecast of financial performance) to enable the Banker to advise to Client;

(b) assist the Client to formulate an effective strategy to meet the Client's working capital and capital resource needs;

(c) introduce Client to potential lenders, investors, acquiring entities, or others interested in participating in a business! transaction with the Client (whether such investment is in the form of debt and/or equity financing or some combination thereof) (each referred to as a "**Banker Source**"). Banker Sources include persons or entities introduced by a Banker Source to the Client. Banker Sources also include persons or entities introduced by the Client to Banker during the Term of this Agreement. Banker Sources also include any person or entity that seeks to enter into, or actually enters into any kind of transaction with Client during the Term. Banker Sources include, but are not limited to those persons or entities listed in **Exhibit A** to this Agreement.

(d) assist the Client in its efforts to have its securities listed on a national, stock exchange; on specific written request of the Client.

1.3. **Client Disclosures**. The Client, by its chief executive officer, hereby undertakes to honestly and accurately complete, sigh, and return to me Banker me disclosure form attached hereto in **Exhibit D** not later than: fourteen (14) days following the Effective Date of this Agreement.

SECTION 2. COMPENSATION. The Client hereby agrees to pay compensation to the Banker in accordance with the executed Letter of Intent attached hereto as **Exhibit F**, which provides for warrants that shall be in the form attached hereto as **Exhibit C**.

SECTION 3. TERMS OF PAYMENT OF COMPENSATION. The compensation due to Banker shall be subject to the terms and conditions set forth in this Section 3.

3.1. **No Offsets**. All fees due hereunder shall have no offsets, are non-refundable, non-cancelable and shall be free and clear of any and all encumbrances.

3.2. **Fees Due at Closing**. All cash fees due hereunder payable upon the closing of a Fee Transaction shall be paid to the Banker immediately upon closing of such Fee Transaction by wire transfer of immediately available funds from the proceeds of the Fee Transaction, either directly or from the formal or informal escrow arrangement established for the Fee Transaction by the agent holding such funds (collectively, the "**Closing Agent**"), pursuant to the written wire transfer instructions of the Banker to the Closing Agent.

3.3. **Irrevocable Disbursement Instructions**. The Client shall authorize and direct the Closing Agent to distribute directly or from escrow any and all fees due the Banker hereunder (or the Client and the Banker, if required to do so, shall establish an escrow account in accordance with FINRA rules). The Client covenants, undertakes, and agrees that such fees and the manner of payment and delivery as herein provided shall be included in the documentation of any Fee Transaction. The Banker is hereby authorized to notify the Closing Agent, on behalf of the Client and as its agent, to make all payments required hereunder directly to the Banker. In order to effectuate the foregoing provisions, at the Banker's request, either simultaneously herewith or anytime hereafter, the Client shall execute and deliver (i) a Power of Attorney that gives the Banker the right to ensure payment to Banker of any and all fees due hereunder and (ii) the Irrevocable Disbursement Instructions in the form attached hereto as **Exhibit B** that require the Closing Agent to pay any and all fees due the Banker hereunder prior to effectuating any disbursement to the Client.

3.4. **Transmission of Securities**. All unrestricted securities due the Banker hereunder shall be made via DTC or the DWAC system if eligible for such system, or by certificates issued by the transfer agent for the Client or the Client, as applicable, and shall be delivered to the Banker by the Closing Agent immediately upon closing of any Fee Transaction.

3.5. **Duly issued and Fully Paid Securities**. All securities fees due the Banker hereunder shall be duly issued, fully-paid (exclusive of warrants or options) and non-assessable and shall be in the same form, with the same terms and conditions as the securities provided to the Client pursuant to any Fee Transaction.

SECTION 4. ADDITIONAL COVENANTS AND UNDERTAKINGS BY CLIENT

4.1. **Registration Rights for Securities**. The Client hereby grants to the Banker "customary piggyback registration rights" and shall register all of the Registrable Securities (as defined in Section 4.3 below) on any registration statement it files with the Securities and Exchange Commission relating to its securities (excluding registration statements on Form S-8) and in compliance with any and all federal and state securities laws, in the name(s) of and to the account(s) designated by the Banker. The Client agrees to pay all costs associated with registering the Registrable Securities for resale. In order to effectuate the foregoing provisions, at the Banker's request, either simultaneously herewith or at anytime hereafter, the Client shall execute and deliver to the Banker a Registration Rights Agreement reflecting the foregoing provisions.

4.2. **Registrable Securities**. For the purposes of this Agreement, "**Registrable Securities**" shall mean (i) all shares of Common Stock of the Client paid or payable to the Banker under this Agreement, (ii) all shares of Common Stock into which convertible securities issued or issuable to the Banker under this Agreement are convertible and (iii) all shares of common stock into which derivative securities (including, without limitation, warrants and options) issued or issuable to the Banker are exercisable.

SECTION 5. EXPENSES.

5.1. As provided for in the attached **Exhibit F**, the Client shall pay to the Banker a 2% non-accountable expense allowance.

SECTION 6. NOT APPLICABLE.

SECTION 7. TERM AND TERMINATION.

7.1. This Agreement shall be valid for a period of one (1) year from the Effective Date (the "**Initial Term**"), unless otherwise terminated in accordance with the terms of this Agreement. Following such Initial Term, this Agreement shall be automatically renewed for successive one year additional terms ("**Additional Terms**") unless either party notifies the other in writing of an intention not to renew the Agreement within sixty (60) days of the end of the Initial Term or any Additional Term. The Initial Term and any Additional Terms shall be referred to collectively herein as the "**Term**."

7.2. **Termination for Cause by Banker**. This Agreement may be terminated by the Banker for Cause on one (1).day written notice. "**Cause**" shall mean (l) a willful failure by the Client to substantially perform its duties under this Agreement; (2) a willful breach by the Client of a material provision of this Agreement; (3) violation of a federal or state law or regulation by the Client; (4) commencement of an investigation by FINRA, the SEC, the Department of Justice, or any other governmental agency or instrumentality against the Client or any subsidiary, employee, consultant, of affiliate of the Client; (5) reasonable suspicion or evidence, or fraud, insider trading, material misrepresentations, or other criminal conduct or activities by any employee, consultant, or agent of the Client; and (6) failure of the Client to cooperate with the reasonable requests of the Banker in connection with the Banker's provision of the Services.

7.3. **Termination Without Cause**. Either party may terminate this Agreement on thirty (30) days written notice to the other party.

SECTION 8. CONFIDENTIAL INFORMATION.

8.1. **Confidential Information**. The Banker agrees that during and after the Term, it will keep in strictest confidence, and will not disclose or make accessible to any other person without the written consent of the Client, the Client's products, services and technology, both current and under development, promotion and marketing programs, lists, trade secrets and other confidential and proprietary business information of the Client or any of its clients and third parties including, without limitation, Proprietary Information (as defined in Section 7) (all of the foregoing is referred herein as the "**Confidential Information**"). The Banker agrees (a) not to use any such Confidential Information for itself or others, except in connection with the performance of its duties hereunder; and (b) not to take any such material or reproductions thereof from the Client's facilities at any time during the Term except, in each case, as required in connection with the Banker's duties hereunder.

8.2. **Excepted Information**. Notwithstanding the foregoing, the parties agree that the Banker is free to use (a) information in the public domain not as a result of a breach of this Agreement, (b) information lawfully received form a third party who had the right to disclose such information and (c) the Banker's own independent skill, knowledge, know-how and experience to whatever extent and in whatever way he wishes, in each case consistent with his obligations as the Banker and that, at all times, the Banker is free to conduct any research relating to the Client's business.

SECTION 9. OWNERSHIP OF PROPRIETARY INFORMATION.

9.1. **Owned by Client**. The Banker agrees that all information that has been created, discovered or developed by the Client, its subsidiaries, affiliates, licensors, licensees, successors or assigns (collectively, the "Affiliates") (including, without limitation, information relating to the development of the Client's business created, discovered, developed by the Client or any of its affiliates during the Term, and information relating to the Client's customers, suppliers, Bankers, and licensees) and/or in which property rights have been assigned or otherwise conveyed to the Client or the Affiliates, shall be the sole property of the Client or the Affiliates, as applicable, and the Client or the Affiliates, as the case may be, shall be the sole owner of all patents, copyrights and other rights in connection therewith, including without limitation the right to make application for statutory protection.

9.2. **Proprietary Information Defined**. All the aforementioned information is hereinafter called "**Proprietary Information**." By way of illustration, but not limitation, Proprietary Information includes trade secrets, processes, discoveries, structures, inventions, designs, ideas, works of authorship, copyrightable works, trademarks, copyrights, formulas, improvements, inventions, product concepts, techniques, marketing plans, merger and acquisition targets, strategies, forecasts, blueprints, sketches, records, notes, devices, drawings, customer lists, patent applications, continuation applications, continuation-in-part applications, file wrapper continuation applications and divisional applications and information about the Client's Affiliates, its employees and/or Bankers (including, without limitation, the compensation, job responsibility and job performance of such employees and/or Bankers).

9.3. **Banker Information**. All original content, proprietary information, trademarks, copyrights, patents or other intellectual property created by the Banker that does not incorporate or reference the Client's Proprietary Information, shall be the sole and exclusive property of the Banker.

SECTION 10. INDEMNIFICATION. The Client represents that all materials provided or to be provided to the Banker or any third party regarding the Client's financial affairs or operations are and shall be truthful and accurate and in compliance with any and all applicable federal and state securities laws.

10.1. **Indemnification by Client**. The Client agrees to indemnify the Banker in accordance with the indemnification and other provisions attached to this Agreement as **Exhibit E** (the "**Indemnification Provisions**"), which provisions are incorporated herein by reference and shall survive the termination or expiration of this Agreement.

10.2. **Indemnification by Banker**. The Banker will indemnify and hold harmless the Client and the respective directors, officers, agents, affiliates and employees of the Client from and against all losses, claims damages, liabilities and expenses that result from bad faith, gross negligence or unauthorized representations of the Banker.

10.3. **Restrictions on Settlement**. No party shall pay, settle or acknowledge liability under any such claim without consent of the party liable for indemnification, and shall permit the Client or the Banker, as applicable, a reasonable opportunity to cure any underlying problem or to mitigate actual or potential damages. The scope of this indemnification between the Banker and the Client shall be limited to, and pertain only to certain transactions contemplated or entered into pursuant to this Agreement.

10.4. **Defense of Actions**. The Client or the Banker, as applicable, shall have the opportunity to defend any claim for which it may be liable hereunder, provided it notifies the party claiming the right to indemnification in writing within fifteen (15) days of notice of the claim.

10.5. **Limitation of Liability**. Banker's liability is hereby expressly limited to cash amounts actually received from the Client pursuant to this Agreement. Each person or entity seeking indemnification hereunder shall promptly notify the Client, or the Banker, as applicable, of any loss, claim, damage or expense for which the Client or the Banker, as applicable, may become liable pursuant to this Section 8.

10.6. **Limit on Consequential Damages**. The parties acknowledge and agree that neither party shall be liable to consequential, incidental, or other indirect damages, except as may be expressly provided for in this Agreement.

SECTION 11. NOTICES. Any notice or other communication under this Agreement shall be in writing and shall be deemed to have been duly given: (a) upon facsimile transmission (with written transmission confirmation report) at the number designated below; (b) when delivered personally against receipt therefore; (c) one day after being sent by Federal Express or similar overnight delivery; or (d) five (5) business days after being mailed registered or certified mail, postage prepaid. The addresses for such communications shall be as set forth below or to such other address as a party shall give by notice hereunder to the other party to this Agreement.

If to the Client: Cardax Pharmaceuticals, Inc.
2800 Woodlawn Drive, Suite 129
Honolulu, HI 96822
Telephone: 808-457-1375
Telecopy: 808-237-5901
Attention: David G. Watumull
President and CEO
Email: dwatumull@cardaxpharma.com

If to the Banker: Agincourt Ltd.
10 South Riverside Plaza, #1800
Chicago, IL 60606
Telephone: _____
Telecopy: _____
Attention: _____
_____
Email: _____

With a copy to: Highline Research Advisors,
711 the Avenue
16th floor
New York, NY 10022
Telephone: _____
Telecopy: _____
Attention: _____
_____
Email: _____

SECTION 12. STATUS OF BANKER. The Banker shall be deemed to be an independent contractor and, except as expressly agreed in writing or as specifically authorized in this Agreement, shall have no authority to act for on behalf of or represent the Client. The Client acknowledges and expressly understands that the Banker is not and shall not be deemed a fiduciary of the Client and it is expressly understood and acknowledged that no fiduciary relationship between the Banker and the Client exists nor shall be created by this Agreement, nor by performance of the Services by the Banker. This Agreement does not create a partnership or joint venture.

SECTION 13. OTHER ACTIVITIES OF BANKER. The Client recognizes that the Banker now renders and may continue to render financial consulting and other investment banking services to other companies that may or may not conduct business and activities similar to those of the Client. Nothing in this Agreement shall prevent or prohibit the Banker from working with any other person or entity (a "**Third Party**") at any time, regardless of whether any such Third Party is in the same or similar industry as the Client. The Banker shall not be required to devote its full time and attention to the performance of its duties under this Agreement, but shall devote only so much of its time and attention as it deems reasonable or necessary in order to provide the Services hereunder.

SECTION 14. MISCELLANEOUS

14.1. **Transferability/Right of Highline to Designate Different Member Firm**. This Agreement and all rights, liabilities and obligations hereunder shall be binding upon and inure to the benefit of each party's successors but may be assigned without prior written approval of the other party; provided that the Company understands and acknowledges that Highline Research Advisors ("**Highline**") is not a registered broker-dealer. The services to be provided for hereunder are being performed by the owners and/or employees of Highline who are acting in their respective capacities as registered representatives of Agincourt Ltd. (the "**Member Firm**"). As such, if the owners and/or employees of Highline determine to act through a registered broker-dealer other than the Member Firm, upon written notice from Highline, this Agreement shall be automatically amended such that the new registered broker-dealer is deemed to be the Member Firm thereafter.

14.2. **Severability of Provisions**. If any provision of this Agreement shall be declared by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in part, the remaining conditions and provisions or portions thereof shall nevertheless remain in full force and effect and enforceable to the extent they are valid, legal and enforceable, and no provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

14.3. **Entire Agreement; Modification**. This Agreement and the exhibits hereto contain the entire agreement of the parties relating to the subject matter hereof, and the parties hereto and thereto have made no agreements, representations or warranties relating to the subject matter of this Agreement which are not set forth herein. No amendment or modification of this Agreement shall be valid unless made in writing and signed by each of the parties hereto.

14.4. **Non-Waiver**. The failure of any party to insist upon the strict performance of any of the terms, conditions and provisions of this Agreement shall not be construed as a waiver or relinquishment of future compliance therewith; and the said terms, conditions and provisions shall remain in full force and effect. No waiver of any term or condition of this Agreement on the part of any party shall be effective for any purpose whatsoever unless such waiver is in writing and signed by such party.

14.5. **Remedies For Breach**. The Banker and Client mutually agree that breach of this Agreement by the Banker or the Client may cause irreparable damage to the other party and/or their affiliates, and that monetary damages alone would not be adequate and, in the event of such breach or threat of breach, the damaged party shall have, in addition to any and all remedies at law and without the posting of a bond or other security, the right to an injunction, specific performance or other equitable relief necessary to prevent or redress the violation of either party's obligations under such Sections. The parties hereby agree to waive any claim or defense that an adequate remedy at law is available. The prevailing party in any action shall be entitled to attorney's fees and court costs.

14.6. **Governing Law**. The parties hereto acknowledge that the transactions contemplated by this Agreement bear a reasonable relation to the state of New York. This Agreement shall be governed by, and construed and interpreted in accordance with, the internal laws of the state of New York without regard to such state's principles of conflicts of laws.

14.7. **Choice of Forum**. The parties irrevocably and unconditionally agree that the exclusive place of jurisdiction for any action, suit or proceeding ("**Actions**") relating to this Agreement shall be in the state or federal courts situated in the county of New York and state of New York. Each party irrevocably and unconditionally waives any objection to the venue of any Action brought in such courts or to the convenience of the forum.

14.8. **Headings**. The headings of the Sections are inserted for convenience of reference only and shall not affect any interpretation of this Agreement.

14.9. **Counterparts**. This Agreement may be executed in counterpart signatures, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature page were an original thereof.

14.10. **Survival**. Sections 2-6; 8-14 shall survive any termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

CLIENT

CARDAX PHARMACEUTICALS, INC.

By: /s/ David G. Watumull
Name: David G. Watumull
Title: President and CEO

BANKER

AGINCOURT LTD.

By: /s/ James J. Cahill
Name: James J. Cahill
Title: Managing Director

EXHIBIT E

INDEMNIFICATION PROVISIONS

Capitalized terms used in this Exhibit shall have the meanings ascribed to such terms in the Agreement to which this Exhibit is attached.

The Client agrees to indemnify and hold harmless the Banker and each of the other Indemnified Parties (as hereinafter defined) from and against any and all losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses and disbursements, and any and all actions, suits, proceedings and investigations in respect thereof and any and all legal and other costs, expenses and disbursements in giving testimony or furnishing, documents in response to a subpoena or otherwise (including, without limitation, the costs, expenses and disbursements, as and when incurred, of investigating, preparing, pursing or defending any such action, suit, proceeding or investigation (whether or not in connection with litigation in which any Indemnified Party is a party)) (collectively, "**Losses**"), directly or indirectly, caused by, relating to, based upon, arising out of, or in connection with, the Banker acting for the Client, including, without limitation, any act or omission by the Banker in connection with its acceptance of or the performance or nonperformance of its obligations under the Agreement between the Client and the Banker to which these indemnification provisions are attached and form a part, any breach by the Client of any representation, warranty, covenant or agreement contained in the Agreement (or in any instrument, document or agreement relating thereto, including any agency agreement), or the enforcement by the Banker of its rights under the Agreement or these indemnification provisions, except to the extent that any such Losses are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from the gross negligence or willful misconduct of the Indemnified Party seeking indemnification hereunder. The Client also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Client for or in connection with the engagement of the Banker by the Client or for any other reason:, except to the extent that any such liability is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct.

These Indemnification Provisions shall extend to the following persons (collectively, the "**Indemnified Parties**''): the Banker, its present and former affiliated entities, managers, members, officers, employees, legal counsel, agents and controlling persons (within the meaning of the federal securities laws), and the officers, directors, partners, stockholders, members, managers, employees legal counsel, agents and controlling persons of any of them. These indemnification provisions shall be in addition to any liability which the Client may otherwise have to any Indemnified Party.

If any action, suit, proceeding or investigation is commenced, as to which an Indemnified Party proposes to demand indemnification, it shall notify the Client with reasonable promptness; provided, however, that any failure by an Indemnified Party to notify the Client shall not relieve the Client from its obligations hereunder. An Indemnified Party shall have the right to retain counsel of its own choice to represent it, and the fees, expenses and disbursements of such counsel shall be borne by the Client. Any such counsel shall, to the extent consistent with its professional responsibilities, cooperate with the Client and any counsel designated by the Client. The Client shall be liable for any settlement of any claim against any Indemnified Party made with the Client's written consent. The Client shall not, without the prior written consent of the Banker, settle or compromise any claim, or permit a default or consent to the entry of any judgment in respect thereof, unless such settlement, compromise or consent (i) includes, as an unconditional term thereof, the giving by the claimant to all of the Indemnified Parties of an unconditional release from all liability in respect of such claim, and (ii) does not contain any factual or legal admission, by or with respect to an Indemnified Party or an adverse statement with respect to the character, professionalism, expertise or reputation of any Indemnified Party or any action or inaction of any Indemnified Party.

In order to provide for just and equitable contribution, if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification in such case, then the Client shall contribute to the Losses to which any Indemnified Party may be subject (i) in accordance with the relative benefits received by the Client arid its stockholders, subsidiaries and affiliates, on the one hand, and the Indemnified Party, on the other hand, and (ii) if (and only if) the allocation provided in clause (i) of this sentence is not permitted by applicable law, in such proportion as to reflect not only the relative benefits, but also the relative fault of the Client, on the one hand, and the Indemnified Party, on the other hand, in connection with the statements, acts or omissions which resulted in such Losses as well as any relevant equitable considerations. No person found liable for a fraudulent misrepresentation shall be entitled to contribution from any person who is not also found liable for fraudulent misrepresentation. The relative benefits received (or anticipated to be received) by the Client and its stockholders, subsidiaries and affiliates shall be deemed to be equal to the aggregate consideration payable or receivable by such parties in connection with the transaction or transactions to which the Agreement relates relative to the amount of fees actually received by the Banker in connection with such transaction or transactions. Notwithstanding the foregoing, in no event shall the amount contributed by all Indemnified Parties exceed the amount of fees previously received by the Banker pursuant to the Agreement.

Neither termination nor completion of the Agreement shall affect these Indemnification Provisions which shall remain operative and in full force and effect. The Indemnification Provisions shall be binding upon the Client and its successors and assigns and shall inure to the benefit of the Indemnified Parties and their respective successors, assigns, heirs and personal representatives.

CARDAX PHARMA, INC.
2800 Woodlawn Drive, Suite 129
Honolulu, HI 96822

May 21, 2013

Agincourt, Ltd.
10 South Riverside Plaza, #1800
Chicago, IL 60606

RE: Acknowledgement of Exclusive Investment Banking Agreement

Ladies and Gentlemen:

Reference is made to the Exclusive Investment Banking Agreement dated March 12, 2013 by and between Agincourt, Ltd. and Cardax Pharmaceuticals, Inc. in connection with certain services set forth therein. Cardax Pharma, Inc. has been formed as a wholly-owned subsidiary of Cardax Pharmaceuticals, Inc. Cardax Pharma, Inc. hereby acknowledges the terms and provisions of such Exclusive Investment Banking Agreement and assumes all obligations of Cardax Pharmaceuticals, Inc. under such Exclusive Investment Banking Agreement.

By: /s/ David G. Watumull
Name: David G. Watumull
Title: President and Chief Executive Officer

CARDAX PHARMA, INC.
2800 Woodlawn Drive, Suite 129
Honolulu, HI 96822

December 3, 2013

Agincourt, Ltd.
10 South Riverside Plaza, #1800
Chicago, IL 60606
Attention: James J. Cahill, Managing Director

Reference is made to that certain Exclusive Investment Banking Agreement dated as of March 12, 2013, by and among Agincourt Ltd ("you" or the "Banker") and Cardax Pharmaceuticals, Inc. ("Holdings"), as amended or supplemented by that letter dated May 21, 2013 (acknowledgement by Cardax Pharma, Inc., referred to as the "Company"), and that letter agreement by and among Portfolio Advisors Alliance, Inc., the Company and you dated November 8, 2013 (such agreement, as supplemented being referred to as the "IB Agreement") regarding the Current Offering as defined below.

The Company will be offering (the "Current Offering") shares of common stock (the "Common Stock") of Koffee Korner, Inc., a Delaware corporation ("PubCo"), and warrants to purchase shares of Common Stock (the "Warrants") which will be issued and sold contingent upon, and at the closing of, the proposed merger of a wholly owned subsidiary of PubCo with and into the Company resulting in, among other matters, PubCo owning 100% of the Company and Holdings owning more than 50% of the Common Stock of PubCo. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of Holdings, the Company and the Banker agree as follows:

1. The Banker's Compensation. (a) At each closing of the Offering (each, a "Closing"), Cardax will pay, (i) a cash fee from the proceeds of such Closing as follows: (A) to the Banker, ten percent (10%) of the of the gross purchase price of the Securities sold at the Closing (the "Cash Fee"), (B) to the Banker, a non-accountable expense allowance equal to three percent (3%) of the gross purchase price of the Securities sold at the Closing (the "Non-Accountable Expense Allowance" and collectively with the Cash Fee, the "Banker Fee"). (ii) to the Banker, five-year warrants to acquire a number of shares of the Successor equal to 15% of the shares included in the Securities sold at such Closing, which warrants will have an exercise price equal to the unit purchase price in the Offering (expected to be $0.625 per share), will have a cashless exercise feature, and will provide customary anti-dilution protection for structural changes in the issuer's capitalization (the "Bankers Warrants"). The amount of the compensation that is described above to the Banker shall be reduced by the amount of fees, expenses and similar amounts payable by Cardax or any of its affiliates to any sub-agent of the Banker that is owed amounts in connection with the Offering.

2. Additional Placement Agents. With respect to the Banker shall be the lead placement agent with respect to the Current Offering. Each of Holdings and the Company acknowledge and accept the terms of that certain Sub-Agency Agreement dated as of even date of this letter, a copy of which is attached hereto. Under such Sub-Agency Agreement, Paulson Investment Company shall act as the agent of the Banker and be paid the fee described therein which shall reduce the fee otherwise payable to the Banker.

3. Ratification. Each of Holdings and the Company confirm that the terms and conditions of the IB Agreement with respect to the IB Agreement, as supplemented, by this Agreement, is applicable to the Current Offering.

4. Governing Law. This letter shall be governed by, and interpreted in accordance with, the internal laws of the State of New York without regard to such state's principles of conflicts of laws.

5. Counterparts. This letter may be executed in counterparts, each of which when taken together, shall constitute one and the same agreement.

Please confirm your agreement to the terms of this letter that supplement the terms of the IB Agreement (as defined herein) by executing and delivering a copy of this letter to us.

Sincerely,

/s/ David G. Watumull
David G. Watumull, CEO
Cardax Pharmaceuticals, Inc.
Cardax Pharma, Inc.

Accepted and agreed as of
the date first written above

Agincourt, Ltd.

By: /s/ James J. Cahill
Name: James J. Cahill
Title: Managing Director

Exhibit 10.19

AGINCOURT, LTD
10 South Riverside Plaza, #1800
Chicago, Illinois 60606

December 12, 2013

Tom Parigian
Managing Partner
Paulson Investment Company
40 Wall Street, New York, NY 10005

Re: Sub-Agency Agreement

Dear Mr. Parigian:

Pursuant to that certain Exclusive Investment Banking Agreement dated March 12, 2013 and supplemented on May 21, 2013 and as of even date herewith (the *"Placement Agency Agreement"),* Agincourt, Ltd. *("AGENT")* has been engaged by Cardax Pharmaceuticals, Inc., a Delaware corporation ("Holdings"), and (the *"Company"),* to act as the Company's lead placement agent in connection with the offering by the Company of shares of common stock (the "*Common Stock*") of Koffee Korner, Inc., a Delaware corporation ("PubCo"), and warrants to purchase shares of Common Stock (the "*Warrants*") which will be issued and sold contingent upon, and at the closing of, the proposed merger of a wholly owned subsidiary of PubCo with and into Cardax Pharma, Inc. ("Pharma"), a wholly owned subsidiary of the Company resulting in, among other matters, PubCo owning 100% of Pharma and Holdings owning more than 50% of the Common Stock of PubCo. The shares of the Common Stock and the Warrants (collectively, the "*Securities*") that will be issued and sold in the offering (the *"Offering")* will be offered on a "best efforts" basis to "accredited investors", as defined in Regulation D under the Securities Act of 1933, as amended (the *"Act"),* in a "private placement" under Section 4(2) and Regulation D of the Act. The AGENT is not obligated to provide more than its commercially reasonable efforts to place the Securities to consummate the Offering and the Company has the right to terminate the Offering. This Sub-Agency Agreement (this *"Agreement")* sets forth the terms and consideration Paulson Investment Co. Inc., an Oregon Corporation *("Paulson."),* will receive from AGENT in connection with its role as the AGENT's sub-agent in the Offering.

1. Services. Paulson will assist AGENT in placing the Securities to be sold in the Offering to selected investors who are "accredited investors". Paulson acknowledges that AGENT, as the lead placement agent, has full authority to administer the Offering and to take such actions and make decisions as AGENT in its sole discretion deems appropriate.

(a) Fees. Simultaneously with each closing of the Offering, AGENT shall direct the escrow agent for the Offering to pay Paulson from the escrow account established for the Offering a cash placement fee equal 9% of the aggregate purchase price paid by each Referred Investor (as defined below) for Securities that are sold at such closing (the *"Placement Agent's Fee").* AGENT agrees that no closing in which subscription funds submitted by Referred Investors are included as proceeds shall be consummated without providing for payment to Paulson as contemplated herein and that, in the event an escrow account is not used in connection with one or more closings, then AGENT shall immediately pay Paulson, or cause Paulson to be paid, the Placement Agent's Fee from compensation AGENT receives or is due in relation to each closing. The Placement Agent's Fee shall be paid to Paulson by wire transfer or in such other manner as Paulson may reasonably request from time to time.

Within 15 days following the final closing of the Offering, Paulson will provide the AGENT, and PubCo with a list of all persons that were Specifically Introduced in connection with the Offering. Should any person that was Specifically Introduced make an investment in PubCo or Pharma, through an offering that is not a public offering by either of those companies, at any time during the period which extends for a period of eighteen (18) months from the date of the final closing, the company which receives the investment shall pay Paulson the fee Paulson would receive if the investment were made in this offering.

(b) Certain Definitions. As used herein, *"Referred Investors"* means investors whom Paulson "introduced" (as defined below) to AGENT and which AGENT introduces to the Company during the period commencing on the earlier of the date of this Agreement or of the earliest date on the Offering Documents (as defined below) and ending on the later of the date of the final closing in relation to the Offering or the date that the Offering is terminated. An investor *"introduced"* by Paulson to AGENT means a person or entity (and any related family members, successors or affiliates, including, without limitation affiliated entities and trusts) that is identified by Paulson to AGENT on a schedule to be provided by Paulson on or before each Closing, subject to the Company's approval and agreement, or in another reasonable manner (e.g., by email or hand notice), who as a result of actions by Paulson (i) met with the Company and/or had a conversation with the Company either in person or via telephone or other means of communication regarding the Offering or (ii) was provided with a copy of the Offering Documents by Paulson, the Company or AGENT based upon expressing an interest in the Offering, and was not previously introduced to the Company by AGENT or any other placement agent acting for AGENT or the Company; provided, that an investor introduced by Paulson to AGENT and which AGENT introduces to the Company will not be a "Referred Investor" and Paulson will not receive any fee or compensation with respect to such investor if such investor: (i) is an institutional investor unless such institutional investor was approved by AGENT as a potential Referred Investor prior to the distribution of any Offering Documents to such institutional Investor; or (ii) was introduced to AGENT or to the Company by any other placement agent engaged by AGENT or the Company in connection with the Offering. A *"Specifically Introduced"* means a person or entity (and any related family members, successors or affiliates, including, without limitation affiliated entities and trusts) that is identified by Paulson to AGENT on a schedule to be provided by Paulson on or before each Closing, subject to the Company's approval and agreement, or in another reasonable manner (e.g., by email or hand notice), who as a result of actions by Paulson met with the Company and/or had a conversation with the Company either in person or via telephone or other means of communication regarding the Offering.

(c) Warrant Coverage / Compensation. In addition to the Placement Agent's Fee, as additional compensation, AGENT shall cause Paulson or its designees who are accredited investors to be paid a warrant (the *"Agent's Warrants")* to purchase such number of shares of the Company's common stock equal to 8% of the total number of shares of PubCo's common stock all Securities sold are convertible into at the closing of the Reverse Acquisition, at a purchase price of $0.625 per share (or such other price per share that equals the lowest purchase price per share that is specified in a warrant granted to AGENT arising from AGENT's services to the Company pursuant to the Placement Agency Agreement). Capitalized terms used in this Section 1(c) but not otherwise defined herein shall have the respective meanings given to such terms in the Offering Documents.

(d) Expenses. Contingent upon the closing of the first Offering, Paulson shall receive a non-accountable expense fee of $20,000. Beyond the aforementioned expense fee, Paulson shall be responsible for its own expenses incurred in connection with this engagement, unless approved in writing in advance by the AGENT. Paulson shall be responsible to pay any and all fees and expenses of its Representatives, and shall comply with all laws, rules and regulations (including, without limitation, any and all filings and compliance with the FINRA rules and regulations) applicable to payments involving third parties.

(e) Survival. The obligations of AGENT set forth in this Section 1 shall survive termination of this Agreement. Payment to Paulson and its designees, if any, of the Placement Agent's Fee, the Agent's Warrants and Expenses is due at and as a condition to any closing of the Offering, unless this condition is waived, in full or in part, by Paulson in its sole and exclusive discretion, in which case such payment shall be due promptly (and in no event more than three business days) following the time that Paulson requests such payment in the future. To the extent there is more than one closing of the Offering, payment of the proportional amount of the Placement Agent's Fee will be made out of the proceeds of subscriptions for the Securities sold at each closing.

2. Offering Documents. AGENT will make available to Paulson, as soon as practicable after sufficient quantities thereof are made available to AGENT by the Company, copies any final investor presentation or other Offering Documents (defined below) to be used in connection with the Offering of the Securities in such numbers as Paulson may reasonably request. As used herein, *"Offering Documents"* means the offering memorandum or other offering materials (e.g., an investor presentation, subscription agreement and related documents, etc.), as it or they may be amended, restated and/or supplemented from time to time, authorized by the Company for use in connection with the Offering. Paulson will not use any documentation or provide other information regarding the solicitation of investment in the Company other than the Offering Documents that have been approved by AGENT.

3. Term of Engagement. This Agreement will terminate upon the termination or expiration of the Placement Agency Agreement *("Termination Date").* It is hereby agreed and acknowledged that Paulson may terminate this Agreement prior to the Termination Date by providing to AGENT at least thirty (30) days advance written notification; provided, however, that this Agreement shall remain in full force and effect with respect to any transactions which took place prior to such notification.

4. Representations, Warranties and Covenants. Each party hereto represents, warrants and/or covenants, as applicable, to the other party hereto as follows:

(a) Such party has complied and will continue to comply with applicable federal and state securities laws relating to private offerings, including Regulation D, under the Act and the investors such party contacts in connection with the Offering in reliance on Regulation D will be "accredited investors" *("Covered Persons");*

(b) Such party has not engaged and will not engage in any general solicitation or advertising in connection with the Offering, unless otherwise agreed by the Company and AGENT;

(c) Such party has complied and will continue to comply with all other applicable laws and regulations relating to the Offering, including, without limitation, Regulation M, and applicable Financial Industry Regulatory Authority, Inc.'s *("FINRA")* rules and other restrictions on the dissemination of research reports and the activities of analysts;

(d) Such party has all federal and state licenses, registrations and other governmental permits, if any, which are or may be required in order for such party to serve as an agent in connection with the Offering, such party is a member in good standing with FINRA and such party and its registered representatives making such contacts to accredited investors are duly licensed in the states where the accredited investor resides;

(e) Such party has provided or will provide each investor solicited by such party with a copy of the Offering Documents the Company provides to the placement agents, and will not make any representation or provide any information to any potential investor other than as set forth therein;

(f) For purposes of sales to be made in reliance on Regulation D, such party will not make any offer to or distribute the Offering Documents to any person(s) other than the Covered Persons, and only if such Covered Persons are reasonably believed to be "accredited investors";

(g) Such party will not bid for, purchase, or attempt to induce others to purchase, sell, directly or indirectly, any Securities, except as contemplated by this Agreement and the Offering Documents;

(h) Such party will keep accurate records with respect to the delivery of copies of the Offering Documents, including the name, address and telephone number of each person receiving a copy thereof from such party and the date of delivery to each such recipient;

(i) Such party shall provide to the other all transaction and due diligence files from the Offering for FINRA compliance purposes; and

(j) Such party shall provide to the Company or any successor surviving entity in any merger of the Company, such information that the Company or such successor surviving entity is required to disclose under applicable securities laws.

5. Blue Sky Matters. Paulson shall advise AGENT of any jurisdiction in which Paulson proposes to make (or solicit) offers in advance of making (or soliciting) any such offer, and Paulson shall not make any offer in any jurisdiction in which AGENT advises Paulson in writing that offers may not be made. AGENT shall advise Paulson as to the information AGENT has received from the Company's counsel concerning the jurisdictions in which the Securities comprising the Securities are either registered or exempted under the "blue sky" laws of such jurisdictions, but AGENT has not assumed and will not assume any obligation or responsibility as to Paulson 's legal right to sell the Securities in any jurisdiction. Paulson shall not bear any responsibility for filing a Form D with the U.S. Securities and Exchange Commission or making any other securities filings with respect to this Offering, except to the extent that applicable law requires Paulson to make such filing(s). AGENT shall work with the Company to ensure that Form D and "blue sky" Form U2 filings are timely made in relation to the Offering and, separately, shall be responsible for ensuring compliance with FINRA Rule 5123 filings.

6. Reporting. Executed subscription/transaction documents shall be reviewed by Paulson, and promptly and -subsequently forwarded to AGENT at the address set forth above or as otherwise directed by AGENT. The acceptance of the executed subscription documents and subscription amounts are subject to allotment in AGENT's discretion and acceptance by the Company in its sole discretion. AGENT reserves the right to close the subscription books at any time without notice and to reject any subscriptions, in whole or in part.

7. Payment, Disclosure of Payment and Delivery. Payment for the Securities Paulson places shall be made as described in the Offering Documents. AGENT shall work with the Company to and use its commercially reasonable efforts to ensure that the Offering Documents appropriately disclose such payment to Paulson . Securities placed by Paulson shall be delivered to the investor(s) on such closing date(s) as advised by the Company. Paulson does not have the right or authority to have any control over any of the funds for the purchase of the Securities in the Offering.

8. Indemnification. Each party hereto (the "indemnifying party") agrees to indemnify the other party hereto and such other party's controlling persons, representatives and agents for any loss, damage, claim or expense arising out of the indemnifying party's breach of the representations, warranties and covenants set forth in Sections 4, 5 and 7 above, other than with respect to any such loss, damage, claim or expense arising out of such other party's gross negligence or willful misconduct.

9. Choice of Law; Assignment; Waiver of Trial by Jury. This Agreement (and all controversies which may arise between the parties related to or arising from this Agreement) is governed by the laws of the State of New York, without regard to conflicts of law principles. Each party hereby irrevocably and unconditionally consents to subject to the exclusive jurisdiction of the courts of the State of New York and of the United States of America located in New York County, New York for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby (and agrees not to commence any litigation relating thereto expect in such courts), waives any objection to the laying of venue of any such litigation in such courts and agrees not to plead or claim in any such court that such litigation brought therein has been brought in an inconvenient forum. This Agreement will be binding upon and inure to the benefit of each of the parties and their respective successors and assigns; provided that Paulson may not assign its rights or delegate its duties under this Agreement without the prior consent of AGENT. This Agreement may be assigned by AGENT in connection and to the same person as any assignment by AGENT of the Placement Agency Agreement. The parties agree to waive trial by jury in any action, proceeding or counterclaim brought by or on behalf of any party with respect to any matter whatsoever relating to or arising from this Agreement, the engagement of Paulson hereunder or the Offering. The prevailing party in any legal proceeding between the parties hereto shall be entitled to collect any costs, disbursements and reasonable attorney's fees from the other party.

10. Sub-Agency Relationship. Paulson understands that all offers to purchase Securities are subject to acceptance by the Company in its sole discretion, that any fee payable to Paulson herein is dependent upon AGENT's right to receive compensation from the Company pursuant to the Placement Agency Agreement. Nothing herein shall serve to cause Paulson to become or constitute a partner or joint venturer or form any other relationship with AGENT, other than as a sub-agent specified herein. AGENT represents that it is currently authorized under the terms of the Placement Agency Agreement to engage and compensate selected dealer(s) (directly or by direction to the Company, which shall be binding on the Company, as the case may be), under this Agreement in connection with the Offering. The terms of the Placement Agency Agreement are incorporated herein and made part of this Agreement.

11. Entire Agreement. This Agreement represents the entire agreement by and between AGENT and Paulson and supersedes any and all other agreements, either oral or written, with respect to the Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. AGENT and Paulson hereby agree that the opening and closing statements of this Agreement are incorporated herein by this reference and made a material part of this Agreement. If any part of this Agreement is found, or deemed by a court of competent jurisdiction, to be invalid or unenforceable, that part shall be severable from the remainder of the Agreement. Any modification of this Agreement will be effective only if it is in writing and signed by AGENT and Paulson .

12. Authority and Notices. The signatories of the parties to this Agreement have the requisite corporate authority to enter into this Agreement and the authority to execute this Agreement. Any notices, affidavits or other communications hereunder shall be in writing and shall be deemed to have been duly delivered if personally delivered, mailed by certified mail or registered mail, return receipt requested, postage prepaid, or overnight express mail with signature of addressee required, at the addresses set forth above (or at such other address for a party as shall be specified by like notice). Any notices, affidavits or other communications shall first be faxed to the other party and deemed to put the other party on notice, but will not be deemed sufficient for service unless so stated herein.

13. Counterparts. This Agreement may be executed in counterparts and shall be deemed to be an original instrument which will be enforceable against the parties executing such counterparts. The exchange of copies of this Agreement and of signature pages by facsimile transmission or in pdf format shall constitute effective execution and delivery of this Agreement. Signature of the parties transmitted by facsimile or in pdf format shall be deemed to be their original signatures for all purposes.

14. Limitation of Liability. Neither Paulson nor any of its affiliates or any of its or their officers, directors, controlling persons (within the meaning of Section 15 of the Act or Section 20 of the 1934 Act), employees or agents shall have any liability to AGENT or the Company, either of their security holders or creditors, or any person asserting claims on behalf of or in the right of AGENT or the Company (whether direct or indirect, in contract, tort, for an act of negligence or otherwise) for any losses, fees, damages, liabilities, costs, expenses or equitable relief arising out of or relating to this Agreement or the services rendered hereunder, except for losses, fees, damages, liabilities, costs or expenses that arise out of or are based on any action of or failure to act by Paulson and that are determined by a court of competent jurisdiction to have resulted from the intentional misrepresentation or willful misconduct of Paulson . Notwithstanding the foregoing, in no event shall Paulson 's obligation hereunder exceed the fees payable to it hereunder except where Paulson shall have been determined by a court of competent jurisdiction to have intentionally misrepresented a material fact or to have engaged in willful misconduct or violation of applicable law, in which case such liability shall be unlimited.

15. Subsequent Revisions. The parties to this Agreement each hereby confirm that they will cooperate with each other to the extent that it may be necessary to enter into any revisions or amendments to this Agreement in the future to conform to any federal or state regulations.

[Signature Page Follows]

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return this Agreement, whereupon it will become a binding agreement between AGENT and Paulson in accordance with its terms.

Very truly yours,

AGINCOURT LTD

By: /s/ James J. Cahill
Name: James J. Cahill
Title: Managing Director

Acknowledged and Agreed to by:

PAULSON INVESTMENT COMPANY, INC.

By: /s/ Lorraine Maxfield
Name: Lorraine Maxfield
Title: Sr. VP, Corporate Finance

Acknowledged by:

CARDAX PHARMACEUTICALS, INC.

By: /s/ David G. Watumull
Name: David G. Watumull
Title: President and Chief Executive Officer

CARDAX PHARMA, INC.

By: /s/ David G. Watumull
Name: David G. Watumull
Title: President and Chief Executive Officer

Exhibit 16.1

February 7, 2014

United States Securities and Exchange Commission
100 F Street, N.E.
Washington DC 20549-7561

Re: CARDAX, INC.
(formerly known as Koffee Korner Inc.)
Commission File Number: **333-181719**

Commissioners:

We have read Item 2.01 of Form 8-K dated February 7, 2014, of CARDAX, INC., formerly known as Koffee Korner, Inc. (the "Company"), and are in agreement with the statements contained therein insofar as they relate to our dismissal and our audits of consolidated balance sheets of the Company as of March 31, 2013 and 2012 and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for the fiscal years then ended.

Very truly yours,

/s/ Li and Company, PC
Li and Company, PC

Exhibit 21.1

SUBSIDIARIES OF CARDAX, INC.

Entity Name	**Jurisdiction of Incorporation**
Cardax Pharma, Inc.	Delaware

Exhibit 99.1

Financial Statements and Report of Independent Registered Public Accounting Firm

Cardax Pharmaceuticals, Inc.

(A Development Stage Entity)

December 31, 2012 and 2011

Contents

114 West 47th Street, 19th Floor
New York, NY 10036
Telephone: 212.785.9700
Fax: 212.785.0700
www.kbl.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Cardax Pharmaceuticals, Inc.

We have audited the accompanying balance sheets of Cardax Pharmaceuticals, Inc., (A Development Stage Company) (the "Company"), as of December 31, 2012 and 2011, and the related statements of operations, changes in stockholders' equity (deficit), and cash flows for each of the two years then ended, and for the period from inception of the development stage (March 23, 2006) to December 31, 2012. Management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by 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 financial statements referred to above present fairly, in all material respects, the financial position of Cardax Pharmaceuticals, Inc. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for each of the two years then ended, and for the period from inception of the development stage (March 23, 2006) to December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations, and is dependent upon debt and equity financing to provide sufficient working capital to maintain continuity. These circumstances create substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

KBL, LLP

KBL, LLP
New York, NY
January 31, 2014

Cardax Pharmaceuticals, Inc.
(A Development Stage Entity)

BALANCE SHEETS

As of December 31,

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash	$ 7,799	$ 68,127
Inventory	986,674	986,674
Deposits and other assets	39,704	99,276
Prepaid expenses	11,183	3,095
Total current assets	1,045,360	1,157,172
NON-CURRENT ASSETS		
Property and equipment, net	1,404	99,268
Intangible assets, net	435,010	430,465
Total non-current assets	436,414	529,733
TOTAL ASSETS	$ 1,481,774	$ 1,686,905
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued payroll and payroll related expenses	$ 3,696,897	$ 3,025,627
Notes payable, current portion, net of discount of $65,173 and $288,439 as of December 31, 2012 and 2011, respectively	3,609,098	2,257,085
Accounts payable	712,186	759,056
Accrued interest	673,975	310,207
Fees payable to directors	533,001	470,001
Lease settlement payable, current portion	251,184	221,250
Employee settlement	50,000	50,000
Patent license payable, current	15,833	12,500
Other current liabilities	4,424	5,666
Total current liabilities	9,546,598	7,111,392
NON-CURRENT LIABILITIES		
Convertible notes payable, less current portion	500,000	500,000
Lease settlement payable, less current portion	-	251,184
Patent license payable, less current portion	20,000	30,000
Total non-current liabilities	520,000	781,184
COMMITMENTS AND CONTINGENCIES	-	-
Total liabilities	10,066,598	7,892,576
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred Series A - $0.001 par value; 40,118,013 shares authorized, issued, and outstanding	40,118	40,118
Preferred Series B - $0.001 par value; 55,555,555 shares authorized, 20,237,459 issued and outstanding	20,237	20,237
Common stock - $0.001 par value; 150,000,000 shares authorized, 9,488,227 issued and outstanding	9,488	9,488
Additional paid in capital	19,881,825	19,717,588
Deficit accumulated during the development stage	(28,536,492)	(25,993,102)
Total stockholders' equity (deficit)	(8,584,824)	(6,205,671)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 1,481,774	$ 1,686,905

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

Cardax Pharmaceuticals, Inc.
(A Development Stage Entity)

STATEMENTS OF OPERATIONS

For the

	Year ended December 31, 2012	Year ended December 31, 2011	March 23, 2006, (Inception) to December 31, 2012
REVENUES	$ 10,000	$ 14,475	$ 92,903
OPERATING EXPENSES:			
Research and development	702,792	1,095,448	14,597,956
Selling, general, and administrative expenses	979,285	1,288,343	12,419,389
Depreciation and amortization	123,206	169,172	1,386,995
Total operating expenses	1,805,283	2,552,963	28,404,340
Loss from operations	(1,795,283)	(2,538,488)	(28,311,437)
OTHER INCOME (EXPENSES):			
Interest expense, net	(734,168)	(529,167)	(3,567,463)
Net loss on sale of assets	(1,254)	-	(28,648)
Research grant income	-	408,843	1,179,646
Gain on debt extinguishment	-	786,945	786,945
Federal and state tax credits	-	-	1,506,596
Dividend income	-	-	55,206
Other expenses, net	(12,685)	(8,073)	(157,337)
Total other expenses	(748,107)	658,548	(225,055)
Loss before the provision for income taxes	(2,543,390)	(1,879,940)	(28,536,492)
PROVISION FOR INCOME TAXES, net	-	-	-
NET LOSS	$ (2,543,390)	$ (1,879,940)	$ (28,536,492)
NET LOSS PER SHARE			
Basic	$ (0.27)	$ (0.20)	
Diluted	$ (0.27)	$ (0.20)	
SHARES USED IN CALCULATION OF NET INCOME PER SHARE			
Basic	9,488,227	9,488,227	
Diluted	9,488,227	9,488,227	

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

Cardax Pharmaceuticals, Inc.
(A Development Stage Entity)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

For the period beginning March 23, 2006,
(date of inception) and ended December 31, 2012

	Common Stock		Preferred Series A		Preferred Series B		Additional	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In-Capital	Deficit	Total
Balance at March 23, 2006	-	$ -	-	$ -	-	$ -	$ -	$ -	$ -
Issuance of common stock	9,447,100	9,447	-	-	-	-	1,571,787	-	1,581,234
Issuance of Series A Preferred stock	-	-	40,118,013	40,118	-	-	6,674,742	-	6,714,860
Stock based compensation	-	-	-	-	-	-	771,460	-	771,460
Stock option exercise	6,842	7	-	-	-	-	297	-	304
Net loss	-	-	-	-	-	-	-	(4,104,289)	(4,104,289)
Balance at December 31, 2006	9,453,942	9,454	40,118,013	40,118	-	-	9,018,286	(4,104,289)	4,963,569
Issuance of Series B preferred stock	-	-	-	-	8,235,868	8,236	3,697,817	-	3,706,053
Issuance of Series B Preferred stock warrants	-	-	-	-	-	-	255,398	-	255,398
Stock based compensation	-	-	-	-	-	-	319,019	-	319,019
Stock option exercise	20,000	20	-	-	-	-	1,380	-	1,400
Net loss	-	-	-	-	-	-	-	(7,908,993)	(7,908,993)
Balance at December 31, 2007	9,473,942	9,474	40,118,013	40,118	8,235,868	8,236	13,291,900	(12,013,282)	1,336,446
Issuance of Series B Preferred stock	-	-	-	-	5,996,624	5,997	2,692,488	-	2,698,485
Issuance of Series B Preferred stock warrants	-	-	-	-	-	-	122,436	-	122,436
Stock based compensation	-	-	-	-	-	-	138,868	-	138,868
Stock option exercise	14,285	14	-	-	-	-	986	-	1,000
Net loss	-	-	-	-	-	-	-	(6,700,148)	(6,700,148)
Balance at December 31, 2008	9,488,227	9,488	40,118,013	40,118	14,232,492	14,233	16,246,678	(18,713,430)	(2,402,913)
Conversions of notes payable and accrued interest	-	-	-	-	1,653,310	1,653	742,337	-	743,990
Issuance of Series B Preferred stock warrants	-	-	-	-	-	-	508,672	-	508,672
Stock based compensation	-	-	-	-	-	-	165,949	-	165,949
Net loss	-	-	-	-	-	-	-	(1,451,711)	(1,451,711)
Balance at December 31, 2009	9,488,227	9,488	40,118,013	40,118	15,885,802	15,886	17,663,636	(20,165,141)	(2,436,013)

The accompanying notes are an integral part of this financial statement.

Cardax Pharmaceuticals, Inc.
(A Development Stage Entity)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

For the period beginning March 23, 2006,
(date of inception) and ended December 31, 2012

	Common Stock		Preferred Series A		Preferred Series B		Additional	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In-Capital	Deficit	Total
Balance at December 31, 2009	9,488,227	9,488	40,118,013	40,118	15,885,802	15,886	17,663,636	(20,165,141)	(2,436,013)
Issuance and conversion of mandatorily convertible notes	-	-	-	-	3,401,329	3,401	830,045	-	833,446
Issuance of mandatorily convertible notes	-	-	-	-	-	-	258,652	-	258,652
Issuance of Series B Preferred stock warrants	-	-	-	-	-	-	268,555	-	268,555
Stock based compensation	-	-	-	-	-	-	123,809	-	123,809
Net loss	-	-	-	-	-	-	-	(3,948,021)	(3,948,021)
Balance at December 31, 2010	9,488,227	9,488	40,118,013	40,118	19,287,131	19,287	19,144,697	(24,113,162)	(4,899,572)
Conversion of mandatorily convertible notes	-	-	-	-	611,485	611	15,908	-	16,519
Issuance of Series B Preferred stock	-	-	-	-	338,843	339	152,140	-	152,479
Issuance of Series B Preferred stock warrants	-	-	-	-	-	-	358,003	-	358,003
Stock based compensation	-	-	-	-	-	-	46,840	-	46,840
Net loss	-	-	-	-	-	-	-	(1,879,940)	(1,879,940)
Balance at December 31, 2011	9,488,227	9,488	40,118,013	40,118	20,237,459	20,237	19,717,588	(25,993,102)	(6,205,671)
Issuance of Series B Preferred stock warrants	-	-	-	-	-	-	140,592	-	140,592
Stock based compensation	-	-	-	-	-	-	23,645	-	23,645
Net loss	-	-	-	-	-	-	-	(2,543,390)	(2,543,390)
Balance at December 31, 2012	9,488,227	$ 9,488	40,118,013	$ 40,118	20,237,459	$ 20,237	$ 19,881,825	$(28,536,492)	$(8,584,824)

The accompanying notes are an integral part of this financial statement.

Cardax Pharmaceuticals, Inc.
(A Development Stage Entity)

STATEMENTS OF CASH FLOWS

For the

	Year ended December 31, 2012	Year ended December 31, 2011	March 23, 2006, (Inception) to December 31, 2012
Cash flows from operating activities:			
Net loss	$ (2,543,390)	$ (1,879,940)	$ (28,536,492)
Adjustments to reconcile net income to net cash used in operating activities:			
Depreciation	92,596	140,332	1,001,554
Amortization	30,610	28,840	137,754
Stock based compensation expense	23,645	46,840	1,589,590
Discount amortization	363,858	279,286	1,587,871
Net loss on sale of assets	1,254	-	(28,648)
Loss on abandonment of patents	-	-	48,507
Changes in assets and liabilities:			
Deposits and other assets	59,572	61,227	(39,704)
Prepaid expenses	(8,088)	(1,311)	3,702
Inventory	-	-	(986,674)
Accrued payroll and payroll related expenses	671,270	1,035,273	3,573,088
Accounts payable	(48,173)	(1,841,187)	712,186
Accrued interest	363,768	179,946	673,975
Fees payable to directors	63,000	92,163	533,001
Patent license payable	(6,667)	(10,000)	35,833
Other current liabilities	(1,242)	(63,781)	4,424
Lease settlement payable	(221,250)	472,434	251,184
Employee settlement	-	-	50,000
Net cash used in operating activities	(1,159,237)	(1,459,878)	(19,388,849)
Cash flows from investing activities:			
Purchases of property and equipment	-	-	(698,904)
Proceeds from sale of property and equipment	4,014	-	112,759
Expenditures on patents	(35,155)	(56,769)	(621,271)
Net cash used in investing activities	(31,141)	(56,769)	(1,207,416)
Cash flows from financing activities:			
Proceeds from the issuance of common stock	-	-	1,581,275
Proceeds from the issuance of Series A preferred stock	-	-	6,714,860
Proceeds from the issuance of Series B preferred stock	-	16,858	7,259,402
Proceeds from the exercise of stock options	-	-	2,663
Proceeds from the issuances of convertible notes payable	1,180,000	2,103,655	8,165,764
Repayment of principal on convertible notes payable	(49,950)	(587,576)	(3,119,900)
Net cash provided by financing activities	1,130,050	1,532,937	20,604,064
NET (DECREASE) INCREASE IN CASH	(60,328)	16,290	7,799
Cash at the beginning of the period	68,127	51,837	-
Cash at the end of the period	$ 7,799	$ 68,127	$ 7,799
NON-CASH FINANCING AND INVESTING ACTIVITIES:			
Issuance of stock for property and equipment	$ -	$ -	$ 388,165
Issuance of stock for deposits and other assets	$ -	$ -	$ 14,885
Conversion of convertible notes payable to series B preferred stock	$ -	$ -	$ 743,990
Issuance of Series B Preferred stock warrants	$ 140,592	$ 358,003	$ 1,653,044
SUPPLEMENTAL DISCLOSURES:			

Cash paid for interest	$ 4,500	$ 51,581	$ 39,386

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – COMPANY BACKGROUND

Cardax Pharmaceuticals, Inc., (the "Company") was incorporated in the State of Delaware on March 23, 2006. The Company was formed for the purpose of developing a platform of proprietary, exceptionally safe, small molecule compounds for large unmet medical needs where oxidative stress and inflammation play important causative roles. The Company's platform has application in arthritis, metabolic syndrome, liver disease, and cardiovascular disease, as well as macular degeneration and prostate disease. The Company's current primary focus is on the development of astaxanthin technologies. Astaxanthin is a naturally occurring marine compound that has robust anti-oxidant and anti-inflammatory activity.

In May 2006 Hawaii Biotech, Inc., contributed its anti-inflammatory, small molecule line of business into the Company; see Note 7 for a description of the assets contributed, liabilities assumed, and Company stock issued in exchange.

The accompanying financial statements have been prepared in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 915, *Development Stage Entities*. A development stage enterprise is one in which planned and principal operations have not commenced or, if its operations have commenced, there has been no significant revenue there from. Development-stage companies report cumulative costs from the enterprise's inception.

The Company has primarily devoted its efforts to raising capital, obtaining financing, designing and patenting products, research and development, and administrative functions. These financial statements assume that the Company will operate as a continuing entity. Management of the Company expects to raise additional capital and financing to provide the Company with sufficient cash flow to meet its current obligations and continue as a viable business venture.

For the year ended December 31, 2012 and 2011 and inception to December 31, 2012, the Company had net losses of $2,543,390, $1,879,940, and $28,536,492, respectively. Additionally, the Company had an accumulated deficit of $28,536,492 and $25,993,102, for the years ended December 31, 2012 and 2011, respectively, and used cash in operating activities of $1,159,237, $1,459,878, and $19,388,849, for the years ended December 31, 2012 and 2011 and from inception to December 31, 2012, respectively. Those factors create an uncertainty about the Company's ability to continue as a going concern. Although there can be no assurances, management believes that the Company will be able to obtain additional financing through debt and equity arrangements such that it can continue operating through 2014. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and reflect the accounts and operations of the Company.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in our financial statements and the accompanying notes. Estimates in these financial statements include asset valuations, estimates of future cash flows from and the economic useful lives of long-lived assets, certain accrued liabilities, income taxes and tax valuation allowances, and fair value estimates. Despite management's intention to establish accurate estimates and reasonable assumptions, actual results could differ materially from these estimates and assumptions.

Cash

The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents. The Company held no cash equivalents at December 31, 2012 and 2011.

The Company maintains cash and cash equivalent deposit accounts at several financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. The Company's cash balance at times may exceed these limits. As of December 31, 2012 and 2011, the Company did not have any amounts in excess of federally insured limits on deposit.

Inventory

Inventory is stated at the lower of cost or market. Cost is determined using the average cost method. Market is defined as sales price less cost to dispose and a normal profit margin. Inventory costs include materials and third party costs.

Management provides a reserve against inventory for known or expected inventory obsolescence. The reserve is determined by specific review of inventory items for product age and quality which may affect salability. At December 31, 2012 and 2011, management determined that a reserve was not necessary.

Property and equipment, net

Property and equipment are recorded at cost, less depreciation. Equipment under capital lease obligations and leasehold improvements are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment, net (continued)

Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets as follows.

Furniture and office equipment	7 years
Research and development equipment	3 to 7 years
Information technology equipment	5 years
Software	3 years

Major additions and improvements are capitalized, and routine expenditures for repairs and maintenance are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is charged to income for the period.

Impairment of long-lived assets

In accordance with ASC No. 360, *Property, Plant, and Equipment*, the Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets, as appropriate, may not be recoverable.

When the sum of the undiscounted future net cash flows expected to result from the use and the eventual disposition is less than the carrying amounts, an impairment loss would be measured based on the discounted cash flows compared to the carrying amounts. There was no impairment charge recorded for the years ended December 31, 2012 and 2011 and from inception to December 31, 2012.

Research grant income

The Company recognizes revenue on cost reimbursement grant award contracts when allowable and reimbursable expenses are incurred, and upon meeting the legal and contractual requirements of the funding source.

Fair value measurements

US GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of December 31, 2012 and 2011, there were no recurring fair value measurements of assets and liabilities subsequent to initial recognition.

The fair value of the preferred stock warrants is based on unobservable inputs. Such instruments are generally classified within Level 3 of the fair value hierarchy. The Company estimated the fair value of the warrants using an option-pricing model incorporating assumptions that market participants would use in their estimates of fair value. Some of these assumptions include estimates for interest rates, expected dividends, and the fair value of the underlying preferred stock. The estimated fair value of the underlying preferred stock is itself determined using an option-pricing method. Under this method, the fair value of an enterprise's common and preferred stock is estimated as the net value of a series of call options, representing the present value of the expected future returns to the stockholders.

The Company's other financial instruments include borrowings under notes payable. The carrying values of its financial instruments approximate their fair values due to the fact that they are short-term in nature at December 31, 2012 (Level 3).

At December 31, 2011, the Company estimated the fair value of its notes payable based upon rates currently offered for debt of similar maturities and terms (Level 3). The Company estimated the fair value of its long term debt to approximate its carrying value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Warrants

Debt instruments with detachable warrants to acquire shares that may be redeemable are accounted for in accordance with ASC No. 470, *Debt*. Under ASC No. 470, detachable warrants to purchase the Company's series A preferred stock were classified as a discount on the underlying note on the consolidated balance sheets and carried at fair value. The Company initially measured the warrants at fair value on issuance.

Differences between fair value of the series B preferred stock and warrants on the date of grant were recorded as additional paid in capital.

Stock based compensation

The Company accounts for stock based compensation costs under the provisions of ASC No. 718, *Compensation—Stock Compensation*, which requires the measurement and recognition of compensation expense related to the fair value of stock based compensation awards that are ultimately expected to vest. Stock based compensation expense recognized includes the compensation cost for all share based payments granted to employees based on the grant date fair value estimated in accordance with the provisions of ASC No. 718. ASC No. 718 is also applied to awards modified, repurchased, or canceled during the periods reported.

Basic and diluted net income (loss) per share

The Company's convertible redeemable preferred stock was entitled to receive dividends of up to 8.5% at the original issue price per annum when and if dividends are declared on the common stock and thereafter participate pro rata on an as converted basis with the common stock holders on any distributions to common stockholders. They were therefore participating securities. As a result, the Company calculates the net income (loss) per share using the two-class method. Accordingly, the net income (loss) attributable to common stockholders is derived from the net income (loss) for the period and, in periods in which the Company has net income attributable to common stockholders, an adjustment is made for the noncumulative dividends and allocations of earnings to participating securities based on their outstanding shareholder rights. Under the two-class method, the net loss attributable to common stockholders is not allocated to the convertible redeemable preferred stock as the convertible redeemable preferred stock did not have a contractual obligation to share in the Company's losses.

The diluted net income (loss) per share attributable to common stockholders is computed by giving effect to all potential common stock equivalents outstanding for the period determined using the treasury stock method or the as-if converted method as applicable. In periods when the Company incurred a net loss attributable to common stockholders, stock options and warrants to purchase common stock were considered to be common stock equivalents, but have been excluded from the calculation of diluted net loss per share attributable to common stockholders as their effect is antidilutive.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Company accounts for income taxes under an asset and liability approach. Deferred income taxes reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and the amounts recognized for income tax reporting purposes, net operating loss carry-forwards, and other tax credits measured by applying currently enacted tax laws. A valuation allowance is provided when necessary to reduce deferred tax assets to an amount that is more likely than not to be realized.

The Company determines whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Company uses a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained upon tax authority examination, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement.

The Company files income tax returns in the United States ("U.S.") Federal and the States of Hawaii and California jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply.

The following represents the open tax years and jurisdictions that the Company used in its evaluation of tax positions:

Open tax years ending December 31,	Jurisdiction
2010 - 2013	U.S. Federal
2010 - 2013	State of Hawaii
2010 - 2013	State of California

The Company did not recognize any tax liabilities for income taxes associated with unrecognized tax benefits as of December 31, 2012 and 2011. It is the Company's policy is to include interest and penalties related to unrecognized tax benefits, if any, within the provision for taxes in the statements of operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

The Company expenses all advertising costs as incurred and are included as an element of general and administrative costs in the accompanying statements of operations. There were no advertising expenses for the years ended December 31, 2012 and 2011 and from inception to December 31, 2012.

Research and development

Research and development costs are expensed as incurred and consists primarily of salaries and wages of scientists and related personnel engaged in research and development activities, scientific consultations, manufacturing of product candidates, third-party research, laboratory supplies, rents associated with operating leased laboratory equipment, and scientific advisory boards. The focus of these costs is on the development of astaxanthin technologies.

Recently issued accounting standards

In May 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-04, *Fair Value Measurements*, which amends the fair value measurement guidance and includes some enhanced disclosure requirements. The most significant change in disclosures is an expansion of the information required for Level 3 measurements based on unobservable inputs. The standard is effective for fiscal years beginning after December 15, 2011. The Company adopted this standard in the first quarter of 2012. The adoption of this standard did not have a material effect on the Company's consolidated financial statements.

In September 2011, the FASB ASU No. 2011-08, *Intangibles – Goodwill and Other Testing Goodwill for Impairment*, issued amendments to its accounting guidance on testing goodwill for impairment. The amendments allow entities to use a qualitative approach to test goodwill for impairment. This permits an entity to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If it is concluded that this is the case, it is required to perform the currently prescribed two-step goodwill impairment test. Otherwise, the two-step goodwill impairment test is not required. This guidance is effective for annual and interim goodwill impairment test performed for fiscal years beginning after December 15, 2011 and early adoption is permitted. The Company adopted this standard in the first quarter of year 2012 and the implementation thereof did not have a material impact on the Company's consolidated financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently issued accounting standards (continued)

In February 2013, the FASB issued ASU No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income (ASU 2013-02)*, to require reporting of the impact of significant reclassifications out of accumulated other comprehensive income or loss on the line items on the statement of operations, if a reclassification is required in its entirety in one reporting period. This ASU is effective for interim and annual periods beginning after December 15, 2012. The adoption of the ASU did not have a significant impact on the Company's financial statements.

In July 2013, the FASB issued ASU No. 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*, to specify when an unrecognized tax benefit should be presented as a liability versus an offset against a deferred tax asset. The ASU is effective prospectively for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2013. The Company is currently assessing the impact of this ASU on the Company's financial statements.

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

NOTE 3 – INVENTORY

Inventory consists of the following as of December 31:

	2012	2011
Processed materials	$ 986,674	$ 986,674
Total inventories	$ 986,674	$ 986,674

At December 31, 2012 and 2011, $924,452, in inventory was stored at one of the Company's suppliers, which was located in Germany.

NOTE 4 – PROPERTY AND EQUIPMENT, net

Property and equipment, net, consists of the following as of December 31:

	2012	2011
Research and development equipment	$ 686,673	$ 686,673
Leasehold improvements	153,161	153,161
Furniture and office equipment	78,678	89,386
Information technology equipment	75,060	75,060
Software	9,386	9,386
	1,002,958	1,013,666
Less accumulated depreciation	(1,001,554)	(914,398)
Total property and equipment, net	$ 1,404	$ 99,268

Depreciation expense was $92,596, $140,332, and $1,001,554, for the years ended December 31, 2012 and 2011, and inception to December 31, 2012, respectively.

NOTE 5 – INTANGIBLE ASSETS, net

Intangible assets, net, consists of the following as of December 31:

	2012	2011
Patents	$ 572,764	$ 537,609
Less accumulated amortization	(137,754)	(107,144)
Total intangible assets, net	$ 435,010	$ 430,465

Patents are amortized straight-line over a period of fifteen years. Amortization expense was $30,610, $28,840, and $137,754, for the years ended December 31, 2012 and 2011, and from inception to December 31, 2012, respectively.

NOTE 6 – LONG-TERM CONVERTIBLE NOTES PAYABLE, net

The Company's notes payable outstanding as of December 31, 2012 and 2011, were as follows:

	2012	2011
2011 Short-term unsecured promissory note. Originated on April 1, 2011, at 12% interest per annum. All principal and interest was due in full on October 1, 2011. This note was in default as of December 31, 2011, but was repaid in full in 2012. A warrant to purchase 22,200 shares of preferred Series B stock was issued in conjunction with this note for $50.	$ -	$ 49,950
2008 Unsecured promissory note. Originated on November 12, 2008. Principal of $100,000 with $45,000 to be repaid by June 30, 2009, with $10,000 in monthly payments thereafter until repaid in full. Requires a one-time interest payment of $15,000. This note was in default as of December 31, 2012 and 2011.	55,000	55,000
2012 Short-term unsecured promissory notes. Originated at various dates in 2012 with maturities ranging from three months to one year and interest rates ranging from 8% to 12%. All of these notes were subsequently either converted into Bridge Loans or repaid in 2013. The Bridge Loans accrue interest at 10% per annum with outstanding principal and interest due in 2014. These notes will automatically convert into common shares upon a reverse merger with a public entity at the rate of $0.625 per share. Warrants to purchase 224,220 shares of preferred Series B stock were issued in conjunction with these notes.	829,047	-
2009 Non-mandatorily convertible, unsecured note. Originated on March 31, 2009, principal of $500,000 accrues interest at 8% per annum. Principal and interest due in full on March 31, 2014. Convertible at the option of the note holder into Series B preferred stock at a rate of $0.45 per share. A warrant to purchase 222,222 shares of preferred Series B stock was issued in conjunction with this note.	500,000	500,000
(Continued on next page)	$ 1,384,047	$ 604,950

NOTE 6 – LONG-TERM CONVERTIBLE NOTES PAYABLE, net (continued)

(Continued from previous page)	$ 1,384,047	$ 604,950
2010 Secured promissory notes. Principal of $549,450 originated on September 23, 2010 and $62,438 originated on November 12, 2010. Accrued interest at 10% or 14% per annum. Maturity of all notes was extended from September 23, 2012 to March 23, 2013 by majority note holder approval. Interest rate was 2% higher during the period of extension. These notes were secured by all of the Company's intellectual property. Warrants to purchase 339,937 shares of preferred Series B stock were issued in conjunction with these notes for $612. All of these notes were subsequently either converted into the Bridge Loans or repaid in 2013.	611,888	611,888
2011 Secured promissory notes. Principal of $1,828,686 originated at various dates of 2011. Accrued interest at 10% per annum. Maturity of all notes was extended from September 23, 2012 to March 23, 2013 by majority note holder approval. Interest rate was 2% higher during the period of extension. These notes were secured by all of the Company's intellectual property. Warrants to purchase 1,015,934 shares of preferred Series B stock were issued in conjunction with the debt for $1,829. All of these notes were subsequently either converted into the Bridge Loans or repaid in 2013.	1,828,686	1,828,686
2012 Secured promissory notes. Principal of $349,650 originated in February and March of 2012. Accrued interest at 10% per annum. Maturity of all notes was extended from September 23, 2012 to March 23, 2013 by majority note holder approval. Interest rate was 2% higher during the period of extension. These notes were secured by all of the Company's intellectual property. Warrants to purchase 194,250 shares of preferred Series B stock were issued in conjunction with the debt for $350. All of these notes were subsequently either converted into the Bridge Loans or repaid in 2013.	349,650	–
Total notes payable	4,174,271	3,045,524
Current maturities of long-term notes, net of discount	3,609,098	2,257,085
Discount attributable to current maturities	65,173	288,439
Total current maturities	3,674,271	2,545,524
Notes payable, less current maturities	$ 500,000	$ 500,000

NOTE 6 – LONG-TERM CONVERTIBLE NOTES PAYABLE, net (continued)

Interest

Interest expense on these notes was $370,310, $249,881, and $1,977,592, for the years ended December 31, 2012 and 2011, and from inception to December 31, 2012, respectively. Interest accrued on these notes as of December 31, 2012 and 2011, was $673,975 and $310,207, respectively.

Note conversions

Management tested the conversion of the 2012 short-term unsecured promissory notes and 2010 to 2012 secured promissory notes to bridge loans in 2013 for potential extinguishment accounting. Because the fair market value of the notes prior to conversion as compared to the fair market value of the notes subsequent the conversion was less than a 10% difference, management concluded to apply modification accounting and are accruing interest based on the new note terms.

Discount

A discount on these notes of $65,173 and $288,439, at December 31, 2012 and 2011, respectively, was based on the fair value of detachable warrants issued at the time of funding. This discount is being amortized straight-line over the term of the underlying note. Discount amortization of $363,858, $279,286, and $1,589,871 for the years ended December 31, 2012 and 2011 and from inception to December 31, 2012, respectively, was recognized as interest expense.

A summary of the debt discount activity for the years ended December 31, 2012 and 2011, is as follows:

Balance January 1, 2011	$	209,722
Debt discount recorded on 2011 notes		358,003
Amortization of debt discount		(279,286)
Balance December 31, 2011		288,439
Debt discount recorded on 2012 notes		140,592
Amortization of debt discount		(363,858)
Balance at December 31, 2012	$	65,173

Maturities

As of December 31, 2012, the principal maturities of the Company's long-term debt were as follows:

Year ending December 31,		
2013	$	3,674,271
2014		500,000
Total principal payments	$	4,174,271

NOTE 7 – STOCKHOLDERS' EQUITY

Formation

The Company was incorporated in the State of Delaware on March 23, 2006. In May 2006 Hawaii Biotech, Inc., contributed its anti-inflammatory, small molecule line of business into the Company which consisted of the following assets and liabilities:

Cash	$	7,007,371
Due from Hawaii Biotech, Inc.		1,000,000
Prepaid expenses		14,279
Employee note receivable		288,576
Fixed assets, net of depreciation of $181,905		388,165
Other assets		606
Total assets		8,698,997
Accounts and accrued expenses payable		138,921
Due to Hawaii Biotech, Inc.		70,279
Equipment leases payable		181,203
Total liabilities		390,403
Net assets transferred	$	8,308,594

The Company issued (i) 9,447,100 shares of common stock of the Company, (ii) 14,440,920 shares of Series A Preferred Stock of the Company, (iii) 11,113,544 shares of Series B Preferred Stock of the Company and (iv) 13,859,324 shares of Series C Preferred Stock of the Company to Hawaii Biotech, Inc., in exchange for the assets and liabilities contributed to the Company. The above shares were then distributed by Hawaii Biotech, Inc. to its shareholders. An additional 704,225 shares of Series C Preferred Stock were issued as part of the initial capitalization of the Company.

Authorized shares

On formation, the Company was authorized to issue 10,000 shares of common stock with a par value of $0.001 per share. On May 5, 2006, the Articles of Incorporation were amended and restated. As part of this amendment, the number of authorized shares increased to 219,582,802 of which 127,000,000 were designated as common stock and the remaining 92,582,802 was designated as preferred stock. The 92,582,802 of preferred stock was allocated 14,440,920 to Series A, 11,113,544 Series B, 42,028,338 to Series C with 25,000,000 undesignated. Par value for all classes of stock was 0.001.

NOTE 7 – STOCKHOLDERS' EQUITY (continued)

On January 30, 2007, the Articles of Incorporation were amended and restated. As part of this amendment, the number of authorized shares increased to 245,673,568 of which 150,000,000 were designated as common stock and the remaining 95,673,568 was designated as preferred stock. The 95,673,568 of preferred stock was allocated 40,118,013 to Series A and 55,555,555 to Series B. As part of this amendment all outstanding shares of Series A, B, and C preferred stock on the date of amendment were converted to shares of Series A preferred stock. Par value for all classes of stock was 0.001.

Dividends

Subject to the rights of any series of Preferred Stock that may from time to time come into existence, the holders of Series A and Series B preferred stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of funds legally available therefor, dividends at the rate of 8.5% of the original Series A Series and B issue prices, per annum, on each outstanding share of Series A and Series B preferred stock on a pari passu basis, payable in preference and priority to any payment of any dividend on common stock of the Company for such year. The right to such dividends on Preferred Stock shall not be cumulative, and no rights shall accrue to the holders of Preferred Stock by reason of the fact that the Company may have failed to declare or pay dividends on Preferred Stock in any previous fiscal year of the Company, whether or not earnings of the Company where sufficient to pay such dividends. No dividend shall be paid on common stock in any year, other than dividends payable solely in common stock, until all dividends for such year have been declared and paid on preferred stock. No dividends were accrued or paid during 2012 and 2011.

Liquidation preference

The holders of Series A and Series B preferred stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of common stock by reason of their ownership of such stock, the amount of $0.33, the original Series A issue price, and $0.45, the original Series B issue price, (in each case adjusted for any stock dividends, combinations or splits with respect to such shares) for each share of Series A and Series B preferred stock, respectively, then held by them, and, in addition, an amount equal to all declared but unpaid dividends on Series A and Series B preferred stock, respectively, held by them.

NOTE 7 – STOCKHOLDERS' EQUITY (continued)

Liquidation preference (continued)

If the assets and funds thus distributed among the holders of Series A and Series B preferred stock shall be insufficient to permit the payment to such holders of full aforesaid preferential amounts, then, subject to the rights of series of preferred stock that may from time to time come into existence, the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of Series A and Series B preferred stock in the respective proportions which the aggregate preferential amount of all shares of Series A and Series B preferred stock then held by each such holder bears to the aggregate preferential amount of all shares of Series A and Series B preferred stock outstanding as of the date of the distribution upon the occurrence of such liquidation event.

After payment has been made to the holders of preferred stock of the full amounts to which they shall be entitled as aforesaid, the holders of Series A preferred stock, Series B preferred stock and common stock shall participate on a pro rata basis based on the number of Common Stock equivalent shares held by a holder in the distribution of all remaining assets of the Company legally available for distribution, with the outstanding shares of Series A and Series B preferred stock treated as though they had been converted into the appropriate number of shares of Common Stock.

Conversion rights

Each share of Series A and Series B preferred stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for such series of Series A or Series B preferred stock into such number of fully paid and non-assessable shares of common stock as is determined by dividing $0.33 in the case of Series A preferred stock and $0.45 in the case of Series B preferred stock, by the applicable Conversion Price, in effect on the date the certificate is surrendered for conversion. The price at which shares of Common Stock shall be deliverable upon conversion of Series A or Series B preferred stock shall initially be $0.33 per share with respect to shares of Series A preferred stock and $0.45 per share with respect to shares of Series B preferred stock.

Voting rights

The holder of each share of common stock issued and outstanding shall have one vote and the holder of each share of preferred stock shall be entitled to the number of votes equal to the number of shares of common stock into which such share of preferred stock could be converted.

Exercise of stock options

The Company issued common stock pursuant to the exercise of stock options as follows:

Year	Common shares issued	Average Price	Amount Realized
2006	6,842	$ 0.044	$ 304
2007	20,000	$ 0.070	$ 1,400
2008	14,285	$ 0.070	$ 1,000

NOTE 8 – STOCK BASED COMPENSATION

On May 15, 2006, the Company adopted the 2006 Stock Incentive Plan (the "Plan"). Under the Plan, the Company may issue shares of restricted stock, incentive stock options, or non-statutory stock options to employees, directors, and consultants. The aggregate number of shares which may be issued under the Plan is 16,521,704, which was increased by 1,456,786 to 17,978,490 as part of the Series B Offering in 2007.

Incentive stock options may be granted to employees at a price per share not less than 100% of the fair market value at date of grant. If the incentive stock option is granted to a 10% stockholder, then the purchase or exercise price per share shall not be less than 110% of the fair market value per share of common stock on the grant date. Non-statutory stock options and restricted stock may be granted to employees, directors, and consultants at a price per share, not less than 100% of the fair market value at date of grant. Options granted are exercisable, unless specified differently in the grant documents, over a default term of ten years from the date of grant and generally vest over a period of four years.

A summary of stock option activity is as follows:

	Options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic value
Outstanding January 1, 2011	17,933,091	$ 0.07	5.02	$ 305,810
Exercisable January 1, 2011	15,238,858	$ 0.07	4.99	$ 304,777
Granted	-	-		
Exercised	-	-		
Forfeited	-	-		
Outstanding December 31, 2011	17,933,091	$ 0.07	4.17	$ 358,662
Exercisable December 31, 2011	16,602,622	$ 0.07	4.05	$ 332,052
Granted	-	-		
Exercised	-	-		
Forfeited	(2,642,605)	$ 0.07		
Outstanding December 31, 2012	15,290,486	$ 0.07	3.89	$ 305,810
Exercisable December 31, 2012	14,524,861	$ 0.07	3.75	$ 290,497

NOTE 8 – STOCK OPTION PLAN (continued)

The aggregate intrinsic value in the table above is before applicable income taxes and represents the excess amount over the exercise price option recipients would have received if all options had been exercised on the date of issue, based on a valuation of the Company's stock for that day.

A summary of the Company's non-vested options for the year ended December 31, 2012, is presented below:

	2012	2011
Non-vested at January 1,	1,330,469	2,694,233
Granted	-	-
Vested	(564,844)	(1,363,764)
Forfeited	-	-
Non-vested at December 31,	765,625	1,330,469

As of December 31, 2012, total unrecognized stock-based compensation expense related to all unvested stock options was $10,691, which is expected to be expensed over a weighted average period of 1.50 years.

Under ASC No. 718, the Company estimates the fair value of stock options granted on each grant date using the Black-Scholes option valuation model and recognizes an expenses ratably over the requisite service period. The range of fair value assumptions related to options outstanding as of December 31, 2012 and 2011, were as follows:

	2012	2011
Dividend yield	0.0%	0.0%
Risk-free rate	0.92% - 5.15%	0.92% - 5.15%
Expected volatility	116% - 170%	116% - 170%
Expected term	2.5 - 7.5 years	2.5 - 7.5 years

The expected volatility was calculated based on the historical volatilities of publicly traded peer companies, determined by the Company. The risk free interest rate used was based on the U.S. Treasury constant maturity rate in effect at the time of grant for the expected term of the stock options to be valued. The expected dividend yield was zero, as the Company does not anticipate paying a dividend within the relevant time frame. Due to a lack of historical information needed to estimate the Company's expected term, it was estimated using the simplified method allowed under ASC No. 718.

NOTE 8 – STOCK OPTION PLAN (continued)

As part of the requirements of ASC No. 718, the Company is required to estimate potential forfeitures of stock grants and adjust stock based compensation expense accordingly. The estimate of forfeitures will be adjusted over the requisite service period to the extent that actual forfeitures differ, or are expected to differ, from such estimates. Changes in estimated forfeitures will be recognized in the period of change and will also impact the amount of stock based compensation expenses to be recognized in future periods.

The Company recognized $23,645, $46,840, and $1,589,590, in stock based compensation expense during the years ended December 31, 2012 and 2011, and inception to December 31, 2012, respectively.

NOTE 9 – WARRANTS

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

	Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
Outstanding January 1, 2011	3,144,127	$ 0.45	5.86	-
Exercisable January 1, 2011	3,144,127	$ 0.45	5.86	-
Granted	1,038,134	$ 0.45	5.00	
Exercised	-			
Forfeited/Cancelled	-			
Outstanding December 31, 2011	4,182,261	$ 0.45	4.77	-
Exercisable December 31, 2011	4,182,261	$ 0.45	4.77	-
Granted	418,470	$ 0.45	5.00	
Exercised	-			
Forfeited/Cancelled	(906,760)	$ 0.45		
Outstanding December 31, 2012	3,693,971	$ 0.45	4.81	-
Exercisable December 31, 2012	3,693,971	$ 0.45	4.81	-

NOTE 9 – WARRANTS (continued)

Under ASC No. 718, the Company estimates the fair value of warrants granted on each grant date using the Black-Scholes option valuation model. The fair value of warrants issued with debt is recorded as a debt discount and amortized over the life of the debt.

The range of fair value assumptions related to warrants outstanding as of December 31, 2012 and 2011, were as follows:

	2012	2011
Dividend yield	0.0%	0.0%
Risk-free rate	0.62% - 4.59%	0.62% - 4.59%
Expected volatility	108% - 167%	108% - 167%
Expected term	2.5 - 10.0 years	2.5 - 10.0 years

The expected volatility was calculated based on the historical volatilities of publicly traded peer companies, determined by the Company. The risk free interest rate used was based on the U.S. Treasury constant maturity rate in effect at the time of grant for the expected term of the warrants to be valued. The expected dividend yield was zero, as the Company does not anticipate paying a dividend within the relevant time frame. The expected warrant term is the life of the warrant.

NOTE 10 – RELATED PARTY TRANSACTIONS

Consulting agreement

As part of a 2009 consulting agreement, a director provided consulting services to the Company. The Company incurred $0 and $48,000 in consulting fees payable to a director for the years ended December 31, 2012 and 2011, respectively. Amounts payable under this agreement were $288,000 as of December 31, 2012 and 2011.

NOTE 11 – INCOME TAXES

The Company accounts for income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are determined based upon the difference between the financial statement carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed.

The income tax provision (benefit) is composed of the following at December 31:

	2012			2011		
	Federal	State	Total	Federal	State	Total
Current	$ -	$ -	$ -	$ -	$ -	$ -
Deferred	-	-	-	-	-	-
			$ -			$ -

The following table presents a reconciliation of the statutory Federal rate and the Company's effective tax rate for the years ended December 31:

	2012	2011
Tax provision (benefit) at Federal statutory rate	(34.00)%	(34.00)%
Accrued compensation	9.82%	22.55%
Accrued interest expense	9.73%	8.31%
Stock based compensation	0.32%	0.85%
Depreciation and amortization	0.13%	0.09%
Other	0.05%	0.07%
Change in valuation allowance	13.96%	2.13%
Effective tax rate	0.00%	0.00%

NOTE 11 – INCOME TAXES (continued)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The following table presents significant components of the Company's deferred tax assets and liabilities for the years ended December 31:

	2012	2011
Deferred tax assets:		
Net operating loss carryforwards	$ 7,695,899	$ 7,719,301
Accrued compensation	1,662,473	1,381,805
Accrued interest	257,620	118,574
Credit carryforwards	124,525	124,525
Stock based compensation	802,512	132,855
Discount amortization	321,301	72,987
Amortization	41,895	30,195
Gross deferred tax assets	10,906,224	9,580,242
Less valuation allowance	(10,844,963)	(9,527,051)
Net deferred tax assets	61,261	53,191
Deferred tax liabilities:		
Depreciation	(46,501)	(51,699)
Gain on sale of assets	(14,760)	(1,492)
Gross deferred tax liabilities	(61,261)	(53,191)
Net deferred tax assets	$ -	$ -

NOTE 11 – INCOME TAXES (continued)

As of December 31, 2012, the Company had Federal net operating loss carryforward of approximately $20,303,057. The net operating loss carryforward expires at various dates beginning in 2026 if not utilized. In addition, the Company had net operating losses for Hawaii income tax purposes of approximately $16,600,397 as of December 31, 2012, which expire at various dates beginning in 2026 if not utilized. These amounts differ from the Company's accumulated deficit due to permanent and temporary tax differences.

The Company's valuation allowance was primarily related to the operating losses. The valuation allowance is determined in accordance with the provisions of ASC No. 740, *Income Taxes*, which requires an assessment of both negative and positive evidence when measuring the need for a valuation allowance. Based on the available objective evidence and the Company's history of losses, management provides no assurance that the net deferred tax assets will be realized. As of December 31, 2012, the Company has applied a valuation allowance against its deferred tax assets net of the expected income from the reversal of the deferred tax liabilities.

For tax years 2006 to 2010 the Company received an aggregate amount of cash totaling $1,506,596 representing federal and State of Hawaii tax credits in connection with qualified research expenditures incurred. The tax credits were created to encourage taxpayers to design, develop, and/or improve products, processes, techniques, formulas or software and intended to reward programs that pursue innovation in the State of Hawaii. The tax credits are reflected in the Statements of Operations.

NOTE 12 – RESEARCH GRANT INCOME

The Company was awarded a three year government grant from the National Institutes of Health to fund research costs and support the Company's development program by paying for inventory critical to the manufacturing of its product candidates. The grant included an allocation for indirect costs equal to 40% of the Company's costs incurred exclusive of subcontractor costs.

The grant was used to pay for inventory of $752,634, subcontractor costs of $60,000, salaries and benefits allocable to research of $42,234, and $4,879 for miscellaneous costs such as supplies. Additionally, $318,898 was allocated as indirect costs.

NOTE 13 – BASIC AND DILUTED NET INCOME (LOSS) PER SHARE

The following table sets forth the computation of the Company's basic and diluted net income (loss) per share for the years ended December 31,:

	2012	2011
Net loss attributable to common shareholders, basic	$ (2,543,390)	$ (1,879,940)
Net loss attributable to common shareholders, diluted	$ (2,543,390)	$ (1,879,940)
Weighted-average shares used to compute net loss per share attributable to common stockholders, basic	9,488,227	9,488,227
Dilutive effect of common stock options	-	-
Weighted-average shares used to compute net loss per share attributable to common stockholders, diluted	9,488,227	9,488,2271
Net loss per share attributable to common stockholders, basic	$ (0.27)	$ (0.20)
Net loss per share attributable to common stockholders, diluted	$ (0.27)	$ (0.20)

The following outstanding shares of common stock equivalents were excluded from the computation of diluted net loss per share for the years presented because including them would have been antidilutive:

	December 31, 2012	December 31, 2011
Common stock options	15,290,486	17,933,091

NOTE 14 – CONCENTRATION

The Company purchases all of its inventory from one vendor in Germany. Although, there were no purchases from this vendor for the years ended December 31, 2012 and 2011, outstanding payables to this vendor were $86,255 and $84,778 as of December 31, 2012 and 2011, respectively.

NOTE 15 – LEASES

Lease settlement

On April, 29, 2011, the Company entered into a settlement agreement with a lessor whereby the Company would make monthly payments totaling $614,934 from January 1, 2011 to October 1, 2013, in exchange of a waiver of $786,945 in late and other fees, which is recorded as a gain on debt extinguishment on the 2011 statement of operations. In the event of default, this waived amount would be payable in full in addition to the settlement amount. Total lease settlement amounts payable were $251,184 and $472,434 as of December 31, 2012 and 2011, respectively.

Although in default at the end of 2012, the Company subsequently cured and settled the obligation in full on October 1, 2013. The lessor upheld the Satisfaction of Judgment without exercising any of the default provisions.

750,000 shares of the Companies Series B Preferred Shares were held as security for this note.

Hawaii Research Center

The Company entered into a lease for laboratory and office space on May 9, 2006. This lease was amended on September 7, 2011, and October 30, 2012. Under the terms of the October 30, 2012, lease amendment, the lease was extended for a period of one year. Total rent expense under this agreement was $71,760, $58,012, and $2,007,408, for the years ended December 31, 2012 and 2011, and from inception to December 31, 2012, respectively.

Manoa Innovation Center

The Company entered into an automatically renewable month-to-month lease for office space on August 13, 2010. Under the terms of this lease, the Company must provide a written notice 45 days prior to vacating the premises. Total rent expense under this agreement was $23,026, $25,473, and $63,958, for the years ended December 31, 2012 and 2011, and from inception to December 31, 2012, respectively.

Maturities

Future minimum lease payments under non-cancelable operating leases were $33,209, at December 31, 2012. This amount was all due during 2013.

NOTE 16 – COMMITMENTS

Patent payable

As part of the formation of the Company, a patent license was transferred to the Company. The original license began in 2006. Under the terms of the license the Company agrees to pay $10,000 per year through 2015 and royalties of 2% on any revenues resulting from the license. There were no revenues generated by this license during the years ended December 31, 2012 and 2011 and from inception to December 31, 2012. The remaining obligation of $35,833 and $42,500 as of December 31, 2012 and 2011, respectively, is recorded as patent license payable on the balance sheet.

Employee settlement

As of December 31, 2012 and 2011 the Company owed a former employee a settlement payable in the amount of $50,000 for accrued vacation benefits. As part of the settlement, a stock option previously granted to the former employee was fully vested and extended.

License and agreements

In November 2006, the Company entered into a joint development and supply agreement with the supplier of all of its inventory. Under the agreement, the Company granted the supplier a non-exclusive world-wide license, with an option to convert the license to an exclusive license, to use the Company's rights related to the development and commercialization of human nutraceutical astaxanthin products. In 2013, license was converted to an exclusive license. The Company is to receive between specified royalties based on future net sales of such human nutraceutical astaxanthin products. No royalties were realized from this agreement as of December 31, 2012 or 2011.

In February 2012, the Company entered into a licensing agreement granting a company worldwide exclusive rights to certain monoclonal antibodies against paclitaxel and tangible property relating to assay kits to detect various anti-cancer compounds, including manufacturing and technical know-how. The Company is to receive payments upon attaining certain milestones and royalties based on future net sales of products utilizing the licensed technology. The Company generated $10,000 of fees during 2012 from this agreement.

NOTE 17 – SUBSEQUENT EVENTS

The Company evaluated its December 31, 2012 financial statements for subsequent events through January 31, 2014, the date the financial statements were available to be issued and noted the following non-recognized events for disclosure.

On May 16, 2013, the Company formed a wholly-owned–subsidiary, Cardax Pharma, Inc., ("Pharma"). As part of the formation, the Company contributed its assets to Pharma in exchange for all of the capital stock of Pharma and the assumption by Pharma of all of the liabilities of the Company.

From January through April 2013, the Company issued $559,611 in notes payable to investors. In April through June 2013, the Company repaid $998,076 and $234,109 in notes payable principal and accrued interest, respectively.

On May 31, 2013, principal from existing notes in the amount of $3,180,806 (comprised of $2,621,195 in principal outstanding as of December 31, 2012 and $559,611 in new principal issued from January through April 2013) along with accrued interest of $467,437 were converted into a 2013 Bridge Loan along with $4,650,792 of new principal from May through September 2013 and $190,000 of new principal from October through November 2013. These notes accrue interest at 10% per annum with outstanding principal and interest due in 2014. These notes will automatically convert into common shares upon a reverse merger with a public entity at the rate of $0.625 per share.

On November 29, 2013, the Company entered into a definitive merger agreement ("Merger Agreement") with Koffee Korner Inc., a Delaware corporation ("Koffee Korner") (OTCBB: KOFF), and its wholly owned subsidiary ("Koffee Sub"), pursuant to which, among other matters and subject to the conditions set forth in such Merger Agreement, Koffee Sub would merge with and into Pharma. In connection with such merger agreement and related agreements, upon the consummation of such merger, Pharma will become a wholly owned subsidiary of Koffee Korner and Koffee Korner will issue shares of its common stock to the Company. At the effective time of such merger, the Company will own a majority of the shares of the then issued and outstanding shares of common stock of Koffee Korner.

On January 3, 2014, the Company issued $2,076,000 in notes payable to investors. These notes accrue interest at 10% per annum with outstanding principal and interest due in 2014. These notes will automatically convert into common shares upon a reverse merger with a public entity at the rate of $0.625 per share.

Exhibit 99.2

Condensed Consolidated Financial Statements

Cardax Pharmaceuticals, Inc., and Subsidiary

(A Development Stage Entity)

September 30, 2013 and 2012

Contents

Cardax Pharmaceuticals, Inc., and Subsidiary
(A Development Stage Entity)

CONDENSED CONSOLIDATED BALANCE SHEETS

As of

	September 30, 2013 *(Unaudited)*	December 31, 2012
ASSETS		
CURRENT ASSETS		
Cash	$ 1,211,316	$ 7,799
Inventory	986,674	986,674
Deposits and other assets	93,626	20,693
Advances to director	-	19,011
Prepaid expenses	21,570	11,183
Total current assets	2,313,186	1,045,360
NON-CURRENT ASSETS		
Property and equipment, net	30,056	1,404
Intangible assets, net	434,020	435,010
Total non-current assets	464,076	436,414
TOTAL ASSETS	$ 2,777,262	$ 1,481,774
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued payroll and payroll related expenses	$ 3,765,789	$ 3,696,897
Notes payable, current portion, net of discount of $9,330 and $65,173 as of September 30, 2013 and December 31, 2012, respectively	8,844,706	3,609,098
Accounts payable	577,787	712,186
Accrued interest	434,402	673,975
Fees payable to directors	475,629	533,001
Lease settlements payable, current portion	-	251,184
Employee settlement	50,000	50,000
Patent license payable, current	25,000	15,833
Other current liabilities	20,126	4,424
Total current liabilities	14,193,439	9,546,598
NON-CURRENT LIABILITIES		
Notes payable, less current portion	-	500,000
Lease settlement payable, less current portion	-	-
Patent license payable, less current portion	10,000	20,000
Total non-current liabilities	10,000	520,000
COMMITMENTS AND CONTINGENCIES	-	-
Total liabilities	14,203,439	10,066,598
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred Series A - $0.001 par value; 40,118,013 shares authorized, issued, and outstanding	40,118	40,118
Preferred Series B - $0.001 par value; 55,555,555 shares authorized, 20,237,459 issued and outstanding	20,237	20,237
Common stock - $0.001 par value; 150,000,000 shares authorized, 9,488,227 issued and outstanding	9,488	9,488
Additional paid in capital	19,890,333	19,881,825
Deficit accumulated during the development stage	(31,386,353)	(28,536,492)
Total stockholders' equity (deficit)	(11,426,177)	(8,584,824)

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 2,777,262	$ 1,481,774

The accompanying notes are an integral part of these condensed consolidated financial statements.

Cardax Pharmaceuticals, Inc., and Subsidiary
(A Development Stage Entity)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

For the

	Nine-months ended September 30, 2013 *(Unaudited)*	Nine-months ended September 30, 2012 *(Unaudited)*	March 23, 2006, (Inception) to September 30, 2013 *(Unaudited)*
REVENUES	$ -	$ 10,000	$ 92,903
OPERATING EXPENSES:			
Research and development	677,929	493,785	15,275,885
Selling, general, and administrative expenses	1,621,038	688,596	14,040,427
Depreciation and amortization	25,160	111,739	1,412,155
Total operating expenses	2,324,127	1,294,120	30,728,467
Loss from operations	(2,324,127)	(1,284,120)	(30,635,564)
OTHER INCOME (EXPENSES):			
Interest expense, net	(513,995)	(589,268)	(4,081,458)
Net loss on sale of assets	110	(1,254)	(28,538)
Research grant income	-	-	1,179,646
Gain on debt extinguishment	-	-	786,945
Federal and state tax credits	-	-	1,506,596
Dividend income	-	-	55,206
Other expenses, net	(11,849)	(9,234)	(169,186)
Total other expenses	(525,734)	(599,756)	(750,789)
Loss before the provision for income taxes	(2,849,861)	(1,883,876)	(31,386,353)
PROVISION FOR INCOME TAXES, net	-	-	-
NET LOSS	$ (2,849,861)	$ (1,883,876)	$ (31,386,353)
NET LOSS PER SHARE			
Basic	$ (0.30)	$ (0.20)	
Diluted	$ (0.30)	$ (0.20)	
SHARES USED IN CALCULATION OF NET INCOME PER SHARE			
Basic	9,488,227	9,488,227	
Diluted	9,488,227	9,488,227	

The accompanying notes are an integral part of these condensed consolidated financial statements.

Cardax Pharmaceuticals, Inc., and Subsidiary
(A Development Stage Entity)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the

	Nine-months ended September 30, 2013	Nine-months ended September 30, 2012	March 23, 2006, (Inception) to September 30, 2013
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
Cash flows from operating activities:			
Net loss	$ (2,849,861)	$ (1,883,876)	$ (31,386,353)
Adjustments to reconcile net income to net cash used in operating activities:			
Depreciation	1,607	89,762	1,003,161
Amortization	23,553	21,977	161,307
Stock based compensation expense	8,508	19,180	1,598,098
Discount amortization	55,843	334,024	1,643,714
Net loss on sale of assets	-	1,254	(28,648)
Loss on abandonment of patents	-	-	48,507
Changes in assets and liabilities:			
Deposits and other assets	(72,933)	78,583	(112,637)
Advances to director	19,011	(12,554)	19,011
Prepaid expenses	(10,387)	(12,604)	(6,685)
Inventory	-	-	(986,674)
Accrued payroll and payroll related expenses	68,892	461,495	3,641,980
Accounts payable	(134,399)	(72,588)	577,787
Accrued interest	227,865	249,356	901,840
Fees payable to directors	(57,372)	77,496	475,629
Patent license payable	(833)	(2,500)	35,000
Other current liabilities	15,702	7,598	20,126
Lease settlement payable	(251,184)	(168,750)	-
Employee settlement	-	-	50,000
Net cash used in operating activities	(2,955,988)	(812,147)	(22,344,837)
Cash flows from investing activities:			
Purchases of property and equipment	(30,259)	-	(729,163)
Proceeds from sale of property and equipment	-	4,015	112,759
Expenditures on patents	(22,563)	(31,294)	(643,834)
Net cash used in investing activities	(52,822)	(27,279)	(1,260,238)
Cash flows from financing activities:			
Proceeds from the issuance of common stock	-	-	1,581,275
Proceeds from the issuance of series A preferred stock	-	-	6,714,860
Proceeds from the issuance of series B preferred stock	-	-	7,259,402
Proceeds from the exercise of stock options	-	-	2,663
Proceeds from the issuances of notes payable	5,360,403	849,999	13,526,167
Repayment of principal on notes payable	(1,148,076)	(49,950)	(4,267,976)
Net cash provided by financing activities	4,212,327	800,049	24,816,391
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	1,203,517	(39,377)	1,211,316
Cash at the beginning of the period	7,799	68,127	-
Cash at the end of the period	$ 1,211,316	$ 28,750	$ 1,211,316
NON-CASH FINANCING AND INVESTING ACTIVITIES:			
Issuance of stock for property and equipment	$ -	$ -	$ 388,165
Issuance of stock for deposits and other assets	$ -	$ -	$ 14,885
Conversion of convertible notes payable to series B preferred stock	$ -	$ -	$ 743,990
Issuance of Series B Preferred stock warrants	$ 140,592	$ 358,003	$ 1,653,044

SUPPLEMENTAL DISCLOSURES:

Cash paid for interest	$ 24,743	$ 5,892	$ 64,129

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PRESENTATION

Cardax Pharmaceuticals, Inc., (the "Company") was incorporated in the State of Delaware on March 23, 2006. The Company was formed for the purpose of developing a platform of proprietary, exceptionally safe, small molecule compounds for large unmet medical needs where oxidative stress and inflammation play important causative roles. The Company's platform has application in arthritis, metabolic syndrome, liver disease, and cardiovascular disease, as well as macular degeneration and prostate disease. The Company's current primary focus is on the development of astaxanthin technologies. Astaxanthin is a naturally occurring marine compound that has robust anti-oxidant and anti-inflammatory activity.

In May 2006 Hawaii Biotech, Inc., contributed its anti-inflammatory, small molecule line of business into the Company; see Note 7 for a description of the assets contributed, liabilities assumed, and Company stock issued in exchange.

In May of 2013, the Company formed a 100% owned subsidiary company called Cardax Pharma, Inc ("Pharma"). Pharma was formed to maintain the company's operations going forward, leaving Cardax Pharmaceuticals, Inc. as a shell holding company. All references herein to the Company, refers to Cardax Pharmaceuticals, Inc. and Cardax Pharma Inc., collectively.

The accompanying unaudited condensed consolidated financial statements of Cardax Pharmaceuticals, Inc. and its wholly owned subsidiary Cardax Pharma, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial information. In the opinion of the Company's management, the accompanying condensed consolidation financial statements reflect all adjustments, consisting of normal, recurring adjustments, considered necessary for a fair presentation of the results for the interim periods ended September 30, 2013 and 2012 and for the period from the inception of the development stage (March 23, 2006) to September 30, 2013. Although management believes that the disclosures in these unaudited condensed consolidated financial statements are adequate to make the information presented not misleading, certain information and footnote disclosures normally included in financial statements that have been prepared in accordance GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. The results for the nine month periods ended September 30, 2013 and 2012 are not necessarily indicative of the results to be expected for the years ending December 31, 2013 and 2012 and for the period from the inception of the development stage (March 23, 2006) to December 31, 2013. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and footnotes thereto included in the current report on Form 8-K filed February 7, 2014.

The accompanying consolidated condensed financial statements include the accounts of Cardax Pharmaceuticals, Inc., and its wholly owned subsidiary, Cardax Pharma, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PRESENTATION (continued)

Going concern matters

The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements, the Company incurred a net loss of $2,849,861 for the nine months ended September 30, 2013 and a net loss during the development stage from inception (March 23, 2006) through September 30, 2013 of $31,386,353. As a result of these and other factors, the Company's independent registered public accounting firm has included an explanatory paragraph in their audited consolidated financial statements and footnotes in the current report on Form 8-K filed February 7, 2014 as to the substantial doubt about the Company's ability to continue as a going concern.

Development stage entity

The accompanying financial statements have been prepared in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 915, Development Stage Entities. A development stage enterprise is one in which planned and principal operations have not commenced or, if its operations have commenced, there has been no significant revenue there from. Development-stage companies report cumulative costs from the enterprise's inception.

The Company has primarily devoted its efforts to raising capital, obtaining financing, designing and patenting products, research and development, and administrative functions. These financial statements assume that the Company will operate as a continuing entity. Management of the Company expects to raise additional capital and financing to provide the Company with sufficient cash flow to meet its current obligations and continue as a viable business venture.

NOTE 2 – RECENT ACCOUNTING PRONOUNCEMENTS

In July 2013, the FASB issued an Accounting Standards Update ("ASU") No. 2013-11 on the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss or tax credit carryforward, exists. Under the guidance, an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date. The updated guidance is effective for fiscal years and interim periods within those years, beginning after December 15, 2013. The adoption of this guidance is not expected to have a material effect on the Company's Consolidated Financial Statements.

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

NOTE 3 – INVENTORY

Inventory consists of the following as of:

	September 30, 2013	December 31, 2012
Processed materials	$ 986,674	$ 986,674
Total inventories	$ 986,674	$ 986,674

At September 30, 2013 and December 31, 2012, inventory in the amount of $924,452, respectively, were stored at one of the Company's suppliers, which was located in Germany.

NOTE 4 – PROPERTY AND EQUIPMENT, net

Property and equipment, net, consists of the following as of:

	September 30, 2013	December 31, 2012
Research and development equipment	$ 686,673	$ 686,673
Leasehold improvements	153,161	153,161
Furniture and office equipment	78,678	78,678
Information technology equipment	105,319	75,060
Software	9,386	9,386
	1,033,217	1,002,958
Less accumulated depreciation	(1,003,161)	(1,001,554)
Total property and equipment, net	$ 30,056	$ 1,404

Depreciation expense was $1,607, $89,762, and $1,003,161, for the nine-month periods ended September 30, 2013 and 2012, and from inception to September 30, 2013, respectively.

NOTE 5 – INTANGIBLE ASSETS, net

Intangible assets, net, consists of the following as of:

	September 30, 2013	December 31, 2012
Patents	$ 595,327	$ 572,764
Less accumulated amortization	(161,307)	(137,754)
Total intangible assets, net	$ 434,020	$ 435,010

Patents are amortized straight-line over a period of fifteen years. Amortization expense was $23,553, $21,977, and $161,307, for the nine-month periods ended September 30, 2013 and 2012, and from inception to September 30, 2013, respectively.

NOTE 6 – LONG-TERM NOTES PAYABLE, net

The Company's notes payable outstanding were as follows as of:

	September 30, 2013	December 31, 2012
2008 Unsecured promissory note. Originated on November 12, 2008. Principal of $100,000 with $45,000 to be repaid by June 30, 2009, with $10,000 in monthly payments thereafter until repaid in full. Requires a one-time interest payment of $15,000. This note was in default as of September 30, 2013 and December 31, 2012.	$ 55,000	$ 55,000
2012 Short-term unsecured promissory notes. Originated at various dates in 2012 with maturities ranging from three months to one year and interest rates ranging from 8% to 12%. All of these notes were subsequently either converted into a new bridge loan or repaid in 2013 (see below). Warrants to purchase 224,220 shares of preferred Series B stock were issued in conjunction with these notes.	-	829,047
2009 Non-mandatorily convertible, unsecured note. Originated on March 31, 2009, principal of $500,000 accrues interest at 8% per annum. Principal and interest due in full on March 31, 2014. Convertible at the option of the note holder into Series B preferred stock at a rate of $0.45 per share. This note matures in March 2014. A warrant to purchase 222,222 shares of preferred Series B stock was issued in conjunction with this note.	500,000	500,000
2010 Secured promissory notes. Principal of $549,450 originated on September 23, 2010 and $62,438 originated on November 12, 2010. These notes accrue interest at 10% or 14% per annum. Maturity of all notes was extended from September 23, 2012 to March 23, 2013 by majority note holder approval. Interest rate was 2% higher during the period of extension. These notes were secured by all of the Company's intellectual property. Warrants to purchase 339,937 shares of preferred Series B stock were issued in conjunction with these notes for $612. All of these notes were subsequently either converted into a new bridge loan or repaid in 2013 (see below).	-	611,888
(Continued on next page)	$ 555,000	$ 1,995,935

NOTE 6 – LONG-TERM NOTES PAYABLE, net (continued)

(Continued from previous page)	$ 555,000	$ 1,995,935
2011 Secured promissory notes. Principal of $1,828,686 originated at various dates of 2011. These notes accrued interest at 10% per annum. Maturity of all notes was extended from September 23, 2012 to March 23, 2013 by majority note holder approval. Interest rate was 2% higher during the period of extension. These notes were secured by all of the Company's intellectual property. Warrants to purchase 1,015,934 shares of preferred Series B stock were issued in conjunction with these notes for $1,829. All of these notes were subsequently either converted into a new bridge loan or repaid in 2013 (see below).	-	1,828,686
2012 Secured promissory notes. Principal of $349,650 originated in February and March of 2012. These notes accrued interest at 10% per annum. Maturity of all notes was extended from September 23, 2012 to March 23, 2013 by majority note holder approval. Interest rate was 2% higher during the period of extension. These notes were secured by all of the Company's intellectual property. Warrants to purchase 194,250 shares of preferred Series B stock were issued in conjunction with these notes for $350. All of these notes were subsequently either converted into a new bridge loan or repaid in 2013 (see below).	-	349,650
2013 Bridge loan. Principal from existing notes in the amount of $3,180,806 (comprised of $2,621,195 in principal outstanding as of December 31, 2012 and $559,611 in new principal issued from January through April 2013) along with accrued interest of $467,437 were converted into a 2013 Bridge Loan along with $4,650,792 of new principal. These notes accrue interest at 10% per annum with outstanding principal and interest due in 2014. These notes will automatically convert into common shares upon a reverse merger with a public entity at the rate of $0.625 per share.	8,299,036	-
Total notes payable	8,854,036	4,174,271
Current maturities of long-term, net of discount	8,844,706	3,609,098
Discount attributable to current maturities	9,330	65,173
Total current maturities	8,854,036	3,674,271
Long-term notes payable, less current maturities	$ -	$ 500,000

NOTE 6 – LONG-TERM NOTES PAYABLE, net (continued)

Interest

Interest expense on these notes was $458,152, $255,244, and $2,437,744, for the nine-months ended September 30, 2013 and 2012 and from inception to September 30, 2013, respectively. Interest accrued on these notes as of September 30, 2013 and December 31, 2012, was $434,402 and $673,975, respectively.

Note conversion

Management tested the conversion of the 2012 short-term unsecured promissory notes and 2010 to 2012 secured promissory notes to bridge loans in 2013 for potential extinguishment accounting. Because the fair market value of the notes prior to conversion as compared to the fair market value of the notes subsequent the conversion was less than a 10% difference, management concluded to apply modification accounting and are accruing interest based on the new note terms.

Discount

A discount on these notes of $9,330 and $65,173, at September 30, 2013 and 2012, respectively, was based on the fair value of detachable warrants issued at the time of funding. This discount is being amortized straight-line over the underlying term of the note. Interest expense of $55,843, $334,024, and $1,643,714 for the nine-months ended September 30, 2013 and 2012, and from inception to September 30, 2013, respectively, was recognized as amortization of this discount.

A summary of the debt discount activity for the nine months ended September 30, 2013 and year ended December 31, 2012 is as follows:

Balance January 1, 2012	$	288,439
Debt discount recorded on 2012 notes		140,592
Amortization of debt discount		(363,858)
Balance December 31, 2012		65,173
Debt discount recorded on 2013 notes		-
Amortization of debt discount		(55,843)
Balance at September 30, 2013	$	9,330

NOTE 7 – STOCKHOLDERS' EQUITY

Formation

The Company was incorporated in the State of Delaware on March 23, 2006. In May 2006 Hawaii Biotech, Inc., contributed its anti-inflammatory, small molecule line of business into the Company which consisted of the following assets and liabilities:

Cash	$	7,007,371
Due from Hawaii Biotech, Inc.		1,000,000
Prepaid expenses		14,279
Employee note receivable		288,576
Fixed assets, net of depreciation of $181,905		388,165
Other assets		606
Total assets		8,698,997
Accounts and accrued expenses payable		138,921
Due to Hawaii Biotech, Inc.		70,279
Equipment leases payable		181,203
Total liabilities		390,403
Net assets transferred	$	8,308,594

The Company issued (i) 9,447,100 shares of common stock of the Company, (ii) 14,440,920 shares of Series A Preferred Stock of the Company, (iii) 11,113,544 shares of Series B Preferred Stock of the Company and (iv) 13,859,324 shares of Series C Preferred Stock of the Company to Hawaii Biotech, Inc., in exchange for the assets and liabilities contributed to the Company. The above shares were then distributed by Hawaii Biotech, Inc., to its shareholders. An additional 704,225 shares of Series C Preferred Stock were issued as part of the initial capitalization of the Company.

Exercise of stock options

The Company issued common stock pursuant to the exercise of stock options as follows:

Year	Common shares issued	Average Price	Amount Realized
2006	6,842	$ 0.044	$ 304
2007	20,000	$ 0.070	$ 1,400
2008	14,285	$ 0.070	$ 1,000

NOTE 8 – STOCK BASED COMPENSATION

On May 15, 2006, the Company adopted the 2006 Stock Incentive Plan (the "Plan"). Under the Plan, the Company may issue shares of restricted stock, incentive stock options, or non-statutory stock options to employees, directors, and consultants. The aggregate number of shares which may be issued under the Plan is 16,521,704, which was increased by 1,456,786 to 17,978,490 as part of the Series B Offering in 2007.

NOTE 8 – STOCK BASED COMPENSATION (continued)

Incentive stock options may be granted to employees at a price per share not less than 100% of the fair market value at date of grant. If the incentive stock option is granted to a 10% stockholder, then the purchase or exercise price per share shall not be less than 110% of the fair market value per share of common stock on the grant date. Non-statutory stock options and restricted stock may be granted to employees, directors, and consultants at a price per share, not less than 100% of the fair market value at date of grant. Options granted are exercisable, unless specified differently in the grant documents, over a default term of ten years from the date of grant and generally vest over a period of four years.

A summary of stock option activity is as follows:

	Options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic value
Outstanding January 1, 2012	17,933,091	$ 0.07	4.17	$ 358,662
Exercisable January 1, 2012	16,602,622	$ 0.07	4.05	$ 332,052
Granted	-			
Exercised	-			
Forfeited	(2,642,605)			
Outstanding December 31, 2012	15,290,486	$ 0.07	3.89	$ 305,810
Exercisable December 31, 2012	14,524,861	$ 0.07	3.75	$ 290,497
Granted	-			
Exercised	-			
Forfeited	-			
Outstanding September 30, 2013	15,290,486	$ 0.07	3.14	$ 305,810
Exercisable September 30, 2013	14,915,486	$ 0.07	3.08	$ 298,935

The aggregate intrinsic value in the table above is before applicable income taxes and represents the excess amount over the exercise price option recipients would have received if all options had been exercised on the date of issue, based on a valuation of the Company's stock for that day.

NOTE 8 – STOCK OPTION PLAN (continued)

A summary of the Company's non-vested options for the nine months ended September 30, 2013 and for the year ended December 31, 2012 is presented below:

Non-vested at January 1, 2012	1,330,469
Granted	-
Vested	(564,844)
Forfeited	-
Non-vested at December 31, 2012	765,625
Granted	-
Vested	(421,875)
Forfeited	-
Non-vested at September 30, 2013	343,750

As of September 30, 2013, total unrecognized stock-based compensation expense related to all unvested stock options was $2,183, which is expected to be expensed over a weighted average period of 0.75 years.

Under ASC No. 718, the Company estimates the fair value of stock options granted on each grant date using the Black-Scholes option valuation model and recognizes an expenses ratably over the requisite service period. The range of fair value assumptions related to options outstanding as of September 30, 2013, and December 31, 2012, were as follows:

	September 30, 2013	December 31, 2012
Dividend yield	0.0%	0.0%
Risk-free rate	0.92% - 5.15%	0.92% - 5.15%
Expected volatility	116% - 170%	116% - 170%
Expected term	2.5 - 7.5 years	2.5 - 7.5 years

The expected volatility was calculated based on the historical volatilities of publicly traded peer companies, determined by the Company. The risk free interest rate used was based on the U.S. Treasury constant maturity rate in effect at the time of grant for the expected term of the stock options to be valued. The expected dividend yield was zero, as the Company does not anticipate paying a dividend within the relevant time frame. Due to a lack of historical information needed to estimate the Company's expected term, it was estimated using the simplified method allowed under ASC No. 718.

As part of the requirements of ASC No. 718, the Company is required to estimate potential forfeitures of stock grants and adjust stock based compensation expense accordingly. The estimate of forfeitures will be adjusted over the requisite service period to the extent that actual forfeitures differ, or are expected to differ, from such estimates. Changes in estimated forfeitures will be recognized in the period of change and will also impact the amount of stock based compensation expenses to be recognized in future periods.

NOTE 8 – STOCK OPTION PLAN (continued)

The Company recognized $8,508, $19,180, and $1,598,098 in stock based compensation expense during the nine-month periods ended September 30, 2013 and 2012 and from inception to September 30, 2013, respectively.

NOTE 9 – WARRANTS

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

	Options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic value
Outstanding January 1, 2012	4,182,261	$ 0.45	4.77	$ -
Exercisable January 1, 2012	4,182,261	$ 0.45	4.77	$ -
Granted	418,470			
Exercised	-			
Forfeited	(906,760)			
Outstanding December 31, 2012	3,693,971	$ 0.45	4.81	$ -
Exercisable December 31, 2012	3,693,971	$ 0.45	4.81	$ -
Granted	-			
Exercised	-			
Forfeited	(179,253)			
Outstanding September 30, 2013	3,514,718	$ 0.45	4.28	$ -
Exercisable September 30, 2013	3,514,718	$ 0.45	4.28	$ -

Under ASC No. 718, the Company estimates the fair value of warrants granted on each grant date using the Black-Scholes option valuation model. The fair value of warrants issued with debt is recorded as a debt discount and amortized over the life of the debt. The range of fair value assumptions related to warrants outstanding as of September 30, 2013 and December 31, 2012, were as follows:

	September 30, 2013	December 31, 2012
Dividend yield	0.0%	0.0%
Risk-free rate	0.62% - 4.59%	0.62% - 4.59%
Expected volatility	108% - 167%	108% - 167%
Expected term	2.5 - 10.0 years	2.5 - 10.0 years

NOTE 9 – WARRANTS (continued)

The expected volatility was calculated based on the historical volatilities of publicly traded peer companies, determined by the Company. The risk free interest rate used was based on the U.S. Treasury constant maturity rate in effect at the time of grant for the expected term of the warrants to be valued. The expected dividend yield was zero, as the Company does not anticipate paying a dividend within the relevant time frame. The expected warrant term is the life of the warrant.

NOTE 10 – RELATED PARTY TRANSACTIONS

Consulting agreement

As part of a 2009 consulting agreement, a director provided consulting services to the Company. Amounts payable under this agreement were $216,000 and $288,000 as of September 30, 2013 and December 31, 2012, respectively.

NOTE 11 – INCOME TAXES

The Company accounts for income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are determined based upon the difference between the financial statement carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed.

The effective tax rate for the nine months ended September 30, 2013 differs from the statutory rate of 34% as a result of the state taxes (net of federal benefit) and permanent differences.

The Company is subject to taxation in the United States and two state jurisdictions. The preparation of tax returns requires management to interpret the applicable tax laws and regulations in effect in such jurisdictions, which could affect the amount of tax paid by the Company. Management, in consultation with its tax advisors, files its tax returns based on interpretations that are believed to be reasonable under the circumstances. The income tax returns, however, are subject to routine reviews by the various taxing authorities. As part of these reviews, a taxing authority may disagree with respect to the tax positions taken by management ("uncertain tax positions") and therefore may require the Company to pay additional taxes. Management evaluates the requirement for additional tax accruals, including interest and penalties, which the Company could incur as a result of the ultimate resolution of its uncertain tax positions. Management reviews and updates the accrual for uncertain tax positions as more definitive information becomes available from taxing authorities, completion of tax audits, expiration of statute of limitations, or upon occurrence of other events.

NOTE 11 – INCOME TAXES (continued)

As of September 30, 2013, there was no liability for income tax associated with unrecognized tax benefits. The Company recognizes accrued interest related to unrecognized tax benefits as well as any related penalties in interest income or expense in its consolidated condensed statements of operations, which is consistent with the recognition of these items in prior reporting periods.

With few exceptions, the Company is no longer subject to U.S. federal, state, local, and non-U.S. income tax examination by tax authorities for tax years before 2008.

The Company's valuation allowance is primarily related to its operating losses. The valuation allowance is determined in accordance with the provisions of ASC No. 740, *Income Taxes*, which requires an assessment of both negative and positive evidence when measuring the need for a valuation allowance. Based on the available objective evidence and the Company's history of losses, management provides no assurance that the net deferred tax assets will be realized. As of September 30, 2013 and December 31, 2012, the Company has applied a valuation allowance against its deferred tax assets net of the expected income from the reversal of the deferred tax liabilities.

For tax years 2006 to 2010 the Company received an aggregate amount of cash totaling $1,506,596 representing federal and State of Hawaii tax credits in connection with qualified research expenditures incurred. The tax credits were created to encourage taxpayers to design, develop, and/or improve products, processes, techniques, formulas or software and intended to reward programs that pursue innovation in the State of Hawaii. The tax credits are reflected in the Statements of Operations.

NOTE 12 – RESEARCH GRANT INCOME

The Company was awarded a three year government grant from the National Institutes of Health to fund research costs and support the Company's development program by paying for inventory critical to the manufacturing of its product candidates. The grant included an allocation for indirect costs equal to 40% of the Company's costs incurred exclusive of subcontractor costs.

The grant was used to pay for inventory of $752,634, subcontractor costs of $60,000, salaries and benefits allocable to research of $42,234, and $4,879 for miscellaneous costs such as supplies. Additionally, $318,898 was allocated as indirect costs.

NOTE 13 – BASIC AND DILUTED NET INCOME (LOSS) PER SHARE

The following table sets forth the computation of the Company's basic and diluted net income (loss) per share for the nine-months and year ended September 30, 2013 and December 31, 2012, respectively:

	September 30, 2013	September 30, 2012
Net loss attributable to common shareholders, basic	$ (2,849,861)	$ (1,883,876)
Net loss attributable to common shareholders, diluted	$ (2,849,861)	$ (1,883,876)
Weighted-average shares used to compute net loss per share attributable to common stockholders, basic	9,488,227	9,488,227
Dilutive effect of common stock options	-	-
Weighted-average shares used to compute net loss per share attributable to common stockholders, diluted	9,488,227	9,488,227
Net loss per share attributable to common stockholders, basic	$ (0.30)	$ (0.20)
Net loss per share attributable to common stockholders, diluted	$ (0.30)	$ (0.20)

The following outstanding shares of common stock equivalents were excluded from the computation of diluted net loss per share for the years presented because including them would have been antidilutive:

	September 30, 2013	September 30, 2012
Common stock options	15,290,486	15,290,486

NOTE 14 – CONCENTRATION

The Company purchases all of its inventory from one vendor in Germany (see Note 9). Although, there were no purchases from this vendor during the nine-months ended September 30, 2013 and 2012, outstanding payables to this vendor were $86,255 as of September 30, 2013 and December 31, 2012.

NOTE 15 – LEASES

Lease settlement

On April, 29, 2011, the Company entered into a settlement agreement with a lessor whereby the Company would make monthly payments totaling $614,934 from January 1, 2011 to October 1, 2013, in exchange of a waiver of $786,945 in late and other fees, which is recorded as a gain on debt extinguishment on the 2011 statement of operations. In the event of default, this waived amount would be payable in full in addition to the settlement amount. Total rent settlement amounts payable were $0 and $251,184 as of September 30, 2013 and December 31, 2012, respectively.

Although in default at the end of 2012, the Company subsequently cured and settled the obligation in full on October 1, 2013. The lessor upheld the Satisfaction of Judgment without exercising any of the default provisions.

Hawaii Research Center

The Company entered into a lease for laboratory and office space on May 9, 2006. This lease amended on September 7, 2011, and October 30, 2012. Under the terms of the October 30, 2012, lease, the lease is extended for a period of one year second amendment and extension of lease on laboratory facilities. Total rent expense under this agreement as amended was $58,607, $58,007, and $2,066,015, for the nine-month periods ended September 30, 2013 and 2012, and from inception to September 30, 2013, respectively.

Manoa Innovation Center

The Company entered into an automatically renewable month-to-month lease for office space on August 13, 2010. Under the terms of this lease, the Company must provide a written notice 45 days prior to vacating the premises. Total rent expense under this agreement was $25,816, $20,975, and $122,565, for the nine-month periods ended September 30, 2013 and 2012, and from inception to September 30, 2013, respectively.

NOTE 15 – LEASES (continued)

Maturities

Future minimum lease payments under non-cancelable operating leases were $3,019, at September 30, 2013. This amount was all due during 2013.

NOTE 16 – COMMITMENTS

Patent payable

As part of the formation of the Company, a patent license was transferred to the Company. The original license began in 2006. Under the terms of the license the Company agrees to pay $10,000 per year through 2015 and royalties of 2% on any revenues resulting from the license. There were no revenues generated by this license during the nine-months ended September 30, 2013 year-ended December 31, 2012. The remaining obligation of $35,000 and $35,833 as of September 30, 2013 and December 31, 2012, respectively, is recorded as patent license payable on the balance sheet.

Employee settlement

As of December 31, 2012 and 2011 the Company owed a former employee a settlement payable in the amount of $50,000 for accrued vacation benefits. As part of the settlement, a stock option previously granted to the former employee was fully vested and extended.

License and agreements

In November 2006, the Company entered into a joint development and supply agreement with the supplier of all of its inventory. Under the agreement, the Company granted the supplier a non-exclusive world-wide license, with an option to convert the license to an exclusive license, to use the Company's rights related to the development and commercialization of human nutraceutical astaxanthin products. In 2013, license was converted to an exclusive license. The Company is to receive specified royalties based on future net sales of such human nutraceutical astaxanthin products. No royalties were realized from this agreement as of December 31, 2012 or 2011.

In February 2012, the Company entered into a licensing agreement granting a company worldwide exclusive rights to certain monoclonal antibodies against paclitaxel and tangible property relating to assay kits to detect various anti-cancer compounds, including manufacturing and technical know-how. The Company is to receive payments upon attaining certain milestones and royalties based on future net sales of products utilizing the licensed technology. The Company generated $10,000 of fees during the nine-months ended September 30, 2012, from this agreement.

NOTE 17 – SUBSEQUENT EVENTS

From October through November 2013, the Company issued $190,000 in notes payable to investors. These notes accrue interest at 10% per annum with outstanding principal and interest due in 2014. These notes will automatically convert into common shares upon a reverse merger with a public entity at the rate of $0.625 per share.

On November 29, 2013, the Company entered into a definitive merger agreement ("Merger Agreement") with Koffee Korner Inc., a Delaware corporation ("Koffee Korner") (OTCBB: KOFF), and its wholly owned subsidiary ("Koffee Sub"), pursuant to which, among other matters and subject to the conditions set forth in such Merger Agreement, Koffee Sub would merge with and into Pharma. In connection with such merger agreement and related agreements, upon the consummation of such merger, Pharma will become a wholly owned subsidiary of Koffee Korner and Koffee Korner will issue shares of its common stock to the Company. At the effective time of such merger, the Company will own a majority of the shares of the then issued and outstanding shares of common stock of Koffee Korner.

On January 3, 2014, the Company issued $2,076,000 in notes payable to investors. These notes accrue interest at 10% per annum with outstanding principal and interest due in 2014. These notes will automatically convert into common shares upon a reverse merger with a public entity at the rate of $0.625 per share.

Exhibit 99.3

Cardax, Inc.
Consolidated Pro-Forma Balance Sheet
September 30, 2013

	Koffee Korner, Inc. (Unaudited)	Cardax Pharmaceuticals, Inc. (Unaudited)		Pro-Forma Adjustments (Unaudited)	Pro-Forma Combined (Unaudited)
ASSETS					
CURRENT ASSETS					
Cash	$ 9,169	$ 1,211,316	4,5	$ 5,225,520	$ 6,446,005
Inventory	-	986,674		-	986,674
Deposits and other assets	-	93,626		-	93,626
Prepaid expenses and other current assets	1,089	21,570	5	(1,089)	21,570
Total current assets	10,258	2,313,186		5,224,431	7,547,875
NON-CURRENT ASSETS					
Property and equipment, net	2,275	30,056	5	(2,275)	30,056
Intangible assets, net	-	434,020		-	434,020
Security deposit	1,706	-	5	(1,706)	-
Total non-current assets	3,981	464,076		(3,981)	464,076
TOTAL ASSETS	$ 14,239	$ 2,777,262		$ 5,220,450	$ 8,011,951
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Accrued payroll and payroll related expenses	$ 730	$ 3,765,789	5,7	$ 399,270	$ 4,165,789
Notes payable, current portion, net of discount of $9,330	-	8,844,706	3	(8,844,706)	-
Accounts payable	7,299	577,787	5	(7,299)	577,787
Accrued interest	-	434,402		(434,402)	-
Sales tax payable	508	-	5	(508)	-
Fees payable to directors	-	475,629		-	475,629
Advances from stockholders	16,245	-	5	(16,245)	-
Lease settlement payable, current portion	-	50,000			50,000
Patent license payable, current	-	25,000			25,000
Other current liabilities	-	20,126			20,126
Total current liabilities	24,782	14,193,439		(8,903,890)	5,314,331
NON-CURRENT LIABILITIES					
Patent license payable, less current portion	-	10,000		-	10,000
Total non-current liabilities	-	10,000		-	10,000
TOTAL LIABILITIES	24,782	14,203,439		(8,903,890)	5,324,331
STOCKHOLDERS' EQUITY (DEFICIT)					
Preferred Series A - $0.001 par value; 40,118,013 shares authorized, issued, and outstanding	-	40,118	2	(40,118)	-
Preferred Series B - $0.001 par value; 55,555,555 shares authorized, 20,237,459 issued and outstanding	-	20,237	2	(20,237)	-
Preferred Stock - $0.0001 par value; 5,000,000 shares authorized, none issued and outstanding	-	-		-	-
Preferred Stock - $0.001 par value; 5,000,000 shares authorized, none issued and outstanding					
Common stock - $0.001 par value; 150,000,000 shares authorized, 9,488,227 issued and outstanding	-	9,488	2	(9,488)	-
Common stock - $0.0001 par value;100,000,000 shares authorized, 10,530,000 issued and outstanding	1,053	-	1	(1,053)	-
Common stock - $0.001 par value;400,000,000 shares authorized, 62,854,662 issued and outstanding	-	-	1,2,3,4	62,854	62,854
Additional paid in capital	78,240	19,890,333	1,2,3,4,5,6,8	14,777,936	34,746,509
Accumulated deficit	(89,836)	(31,386,353)	3,6,7,8	(645,554)	(32,121,743)
	-	-		-	-
Total stockholders' equity (deficit)	(10,543)	(11,426,177)		14,124,340	2,687,620
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 14,239	$ 2,777,262		$ 5,220,450	$ 8,011,951

The accompanying pro-forma notes are an integral part of these pro-forma financial statements.

Cardax, Inc.
Consolidated Pro-Forma Statement of Operations
For the Nine Months Ended September 30, 2013

	Koffee Korner, Inc. *(Unaudited)*	Cardax Pharmaceuticals, Inc. *(Unaudited)*		Pro-Forma Adjustments *(Unaudited)*	Pro-Forma Combined *(Unaudited)*
REVENUES	$ 65,240	$ -		$ -	$ 65,240
COST OF REVENUES	60,675	-		-	60,675
Gross Profit	4,565	-		-	4,565
OPERATING EXPENSES:					
Research and development	-	677,929		-	677,929
Selling, general, and administrative expenses	26,398	1,621,038	7,8	1,219,879	2,867,315
Depreciation and amortization	-	25,160		-	25,160
Impairment of goodwill	30,000	-		-	30,000
Total operating expenses	56,398	2,324,127		1,219,879	3,600,404
Loss from operations	(51,833)	(2,324,127)		(1,219,879)	(3,595,839)
OTHER INCOME (EXPENSES):					
Interest expense, net	-	(513,995)	9	484,489	(29,506)
Net income (loss) on sale of assets	-	110		-	110
Other expenses, net	-	(11,849)		-	(11,849)
Total other expenses	-	(525,734)		484,489	(41,245)
Loss before the provision for income taxes	(51,833)	(2,849,861)		(735,390)	(3,637,084)
PROVISION FOR INCOME TAXES, net	-	-		-	-
NET LOSS	$ (51,833)	$ (2,849,861)		$ (735,390)	$ (3,637,084)
NET LOSS PER SHARE					
Basic	$ (0.00)	$ (0.30)			$ (0.06)
Diluted	$ (0.00)	$ (0.30)			$ (0.06)
SHARES USED IN CALCULATION OF NET INCOME PER SHARE					
Basic	10,530,000	9,488,227			62,814,267
Diluted	10,530,000	9,488,227			62,814,267

The accompanying pro-forma notes are an integral part of these pro-forma financial statements.

Cardax, Inc.
Consolidated Pro-Forma Statement of Operations
For the Year Ended December 31, 2012

	Koffee Korner, Inc. *(Unaudited)*	Cardax Pharmaceuticals, Inc. *(Unaudited)*		Pro-Forma Adjustments *(Unaudited)*	Pro-Forma Combined *(Unaudited)*
REVENUES	$ 72,443	$ 10,000		$ -	$ 82,443
COST OF REVENUES	57,334	-		-	57,334
Gross Profit	15,109	10,000		-	25,109
OPERATING EXPENSES:					
Research and development	-	702,792		-	702,792
Selling, general, and administrative expenses	52,695	979,285	7,8	1,236,258	2,268,238
Depreciation and amortization	-	123,206		-	123,206
Total operating expenses	52,695	1,805,283		1,236,258	3,094,236
Loss from operations	(37,586)	(1,795,283)		(1,236,258)	(3,069,127)
OTHER INCOME (EXPENSES):					
Interest expense, net	-	(734,168)	9	694,168	(40,000)
Net loss on sale of assets	-	(1,254)		-	(1,254)
Other expenses, net	-	(12,685)		-	(12,685)
Total other expenses	-	(748,107)		694,168	(53,939)
Loss before the provision for income taxes	(37,586)	(2,543,390)		(542,090)	(3,123,066)
PROVISION FOR INCOME TAXES, net	-	-		-	-
NET LOSS	$ (37,586)	$ (2,543,390)		$ (542,090)	$ (3,123,066)
NET LOSS PER SHARE					
Basic	$ (0.00)	$ (0.27)			$ (0.05)
Diluted	$ (0.00)	$ (0.27)			$ (0.05)
SHARES USED IN CALCULATION OF NET INCOME PER SHARE					
Basic	10,530,000	9,488,227			62,814,267
Diluted	10,530,000	9,488,227			62,814,267

The accompanying pro-forma notes are an integral part of these pro-forma financial statements.

Cardax, Inc.
Notes to Unaudited Pro-Forma Consolidated Financial Statements

1. **Basis of Presentation**

The following unaudited pro-forma consolidated financial statements of Cardax, Inc. ("Cardax", the "Company," "we," "our" or "us"), Cardax Pharma, Inc. ("Pharma") and Pharma's predecessor, Cardax Pharmaceuticals, Inc. ("Holdings") are provided to assist you in your analysis of the financial aspects of the proposed consolidated entity on a non-generally accepted accounting principle basis.

The unaudited pro-forma consolidated statement of operations is for the year ended December 31, 2012 and the nine months ended September 30, 2013. The unaudited pro-forma consolidated balance sheet is as of September 30, 2013.

The pro-forma is presented as if the below transaction was accounted for as a reverse acquisition. Holdings is deemed the accounting acquirer while the Company remains the legal acquirer.

2. **ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.**

On February 7, 2014, the closing date (the "Closing Date") of the Merger (as described below), we accepted the terms of, and entered into that certain Subscription Agreement dated as of February 7, 2014, by and between Pharma and the purchasers of securities named therein (the "Subscription Agreement"). The Subscription Agreement provided for aggregate gross cash proceeds to us of $3,923,100 in exchange for the issuance and sale of an aggregate 6,276,960 of shares of our common stock ("Common Stock") (after giving effect to the Stock Dividend described below), and the grant of Class A Warrants to purchase an aggregate of 6,276,960 shares of our Common Stock (after giving effect to the Stock Dividend) for a price per share of $0.625, subject to certain specified adjustments for changes or reclassifications to our Common Stock, that will expire in five years.

On the Closing Date of the Merger, we assumed the obligations of Pharma under the following agreements, which are collectively referred to as the "Placement Agent Agreements":

- that certain Placement Agent Agreement dated January 3, 2014, by and between Pharma and Portfolio Advisors Alliance, Inc. ("Portfolio Advisors"), and acknowledged by Agincourt Ltd. ("Agincourt");
- that certain Financial Consulting Agreement dated January 3, 2014, by and between Pharma and Portfolio Advisors Alliance, and acknowledged by Agincourt;
- that certain Exclusive Investment Banking Agreement dated as of March 12, 2013, and supplemented as of May 21, 2013 and December 3, 2013, by and among Holdings, Pharma, and Agincourt, as the placement agent (the "Exclusive Investment Banking Agreement"); and
- that certain Sub-Agency Agreement dated December 12, 2013, by and between Agincourt and Paulson Investment Company, Inc., as the sub-agent, and acknowledged by Holdings and Pharma (the "Sub-Agency Agreement", and collectively with the Exclusive Investment Banking Agreement, the "Agincourt Agreements").

Pursuant to the Subscription Agreement and the Placement Agent Agreements, we issued and sold an aggregate of 6,276,960 shares of Common Stock (after giving effect to the Stock Dividend) at a price per share of $0.625, and granted warrants to purchase an aggregate of 8,537,405 shares of Common Stock (after giving effect to the Stock Dividend) at a price per share of $0.625, subject to certain specified adjustments for changes or reclassifications to our Common Stock.

3. **COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.**

On January 10, 2014, pursuant to that certain Stock Purchase Agreement dated January 10, 2014 (the "Purchase Agreement"), by and among Cardax, Pharma and Holdings, we acquired 66.67 shares of common stock of Pharma, which represented 40% of the issued and outstanding shares of common stock of Pharma after giving effect to the issuance of such shares, in exchange for an aggregate of 30,000,000 shares of our Common Stock (after giving effect to the Stock Dividend) that we issued to Pharma. Pharma transferred the shares of our Common Stock to Holdings as a dividend. Immediately prior to the closing (the "Closing") of the Merger, Holdings owned 60% of Pharma and approximately 39% of our issued and outstanding shares of Common Stock.

On the Closing Date of the Merger, in accordance with the terms of the Agreement and Plan of Merger dated as of November 27, 2013 (the "Merger Agreement"), by and among Cardax, Cardax Acquisition, Inc., a Delaware corporation and our wholly-owned subsidiary ("Cardax Sub"), Holdings, and Pharma, as amended by (i) First Amendment dated as of January 10, 2014 and (ii) Second Amendment dated as of February 7, 2014, Cardax Sub was merged with and into Pharma (the "Merger"). Pharma was the surviving corporation in the Merger. There was no cash consideration exchanged in the Merger. Accordingly, on the Closing Date of the Merger, Pharma became our wholly-owned subsidiary and we acquired the life sciences business of Pharma.

Under the terms of the Merger Agreement, prior to or at the Closing of the Merger:

We authorized a stock dividend of 3.4 shares of our Common Stock for each one share of Common Stock to stockholders of record on January 9, 2014 (the "Stock Dividend"), which will be distributed after the Merger; and

Our certificate of incorporation and the bylaws were amended and restated.

In accordance with the terms of the Purchase Agreement, the Merger Agreement, the Subscription Agreement, the Placement Agent Agreements, options granted under our 2014 Equity Compensation Plan (the "2014 Plan"), including options granted in substitution of the options granted by Holdings under its 2006 Stock Incentive Plan (the "2006 Plan"), and the Services Agreement (as defined below), on the Closing Date, we issued the following shares of Common Stock, warrants and options to purchase shares of Common Stock:

Holder	**Securities**	**Shares of Common Stock[(1)]**
Holdings	Common Stock	33,229,093[(2)]
Holders of senior secured convertible promissory notes previously issued by Pharma	Common Stock	14,446,777
Holders of senior secured convertible promissory notes previously issued by Pharma	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	14,446,777
Holders of convertible unsecured promissory notes issued by Pharma	Common Stock	3,353,437
Holders of convertible unsecured promissory notes issued by Pharma	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	3,321,600
Purchasers of Common Stock under the Subscription Agreement and the Agincourt Agreements	Common Stock	6,276,960
Purchasers of Common Stock under the Subscription Agreement and the Agincourt Agreements	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	6,276,960
Placement agents and other persons	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	3,660,445[(3)]
Certain Service Providers	Warrants to purchase shares of Common Stock at specified price that are not less than $1.25 per share that will expire in 3 years	700,000[(4)]
Employees, service providers, and other persons	Equity incentive options or other grants under the 2014 Plan	27,756,821

(1) Number of shares after giving effect to the Stock Dividend.

(2) Represents 30,000,000 shares of our Common Stock issued pursuant to the Purchase Agreement and 3,229,093 shares of our Common Stock issued pursuant to the Merger Agreement.

(3) Includes (a) a warrant issued to Highline Research Advisors LLC, which is owned by an affiliate of a principal of Agincourt, to purchase an aggregate of 750,000 shares of our Common Stock, at an exercise price of $0.625 per share, issued in connection with investor relations and financial consulting services provided to Holdings and Pharma and services to be provided to us after the Merger, and (b) a warrant issued to an entity that provides certain website and investment relations related services to us to purchase an aggregate of 250,000 shares of our Common Stock, at an exercise price of $0.625 per share

(4) Warrant to purchase up to 700,000 shares of our Common Stock, that provides for the purchase of: (i) until the date that is 2 years after the Closing Date of the Merger, 500,000 shares at a price based on the initial trading price of the shares of our Common Stock on February 10, 2014 but not less than $1.25 per share; (ii) until the date that is 3 years after the Closing Date of the Merger,100,000 shares at 140% of the price per share of the initial tranche of 500,000 shares; and (iii) until the date that is 3 years after the Closing Date of the Merger, 100,000 shares at 140% of the price per share of the second tranche, all as provided in the form of such warrant which is filed as an exhibit to this Current Report on Form 8-K (the "JLS Warrant").

All of the shares of Common Stock and warrants issued, described above, including pursuant to the Purchase Agreement, the Merger Agreement, the Subscription Agreement, the Placement Agent Agreements, and the options we granted under our 2014 Plan are restricted securities, as defined in paragraph (a) of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). All such securities were issued pursuant to an exemption from the registration requirements of the Securities Act, under Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder.

We intend to prepare and file a registration statement on Form S-1 within 60 days after the Closing Date of the Merger, to permit a resale of the shares of Common Stock and the shares of Common Stock underlying the warrants that were issued in connection with the Merger, Subscription Agreement and Placement Agent Agreements.

Concurrently with the Closing of the Merger, AAK Ventures, LLC, a Delaware limited liability company ("AAK") and the owner of 39,820,000 restricted shares of Common Stock (after giving effect to the Stock Dividend), which represented approximately 52% of our outstanding shares of Common Stock immediately prior to the Closing, delivered to Cardax all of such shares for cancellation, and AAK ceased being a stockholder of Cardax. Austin Kibler, our sole Chief Executive Officer and sole director immediately prior to the Closing, is the sole member of AAK. In addition, concurrently with the Closing of the Merger, certain of our stockholders delivered to us for cancellation an aggregate of 963,604.4 freely tradable shares of our Common Stock.

On the Closing Date, we distributed all of the issued and outstanding shares of our wholly-owned subsidiary, Koffee Korner's Inc., a Texas corporation, which operated our retail coffee business, to Nazneen D'Silva, in accordance with the terms of the Spin-off Agreement dated as of February 7, 2014.

On February 7, 2014, Cardax Sub was merged with and into Pharma pursuant to the Merger Agreement. Item 2.01(f) of Form 8-K provides that if the registrant was a shell company, other than a business combination related shell company, as those terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), immediately before the transaction, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10 under the Exchange Act reflecting all classes of the registrant's securities subject to the reporting requirements of Section 13 of the Exchange Act upon consummation of the transaction. We are providing below the information that we would be required to disclose on Form 10 under the Exchange Act as if Cardax was a shell company immediately before the transaction. Please note that the information provided below relates to the combined enterprises after the Merger of Cardax Sub with and into Pharma, except as the context may otherwise require.

4. **Pro-forma Adjustments**

The pro-forma financial statements gives effect to the following transactions as if they had occurred on the first day of the periods presented:

1. As a result of the Stock Purchase Agreement and Merger, the Company's shareholders maintained approximately 5.5 million shares of the Company's Common Stock.

2. As a result of the Stock Purchase Agreement and Merger, the Company issued Holdings approximately 33.2 million shares of the Company's Common Stock.

3. The outstanding principal amount of the notes sold by Pharma and Holdings, plus all accrued interest thereon, was converted into shares of Common Stock and warrants to purchase shares of Common Stock. In addition, the adjustment reflects the repayment of certain notes. The pro-forma adjustments assume that the transaction occurred on the first day of the periods being presented. All interest expense associated with the notes was adjusted.

4. The pro-forma financial statements reflect the issuance of shares and warrants for cash proceeds.

5. The Company recorded a pro-forma adjustment to spin-off the former operations of Koffee Korner's Inc., the predecessor of Cardax, Inc.

6. As a result of the Stock Purchase Agreement and Merger, Holdings became the accounting acquirer. The accumulated deficit of the legal acquirer was closed to additional paid in capital.

7. The pro-forma financial statements reflect the increase of general and administrative expenses of $400,000. This increased estimate of general and administrative expenses is due to estimated costs of running a publicly traded company.

8. On the Closing Date of the Merger, the Company issued warrants to purchase an aggregate of 2,260,445 shares of our Common Stock to placement agents; and warrants to purchase an aggregate of 2,100,000 shares of our Common Stock to consultants. The placement agent warrants had a fair value of $701,744 and were recorded as stock issuance costs. The consultant warrants had a fair value of $819,879 and were recorded as general and administrative expenses.