

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended September 30, 2023

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

For the transition period from _____ to _____.

001-32146
Commission file number



DSS, INC.

(Exact name of registrant as specified in its charter)

New York

(State or other Jurisdiction of
incorporation- or Organization)

16-1229730

(IRS Employer
Identification No.)

275 Wiregrass Pkwy ,
West Henrietta , NY 14586

(Address of principal executive offices)

(585) 325-3610

(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock, \$0.02 par value per share

Ticker symbol(s)

DSS

Name of each exchange on which registered

The NYSE American LLC

As of November 6, 2023 there were 140,264,250 shares of the registrant's common stock, \$0.02 par value, outstanding.

PART I	FINANCIAL INFORMATION	3
Item 1	Condensed Consolidated Financial Statements (Unaudited)	3
	Condensed Consolidated Balance Sheets as of September 30, 2022 and December 31, 2021	3
	Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2022 and 2021	4
	Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2022 and 2021	5
	Condensed Consolidated Statement of Changes in Stockholders' Equity for the nine months ended September 30, 2022 and 2021	6
	Notes to Interim Condensed Consolidated Financial Statements	7
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	31
Item 4	Controls and Procedures	39
PART II	OTHER INFORMATION	40
Item 1	Legal Proceedings	40
Item 1A	Risk Factors	40
Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	40
Item 3	Defaults upon Senior Securities	40
Item 4	Mine Safety Disclosures	40
Item 5	Other Information	40
Item 6	Exhibits	40

PART I – FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS
DSS, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	<u>September 30, 2023</u> (unaudited)	<u>December 31, 2022</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,897,000	\$ 19,290,000
Accounts receivable, net	3,136,000	7,564,000
Inventory	3,930,000	7,721,000
Current portion of notes receivable	9,225,000	11,719,000
Prepaid expenses and other current assets	1,215,000	1,700,000
Total current assets	<u>24,403,000</u>	<u>47,994,000</u>
Property, plant and equipment, net	12,351,000	13,391,000
Investment in real estate, net	53,482,000	55,029,000
Other investments	1,163,000	1,534,000
Investment, equity method	134,000	162,000
Marketable securities	11,064,000	27,307,000
Notes receivable	138,000	922,000
Other assets	246,000	2,699,000
Right-of-use assets	7,470,000	8,219,000
Goodwill	57,880,000	60,919,000
Other intangible assets, net	28,220,000	30,740,000
Total assets	<u>\$ 196,551,000</u>	<u>\$ 248,916,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,924,000	\$ 5,914,000
Accrued expenses and deferred revenue	2,701,000	19,341,000
Other current liabilities	396,000	477,000
Current portion of lease liability	813,000	796,000
Current portion of long-term debt, net	46,638,000	47,161,000
Total current liabilities	<u>53,472,000</u>	<u>73,689,000</u>
Long-term debt, net	7,747,000	10,181,000
Long term lease liability	7,040,000	7,820,000
Other long-term liabilities	507,000	507,000
Deferred tax liability, net	38,000	38,000
Commitments and contingencies (Note 12)		
Stockholders' equity		
Common stock, \$.02 par value; 200,000,000 shares authorized, 140,264,250 shares issued and outstanding (139,017,172 on December 31, 2022)	2,804,000	2,779,000
Additional paid-in capital	317,369,000	317,126,000
Accumulated deficit	(225,873,000)	(194,343,000)
Total stockholders' equity	<u>94,300,000</u>	<u>125,562,000</u>
Non-controlling interest in subsidiaries	33,447,000	31,119,000
Total stockholders' equity	<u>127,747,000</u>	<u>156,681,000</u>
Total liabilities and stockholders' equity	<u>\$ 196,551,000</u>	<u>\$ 248,916,000</u>

See accompanying notes to the condensed consolidated financial statements.

DSS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue:				
Printed products	\$ 3,315,000	\$ 5,032,000	\$ 12,976,000	\$ 12,650,000
Rental income	236,000	1,485,000	3,464,000	4,656,000
Management fee income	-	38,000	-	38,000
Net investment income	108,000	370,000	422,000	644,000
Commission revenue	-	-	295,000	-
Direct marketing	523,000	4,937,000	6,088,000	17,939,000
Total revenue	4,182,000	11,862,000	23,245,000	35,927,000
Costs and expenses:				
Cost of revenue	6,072,000	11,933,000	19,437,000	29,658,000
Selling, general and administrative (including stock-based compensation)	3,213,000	14,677,000	21,036,000	40,316,000
Total costs and expenses	9,285,000	26,610,000	40,473,000	69,974,000
Operating loss	(5,103,000)	(14,748,000)	(17,228,000)	(34,047,000)
Other income (expense):				
Interest income	682,000	319,000	1,220,000	613,000
Dividend income	-	-	12,000	-
Other income (expense)	(44,000)	3,627,000	139,000	4,203,000
Interest expense	(51,000)	(42,000)	(438,000)	(100,000)
Gain on extinguishment of debt	-	-	-	110,000
Gain/(loss) on equity method investment	(6,000)	344,000	(28,000)	134,000
Gain/(loss) on investments	301,000	(14,302,000)	(30,490,000)	(10,479,000)
Provision for loan losses	(1,179,000)	-	(4,936,000)	-
Loss on sale of assets	(1,281,000)	-	(1,281,000)	405,000
Loss from operations before income taxes	(6,681,000)	(24,802,000)	(53,030,000)	(39,161,000)
Income tax benefit	-	-	(9,000)	-
Net loss	(6,681,000)	(24,802,000)	(53,039,000)	(39,161,000)
Loss from operations attributed to non-controlling interest	2,339,000	4,587,000	2,736,000	6,247,000
Net loss attributable to common stockholders	(4,342,000)	(20,215,000)	(50,303,000)	(32,914,000)
Loss per common share:				
Basic	\$ (0.03)	\$ (0.15)	\$ (0.36)	\$ (0.32)
Diluted	<u>\$ (0.03)</u>	<u>\$ (0.15)</u>	<u>\$ (0.36)</u>	<u>\$ (0.32)</u>
Shares used in computing loss per common share:				
Basic	140,264,250	134,893,360	139,809,113	102,390,079
Diluted	140,264,250	134,893,360	139,809,113	102,390,079

See accompanying notes to the condensed consolidated financial statements.

DSS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
For the Nine Months Ended September 30,
(unaudited)

	2023	2022
Cash flows from operating activities:		
Net loss from continuing operations	\$ (53,039,000)	\$ (39,161,000)
Adjustments to reconcile net loss from continuing operations to net cash used by operating activities:		
Depreciation and amortization	4,150,000	9,351,000
Stock based compensation	-	4,000
Gain/loss on equity method investment	28,000	(134,000)
Loss on investments	30,490,000	10,479,000
Loss on allowance for obsolescence of inventory	-	326,000
Change in ROU assets	749,000	(7,961,000)
Change in ROU liabilities	(763,000)	8,297,000
Gain on extinguishment of debt	-	(110,000)
Loss/(gain) on sale of assets	1,281,000	(405,000)
Impairment of notes receivable	4,936,000	1,899,000
Decrease (increase) in assets:		
Accounts receivable	2,520,000	(3,316,000)
Inventory	4,368,000	(728,000)
Prepaid expenses and other current assets	323,000	568,000

Other assets	2,448,000	(904,000)
Increase (decrease) in liabilities:		
Accounts payable	(2,896,000)	2,128,000
Accrued expenses	(15,549,000)	(3,205,000)
Other liabilities	(81,000)	(379,000)
Net cash used by operating activities	(21,035,000)	(23,251,000)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(679,000)	(1,349,000)
Purchase of real estate	-	(689,000)
Purchase of marketable securities	-	(14,254,000)
Disposal of property, plant and equipment	215,000	2,557,000
Sale of marketable securities	11,330,000	-
Issuance of new notes receivable, net origination fees	(400,000)	(4,687,000)
Payments received on notes receivable	1,419,000	786,000
Purchase of intangible assets	-	(180,000)
Net cash provided (used) by investing activities	11,885,000	(17,816,000)
Cash flows from financing activities:		
Payments of long-term debt	(4,056,000)	(561,000)
Borrowings of long-term debt	813,000	6,360,000
Issuances of common stock, net of issuance costs	-	1,518,000
Net cash (used)provided by financing activities	(3,243,000)	7,317,000
Net decrease in cash	(12,393,000)	(33,750,000)
Cash and cash equivalents at beginning of period	19,290,000	56,595,000
Cash and cash equivalents at end of period	\$ 6,897,000	\$ 22,845,000

See accompanying notes to the condensed consolidated financial statements.

5

DSS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Stockholders' Equity
(b unaudited)

	Common Stock		Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Total DSS Equity	Non-controlling Interest in Subsidiary	Total
	Shares	Amount	Shares	Amount					
Balance, December 31, 2022	139,017,000	\$ 2,779,000	-	\$ -	\$ 317,126,000	\$ 194,343,000	\$ 125,562,000	\$ 31,119,000	\$ 156,681,000
Issuance of common stock, net of expenses	1,247,000	25,000	-	-	243,000	-	268,000	-	268,000
Deconsolidation of Sharing Services	-	-	-	-	-	18,773,000	18,773,000	5,064,000	23,837,000
Net loss	-	-	-	-	-	(50,303,000)	50,303,000	2,736,000	(53,039,000)
Balance, September 30, 2023	140,264,000	\$ 2,804,000	-	\$ -	\$ 317,369,000	\$ 225,873,000	\$ 94,300,000	\$ 33,447,000	\$ 127,747,000
Balance, December 31, 2021	79,746,000	\$ 1,594,000	-	\$ -	\$ 294,685,000	\$ 134,503,000	\$ 161,776,000	36,409,000	\$ 198,185,000
Issuance of common stock, net of expenses	47,924,000	858,000	-	-	16,547,000	-	17,405,000	-	17,405,000
Stock based payments	16,347,000	327,000	-	-	5,893,000	-	6,220,000	-	6,220,000
Net loss	-	-	-	-	-	(32,914,000)	32,914,000	6,247,000	(39,161,000)
Balance, September 30, 2022	139,017,000	\$ 2,779,000	-	\$ -	\$ 317,125,000	\$ 167,417,000	\$ 152,487,000	\$ 30,162,000	\$ 182,649,000

See accompanying notes to the condensed consolidated financial statements.

6

DSS, INC. AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023
(Uaudited)

1. Basis of Presentation and Significant Accounting Policies

The Company, incorporated in the state of New York in May 1984 has conducted business in the name of Document Security Systems, Inc. On September 16, 2021, the board of directors approved an agreement and plan of merger with a wholly owned subsidiary, DSS, Inc. (a New York corporation, incorporated in August 2020), for the sole purpose of effecting a name change from Document Security Systems, Inc. to DSS, Inc. This

change became effective on September 30, 2021. DSS, Inc. maintained the same trading symbol "DSS" and updated its CUSIP number to 26253C 102.

DSS, Inc. (together with its consolidated subsidiaries, referred to herein as "DSS," "we," "us," "our" or the "Company") currently operates nine (9) distinct business lines with operations and locations around the globe. These business lines are: (1) Product Packaging, (2) Biotechnology, (3) Direct Marketing, (4) Commercial Lending, (5) Securities and Investment Management, (6) Alternative Trading (7) Digital Transformation, (8) Secure Living, and (9) Alternative Energy. Each of these business lines are in different stages of development, growth, and income generation.

Our divisions, their business lines, subsidiaries, and operating territories: (1) Our Product Packaging line is led by Premier Packaging Corporation, Inc. ("Premier"), a New York corporation. Premier operates in the paper board and fiber based folding carton, consumer product packaging, and document security printing markets. It markets, manufactures, and sells sophisticated custom folding cartons, mailers, photo sleeves and complex 3-dimensional direct mail solutions. Premier is currently located in its new facility in Rochester, NY, and primarily serves the US market. (2) The Biotechnology business line was created to invest in or acquire companies in the BioHealth and BioMedical fields, including businesses focused on the advancement of drug discovery and prevention, inhibition, and treatment of neurological, oncological, and immune related diseases. This division is also targeting unmet, urgent medical needs, and is developing open-air defense initiatives, which curb transmission of air-borne infectious diseases, such as tuberculosis and influenza. (3) Direct Marketing, led by the holding corporation, Decentralized Sharing Systems, Inc. ("Decentralized") provides services to assist companies in the emerging growth "Gig" business model of peer-to-peer decentralized sharing marketplaces. Direct specializes in marketing and distributing its products and services through its subsidiary and partner network, using the popular gig economic marketing strategy as a form of direct marketing. Direct Marketing's products include, among other things, nutritional and personal care products sold throughout North America, Asia Pacific, Middle East, and Eastern Europe. (4) Our Commercial Lending business division, driven by American Pacific Bancorp ("APB"), is organized for the purposes of being a financial network holding company, focused on acquiring equity positions in (i) undervalued commercial bank(s), bank holding companies and nonbanking licensed financial companies operating in the United States, South East Asia, Taiwan, Japan and South Korea, and (ii) companies engaged in—nonbanking activities closely related to banking, including loan syndication services, mortgage banking, trust and escrow services, banking technology, loan servicing, equipment leasing, problem asset management, SPAC (special purpose acquisition company) consulting services, and advisory capital raising services. (5) Securities and Investment Management was established to develop and/or acquire assets in the securities trading or management arena, and to pursue, among other product and service lines, broker dealers, and mutual funds management. Also in this segment is the Company's real estate investment trusts ("REIT"), organized for the purposes of acquiring hospitals and other acute or post-acute care centers from leading clinical operators with dominant market share in secondary and tertiary markets, and leasing each property to a single operator under a triple-net lease. the REIT was formed to originate, acquire, and lease a credit-centric portfolio of licensed medical real estate. (6) Alternative Trading was established to develop and/or acquire assets and investments in the securities trading and/or funds management arena. Alternative Trading, in partnership with recognized global leaders in alternative trading systems, intends to own and operate in the US a single or multiple vertical digital asset exchanges for securities, tokenized assets, utility tokens, and cryptocurrency via an alternative trading platform using blockchain technology. The scope of services within this section is planned to include asset issuance and allocation (securities and cryptocurrency), FPO, IPO, ITO, PPO, and UTO listings on a primary market(s), asset digitization/tokenization (securities, currency, and cryptocurrency), and the listing and trading of digital assets (securities and cryptocurrency) on a secondary market(s). (7) Digital Transformation was established to be a Preferred Technology Partner and Application Development Solution for mid cap brands in various industries including the direct selling and affiliate marketing sector. Digital improves marketing, communications and operations processes with custom software development and implementation. (8) The Secure Living division has developed a plan for fully sustainable, secure, connected, and healthy living communities with homes incorporating advanced technology, energy efficiency, and quality of life living environments both for new construction and renovations for single and multi-family residential housing. (9) The Alternative Energy group was established to help lead the Company's future in the clean energy business that focuses on environmentally responsible and sustainable measures. Alset Energy, Inc, the holding company for this group, and its wholly owned subsidiary, Alset Solar, Inc., pursue utility-scale solar farms to serve US regional power grids and to provide underutilized properties with small microgrids for independent energy.

On May 13, 2021, Sentinel Brokers, LLC. ("Sentinel LLC"), subsidiary of the Company entered into a stock purchase agreement ("Sentinel Agreement") to acquire a 24.9 % equity position of Sentinel Brokers Company, Inc. ("Sentinel Co."), a company registered in the state of New York, and in December 2022, Sentinel LLC exercised this option to increase its equity position to 75 %. In May of 2023, Sentinel LLC acquired an additional 5 % increasing its equity position to 80.1 %. Sentinel is a broker-dealer operating primarily as a fiduciary intermediary, facilitating institutional trading of municipal and corporate bonds as well as preferred stock, and is registered with the Securities and Exchange Commission, is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"), and is a member of the Securities Investor Protection Corporation ("SIPC").

The accompanying condensed consolidated financial statements contain all adjustments (consisting of normal recurring adjustments, unless otherwise indicated) necessary to present fairly our consolidated financial position as of September 30, 2023 and December 31, 2022, and the results of our consolidated operations for the interim periods presented. We follow the same accounting policies when preparing quarterly financial data as we use for preparing annual data. These statements should be read in conjunction with the consolidated financial statements and the notes included in our latest annual report on Form 10-K, and 10-K/A for the fiscal year ended December 31, 2022 ("Form 10-K", "Form 10-K/A"), and our other reports on file with the Securities and Exchange Commission (the "SEC").

Principles of Consolidation - The consolidated financial statements include the accounts of DSS, Inc. and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Deconsolidation of Sharing Services Global Corporation - On May 4, 2023, the Company distributed approximately 280 million shares of SHRG beneficially held by DSS and Decentralized Sharing Systems in the form of a dividend to the shareholders of DSS common stock. Upon completion of this distribution, DSS will retain an ownership interest in SHRG of approximately 7 %. Immediately prior to this distribution, DSS owned approximately 81 % of the issued and outstanding common shares of SHRG. As a result, SHRG, whose operations represented a significant portion of our Direct Marketing segment, was deconsolidated from our consolidated financial statements effective as of May 1, 2023 (the "Deconsolidation"). The consolidated statement of operations for the fiscal quarter ended September 30, 2023, therefore includes one month of activity related to SHRG prior to the Deconsolidation. Subsequent to April 30, 2023 the assets and liabilities of SHRG are no longer included within our consolidated balance sheets. Any discussions related to results, operations, and accounting policies associated with SHRG refer to the periods prior to the Deconsolidation.

Upon Deconsolidation, we recognized a loss before income taxes of approximately \$ 29,196,000 which is recorded within gain/loss investments in our consolidated statements of operations for the three and nine months ended September 30, 2023. Subsequent to the Deconsolidation, we accounted for our equity ownership interest in SHRG as a marketable security and at the quoted price stock price of SHRG, valued at approximately \$ 148,000 at September 30, 2023.

Reclassifications - Certain amounts on the accompanying condensed consolidated cash flows and condensed consolidated statements of operations have been reclassified to conform to current period presentation.

Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires the Company to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, the Company evaluates its estimates,

including those related to the accounts receivable, convertible notes receivable, inventory, fair values of investments, intangible assets and goodwill, useful lives of intangible assets and property and equipment, fair values of options and warrants to purchase the Company's common stock, preferred stock, deferred revenue and income taxes, among others. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Cash Equivalents – All highly liquid investments with maturities of three months or less at the date of purchase are classified as cash equivalents. Amounts included in cash equivalents in the accompanying consolidated balance sheets are money market funds whose adjusted costs approximate fair value.

Accounts/Rents Receivable - The Company extends credit to its customers in the normal course of business. The Company performs ongoing credit evaluations and generally does not require collateral. Payment terms are generally 30 days but up to net 105 for certain customers. The Company carries its trade accounts receivable at invoice amounts and its rent receivables at contract amounts, less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based upon management's estimates that include a review of the history of past write-offs and collections and an analysis of current credit conditions. In estimating expected losses in the accounts receivable portfolio, customer-specific financial data and macro-economic assumptions are utilized to project losses over a reasonable and supportable forecast period. Assumptions and judgment are applied to measure amounts and timing of expected future cash flows, collateral values and other factors used to determine the customers' abilities to pay.

At September 30, 2023, and December 31, 2022, the Company established a reserve for doubtful accounts of approximately \$ 2,706,000 and \$ 29,000 , respectively. The Company does not accrue interest on past due accounts receivable.

Notes receivable, unearned interest, and related recognition - The Company records all future payments of principal and interest on notes as notes receivable, which are then offset by the amount of any related unearned interest income. For financial statement purposes, the Company reports the net investment in the notes receivable on the consolidated balance sheet as current or long-term based on the maturity date of the underlying notes. Such net investment is comprised of the amount advanced on the loans, adjusting for net deferred loan fees or costs incurred at origination, amounts allocated to warrants received upon origination, and any payments received in advance. The unearned interest is recognized over the term of the notes and the income portion of each note payment is calculated so as to generate a constant rate of return on the net balance outstanding. Net deferred loan fees or costs, together with discounts recognized in connection with warrants acquired at origination, are accreted as an adjustment to yield over the term of the loan.

Investments – Investments in equity securities with a readily determinable fair value, not accounted for under the equity method, are recorded at fair value with unrealized gains and losses included in earnings. For equity securities without a readily determinable fair value, the investment is recorded at cost, less any impairment, plus or minus adjustments related to observable transactions for the same or similar securities, with unrealized gains and losses included in earnings. For equity method investments, the Company regularly reviews its investments to determine whether there is a decline in fair value below book value. If there is a decline that is other-than-temporary, the investment is written down to fair value. See Note 8 for further discussion on investments.

Fair Value of Financial Instruments - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair Value Measurement Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring 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). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets.
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The carrying amounts reported in the consolidated balance sheet of cash and cash equivalents, accounts receivable, prepaids, accounts payable and accrued expenses approximate fair value because of the immediate or short-term maturity of these financial instruments. Marketable securities classify as a Level 1 fair value financial instrument. The fair value of notes receivable approximates their carrying value as the stated or discounted rates of the notes do not reflect recent market conditions. The fair value of revolving credit lines notes payable and long-term debt approximates their carrying value as the stated or discounted rates of the debt reflect recent market conditions. The fair value of investments where the fair value is not considered readily determinable, are carried at cost.

Inventory – Inventories consist primarily of paper, pre-printed security paper, paperboard, fully prepared packaging, air filtration systems, and health and beauty products which and are stated at the lower of cost or net realizable value on the first-in, first-out ("FIFO") method. Packaging work-in-process and finished goods included the cost of materials, direct labor and overhead. At the closing of each reporting period, the Company evaluates its inventory in order to adjust the inventory balance for obsolete and slow-moving items. An allowance for obsolescence of approximately \$ 57,000 and \$ 742,000 associated with the inventory at our Premier subsidiary for September 30, 2023 and our former SHRG subsidiary as of December 31, 2022. Write- downs and write-offs are charged to cost of revenue.

Impairment of Long-Lived Assets and Goodwill - The Company monitors the carrying value of long-lived assets for potential impairment and tests the recoverability of such assets whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. If a change in circumstance occurs, the Company performs a test of recoverability by comparing the carrying value of the asset or asset group to its undiscounted expected future cash flows. If cash flows cannot be separately and independently identified for a single asset, the Company will determine whether impairment has occurred for the group of assets for which the Company can identify the projected cash flows. If the carrying values are in excess of undiscounted expected future cash flows, the Company measures any impairment by comparing the fair value of the asset or asset group to its carrying value.

Business Combinations - Business combinations and non-controlling interests are recorded in accordance with FASB ASC 805 Business Combinations. Under the guidance, the assets and liabilities of the acquired business are recorded at their fair values at the date of acquisition and all acquisition costs are expensed as incurred. The excess of the purchase price over the estimated fair values is recorded as goodwill. If the fair value of the assets acquired exceeds the purchase price and the liabilities assumed, then a gain on acquisition is recorded. The application of business combination accounting requires the use of significant estimates and assumptions.

(Loss) Earnings Per Common Share - The Company presents basic and diluted (loss) earnings per share. Basic (loss) earnings per share reflect the actual weighted average of shares issued and outstanding during the period. Diluted (loss) earnings per share are computed including the number of additional shares from outstanding warrants, stock options and preferred stock that would have been outstanding if dilutive potential shares had been issued and is calculated utilizing the treasury stock method. In a loss period, the calculation for basic and diluted (loss) earnings per share is

the same, as the impact of potential common shares is anti-dilutive. For the three and nine months ended September 30, 2023, potential dilutive instruments include both warrants and options of 0 and 0 shares, respectively. For the three and nine months ended September 30, 2022, potential dilutive instruments include both warrants and options of 0 and 11,597 shares, respectively.

Concentration of Credit Risk - The Company maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk as a result of any non-performance by the financial institutions.

As of September 30, 2023, two customers accounted for approximately 21 % and 7 % of our consolidated revenue and these two customers approximately 32 % and 15 % of our consolidated trade accounts receivable balance. As of December 31, 2022, two customers accounted for approximately 14 % and 6 % of our consolidated revenue and these two customers approximately 36 % and 17 % of our consolidated trade accounts receivable balance.

Income Taxes - The Company recognizes estimated income taxes payable or refundable on income tax returns for the current year and for the estimated future tax effect attributable to temporary differences and carry-forwards. Measurement of deferred income items is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized. We recognize penalties and accrued interest related to unrecognized tax benefits in income tax expense.

Allowance For Loans And Lease Losses - On January 1, 2023, the Company adopted amended accounting guidance " ASU No.2016-13 – Credit Losses" which requires an allowance for credit losses to be deducted from the amortized cost basis of financial assets to present the net carrying value at the amount that is expected to be collected over the contractual term of the asset considering relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. In estimating expected losses in the loan and lease portfolio, borrower-specific financial data and macro-economic assumptions are utilized to project losses over a reasonable and supportable forecast period. Assumptions and judgment are applied to measure amounts and timing of expected future cash flows, collateral values and other factors used to determine the borrowers' abilities to repay obligations. After the forecast period, the company utilizes longer-term historical loss experience to estimate losses over the remaining contractual life of the loans. Prior to 2023, the allowance for credit losses represented the amount that in management's judgment reflected incurred credit losses inherent in the loan and lease portfolio as of the balance sheet date. See Note 6.

Going Concern - The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. This basis of accounting contemplates the recovery of our assets and the satisfaction of liabilities in the normal course of business. These consolidated financial statements do not include any adjustments to the specific amounts and classifications of assets and liabilities, which might be necessary should we be unable to continue as a going concern. While the Company has approximately \$ 6.9 million in cash, the Company has incurred operating losses as well as negative cash flows from operating and investing activities over the past two years.

Aside from its \$ 6.9 million in cash as of September 30, 2023, the Company believes it can continue as a going concern, due to its ability to generate operating cash through the sale of its \$ 11.1 million of Marketable Securities, and the anticipated receipts of principal and interest on its Notes receivable of approximately \$ 6.3 million through September 30, 2024. Also, our subsidiary Impact BioMedical is in the process of an IPO in which DSS projects to maintain a minimum of 55 % ownership. Proceeds of which are expected to pay in part, amounts utilized by DSS for Impact BioMedical expenses. This is expected to close in the fourth quarter 2023. Additionally, we are in negotiations with Pinnacle Bank to extend our note payable, approximating \$ 40.2 million through November 2024. This related note payable is currently in default; however the Company is in the process of renegotiating the terms of this note with Pinnacle, which is expected to be completed during the fourth quarter.

The Company's management intends to take actions necessary to continue as a going concern. Management's plans concerning these matters include, among other things, continued growth among our operating segments, and tightly controlling operating costs and reducing spending growth rates wherever possible to return to profitability. In addition, the Company has taken steps, and will continue to take measures, to materially reduce the expenses and cash burn at all corporate and business line levels.

At the Company's current operating levels and capital usage, we believe that without any further acquisition or investments, our \$ 6.9 million in aggregate cash, as of September 30, 2023, along with the \$ 11.1 million of Marketable Securities, and the anticipated receipts of principal and interest on its Notes receivable of approximately \$ 6.3 million through September 30, 2024, would allow us to fund our nine business lines current and planned operations through September 30, 2024. Based on this, the Company has concluded that substantial doubt of its ability to continue as a going concern has been alleviated.

2. Revenue

The Company recognizes its products and services revenue based on when the title passes to the customer or when the service is completed and accepted by the customer. Revenue is measured as the amount of consideration the Company expects to receive in exchange for shipped product or service provided. Sales and other taxes billed and collected from customers are excluded from revenue. The Company recognizes rental income associated with its REIT, net of amortization of favorable/unfavorable lease terms relative to market and includes rental abatements and contractual fixed increases attributable to operating leases, where collection has been considered probable, on a straight-line basis over the term of the related lease. The Company recognizes net investment income from its investment banking line of business as interest owed to the Company occurs. The Company generates revenue from its direct marketing line of business primarily through internet sales and recognizes revenue as items are shipped.

As of September 30, 2023, the Company had no unsatisfied performance obligations for contracts with an original expected duration of greater than one year. Pursuant to Topic 606, the Company has applied the practical expedient with respect to disclosure of the deferral and future expected timing of revenue recognition for transaction price allocated to remaining performance obligations. The Company elected the practical expedient allowing it to not recognize as a contract asset the commission paid to its salesforce on the sale of its products as an incremental cost of obtaining a contract with a customer but rather recognize such commission as expense when incurred as the amortization period of the asset that the Company would have otherwise recognized is one year or less.

Sales Commissions

Sales commissions are expensed as incurred for contracts with an expected duration of one year or less. There were no sales commissions capitalized as of September 30, 2023.

Shipping and Handling Costs

Costs incurred by the Company related to shipping and handling are included in cost of products sold. Amounts charged to customers relating to these costs are reflected as revenue.

See Note 15 for disaggregated revenue information.

3. Inventory

Inventory consisted of the following as of:

	September 30, 2023	December 31, 2022
Finished Goods	\$ 2,894,000	\$ 6,779,000
Work in Process	79,000	403,000
Raw Materials	<u>1,014,000</u>	<u>1,281,000</u>
	<u>\$ 3,987,000</u>	<u>\$ 8,463,000</u>
Less allowance for obsolescence	(57,000)	(742,000)
	<u>\$ 3,930,000</u>	<u>\$ 7,721,000</u>

4. Notes Receivable

Note 1

On February 8, 2021, the Company entered into a convertible promissory note ("Note 1") with Borrower 1, a company registered in Gibraltar. The Company loaned the principal sum of \$ 800,000 , with principal and interest at a rate of 4 %, due in one year from the date of issuance. Borrower 1 repaid the principal and interest in full in April 2022.

Note 2

On May 14, 2021, DSS Pure Air, Inc. a subsidiary of the Company entered a convertible promissory note ("Note 2") with Borrower 2, a company registered in the state of Texas. Note 3 has an aggregate principal balance up to \$ 5,000,000 , to be funded at the request of Borrower 2. Note 2, which incurs interest at a rate of 6.65 % due quarterly, has a maturity date of May 1, 2023 . Note 2 contains an optional conversion clause that allows the Company to convert all, or a portion of all, into newly issued member units of Borrower 2 with the maximum principal amount equal to 18% of the total equity position of Borrower 2 at conversion . The outstanding principal and interest as of September 30, 2023, and December 31, 2022, approximated \$ 5,544,000 and \$ 5,420,000 , respectively, which is included in current notes receivable on the accompanying consolidated balance sheet. As of September 30, 2023, the Company has a reserve of \$ 2,884,000 against the principal and interest outstanding. This note is currently in default and its terms are currently being re-negotiated.

Note 3

On September 23, 2021, APB entered into refunding bond anticipatory note ("Note 3") with Borrower 3, which operates as a conservation and reclamation district pursuant to Chapter 3891, Texas Special District Local Laws Code ; Chapter 375, Texas Local Government Code; and Chapter 49, Texas Water Code. The District Note was in the sum of \$ 3,500,000 and incurs interest at a rate of 5.59 % per annum. Principal and interest are due in full on September 22, 2022 , and later amended to extend the maturity date to September 19, 2024 . This note may be redeemed prior to maturity with 10 days written notice to APB at a price equal to principal plus interest accrued on the redemption date. The outstanding principal and interest of \$ 3,854,000 and \$ 3,701,000 is included in the current portion of notes receivable on the consolidated balance sheet at September 30, 2023 and December 31, 2022, respectively.

Note 4

On October 25, 2021, APB entered into a loan agreement ("Note 4") with Borrower 4, a company registered in the state of Utah. Note 4 has an initial aggregate principal balance up to \$ 1,000,000 , to be funded at the request of Borrower 4, with an option to increase the maximum principal borrowing to \$ 3,000,000 . Note 4, which incurs interest at a rate of 8.0 % with principal and interest due at the maturity date of October 25, 2022 . This note contains an optional conversion feature allowing APB to convert the outstanding principal to a 10% membership interest. APB, as holder of Note 4, has the right to elect one member to the Board of Managers. This note is in default and the outstanding principal and interest of approximately \$ 884,000 was reserved for fully as of December 31, 2022.

Note 5

On May 14, 2021, APB extended the credit ("Note 5") to an individual ("Borrower 5") in the form of two promissory notes for \$ 250,000 and \$ 10,000 respectively, bearing interest at 12.5 %, with a maturity date of May 15, 2023 . This promissory note was secured by a deed of trust on a tract of land, which is approximately 315 acres, and located in Coke County, Texas. The outstanding principal and interest for both notes were paid in full during the third quarter of 2023. \$ 252,000 and \$ 9,000 are included in Note receivable at December 31, 2022.

Note 6

On October 27, 2021, HWH World, Inc., a subsidiary of the Company entered a revolving loan commitment ("Note 6") with Borrower 8, a company registered in Taiwan. The outstanding principal and interest at September 30, 2023 and December 31, 2022 is \$ 0 and \$ 63,000 , respectively, and was included in Notes receivable current portion. This note has been written-off during the third quarter 2023.

Note 7

On December 28, 2021, APB entered into a promissory note ("Note 7") with Borrower 7, a company registered in the state of California. Note 7 has a principal balance of \$ 700,000 . Note 7, which incurs interest at a rate of 12.0 % with principal and interest due at the maturity date of December 28, 2022 . On December 29, 2022, the maturity date of this note was extended to May 31, 2023 . The outstanding principal and interest of \$ 404,000 and \$ 701,000 is included in the Current portion of notes receivable on the consolidated balance sheet at September 30, 2023 and December 31, 2022, respectively. This note has been extended to November 30, 2023.

Note 8

On January 24, 2022, APB and Borrower 8 entered into a promissory note ("Note 8") in the principal sum of \$ 100,000 with interest of 6 %, due annually, and maturing in January 2024 . The outstanding principal and interest at September 30, 2023 and December 31, 2022 approximates \$ 100,000 and \$ 106,000 , respectively, and is included in Notes receivable on the accompanying consolidate balance sheet.

Note 9

On March 2, 2022, APB and Borrower 9, a corporation organized under the laws of the Republic of Korea entered into a promissory note ("Note 9"). Under the terms of Note 9, APB at its discretion, may lend up to the principal sum of \$ 893,000 with an interest rate of 8 %, and matures in March

2024, with interest payable quarterly. The outstanding principal and interest at September 30, 2023 is \$ 440,000, net of \$ 9,00 of unamortized origination fees. The outstanding principal and interest at December 31, 2022 is \$ 874,000 net of \$ 25,000 of unamortized origination fees.

Note 10

On May 9, 2022, DSS PureAir and Borrower 2 entered into a promissory note ("Note 10") in the principal sum of \$ 210,000 with interest of 10 %. is due in three quarterly installments beginning on August 9, 2022, with the first two payment consisting of interest only. All unpaid principal and interest are due on February 9, 2023. The outstanding principal and interest at September 30, 2023 approximates \$ 224,000 and is included in current portions of notes receivable on the accompanying consolidate balance sheet. The outstanding principal and interest at December 31, 2022 approximates \$ 213,000 and is included in current portions of notes receivable on the accompanying consolidate balance sheet. The due date of this loan is currently being re-negotiated.

Note 11

On August 29, 2022, DSS Financial Management Inc and Borrower 11 entered into a promissory note ("Note 11") in the principal sum of \$ 100,000 with interest of 8 %, is due in three quarterly installments beginning on September 14, 2022. All unpaid principal and interest is due on August 29, 2025. The outstanding principal and interest at September 30, 2023 and December 31, 2022 approximates \$ 99,000, and \$ 100,000, respectively, and is included in Notes receivable on the accompanying consolidate balance sheet, of which \$ 68,000 is included in the Current portion of notes receivable and \$ 31,000 is included in the Notes receivable at September 30, 2023.

Note 12

On July 26, 2022, APB and Borrower 12 entered into a promissory note ("Note 12") in the principal sum of \$ 1,000,000 with interest of 8 %. All unpaid principal and interest due on July 26, 2024. The outstanding principal and interest on September 30, 2023, approximates \$ 929,000, net of \$ 30,000 of unamortized origination fees and is included in Notes receivable on the accompanying consolidate balance sheet. The outstanding principal and interest at December 31, 2022 approximates \$ 924,000, net of \$ 66,000 of unamortized origination fees and is included in Notes receivable on the accompanying consolidate balance sheet.

Note 13

On June 15, 2022, Decentralized and Borrower 13 entered into a convertible promissory note ("Note 13") in the principal sum of \$ 27,000,000 with interest of 8 %, with an optional conversion into shares of Borrower 13 at a conversion price of \$ 0.03, maturing on June 14, 2024, with interest due quarterly. In December 2022, this note was fully reserved for. On August 31, 2023, the full value of the outstanding principal and interest of this note was exchanged for 26,000 shares of Series D Preferred Stock with a par value of \$ 0.0001 per share. Beginning on September 1, 2028, these Series D Preferred Shares may be redeemed in the amount of \$ 1,000 per share. Due to the lack of liquidity of these shares, the Company has placed no value on these shares.

Note 14

On February 19, 2021, Impact BioMedical, Inc, a subsidiary of the Company, entered into a promissory note (Note 14) with Borrower 14. The Company loaned the principal sum of \$ 206,000, with interest at a rate of 6.5 %, and maturity date of August 19, 2022 later amended to February 19, 2024. Monthly payments are due on the twenty-first day of each month and continuing each month thereafter until February 19, 2024. This note is secured by certain real property situated in Collier County, Florida. The outstanding principal and interest as of September 30, 2023, approximated \$ 204,000 and is classified in current notes receivable on the accompanying consolidated balance sheets. The outstanding principal and interest as of December 31, 2022 approximated \$ 206,000 with \$ 16,000 classified in Current portion of notes receivable and \$ 190,000 classified as Notes receivable on the accompanying consolidated balance sheets.

Note 15

On May 8, 2023, DSS Financial Management Inc and Borrower 15 entered into a promissory note ("Note 15") in the principal sum of \$ 102,000 with interest at the prime rate plus 2 % (10.5 % at September 30, 2023) with a maturity date of May 7, 2026. The outstanding principal and interest at September 30, 2023 approximates \$ 104,000 with approximately \$ 44,000 of principal and accrued interest classified as Current portion notes receivable, and the remaining balance of approximately \$ 60,000 is recorded as notes receivable, on the accompanying consolidated balance sheet.

Note 16

On June 27, 2023, Decentralized and Borrower 16 entered into a convertible promissory note ("Note 16") in the principal sum of \$ 1,400,000 with a discount of \$ 300,000 and interest rate of 10 % and maturity date of September, 1, 2024. The outstanding principal, interest, and associated discount was fully reserved for as of September 30, 2023.

Note 17

On March 31, 2023, DSS Biohealth Security, Inc and Borrower 17 entered into a promissory note ("Note 17") in the principal sum of \$ 140,000 and interest rate floating daily to Wall Street Journal Prime rate per annum (8.5 % at September 31, 2023) with the total outstanding principal and interest due at the maturity date of March 31, 2025. The outstanding principal and interest at September 30, 2023 approximates \$ 130,000. Of the total financed, approximately \$ 83,000 of principal and accrued interest is classified as Current portion of notes receivable and the remaining balance of approximately \$ 46,500 is recorded as Notes receivable on the accompanying consolidated balance sheet.

Note 18

On September 28, 2023, APB and Borrower 18 entered into a promissory note ("Note 18") in the principal sum of \$ 400,000 with interest of 5 %. All unpaid principal and interest due on November 12, 2023. The outstanding principal and interest on September 30, 2023, approximates \$ 401,000 and is included in Notes receivable on the accompanying consolidate balance sheet.

Note 19

On August 11, 2022, APB and Borrower 19 entered into a promissory note ("Note 19") in the principal sum of \$ 1,430,000 with interest of 8 %. All unpaid principal and interest due on August 12, 2024. The outstanding principal and interest on September 30, 2023, approximates \$ 1,102,000, net of \$ 375,000 of unamortized origination fees and is included in Notes receivable on the accompanying consolidate balance sheet. The outstanding

principal, interest, and associated fees were fully reserved for as of September 30, 2023.

5. Financial Instruments

Cash, Cash Equivalents, Restricted Cash and Marketable Securities

The following tables show the Company's cash, cash equivalents, restricted cash, and marketable securities by significant investment category as of September 30, 2023, and December 31, 2022:

	2023				
	Cost	Unrealized Gain/ (Loss)	Fair Value	Cash and Cash Equivalents	Marketable Securities
Cash	\$ 6,827,000	\$ -	\$ 6,827,000	\$ 6,827,000	\$ -
Level 1					
Money Market Funds	70,000	-	70,000	70,000	-
Marketable Securities	19,103,000	(8,039,000)	11,064,000	-	11,064,000
Total	\$ 26,000,000	\$ (8,039,000)	\$ 17,961,000	\$ 6,897,000	\$ 11,064,000

	2022				
	Cost	Unrealized Gain/ (Loss)	Fair Value	Cash and Cash Equivalents	Marketable Securities
Cash	\$19,226,000	\$ -	\$19,226,000	\$19,226,000	\$ -
Level 1					
Money Market Funds	64,000	-	64,000	64,000	-
Marketable Securities	36,263,000	3,659,000)	27,307,000	-	27,307,000
Level 2					
Warrants	3,318,000	-	140,000	-	140,000
Convertible securities	1,023,000	-	39,000	-	39,000
Total	\$59,894,000	\$3,659,000)	\$46,776,000	\$19,290,000	\$27,307,000
					\$ 179,000

The Company typically invests with the primary objective of minimizing the potential risk of principal loss. The Company's investment policy generally requires securities to be investment grade and limits the amount of credit exposure to any one issuer. Fair values were determined for each individual security in the investment portfolio.

6. Provision for Credit Losses

Effective December 31, 2022, the Company adopted amended accounting guidance "ASU No.2016-13 – Credit Losses" for the measurement of credit losses on financial instruments and other financial assets. That guidance requires an allowance for credit losses to be deducted from the amortized cost basis of financial assets to present the net carrying value that is expected to be collected over the contractual term of the assets considering relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The guidance replaced the previous incurred loss model for determining the allowance for credit losses.

As of December 31, 2022, and September 30, 2023 we have reviewed the entire loan portfolio as well as all financial assets of the Company for the purpose of evaluating the loan portfolio and the loan balances, including a review of individual and collective portfolio loan quality, loan(s) performance, including past due status and covenant defaults, assessment of the ability of the borrower to repay the loan on the loan terms, whether any loans should be placed on nonaccrual or returned to accrual, any concentrations in any single borrower and/or industry that we might need to further manage, and if any specific or general loan loss reserve should be established for the entire loan portfolio or for any specific loan.

We analyzed the loan loss reserve from three basis: general loan portfolio reserves; industry portfolio reserves, and specific loan loss reserves. For the three and nine months ended September 30, 2023, the Company recorded a Loan loss reserve of approximately \$ 1,179,000 and \$ 4,936,000 , respectively.

General Loan Portfolio Reserve - Based upon a relatively young loan portfolio that are relatively new loans to generally credit worthy borrowers, we do not believe that a substantial general loan portfolio reserve is due at this time. However, we do recognize that some inherent risks are in all loan portfolios, thus we recorded a general contingent portfolio reserve of \$ 145,000 and \$ 199,000 or approximately $\frac{1}{4}$ of 1% of the loan portfolio loan balance as of December 31, 2022 and September 30, 2023, respectively.

Industry Portfolio Reserves - Given the relatively young loan portfolio and a diversification of the portfolio over several different loan products, the risk is reduced. Accordingly, we have not recorded a discretionary reserve as of December 31, 2022 and September 30, 2023.

Specific Loan Reserves - Previously, we had identified credit weaknesses and borrower repayment weakness in the Borrow 4 loan, which has a current principal and interest balance of \$ 884,000 . As of December 31, 2022 and September 30, 2023 we have recorded a specific loan loss reserve for the full balance due the Company. As of December 31, 2022 and September 30, 2023, the Company reserved for principal and interest of \$ 27,831,000 for Borrower 13. As of September 30, 2023, the Company identified credit weakness in borrower 2 and has placed a reserve approximating \$ 2,884,000 against the outstanding principal and interest. As of September 30, 2023, the Company identified credit weakness in borrower 16 and placed a reserve of \$ 1,291,000 against the outstanding principal and interest. The Company identified credit weakness in Borrower 19 and has placed a reserve of \$ 1,477,000 against the outstanding principal and interest.

7. Disposal of assets

On July 1st, 2023, The Company intended to sell its subsidiary, HWH World, Inc. to SHRG. The proposed transaction had the Company sell 1,000 shares of common stock, representing all the issued and outstanding common stock shares of HWH World for the sum \$ 706,000 representing the gross proceeds of the sale of HWH inventory less cost of goods sold. The parties involved amended the terms of this agreement during the third quarter of 2023 from that of equity transaction to the purchase of inventory and assumption of certain liabilities by SHRG. The amended agreement identified the purchase price approximating \$ 758,000 to be paid from amongst other things, the gross proceeds generated by the sale of the inventory acquired. The value of the inventory sold approximates \$ 698,000 and the value of the liabilities assumed by SHRG as part of this transaction is approximately \$ 59,000 . Further, the agreement includes payment of 1% royalty, starting November 1, 2023, being defined as 1% of the gross sale price of all Seller's new

products made and sold outside of existing inventory on the schedule, for a period ending October 31, 2033. There is substantial doubt regarding SHRG's ability to sell and pay for the inventory acquired, and therefore, the Company has determined not to record a receivable for the purchase price. A net loss approximating \$ 639,000 associated with this transaction has been recorded during the third quarter of 2023 and is included in Loss/Gain on sale of assets on the consolidated statement of operations.

On July 1st, 2023, The Company sold 100 % of the equity in its subsidiary HWH Holdings, Inc, a Texas corporation (HWHH) to SHRG for a purchase price approximating \$ 259,000 . This amount is to be paid from gross proceeds generated by the sale of the inventory acquired as part of the transaction. This transaction was later amended during the third quarter of 2023 to assign the purchase of HWHH from SHRG to Ascend Management Pte., Ltd. ("Ascend"), a Singaporean limited company. There is substantial doubt regarding Ascend's ability to sell and pay for the inventory acquired, and therefore, the Company has determined not to record a receivable for the purchase price. A net loss approximating \$ 617,000 associated with this transaction has been recorded during the third quarter of 2023 and is included in Loss/Gain on sale of assets on the consolidated statement of operations.

8. Investments

Alset International Limited, related party

The Company owns 127,179,291 shares or approximately 4 % of the outstanding shares of Alset International Limited ("Alset Intl"), a company incorporated in Singapore and publicly listed on the Singapore Exchange Limited. This investment is classified as a marketable security and is classified as long-term assets on the consolidated balance sheets as the Company has the intent and ability to hold the investments for a period of at least one year. The Chairman of the Company, Mr. Heng Fai Ambrose Chan, is the Executive Director and Chief Executive Officer of Alset Intl. Mr. Chan is also the majority shareholder of Alset Intl as well as the largest shareholder of the Company. The fair value of the marketable security as of September 30, 2023, and December 31, 2022, was approximately \$ 3,726,000 and \$ 3,319,000 , respectively. During the nine-month ended September 30, 2023 and September 30, 2022, the Company recorded unrealized gain of approximately \$ 407,000 and loss on this investment of \$ 1,539,000 , respectively.

West Park Capital, Inc.

On December 30, 2020, the Company signed a binding letter of intent with West Park Capital, Inc ("West Park") and TBD where the parties agreed to prepare a note and stock exchange agreement whereby DSS will assign the TBD Note to West Park and West Park shall issue to DSS a stock certificate reflecting 7.5 % of the issued and outstanding shares of West Park. This note and stock exchange agreement was finalized during the first quarter 2022 and valued at approximately \$ 500,000 and is included in Investments on the consolidated balance sheet on December 31, 2022 and as of September 30, 2023.

BMI Capital International LLC

On September 10, 2020, the Company's wholly owned subsidiary DSS Securities, Inc. entered into membership interest purchase agreement with BMI Financial Group, Inc. a Delaware corporation ("BMIF") and BMI Capital International LLC, a Texas limited liability company ("BMIC") whereas DSS Securities, Inc. purchased 14.9 % membership interests in BMIC for \$ 100,000 . DSS Securities also had the option to purchase an additional 10 % of the outstanding membership interest which it exercised for \$ 100,000 in January of 2021 and increased its ownership to 24.9 %. Upon achieving greater than 20 % ownership in BMIC during the quarter ended September 30, 2021, the Company is currently accounting for this investment under the equity method of accounting per ASC 323. The Company's portion of net loss in BMIC during the three and nine months ended September 30, 2023, approximated \$ 6,000 and \$ 28,000 , respectively

BMIC is a broker-dealer registered with the Securities and Exchange Commission, is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"), and is a member of the Securities Investor Protection Corporation ("SIPC"). The Company's chairman of the board and another independent board member of the Company also have ownership interest in BMIC.

BioMed Technologies Asia Pacific Holdings Limited

On December 19, 2020, Impact BioMedical, a wholly owned subsidiary of the Company, entered into a subscription agreement (the "Subscription Agreement") with BioMed Technologies Asia Pacific Holdings Limited ("BioMed"), a limited liability company incorporated in the British Virgin Islands, pursuant to which the Company agreed to purchase 525 ordinary shares or 4.99 % of BioMed at a purchase price of approximately \$ 632,000 . The Subscription Agreement provides, among other things, the Company has the right to appoint a new director to the board of BioMed. With respect to an issuance of shares to a third party by BioMed, the Company will have the right of first refusal to purchase such shares, as well as customary tag-along rights. In connection with the Subscription Agreement, Impact Biomedical entered into an exclusive distribution agreement (the "Distribution Agreement") with BioMed, to directly market, advertise, promote, distribute, and sell certain BioMed products, which focus on manufacturing natural probiotics, to resellers. This investment is valued at cost as it does not have a readily determined fair value.

Under the terms of the Distribution Agreement, the Company will have exclusive rights to distribute the products within the United States, Canada, Singapore, Malaysia, and South Korea and non-exclusive distribution rights in all other countries. In exchange, the Company agreed to certain obligations, including mutual marketing obligations to promote sales of the products. This agreement is for ten years with a one year auto-renewal feature.

Vivacitas Oncology, Inc.

On March 15, 2021, the Company, through one of its subsidiaries, entered into a Stock Purchase Agreement (the "Vivacitas Agreement #1") with Vivacitas Oncology Inc. ("Vivacitas"), to purchase 500,000 shares of its common stock at the per share price of \$ 1.00 , with an option to purchase 1,500,000 additional shares at the per share price of \$ 1.00 . This option will terminate upon one of the following events: (i) Vivacitas' board of directors cancels this option because it is no longer in the best interest of the Company; (ii) December 31, 2022; or (iii) the date on which Vivacitas receives more than \$ 1.00 per share of the Company's common stock in a private placement with gross proceeds of \$ 500,000 . Under the terms of the Vivacitas Agreement #1, the Company will be allocated two seats on the board of Vivacitas. On March 18, 2021, the Company entered into an agreement with Alset EHome International, Inc. ("Seller") to purchase from the Seller's its wholly owned subsidiary Impact Oncology PTE Ltd. ("IOPL") for a purchase price of \$ 2,480,000 . The acquisition of IOPL has been treated as an asset acquisition as IOPL does not meet the definition of a business as defined in Topic 805. IOPL owns 2,480,000 shares of common stock of Vivacitas along with the option to purchase an additional 250,000 shares of common stock. The Sellers largest shareholder is Mr. Chan Heng Fai Ambrose, the Chairman of the Company's board of directors and its largest shareholder.

On April 1, 2021, the Company entered into an additional stock purchase agreement with Vivacitas ("Vivacitas Agreement #2"), whereas Vivacitas wished to employ the service of the Chief Business Officer of Impact Biomedical, and in return for the services of this individual, Vivacitas shall issue to the Company, the aggregate purchase price for the Class A Common Shares of Vivacitas at the value of \$ 1.00 per share shall be \$ 120,000 to

On July 22, 2021, the Company exercised 1,000,000 of the available options under the Vivacitas Agreement #1 for \$ 1,000,000 . This, along with the shares received as part Vivacitas Agreement #2 increased the Company's equity position in Vivacitas to approximately 16 % as of December 31, 2022. As of December 31, 2022, the Company determined to impair 100 % of its investment in Vivacitas, in the amount of \$ 4,100,000 .

Stemtech Corporation (Sharing Services Global Corp)

In September 2021, the Company's former subsidiary SHRG, Stemtech Corporation ("Stemtech") and Globe Net Wireless Corp. ("GNTW") entered into a Securities Purchase Agreement (the "SPA") pursuant to which SHRG invested \$ 1.4 million in Stemtech in exchange for: (a) a Convertible Promissory Note in the amount of \$ 1.4 million in favor of the Company (the "Convertible Note") and (b) a detachable Warrant to purchase shares GNTW common stock (the "GNTW Warrant"). Stemtech is a subsidiary of GNTW. As an inducement to enter into the SPA, GNTW agreed to pay to the SHRG an origination fee of \$ 500,000 , payable in shares of GNTW's common stock. The Convertible Note matures on September 9, 2024 , bears interest at the annual rate of 10 %, and is convertible, at the option of the holder, into shares of GNTW's common stock at a conversion rate calculated based on the closing price per share of GNTW's common stock during the 30-day period ended September 19, 2021. The GNTW Warrant expires on September 13, 2024 and conveys the right to purchase up to 1.4 million shares of GNTW's common stock at a purchase price calculated based on the closing price per share of GNTW's common stock during the 10-day period ended September 13, 2021. In September 2021, GNTW issued to the Company 154,173 shares of its common stock, or less than 1% of the shares of GNTW then issued and outstanding, in payment of the origination fee. In November 2021, Globe Net Wireless Corp. changed its corporate name to Stemtech Corporation. In connection therewith, the investee's common stock is now traded under the symbol "STEK". The SHRG carries its investment in the Convertible Note, the GNTW Warrant and the shares of GNTW common stock at fair value in accordance with GAAP. As of September 30, 2023 and December 31, 2022 the investment in the GNTW Warrant and Convertible Note, were valued at \$ 0 , and \$ 44,000 and \$ 0 and \$ 39,000 , respectively.

In September 2021, SHRG entered into a Membership Unit Purchase Agreement pursuant to which the SHRG acquired a 30.75 % equity interest in Mojilife, LLC, a limited liability company organized in the State of Utah, in exchange for \$ 1,537,000 . Mojilife is an emerging growth distributor of technology-based consumer products for the home and car. Mojilife's products include esthetically attractive, cordless scent diffusers for the home or for the car, as well as proprietary home cleaning products and accessories. On a quarterly basis, SHRG evaluates the recoverability of its investments and reviews current economic trends to determine the adequacy of its allowance for impairment losses based on each investee financial performance data and other relevant information. An estimate for impairment losses is recognized when recovery in full of SHRG's investment is no longer probable. Investment balances are written off against the allowance after the potential for recovery is considered remote. In March of 2022, SHRG impaired the Mojilife investment as the evaluation at such time determined the investment was not fully recoverable and 100 % valuation was reserved.

9. Acquisitions

Sentinel Brokers Company, Inc.

On May 13, 2021, Sentinel Brokers, LLC. ("Sentinel LLC"), subsidiary of the Company entered into a stock purchase agreement ("Sentinel Agreement") to acquire a 24.9 % equity position of Sentinel Brokers Company, Inc. ("Sentinel Co."), a company registered in the state of New York, for the purchase price of \$ 300,000 . During the nine months ended September 30, 2021, the Company contributed an additional \$ 750,000 capital into Sentinel, increasing its total capital investment to \$ 1,050,000 as of September 30, 2021. Up to and through November 30, 2022, Sentinel LLC accounted for its investment in Sentinel Co. using the equity method in accordance with ASC Topic 323, *Investments—Equity Method and Joint Ventures* recognizing our share of Sentinel's earnings and losses within our consolidated statement of operations. Under the terms of this agreement, the Company had the option to purchase an additional 50.1 % of the outstanding Class A Common Shares. In December 2022, Sentinel LLC exercised this option to increase its equity position to 75 %. In May 2023, the Company acquired an additional 5% equity position of Sentinel Co. to increase its ownership percentage to 80%. The acquisition of Sentinel Co. meets the definition of a business with inputs, processes, and outputs, and therefore, the Company has concluded to account for this transaction in accordance with the acquisition method of accounting under Topic 805.

The following summary, prepared on a proforma basis, combines the consolidated results of operations of the Company with those of Sentinel Co as if the acquisition took place on January 1. The pro forma consolidated results include the impact of certain adjustments.

	<u>2022 (unaudited)</u>
Revenue	\$ 49,076,804
Net loss	\$ (61,680,088)
Basic loss per share	\$ (0.55)
Diluted loss per share	\$ (0.55)

We are currently in the process of completing the purchase price accounting and related allocations associated with the acquisition of Sentinel Co. Assets included in this acquisition are cash of \$ 3,977,000 , receivables of \$ 344,000 and fixed assets of \$ 1,000 . Goodwill of approximately \$ 1,274,000 was also recorded. The Company is in the process of completing valuations and useful lives for certain assets acquired in the transaction. We expect the purchase price accounting to be completed during the year ending December 31, 2023.

Sentinel is a broker-dealer operating primarily as a fiduciary intermediary, facilitating intuitional trading of municipal and corporate bonds as well as preferred stock, and is registered with the Securities and Exchange Commission, is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"), and is a member of the Securities Investor Protection Corporation ("SIPC").

10. Short-Term and Long-Term Debt

DSS, Inc.

Promissory Notes - On March 2, 2020, AMRE entered into a \$ 200,000 unsecured promissory note with LVAMPTE, a related party. The Note calls for interest to be paid annually on March 2 with interest fixed at 8.0 %. As further incentive to enter into this Note, AMRE granted LVAMPTE warrants to purchase shares of common stock of AMRE (the "Warrants"). The amount of the warrants granted is the equivalent of the Note Principal divided by the Exercise Price. The Warrants are exercisable for four years and are exercisable at \$ 5.00 per share (the "Exercise" Price). In March 2022, this debt was converted into equity in AMRE, and LVAMPTE exercised the warrants for \$ 200,000 (see the consolidated statement of changes in stockholders' equity) The holder is a related party owned by the Chairman of the Company's board of directors.

On March 16, 2021, American Medical REIT, Inc. received loan proceeds in the amount of approximately \$ 110,000 under the Paycheck Protection Program ("PPP") with a fixed rate of 1 % and a 60-month maturity term. The PPP, established as part of the Coronavirus Aid, Relief and

Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. These funds were used for payroll, benefits, rent, mortgage interest, and utilities. As of December 31, 2021, the outstanding principal and interest of approximately \$ 111,000 is included in long-term debt, net on the consolidated balance sheet. During the year ended December 31, 2022, the PPP loan was forgiven in full and recorded as a gain on extinguishment of debt on the accompanying consolidated statement of operations.

On May 20, 2021, Premier Packaging entered into master loan and security agreement ("BOA Note") with Bank of America, N.A. ("BOA") to secure financing approximating \$ 3,710,000 to purchase a new Heidelberg XL 106-7+L printing press. The aggregate principal balance outstanding under the BOA Note shall bear interest at a variable rate on or before the loan closing. As of September 30, 2023, and December 31, 2022, the outstanding principal on the BOA Note was \$ 3,053,000 and \$ 3,406,000 , respectively and had an interest rate of 4.63 %. As of September 30, 2023, \$ 491,000 was included in the current portion of long-term debt, net, and the remaining balance of approximately \$ 2,562,000 recorded as long-term debt, The BOA Note contains certain covenants that are analyzed annually. As of September 30, 2023, Premier is in compliance with these covenants.

On August 1, 2021, AMRE Shelton, LLC., ("AMRE Shelton") a subsidiary of AMRE, entered into a loan agreement ("Shelton Agreement") with Patriot Bank, N.A. ("Patriot Bank") in an amount up to \$ 6,155,000 , with the amount financed approximating \$ 5,105,000 . The Shelton Agreement contains monthly payments of principal and an initial interest of 4.25 %. The interest will be adjusted commencing on July 1, 2026 and continuing for the next succeeding 5-year period shall be determined one month prior to the change date and shall be an interest rate equal to two hundred fifty (250) basis points above the Federal Home Loan Bank Boston 5-Year/25-Year amortizing advance rate, but in no event less than 4.25% for the term of 120 months with a balloon payment approximating \$ 2,829,000 due at term end. The affective interest rate at December 31, 2022 was 4.25 %. The funds borrowed were used to purchase a 40,000 square foot, 2.0 story, Class A+ multi-tenant medical office building located on a 13.62-acre site. The purchase price has been allocated as \$ 4,640,000 , \$ 1,600,000 , and \$ 325,000 for the facility, land, and tenant improvements, respectively. Also included in the value of the property is \$ 585,000 of intangible assets with an estimated useful life of approximating 3 years. The net book value of these assets as of September 30, 2023 approximated \$ 4,652,000 . Of the total financed, approximately \$ 102,000 of principal and accrued interest is classified as current portion of long-term debt, net, and the remaining balance of approximately \$ 4,590,000 recorded as long-term debt, net of \$ 56,000 in deferred financing costs.

On October 13, 2021, LVAM entered into loan agreement with BMIC ("BMIC Loan"), a related party, whereas LVAM borrowed the principal amount of \$ 3,000,000 , with interest to be charged at a variable rate to be adjusted at the maturity date. The BMIC Loan matures on October 12, 2022 , and contains an auto renewal period of three months. As of September 30, 2023 and December 31, 2022, \$ 512,000 and \$ 3,000,000 , respectively, are included in Current portion of long-term debt, net on the consolidated balance sheet.

On October 13, 2021, LVAM entered into a loan agreement with Lee Wilson Tsz Kin ("Wilson Loan"), a related party, whereas LVAM borrowed the principal amount of \$ 3,000,000 , with interest to be charged at a variable rate to be calculated at the maturity date. The Wilson Loan matures on October 12, 2022 , and contains an auto renewal period of nine months. This loan was funded during March 2022. As of September 30, 2023 \$ 1,997,000 is included in the Current portion of long-term debt, net on the consolidated balance sheet. As of December 31, 2022 \$ 3,000,000 is included in the Current portion of long-term debt, net on the consolidated balance sheet.

On November 2, 2021, AMRE LifeCare entered into a loan agreement ("LifeCare Agreement") with Pinnacle Bank, ("Pinnacle Bank") in the amount of \$ 40,300,000 . The LifeCare Agreement supported the acquisition of three medical facilities located in Fort Worth, Texas, Plano, Texas, and Pittsburgh, Pennsylvania for a purchase price of \$ 62,000,000 . These assets are classified as investments, real estate on the consolidated balance sheet. The purchase price has been allocated as \$ 32,100,000 , \$ 12,100,000 , and \$ 1,500,000 for the facility, land and site improvements, respectively. Also included in the value of the property is \$ 15,901,000 of intangible assets with estimated useful lives ranging from 1 to 11 years. The net book value of the assets acquired as of December 31, 2022 is approximately \$ 52,407,000 . The LifeCare Agreement calls for the principal amount of the in equal, consecutive monthly installments based upon a twenty-five (25) year amortization of the original principal amount of the LifeCare Agreement at an initial rate of interest equal to the interest rate determined in accordance as of July 29, 2022 provided, however, such rate of interest shall not be less than 4.28 %, with the first such installment being payable on August 29, 2022 and subsequent installments being payable on the first day of each succeeding month thereafter until the maturity date, at which time any outstanding principal and interest is due in full . The affective interest rate at December 31, 2022 was 8.46 %. The maturity date of November 2, 2023 , may be extended to November 2, 2024 . As of December 31, 2022, the outstanding principal and interest of the LifeCare agreement approximates \$ 40,193,000 , net of deferred financing costs of \$ 270,000 . As of September 30, 2023, the outstanding principal and interested approximates \$ 40,462,000 , net of deferred financing costs of \$ 24,000 is included in current portion of long-term debt, on the consolidated balance sheet. Interest expense for the nine months ended September 30, 2023 and 2022 approximated \$ 2,672,000 and \$ 952,000 , respectively. The LifeCare agreement is currently in default. The Company is in the process of remediating the related issues and continues to negotiate the extension of the loan.

In November 2021, AMRE entered into a convertible promissory note ("Alset Note") with Alset International Limited ("Alset International"), a related party, for the principal amount of \$ 8,350,000 . The Alset Note accrues interest at 8 % per annum and matures in December 2023 , with interest due quarterly and the principal due at maturity. Principal and interest of approximately \$ 8,805,000 is included in long-term debt, net on the accompanying consolidated balance sheet on December 31, 2022. On May 17, 2022, the shareholders of the Company approved the issuance of up to 21,366,177 Shares our Common Stock to Alset International to purchase the Convertible Promissory Note issued by American Medical REIT, Inc. with a principal amount of \$ 8,350,000 and accrued unpaid interest of \$ 119,000 through December 31, 2022. This transaction was finalized in July 2022 and is eliminated upon consolidation into DSS. Interest expense for this note totaled \$ 625,000 in September 2023 and \$ 346,000 in December 2022.

On March 17, 2022, AMRE Winter Haven, LLC ("AMRE Winter Haven") and Pinnacle Bank ("Pinnacle") entered into a term loan ("Pinnacle Loan") whereas Pinnacle lent to AMRE Winter Haven the principal sum of \$ 2,990,000 , maturing on March 7, 2024 to acquire a medical facility located in Winter Haven, Florida for a purchase price of \$ 4,500,000 . The assets acquired are classified as investments, real estate on the consolidated balance sheet. The purchase price has been allocated as \$ 3,200,000 , \$ 1,000,000 , and \$ 222,000 for the facility, land and site and tenant improvements, respectively. Also included in the value of the property is \$ 29,000 of intangible assets with an estimated useful life of approximately 5 years. The net book value of the assets acquired as of December 31, 2022 is approximately \$ 4,450,000 . Payments are to be made in equal, consecutive installments based on a 25-year amortization period with interest at 4.28 %. The first installment is due January 1, 2023. The Pinnacle Loan contains certain covenants that are to be tested annually. At September 30, 2023, AMRE is in compliance with all covenants. The outstanding principal and interest, net of debt issuance costs of \$ 35,000 , approximates \$ 2,966,000 and is included in long-term debt, net on the accompanying consolidated balance sheet at September 30, 2023. The outstanding principal and interest, net of debt issuance costs of \$ 60,000 , approximates \$ 2,952,000 and is included in long-term debt, net on the accompanying consolidated balance sheet at December 31, 2022. Interest expense equaled \$ 24,000 for September 2023 and \$ 153,000 in December 2022.

On March 30, 2023, Premier Packaging, a subsidiary of the Company entered into a loan and security agreement with Union Bank & Trust Company for the principal amount of \$ 790,000 and shall accrued interest at the rate of 7.44 %. Principal and interest shall be repaid in the approximate amount of \$ 14,000 through March 2029. This loan is collateralized by a Bobst Model Novacut and is guaranteed by DSS, Inc. As of September 30, 2023, the outstanding principal and interest approximates \$ 746,000 of which \$ 112,000 was included in the current portion of long-term debt, net, and the remaining balance of approximately \$ 634,000 recorded as long-term debt.

A summary of scheduled principal payments of long-term debt, not including revolving lines of credit, subsequent to September 30, 2023, are as follows:

Year	Amount
2024	46,952,000
2025	859,000
2026	901,000
2027	947,000
2028	1,200,000
Thereafter	3,526,000

11. Lease Liability

The Company has operating leases predominantly for operating facilities. As of September 30, 2023, the remaining lease terms on our operating leases range from less than one to twelve years. Renewal options to extend our leases have not been exercised due to uncertainty. Termination options are not reasonably certain of exercise by the Company. There is no transfer of title or option to purchase the leased assets upon expiration. There are no residual value guarantees or material restrictive covenants. There are no significant finance leases as of September 30, 2023.

22

Future minimum lease payments as of September 30, 2023, are as follows:

Maturity of Lease Liability:

	Totals
2024	1,275,000
2025	861,000
2026	839,000
2027	808,000
2028	824,000
After	4,916,000
Total lease payments	9,523,000
Less: Imputed Interest	(1,670,000)
Present value of remaining lease payments	<u><u>\$ 7,853,000</u></u>
Current	\$ 813,000
Noncurrent	\$ 7,040,000
Weighted-average remaining lease term (years)	13.3
Weighted-average discount rate	4.3%

In March of 2022, Premier Packaging began leasing its relocated manufacturing facilities to West Henrietta, New York. This lease contains an escalating payment clause, ranging from \$ 61,000 per month to \$ 78,000 per month, over the twelve-year term of the lease. Total cash paid for leases during the three months ended September 30, 2023 and nine months ended September 30, 2023 are \$ 319,000 and \$ 948,000 , respectively.

12. Commitments and Contingencies

License Agreement – On March 19, 2022, Impact BioMedical entered into a License Agreement ("Equivir License") with a third-party ("Licensee") where the Licensor is granted the right, amongst other things, to develop, commercialize, and sell the Company's Equivir technology. In exchange, the Licensee shall pay the Company a royalty of 5.5% of net sales. Under the terms of the Equivir Agreement, the Company shall reimburse the Licensee for 50% of the development costs provided that the development costs shall not exceed \$ 1,250,000 . As of September 30, 2023 and December 31, 2022, no liability has been recorded in relation to the Equivir License as development of the Equivir technology has not begun and no reasonable amount can be estimated .

23

13. Stockholders' Equity

Equity transactions –

On February 28, 2022, DSS entered into an Amendment to Stock Purchase Agreement (the "Amendment") with its shareholder Alset EHome International Inc. ("AEI"), pursuant to which the Company and AEI have agreed to amend certain terms of the Stock Purchase Agreement dated January 25, 2022 (the "SPA"). Pursuant to the SPA, AEI had agreed to purchase up to 44,619,423 shares of the Company's common stock for a purchase price of \$ 0.3810 per share, for an aggregate purchase price of \$ 17,000,000 . Pursuant to the Amendment, the number of shares of the common stock of the Company that the AEI will purchase has been reduced to 3,986,877 shares for an aggregate purchase price of \$ 1,519,000 . This transaction was completed on March 9, 2022. In addition, the Company's Executive Chairman and a significant stockholder, Heng Fai Ambrose Chan, is the Chairman, Chief Executive Officer and largest shareholder of AEI.

On March 10, 2022, the Company issued 894,084 shares of common stock to Mr. Heng Fai Ambrose Chan pursuant to his employment agreement. These shares were issued in consideration of \$ 340,000 due under this employment agreement.

On May 5, 2022, the Company issued 63,205 shares of common stock to Mr. Frank Heusz, CEO of DSS, pursuant to his employment agreement. These shares were issued in consideration of \$ 29,000 due under this employment agreement.

On May 25, 2022, the Company issued 15,389,995 shares of common stock to Mr. Heng Fai Ambrose Chan pursuant to his employment agreement. These shares were issued in consideration of \$ 5,848,000 due under this employment agreement.

On May 17, 2022, the shareholders of the Company approved the issuance of up to 21,366,177 Shares of our Common Stock to Alset International, a related party, to purchase the Convertible Promissory Note issued by American Medical REIT, Inc. with a principal amount of \$ 8,350,000 and accrued but unpaid interest of \$ 367,000 through May 15, 2022. This transaction was finalized in July 2022.

On May 17, 2022, the shareholders of the Company approved the acquisition of 62,122,908 shares of True Partners Capital Holdings Limited ("True Partners"), a company publicly traded on the Hong Kong stock exchange in exchange for 17,570,948 shares of DSS stock value on the agreed

upon date of February 18, 2022 which was approximately \$ 0.41 per share. The True Partner shares were acquired from Alset EHome International, Inc. ("Alset EHome"), a related party. Mr. Heng Fai Ambrose Chan, our director, and Executive Chairman, is also Chairman of the Board, Chief Executive Officer, and the largest beneficial owner of the outstanding shares of Alset EHome. This transaction was completed with the transfer of DSS share to Alset EHome on July 1, 2022.

On April 10, 2023, the Company issued 1,247,078 shares of common stock to Mr. Frank Heuszel, CEO of DSS, pursuant to his employment agreement. These shares were issued to settle a previously recorded liability of approximately \$ 268,000 .

Stock-Based Compensation –

The Company records stock-based payment expense related to options and warrants based on the grant date fair value in accordance with FASB ASC 718. Stock-based compensation includes expense charges for all stock-based awards to employees, directors, and consultants. Such awards include option grants, warrant grants, and restricted stock awards. During the nine months ended September 30, 2023, the Company did not have stock compensation associated with these items, and 5,333 options were forfeited.

Impact BioMedical, Inc. Equity Transactions –

On August 8, 2023 DSS BioHealth Securities, Inc., a wholly-owned subsidiary of the Company, and the sole shareholder of Impact BioMedical Inc. , distributed to the shareholders of DSS on record as of July 10, 2023 4 shares of Impact Bio's stock for 1 share they owned of DSS stock. Each share of Impact BioMedical distributed as part of the distribution will not be eligible for resale until 180 days from the date Impact BioMedical's initial public offering becomes effective under the Securities Act, subject to the discretion of the Company to lift the restriction sooner.

On October 31, 2023, Impact BioMedical effected a reverse stock split of 1 for 55. As of December 31, 2022 and September 30, 2023, there were 3,877,282,251 shares of common stock issued and outstanding which was converted to 70,496,041 shares. Also on October 31, 2023, DSS BioHealth Securities, Inc., the largest shareholder of Impact BioMedical converted 60,496,041 shares of Common Stock into 60,496,041 shares of Series A Convertible Preferred Shares, reducing its ownership of the Company's Common Stock from approximately 88 % to approximately 12 %

14. Supplemental Cash Flow Information

The following table summarizes supplemental cash flows for the nine-months ended September 30, 2023, and 2022:

	<u>2023</u>	<u>2022</u>
Cash paid for interest	\$ 3,432,000	\$ 1,907,000
Non-cash investing and financing activities:		
Notes receivable converted to equity investments	\$ -	\$ 1,940,000
Shares issued for acquisition of marketable security	\$ -	\$ 7,169,000
Shares issued for the acquisition of notes receivable	\$ -	\$ 8,717,000
Right of use asset addition	\$ -	\$ 9,895,000
Shares issued in lieu of bonus cash	\$ 268,000	\$ 6,216,000

15. Segment Information

The Company's nine businesses lines are organized, managed, and internally reported as five operating segments. One of these operating segments, Product Packaging, is the Company's packaging and printing group. Product Packaging operates in the paper board folding carton, smart packaging, and document security printing markets. It markets, manufactures, and sells mailers, photo sleeves, sophisticated custom folding cartons, and complex 3-dimensional direct mail solutions. These products are designed to provide functionality and marketability while also providing counterfeit protection. A second, Biotechnology, invests in, or acquires companies in the biohealth and biomedical fields, including businesses focused on the advancement of drug discovery and prevention, inhibition, and treatment of neurological, oncological, and immune related diseases. This division is also developing open-air defense initiatives, which curb transmission of air-borne infectious diseases, such as tuberculosis and influenza. Biotechnology is also targeting unmet, urgent medical needs. A third operating segment, Securities, and Investment Management ("Securities") was established to develop and/or acquire assets and investments in the securities trading and/or funds management arena. Further, Securities, in partnership with recognized global leaders in alternative trading systems, intends to own and operate in the US a single or multiple vertical digital asset exchanges for securities, tokenized assets, utility tokens, stable coins and cryptocurrency via a digital asset trading platform using blockchain technology. The scope of services within this section is planned to include asset issuance and allocation (securities and cryptocurrency), FPO, IPO, ITO, PPO, STO and UTO listings on a primary market(s), asset digitization/tokenization (securities, currency, and cryptocurrency), and the listing and trading of digital assets (securities and cryptocurrency) on a secondary market(s). Also in this segment is the Company's real estate investment trust ("REIT"), organized for the purposes of acquiring hospitals and other acute or post-acute care centers from leading clinical operators with dominant market share in secondary and tertiary markets, and leasing each property to a single operator under a triple-net lease. The REIT was formed to originate, acquire, and lease a credit-centric portfolio of licensed medical real estate. The fourth segment, Direct, provides services to assist companies in the emerging growth gig business model of peer-to-peer decentralized sharing marketplaces. It specializes in marketing and distributing its products and services through its subsidiary and partner network, using the popular gig economic marketing strategy as a form of direct marketing. Direct marketing products include, among other things, nutritional and personal care products sold throughout North America, Asia Pacific and Eastern Europe (see Note 1, Deconsolidation of Sharing Services Global Corporation). The fifth business line, Commercial Banking, is organized for the purposes of being a financial network holding company, focused providing commercial loans and on acquiring equity positions in (i) undervalued commercial bank(s), bank holding companies and nonbanking licensed financial companies operating in the United States, South East Asia, Taiwan, Japan and South Korea, and (ii) companies engaged in—nonbanking activities closely related to banking, including loan syndication services, mortgage banking, trust and escrow services, banking technology, loan servicing, equipment leasing, problem asset management, SPAC (special purpose acquisition company) consulting, and advisory capital raising services. From this financial platform, the Company shall provide an integrated suite of financial services for businesses that shall include commercial business lines of credit, land development financing, inventory financing, third party loan servicing, and services that address the financial needs of the world Gig Economy.

Approximate information concerning the Company's operations by reportable segment for the three and nine months ended September 30, 2023 and 2022 is as follows. The Company relies on intersegment cooperation and management does not represent that these segments, if operated independently, would report the results contained herein:

Three Months Ended September 30, 2023	Product Packaging	Commercial Lending	Direct Marketing	Biotechnology	Securities	Corporate	Total
Revenue	\$ 3,378,000	\$ 108,000	\$ 523,000	\$ -	\$ 173,000	\$ -	\$ 4,182,000
Interest expense	51,000	-	-	-	-	-	51,000

Interest income	-	-	660,000	6,000	16,000	-	682,000
Net Loss (income) from operations	(579,000)	(24,000)	1,010,000	(1,151,000)	2,166,000	1,751,000	(6,681,000)
Capital expenditures	67,000	-	-	-	-	-	67,000
Identifiable assets	21,554,000	39,446,000	7,102,000	49,816,000	69,498,000	9,135,000	196,551,000

25

Three Months Ended September 30, 2022	Product Packaging	Commercial Lending	Direct Marketing	Biotechnology	Securities	Corporate	Total
Revenue	\$ 4,707,000	\$ 370,000	\$ 4,956,000	\$ -	\$ 1,646,000	\$ 183,000	\$ 11,862,000
Depreciation and amortization	168,000	-	41,000	278,000	2,423,000	17,000	2,927,000
Interest Expense	42,000	-	193,000	-	371,000	-	606,000
Interest income	-	-	3,000	94,000	79,000	143,000	319,000
(Net income (loss) from operations)	1,077,000	221,000	15,379,000	(909,000)	3,182,000	4,476,000	24,802,000
Capital expenditures	300,000	-	73,000	-	-	-	373,000
Identifiable assets	24,035,000	48,121,000	39,979,000	57,225,000	81,766,000	13,754,000	264,880,000

Nine Months Ended September 30, 2023	Product Packaging	Commercial Lending	Direct Marketing	Biotechnology	Securities	Corporate	Total
Revenue	\$13,038,000	\$ 422,000	\$ 6,088,000	\$ -	\$ 3,697,000	\$ -	\$ 23,245,000
Interest expense	137,000	-	(6,000)	-	307,000	-	438,000
Interest income	-	-	945,000	149,000	126,000	-	1,220,000
(Net income (loss) from operations)	(88,000)	(1,800,000)	32,272,000	(5,933,000)	8,606,000	4,340,000	53,039,000
Capital expenditures	596,000	-	-	17,000	66,000	-	679,000
Identifiable assets	21,554,000	39,446,000	7,102,000	49,816,000	69,498,000	9,135,000	196,551,000

Nine Months Ended September 30, 2022	Product Packaging	Commercial Lending	Direct Marketing	Biotechnology	Securities	Corporate	Total
Revenue	\$11,876,000	\$ 644,000	\$18,000,000	\$ 94,000	\$ 4,817,000	\$ 496,000	\$ 35,927,000
Depreciation and Amortization	525,000	-	248,000	835,000	7,637,000	106,000	9,351,000
Interest expense	100,000	-	193,000	-	1,812,000	-	2,105,000
Stock based compensation	1,000	-	-	-	-	3,000	4,000
(Net income (loss) from operations)	(755,000)	638,000	19,102,000	(2,198,000)	8,334,000	9,410,000	39,161,000
Capital expenditures	1,242,000	-	88,000	-	15,000	4,000	1,349,000
Identifiable assets	24,035,000	48,121,000	39,979,000	57,225,000	81,766,000	13,754,000	264,880,000

26

The following tables disaggregate our business segment revenues by major source:

Printed Products Revenue Information:

Three months ended September 30, 2023

Packaging Printing and Fabrication	\$ 3,293,000
Commercial and Security Printing	22,000
Total Printed Products	\$ 3,315,000

Three months ended September 30, 2022

Packaging Printing and Fabrication	\$ 4,888,000
Commercial and Security Printing	144,000
Total Printed Products	\$ 5,032,000

Nine months ended September 30, 2023

Packaging Printing and Fabrication	\$ 12,539,000
Commercial and Security Printing	347,000
Total Printed Products	\$ 12,976,000

Nine months ended September 30, 2022

Packaging Printing and Fabrication	\$ 12,357,000
Commercial and Security Printing	293,000
Total Printed Products	\$ 12,650,000

Direct Marketing

Three months ended September 30, 2023

Direct Marketing Internet Sales	\$ 523,000
Total Direct Marketing	\$ 523,000

Three months ended September 30, 2022

Direct Marketing Internet Sales	\$ 4,937,000
Total Direct Marketing	\$ 4,937,000

Nine months ended September 30, 2023

Direct Marketing Internet Sales	\$ 6,088,000
Total Direct Marketing	<u>\$ 6,088,000</u>

Nine months ended September 30, 2022

Direct Marketing Internet Sales	\$ 17,939,000
Total Direct Marketing	<u>\$ 17,939,000</u>

27

Rental Income**Three months ended September 30, 2023**

Rental income	\$ 236,000
Total Rental Income	<u>\$ 236,000</u>

Three months ended September 30, 2022

Rental income	\$ 1,485,000
Total Rental Income	<u>\$ 1,485,000</u>

Nine months ended September 30, 2023

Rental income	\$ 3,464,000
Total Rental Income	<u>\$ 3,464,000</u>

Nine months ended September 30, 2022

Rental income	\$ 4,656,000
Total Rental Income	<u>\$ 4,656,000</u>

Net Investment Income**Three months ended September 30, 2023**

Net Investment Income	\$ 108,000
Total Investment Income	<u>\$ 108,000</u>

Three months ended September 30, 2022

Net Investment Income	\$ 370,000
Total Rental Income	<u>\$ 370,000</u>

Nine months ended September 30, 2023

Net investment income	\$ 422,000
Total Management fee income	<u>\$ 422,000</u>

Nine months ended September 30, 2022

Net Investment Income	\$ 644,000
Total Management fee income	<u>\$ 644,000</u>

Commission Income**Three months ended September 30, 2023**

Commission income	\$ -
Total commission income	<u>\$ -</u>

Three months ended September 30, 2022

Commission income	\$ -
Total commission income	<u>\$ -</u>

Nine months ended September 30, 2023

Commission income	\$ 295,000
Total commission income	<u>\$ 295,000</u>

Nine months ended September 30, 2022

Commission income	\$ -
Total commission income	<u>\$ -</u>

28

16. Related Party Transactions

The Company owns 127,179,291 shares or approximately 4 % of the outstanding shares of Alset International Limited ("Alset Intl"), a company incorporated in Singapore and publicly listed on the Singapore Exchange Limited. This investment is classified as a marketable security and is classified as long-term assets on the consolidated balance sheets as the Company has the intent and ability to hold the investments for a period of at least one year. The Chairman of the Company, Mr. Heng Fai Ambrose Chan, is the Executive Director and Chief Executive Officer of Alset Intl. Mr. Chan is also the majority shareholder of Alset Intl as well as the largest shareholder of the Company. The fair value of the marketable security as of September 30,

2023, and December 31, 2022, was approximately \$ 3,726,000 and \$ 3,319,000 , respectively. During the nine-month ended September 30, 2023 and September 30, 2022, the Company recorded unrealized gain of approximately \$ 281,000 and loss on this investment of \$ 75,000 , respectively.

On March 2, 2020, AMRE entered into a \$ 200,000 unsecured promissory note with LVAMPTE, a related party. The Note calls for interest to be paid annually on March 2 with interest fixed at 8.0 %. As further incentive to enter into this Note, AMRE granted LVAMPTE warrants to purchase shares of common stock of AMRE (the "Warrants"). The amount of the warrants granted is the equivalent of the Note Principal divided by the Exercise Price. The Warrants are exercisable for four years and are exercisable at \$ 5.00 per share (the "Exercise" Price). In March 2022, this debt was converted into equity in AMRE, and LVAMPTE exercised the warrants for \$ 200,000 (see the consolidated statement of changes in stockholders' equity) The holder is a related party owned by the Chairman of the Company's board of directors.

On March 18, 2021, the Company entered into an agreement with Alset EHome International, Inc. ("Seller") to acquire the Seller's wholly owned subsidiary Impact Oncology PTE Ltd for the purchase price of \$ 2,480,000 to effectively purchase ownership of 2,480,000 shares of common stock of Vivacitas. This agreement includes an option to purchase an additional 250,000 shares of common stock. As a result of these two transactions, which were closed on March 21, 2021, and March 29, 2021, respectively, the Company owns an approximate 15.7 % equity position in Vivacitas. The Seller's largest shareholder is Mr. Heng Fai Ambrose Chan, the Chairman of the Company's board of directors and its largest shareholder. On July 22, 2021, the Company exercised 1,000,000 of the available options under the Vivacitas Agreement #1. The Company's current equity position in Vivacitas approximates 16 %.

On October 13, 2021, LVAM entered into loan agreement with BMIC ("BMIC Loan"), a related party, whereas LVAM borrowed the principal amount of \$ 3,000,000 , with interest to be charged at a variable rate to be adjusted at the maturity date. The BMIC Loan matures on October 12, 2022 , and contains an auto renewal period of three months. As of September 30, 2023 and December 31, 2022, \$ 512,000 and \$ 3,000,000 , respectively, are included in Current portion of long-term debt, net on the consolidated balance sheet.

On October 13, 2021, LVAM entered into a loan agreement with Lee Wilson Tsz Kin ("Wilson Loan"), a related party, whereas LVAM borrowed the principal amount of \$ 3,000,000 , with interest to be charged at a variable rate to be calculated at the maturity date. The Wilson Loan matures on October 12, 2022 , and contains an auto renewal period of nine months. This loan was funded during March 2022. As of September 30, 2023 \$ 1,997,000 is included in the Current portion of long-term debt, net on the consolidated balance sheet. As of December 31, 2022 \$ 3,000,000 is included in the Current portion of long-term debt, net on the consolidated balance sheet.

29

In November 2021, AMRE entered into a convertible promissory note ("Alset Note") with Alset International Limited ("Alset International"), a related party, for the principal amount of \$ 8,350,000 . The Alset Note accrues interest at 8 % per annum and matures in December 2023 , with interest due quarterly and the principal due at maturity. Principal and interest of approximately \$ 8,805,000 is included in long-term debt, net on the accompanying consolidated balance sheet on December 31, 2022. On May 17, 2022, the shareholders of the Company approved the issuance of up to 21,366,177 Shares our Common Stock to Alset International to purchase the Convertible Promissory Note issued by American Medical REIT, Inc. with a principal amount of \$ 8,350,000 and accrued unpaid interest of \$ 119,000 through December 31, 2022. This transaction was finalized in July 2022 and is eliminated upon consolidation into DSS. Interest expense for this note totaled \$ 625,000 in September 2023 and \$ 346,000 in December 2022.

On February 28, 2022, DSS entered into an Amendment to Stock Purchase Agreement (the "Amendment") with its shareholder Alset EHome International Inc. ("AEI"), pursuant to which the Company and AEI have agreed to amend certain terms of the Stock Purchase Agreement dated January 25, 2022 (the "SPA"). Pursuant to the SPA, AEI had agreed to purchase up to 44,619,423 shares of the Company's common stock for a purchase price of \$ 0.3810 per share, for an aggregate purchase price of \$ 17,000,000 . Pursuant to the Amendment, the number of shares of the common stock of the Company that the AEI will purchase has been reduced to 3,986,877 shares for an aggregate purchase price of \$ 1,519,000 . This transaction was completed on March 9, 2022. In addition, the Company's Executive Chairman and a significant stockholder, Heng Fai Ambrose Chan, is the Chairman, Chief Executive Officer and largest shareholder of AEI.

In October 2017, Sharing Services issued a Convertible Promissory Note in the principal amount of \$ 50,000 (the "Note") to HWH International, Inc. ("HWH" or the "Holder"), a related party. HWH is affiliated with Heng Fai Ambrose Chan, who became a Director of the Company in April 2020. The Note is convertible into 333,333 shares of the Company's Common Stock. Concurrent with issuance of the Note, the Company issued to HWH a detachable stock warrant to purchase up to an additional 333,333 shares of the Company's Common Stock, at an exercise price of \$ 0.15 per share. Under the terms of the Note and the detachable stock warrant, the Holder is entitled to certain financing rights. If the Company enters into more favorable transactions with a third-party investor, it must notify the Holder and may have to amend and restate the Note and the detachable stock warrant to be identical. On August 9, 2022, HWH and the Company executed an agreement to settle the Note and cancel the related stock warrant for \$ 78,635.62 , which amount represents the principal plus accrued interest. The Company made the payment to HWH on August 9, 2022.

On May 17, 2022, the shareholders of the Company approved the acquisition of 62,122,908 shares of True Partners Capital Holdings Limited ("True Partners"), a company publicly traded on the Hong Kong stock exchange in exchange for 17,570,948 shares of DSS stock. The True Partner shares were acquired from Alset EHome International, Inc. ("Alset EHome"), a related party. Mr. Heng Fai Ambrose Chan, our director and Executive Chairman, is also Chairman of the Board, Chief Executive Officer, and the largest beneficial owner of the outstanding shares of Alset EHome. This transaction was completed with the transfer of DSS shares to Alset EHome on July 1, 2022 with the issuance of DSS shares, which were valued at \$0.34 per share, to Alset EHome.

On May 17, 2022, the shareholders of the Company approved the issuance of up to 21,366,177 shares of our Common Stock to Alset International, a related party, to purchase the Convertible Promissory Note issued by American Medical REIT, Inc. with a principal amount of \$ 8,350,000 and accrued unpaid interest of \$ 367,000 through May 15, 2022. This transaction was finalized in July 2022.

17. Subsequent Events

The Company has evaluated all subsequent events and transactions through November 14, 2023, the date that the condensed consolidated financial statements were available to be issued and noted no subsequent events requiring financial statement recognition or disclosure other than what was identified below:

On October 31, 2023, Impact BioMedical effected a reverse stock split of 1 for 55. As of June 30, 2023, and December 31, 2022, there were 3,877,282,251 shares of common stock issued and outstanding which was converted to 70,496,041 shares. Also on October 31, 2023, DSS BioHealth Securities, Inc., the Impact's largest shareholder and a wholly-owned subsidiary of DSS, converted 60,496,041 shares of Common Stock into 60,496,041 shares of Series A Convertible Preferred Shares, reducing its ownership of Impact's common stock from approximately 88 % to approximately 12 %.

30

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

Certain statements contained herein this report constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "1995 Reform Act"). Except for the historical information contained herein, this report contains forward-looking statements (identified by words such as "estimate", "project", "anticipate", "plan", "expect", "intend", "believe", "hope", "strategy" and similar expressions), which are based on our current expectations and speak only as of the date made. These forward-looking statements are subject to various risks, uncertainties and factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements.

Overview

The Company, incorporated in the state of New York in May 1984 has conducted business in the name of Document Security Systems, Inc. On September 16, 2021, the board of directors approved an agreement and plan of merger with a wholly owned subsidiary, DSS, Inc. (a New York corporation, incorporated in August 2020), for the sole purpose of effecting a name change from Document Security Systems, Inc. to DSS, Inc. This change became effective on September 30, 2021. DSS, Inc. maintained the same trading symbol "DSS" and updated its CUSIP number to 26253C 102.

DSS, Inc. (together with its consolidated subsidiaries, referred to herein as "DSS," "we," "us," "our" or the "Company") currently operates nine (9) distinct business lines with operations and locations around the globe. These business lines are: (1) Product Packaging, (2) Biotechnology, (3) Direct Marketing, (4) Commercial Lending, (5) Securities and Investment Management, (6) Alternative Trading (7) Digital Transformation, (8) Secure Living, and (9) Alternative Energy. Each of these business lines are in different stages of development, growth, and income generation.

Our divisions, their business lines, subsidiaries, and operating territories: (1) Our Product Packaging line is led by Premier Packaging Corporation, Inc. ("Premier"), a New York corporation. Premier operates in the paper board and fiber based folding carton, consumer product packaging, and document security printing markets. It markets, manufactures, and sells sophisticated custom folding cartons, mailers, photo sleeves and complex 3-dimensional direct mail solutions. Premier is currently located in its new facility in Rochester, NY, and primarily serves the US market. (2) The Biotechnology business line was created to invest in or acquire companies in the BioHealth and BioMedical fields, including businesses focused on the advancement of drug discovery and prevention, inhibition, and treatment of neurological, oncological, and immune related diseases. This division is also targeting unmet, urgent medical needs, and is developing open-air defense initiatives, which curb transmission of air-borne infectious diseases, such as tuberculosis and influenza. (3) Direct Marketing, led by the holding corporation, Decentralized Sharing Systems, Inc. ("Decentralized") provides services to assist companies in the emerging growth "Gig" business model of peer-to-peer decentralized sharing marketplaces. Direct specializes in marketing and distributing its products and services through its subsidiary and partner network, using the popular gig economic marketing strategy as a form of direct marketing. Direct Marketing's products include, among other things, nutritional and personal care products sold throughout North America, Asia Pacific, Middle East, and Eastern Europe. (4) Our Commercial Lending business division, driven by American Pacific Bancorp ("APB"), is organized for the purposes of being a financial network holding company, focused on acquiring equity positions in (i) undervalued commercial bank(s), bank holding companies and nonbanking licensed financial companies operating in the United States, South East Asia, Taiwan, Japan and South Korea, and (ii) companies engaged in—nonbanking activities closely related to banking, including loan syndication services, mortgage banking, trust and escrow services, banking technology, loan servicing, equipment leasing, problem asset management, SPAC (special purpose acquisition company) consulting services, and advisory capital raising services. (5) Securities and Investment Management was established to develop and/or acquire assets in the securities trading or management arena, and to pursue, among other product and service lines, broker dealers, and mutual funds management. Also in this segment is the Company's real estate investment trust ("REIT"), organized for the purposes of acquiring hospitals and other acute or post-acute care centers from leading clinical operators with dominant market share in secondary and tertiary markets, and leasing each property to a single operator under a triple-net lease. The REIT was formed to originate, acquire, and lease a credit-centric portfolio of licensed medical real estate. (6) Alternative Trading was established to develop and/or acquire assets and investments in the securities trading and/or funds management arena. Alt. Trading, in partnership with recognized global leaders in alternative trading systems, intends to own and operate in the US a single or multiple vertical digital asset exchanges for securities, tokenized assets, utility tokens, and cryptocurrency via an alternative trading platform using blockchain technology. The scope of services within this section is planned to include asset issuance and allocation (securities and cryptocurrency), FPO, IPO, ITO, PPO, and UTO listings on a primary market(s), asset digitization/tokenization (securities, currency, and cryptocurrency), and the listing and trading of digital assets (securities and cryptocurrency) on a secondary market(s). (7) Digital Transformation was established to be a Preferred Technology Partner and Application Development Solution for mid cap brands in various industries including the direct selling and affiliate marketing sector. Digital improves marketing, communications and operations processes with custom software development and implementation. (8) The Secure Living division has developed a plan for fully sustainable, secure, connected, and healthy living communities with homes incorporating advanced technology, energy efficiency, and quality of life living environments both for new construction and renovations for single and multi-family residential housing. (9) The Alternative Energy group was established to help lead the Company's future in the clean energy business that focuses on environmentally responsible and sustainable measures. Alset Energy, Inc, the holding company for this group, and its wholly owned subsidiary, Alset Solar, Inc., pursue utility-scale solar farms to serve US regional power grids and to provide underutilized properties with small microgrids for independent energy.

On February 8, 2021, DSS Securities announced that it entered into a joint venture ("JV") with Coinstreet Partners ("Coinstreet"), a global decentralized digital investment banking group and digital asset financial service firm, and GSX Group ("GSX"), a global digital exchange ecosystem for the issuance, trading, and settlement of tokenized securities, using its proprietary blockchain solution. The JV leverages the operational strengths and assets of three key leaders in their field, combining traditional capital market experience, Fintech innovations, and business networks from three continents, North America, Europe, and Asia, to capitalize on unique digital asset opportunities. The JV reported that it intended to first pursue a digital securities exchange license in the US. Moving forward, this JV will be the key operational company building and operating a digital securities exchange that utilizes the GSX STACS blockchain technology, serving corporate issuers and investors in the sector.

On February 25, 2021, DSS Securities announced its acquisition of an equity interest in WestPark Capital, Inc. ("WestPark") and an investment in BMI Capital International LLC ("BMICI"). DSS Securities executed two separate transactions that were designed to grow the securities division by signing a binding note and stock exchange letter of intent to own 7.5% of the issued and outstanding shares of WestPark and acquiring 24.9% of BMICI through a purchase agreement. WestPark is a full-service investment banking and securities brokerage firm which serves the needs of both private and public companies worldwide, as well as individual and institutional investors. BMI is a private investment bank specializing in corporate finance advising, raising equity, and venture services, providing a global "one-stop" corporate consultancy to listed companies. From corporate finance to professional valuation, corporate communications to event management, BMICI services companies in the US, Hong Kong, Singapore, Taiwan, Japan, Canada, and Australia.

On March 1, 2021, Decentralized Sharing Systems, Inc. ("Decentralized") announced that it increased its investment in Sharing Services Global Corporation ("Sharing Services" or "SHRG"), a publicly traded company dedicated to maximizing shareholder value through the acquisition and development of innovative companies, products, and technologies in the direct selling industry, through a \$30 million convertible promissory note dated April 5, 2021. Decentralized's financing was made as an investment that would help accelerate Sharing Services sales and growth, as well as international expansion, with the expectation that such capital reserves would help make Sharing Services a dominant player in the global marketplace over the next two years. It was reported that the new \$30 million investment would have the potential to exponentially increase Sharing Services sales channels and substantially expand its product portfolio, and to position Sharing Services to capitalize on consolidation and roll up opportunities of other direct selling companies. In the joint announcement, Sharing Services reported that the additional funding would now allow it to accelerate its global expansion with a direct focus on the Asian markets, and specifically in countries such as South Korea, Japan, Hong Kong, China, Singapore, Taiwan, Thailand, Malaysia, and the Philippines. In accordance with the April 5, 2021, convertible promissory note, SHRG issued to the Company 27,000,000 shares of its Class A Common Stock, including 15,000,000 shares in payment of the loan origination fee and 12,000,000 shares in prepayment of interest for the first year. As of and through June 30, 2020, the Company classified its investment in Sharing Services Global Corp. ("SHRG"), a publicly traded company, as marketable equity security and measured it at fair value with gains and losses recognized in other income. In July 2020, through continued

acquisition of common stock, as detailed below, the Company obtained greater than 20% ownership of SHRG, and thus has the ability to exercise significant influence over it. During the quarter ended September 30, 2020, the Company began to account for its investment in SHRG using the equity method in accordance with ASC Topic 323, Investments—Equity Method and Joint Ventures recognizing our share of SHRG's earnings and losses within our consolidated statement of operations. Through a series of transactions, DSS increased its ownership of voting shares in SHRG to approximately 58% on December 23, 2021. The 58% ownership of SHRG meets the definition of a business with inputs, processes, and outputs, and therefore, the Company has concluded to account for this transaction in accordance with the acquisition method of accounting under Topic 805 and began consolidating the financial results of SHRG as of December 31, 2021. On January 24, 2022, the Company exercised 50,000,000 warrants received as part of a consulting agreement with SHRG at the exercise price of \$0.0001, bringing its ownership percentage of voting shares to approximately 65%. During the fourth quarter of 2022, SHRG purchased back a significant number of its outstanding voting shares, increasing the Company's ownership percentage of voting shares to approximately 73% at December 31, 2022. During the first quarter of 2023, DSS converted both interest due from SHRG on notes receivable and warrants in SHRG shares into newly issued common stock of SHRG totaling 84,619,047 shares, increasing DSS ownership of voting shares to approximately 80% at March 31, 2023. On May 4, 2023, the Company distributed approximately 280 million shares of SHRG beneficially held by DSS and Decentralized Sharing Systems in the form of a dividend to the shareholders of DSS common stock. Upon completion of this distribution, DSS will retain an ownership interest in SHRG of approximately 7%. The Company, via three (3) of the Company's existing board members, currently holds four (4) of the five (5) SHRG board of director seats. Mr. John "JT" Thatch, DSS's Lead Independent Director and as well the CEO of SHRG is on the SHRG Board, along with Mr. Heng Fai Ambrose Chan, DSS's Executive Chairman of the board of directors (joined the SHRG Board effective May 4, 2020), and Mr. Frank D. Heuszel, the CEO of the Company (joined the SHRG Board effective September 29, 2020).

On March 15, 2021, the Company, through one of its subsidiaries, DSS BioMedical International, Inc. entered into a Stock Purchase Agreement (the "Agreement") with Vivacitas Oncology Inc. ("Vivacitas"), to purchase 500,000 shares of its common stock at the per share price of \$1.00, with an option to purchase 1,500,000 additional shares at the per share price of \$1.00. In addition, under the terms of the Agreement, the Company will be allocated two seats on the board of Vivacitas. On March 18, 2021, the Company entered into an agreement with Alset EHome International, Inc. ("Seller") to acquire the Seller's wholly owned subsidiary Impact Oncology PTE Ltd for the purchase price of \$2,480,000 to effectively purchase ownership of 2,480,000 shares of common stock of Vivacitas. This agreement includes an option to purchase an additional 250,000 shares of common stock. As a result of these two transactions, which were closed on March 21, 2021, and March 29, 2021, respectively, the Company owns an approximate 15.7% equity position in Vivacitas. The Seller's largest shareholder is Mr. Heng Fai Ambrose Chan, the Chairman of the Company's board of directors and its largest shareholder. On July 22, 2021, the Company exercised 1,000,000 of the available options under the Vivacitas Agreement #1. The Company's current equity position in Vivacitas approximates 16%.

On April 21, 2021, the Company announced its wholly owned subsidiary, Premier Packaging Corporation's intentions to relocate from its current 48,000 square-foot manufacturing facility from Victor, NY to a new 105,000 square-foot facility in the Town of Henrietta, NY approximately 15 miles from its Victor location by the end of 2021. In connection with this relocation, Premier Packaging has entered into an agreement to sell its current Victor location and closed the transaction in March 2022.

On May 13, 2021, Sentinel Brokers, LLC., a subsidiary of the Company entered into a stock purchase agreement ("Sentinel Agreement") to acquire a 24.9% equity position of Sentinel Brokers Company, Inc. ("Sentinel"), a company registered in the state of New York, for the purchase price of \$300,000. Under the terms of this agreement, the Company has the option to purchase an additional 50.1% of the outstanding Class A Common Shares. Upon the exercising of this option, but no earlier than one year following the effective date of the Sentinel Agreement, Sentinel has the option to sell the remaining 25% to the Company. In consideration of purchase price investment in Sentinel, the Company is entitled to an additional 50.1% of the net profits of Sentinel. In December 2022, the Company exercised its option to obtain the additional 50.1% of Sentinel's common stock and began consolidating its results affective December 1, 2022.

On May 19, 2021, the Company announced that its wholly owned subsidiary, DSS PureAir, Inc., a Texas corporation ("DSS PureAir"), closed on a Securities Purchase Agreement with Puradigm LLC, a Nevada limited liability corporation ("Puradigm"). Pursuant to the terms of the Securities Purchase Agreement, DSS PureAir agreed to provide Puradigm a secured convertible promissory note in the maximum principal amount of \$5,000,000.00 (the "Puradigm Note"). The Puradigm Note has a two-year term with interest at 6.65% payable quarterly. All, or part of the Puradigm Note principal balance can be converted at the sole discretion of DSS PureAir for up to an 18% membership interest in Puradigm LLC. The Puradigm Note is secured by all the assets of Puradigm under a security agreement with Puradigm.

On June 18, 2021, AMRE Shelton, LLC., ("AMRE Shelton") a subsidiary of AMRE financed the purchase of a 40,000 square foot, 2.0 story, Class A+ multi-tenant medical office building located on a 13.62-acre site in Shelton, Connecticut (See Note 7). In accordance with Topic 805, the acquisition of the medical acquired has been determined to be an acquisition of assets as substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. This property was appraised at approximately \$7,150,000, of which \$6,027,000 and \$815,000 were allocated to the facility and land, respectively. Also included in the value of the property is \$308,000 of intangible assets with an estimated useful life of 11 years. Contained within the sale-purchase agreement for this facility, is a \$1,500,000 earnout due to the seller if certain criteria are met. As of September 30, 2023, no liability has been recorded for this earnout as management determined it is currently remote.

On September 9, 2021, the Company finalized a stock purchase agreement (the "SPA") with American Pacific Bancorp ("APB"), which provided for an investment of \$40,000,200 by the Company into APB for an aggregate of 6,666,700 shares of the APB's Class A Common Stock, par value \$0.01 per share. Subject to the terms and conditions contained in the SPA, the shares issued at a purchase price of \$6.00 per share. As a result of this transaction, DSS became the majority owner of APB. APB is organized for the purposes of being a financial network holding company, focused providing commercial loans and on acquiring equity positions in (i) undervalued commercial bank(s), bank holding companies and nonbanking licensed financial companies operating in the United States, South East Asia, Taiwan, Japan and South Korea, and (ii) companies engaged in—nonbanking activities closely related to banking, including loan syndication services, mortgage banking, trust and escrow services, banking technology, loan servicing, equipment leasing, problem asset management, SPAC (special purpose acquisition company) consulting, and advisory capital raising services. From this financial platform, the Company shall provide an integrated suite of financial services for businesses that shall include commercial business lines of credit, land development financing, inventory financing, third party loan servicing, and services that address the financial needs of the world Gig Economy.

On September 13, 2021, the Company finalized a shareholder agreement and joint venture between its subsidiary, DSS Financial Management, Inc. ("DFMI") and HR1 Holdings Limited ("HR1"), a company incorporated in the British Virgin Islands, for the purpose to operate a vehicle for private and institutional investors seeking a highly liquid investment fund with attractive risk adjusted returns relative to market unpredictability and volatility. Under the terms of this agreement, 4000 shares or 40% of the Company's subsidiary Liquid Asset Limited Management Limited ("LVAM"), a Hong Kong company was transferred to HR1 whereas at the conclusion of the transaction DFMI would own 60% of LVAM and HR1 would own 40%. LVAM executes within reliable platforms and broad market access and uses proprietary systems and algorithms to trade liquid exchange-traded funds (ETFs), stocks, futures or crypto. Aimed at providing consistent returns while offering the unique ability to liquidate the portfolio within 5 to 10 minutes under normal market conditions, LVAM provides an array of advanced tools and products enabling customers to explore multiple opportunities, strengthen and diversify their portfolios, and meet their individual investing goals.

On April 7, 2021, the Company entered into a transfer and assignment agreement ("RIA Agreement") between DSS Securities, Inc. ("DSSS") and AmericaFirst Capital Management, LLC ("Advisor"), a California limited liability company and the registered investment advisor ("RIA") to all the funds within the AmericaFirst Quantitative Funds Trust ("Trust"). In September of 2021, with the approval of the Trust's Board of Trustees and its shareholders, and with the consideration of \$600,000 paid, DSSS became the new registered investment advisor to the Trust. Upon the completion of the transfer, the

Trust was renamed to the DSS AmericaFirst Quantitative Trust. The DSS AmericaFirst Quantitative Trust is a Delaware business trust established in 2012. The Trust currently consists of 4 mutual funds managed by DSS Wealth Management, Inc.: The DSS AmericaFirst Income Trends Fund, DSS AmericaFirst Defensive Growth Fund, DSS AmericaFirst Risk-On Risk-Off Fund, and DSS AmericaFirst Large Cap Buyback Fund. The funds seek to outperform their respective benchmark indices by applying a quantitative rules-based approach to security selection. The DSS AmericaFirst Quantitative Funds is a suite of mutual funds managed by DSS Wealth Management, Inc. that will expand into numerous investment platforms including additional mutual funds, exchange-traded funds, unit investment trusts and closed-end funds. We see substantial growth opportunities in each of these platforms as we are committed to building and expanding upon an experienced distribution infrastructure. For DSS services rendered in its role as RIA, the Trust shall pay a fee for each fund calculated as a percentage of the average daily net assets. The \$600,000 consideration given is recorded as an Other intangible asset, net on the Consolidated Balance Sheet at March 31, 2022. As the RIA Agreement has no defined period, this asset has been deemed an infinite life asset and no amortization has been taken.

On December 23, 2021, DSS purchased 50,000,000 shares at \$0.06 per share of Sharing Services Global Corporation ("SHRG") via a private placement. With this purchase, DSS increased its ownership of voting shares from approximately 47% of SHRG to approximately 58%. On January 24, 2022, the Company exercised 50,000,000 warrants received as part of a consulting agreement with SHRG at the exercise price of \$0.0001, bringing its ownership percentage of voting shares to approximately 65%. SHRG aims to build shareholder value by developing or acquiring businesses that increase the Company's product and services portfolio, business competencies and geographic reach. Currently, the Company, through its subsidiaries, markets and distributes its health and wellness and other products primarily in the United States, Canada, and the Asia Pacific region using a direct selling business model. The Company markets its products and services through its independent sales force, using its proprietary websites, including: www.elevacity.com and www.thehappyco.com. The Company, headquartered in Plano, Texas, was incorporated in the State of Nevada on April 24, 2015, and is an emerging growth company. The Company's Common Stock is traded, under the symbol "SHRG," in the OTCQB Market, an over-the-counter trading platforms market operated by OTC Markets Group Inc.

The five reporting segments are as follows:

Premier Packaging:

Premier Packaging Corporation provides custom packaging services and serves clients in the pharmaceutical, nutraceutical, consumer goods, beverage, specialty foods, confections, photo packaging and direct marketing industries, among others. The group also provides active and intelligent packaging and document security printing services for end-user customers. In addition, the division produces a wide array of printed materials, such as folding cartons and paperboard packaging, security paper, vital records, prescription paper, birth certificates, receipts, identification materials, entertainment tickets, secure coupons, and parts tracking forms. The division also provides resources and production equipment for our ongoing research and development of security printing, brand protection, consumer engagement and related technologies. Premier is nearing completion of its facility expansion with operations expected to begin at the new 105,000 sq. ft. facility in early March 2022.

For over 25 years, Premier has been a market leader in providing solutions for paperboard packaging from consumer retail packaging and heavy mailing envelopes, to sophisticated custom folding cartons and complex three-dimensional direct mail solutions. Premier's innovative products and design team delivers packaging that provides functionality, marketability, and sustainability, with its fiber-based packing solutions providing an alternative to traditional plastic packaging.

Since 2019, we have accelerated the transformation of Premier's operations, investing in state-of-the-art manufacturing equipment, people, and processes to increase its capacity, improve quality and delivery, and to ensure it has the resources to support its growing customer base and their evolving supply chain demands.

Commercial Lending: ("Commercial Lending") through its operating company, American Pacific Bancorp ("APB") provides an integrated suite of financial services for businesses that include commercial business lines of credit, land development financing, inventory financing, third party loan, servicing, and services that address the financial needs of the world Gig Economy. APB intends to continue to develop and expand its lending platform to serve the small to mid-size commercial borrower and to continue to acquire equity positions of commercial banks in the US to develop its lending network and to provide global banking services to clients worldwide, including servicing markets with limited access to traditional US banking services. APB's target customers are businesses with annual revenues of \$5 million to \$50+ million, including manufacturers, wholesalers, retailers, distributors, importers, and service companies. APB has expertise in, and services tailored for, specific industries, including beverage, food and agribusiness, technology, healthcare, government, higher education, clean technology, and environmental services.

Biotechnology: ("Biotech") This sector, through its subsidiary Impact BioMedical, Inc. targets unmet, urgent medical needs and expands the borders of medical and pharmaceutical science. Impact drives mission-oriented research, development, and commercialization of solutions for medical advances in human wellness and healthcare. By leveraging technology and new science with strategic partnerships, Impact Bio provides advances in drug discovery for the prevention, inhibition, and treatment of neurological, oncology and immuno-related diseases. Other exciting technologies include a breakthrough alternative sugar aimed to combat diabetes and functional fragrance formulations aimed at the industrial and medical industry.

The business model of BioHealth and Impact BioMedical revolves around two methodologies – Licensing and Sales Distribution.

1) Impact develops valuable and unique patented technologies which will be licensed to pharmaceutical, large consumer package goods companies and venture capitalists in exchange for usage licensing and royalties.

2) Impact utilizes the DSS ecosystem to leverage its sister companies that have in place distribution networks on a global scale. Impact will engage in branded and private labelling of certain products for sales generation through these channels. This global distribution model will give direct access to end users of Impact's nutraceutical and health related products.

Securities and Investment Management: ("Securities") Securities was established to develop and/or acquire assets in the securities trading or management arena, and to pursue, among other product and service lines, real estate investment funds, broker dealers, and mutual funds management. This business sector has already established the following business lines and associated products and services:

- REIT Management Fund:** In March 2020, DSS Securities formed AMRE ("American Medical REIT") and its management company AAMI ("AMRE Asset Management, Inc.) Through AAMI/AMRE, a medical real estate investment trust, fulfills community needs for quality healthcare facilities while enabling care providers to allocate their capital to growth and investment in their contemporary clinical and critical care businesses. Urban and suburban communities are in need of modern healthcare facilities that provide a range of medical outpatient services. The funds ultimate product is an investor opportunity in a managed medical real estate investment trust.

- **Real Estate Title Services:** Alset Title Company, Inc. provides buyers, sellers, and brokers alike confidence during big real estate transactions, not just in a transaction, but in the property itself. Through bundled services, Alset Title Company, Inc. provides it all from title searches and insurance to escrow agent assistance.
- **Sentinel:** Sentinel primarily operates as a financial intermediary, facilitating institutional trading of municipal and corporate bonds as well as preferred stock, and accelerates the trajectory of the DSS digital securities business.
- **WestPark:** WestPark, a company we hold a minority interest in, is a full-service investment banking and securities brokerage firm which serves the needs of both private and public companies worldwide, as well as individual and institutional investors.
- **BMI:** BMI is a private investment bank specializing in corporate finance advising, raising equity, and venture services, providing a global “one-stop” corporate consultancy to listed companies. From corporate finance to professional valuation, corporate communications to event management, BMI services companies in the US, Hong Kong, Singapore, Taiwan, Japan, Canada, and Australia.
- **DSS AmericaFirst:** DSS AmericaFirst is a suite of mutual funds managed by DSS Wealth Management. DSS AmericaFirst expects to expand into numerous investment platforms including additional mutual funds, exchange-traded funds, unit investment trusts, and closed-end funds. DSS AmericaFirst currently consists of four mutual funds that seek to outperform their respective benchmark indices by applying a quantitative rules-based approach to security selection.

Direct Marketing: (“Direct”) Through its holding company, Decentralized Sharing Systems, Inc. and its subsidiaries and partners, including Sharing Services Global Corporation provide an array of products and services, through licensing agreements.

Results of operations for the three and nine months ended September 30, 2023, as compared to the three and nine months ended September 30, 2022.

This discussion should be read in conjunction with the financial statements and footnotes contained in this Quarterly Report and in our Annual Report on Form 10-K for the year ended December 31, 2022.

Revenue

	Three months ended September 30, 2023	Three months ended September 30, 2022	% Change	Nine months ended September 30, 2023	Nine months ended September 30, 2022	% Change
Printed products	\$ 3,315,000	\$ 5,032,000	-34%	\$ 12,976,000	\$ 12,650,000	3%
Rental income	236,000	1,485,000	-84%	3,464,000	4,656,000	-26%
Management fee income	-	38,000	-100%	-	38,000	-100%
Net investment income	108,000	370,000	-71%	422,000	644,000	-34%
Commission revenue	-	-	N/A	295,000	-N/A	
Direct marketing	523,000	4,937,000	-89%	6,088,000	17,939,000	-66%
Total Revenue	\$ 4,182,000	\$ 11,862,000	-65%	\$ 23,245,000	\$ 35,927,000	-35%

For the three and nine months ended September 30, 2023, total revenue decreased 65% and 35% respectively, as compared to the three and nine months ended September 30, 2022. Revenues from the sale of Printed products decreased 34% during three months but increased 3% during nine months ended September 30, 2023, as compared to the same period in 2022 due primarily to orders expected to ship during the 3rd quarter 2023 being pushed to the 4th quarter 2023. The decreases in Rental income, \$236,000, and \$3,464,000 respectively, for the three months ended September 30, 2023 and \$1,485,000, and \$4,656,000, respectively for the three and nine months ended September 30, 2022, is driven by the tenants at AMRE LifeCare being unable to make full rental payments on a monthly basis. The decreases in Net investment income of \$108,000 for three months ended September 30, 2023 and \$422,000 for nine months ended September 30, 2023 as compared to \$370,000 and \$644,000 for the three and nine months ended September 30, 2022 is due to a number of loans made going on non-accrual as borrowers have struggled to make expect payments. The Company's Direct Marketing revenues decreased 89% and 66% for the three and nine months ended September 30, 2023 as compared to 2022 due primarily to the Deconsolidation of SHRG as described in Note 1.

Costs and expenses

	Three months ended September 30, 2023	Three months ended September 30, 2022	% Change	Nine months ended September 30, 2023	Nine months ended September 30, 2022	% Change
Cost of revenue						
Printed products	\$ 3,871,000	\$ 5,174,000	-25%	\$ 10,952,000	\$ 11,201,000	-2%
Securities	1,922,000	3,541,000	-46%	6,046,000	10,837,000	-44%
Direct marketing	271,000	2,926,000	-91%	2,077,000	7,160,000	-71%
Other	8,000	292,000	-97%	362,000	460,000	-21%
Sales, general and administrative compensation	1,132,000	6,968,000	-84%	7,493,000	20,177,000	-63%
Professional fees	1,139,000	2,919,000	-61%	3,248,000	6,416,000	-49%
Stock based compensation	-	-	N/A	-	4,000	-100%
Sales and marketing	483,000	3,110,000	-84%	3,534,000	9,952,000	-64%
Rent and utilities	156,000	295,000	-47%	656,000	632,000	4%
Research and development	239,000	331,000	-28%	684,000	705,000	-3%
Other operating expenses	64,000	1,054,000	-94%	5,421,000	2,431,000	123%
Total costs and expenses	\$ 9,285,000	\$ 26,610,000	-65%	\$ 40,473,000	\$ 69,974,000	-42%

Costs of revenue include all direct costs of the Company's printed products, including its packaging and printing sales and its direct marketing sales, materials, direct labor, transportation, and manufacturing facility costs. In addition, this category includes all direct costs associated with the Company's technology sales, services and licensing including hardware and software that are resold, third-party fees, and fees paid to inventors or others because of technology licenses or settlements, if any. Cost of revenue for our Securities operating segments is comprised mainly of our REIT line of business and includes all direct cost associated with the maintenance and upkeep of the related facilities, depreciation, amortization, and the costs to acquire the facilities. Our Commercial Lending operating segment has costs of revenue associated with the impairment of notes receivable for those amounts at risk of collection. Total costs of revenue decreased 49% for three-months ended September 2023 as compared to 2022 and decreased 34% for nine-months ended September 2023 as compared to September 2022 primarily related to the Deconsolidation of SHRG as described in Note 1.

Sales, general and administrative compensation costs, excluding stock-based compensation, decreased 84% and 63% for the three and nine months ended September 30, 2023 as compared to the same periods in 2022 due primarily to the Deconsolidation of SHRG as described in Note 1.

Professional fees decreased 61% and 49%, during the three and nine months ended September 30, 2023, as compared to the same periods in 2022 respectively, primarily due to a decrease in legal fees associated with the direct marketing segment, accounting fees, and due diligence fees related to potential acquisitions.

Stock based compensation includes expense charges for all stock-based awards to employees, directors, and consultants. Such awards include option grants, warrant grants, and restricted stock awards. There was no stock based compensation during the nine months ended September 30, 2023.

Sales and marketing which include internet and trade publication advertising, travel and entertainment costs, sales-broker commissions, and trade show participation expenses. Sales and marketing decreased 84% and 64% during the three and nine months ended September 30, 2023 as compared to the same periods in 2022 respectively, due primarily to the Deconsolidation of SHRG as described in Note 1.

Rent and utilities decreased 47% during the three months period but increased 4% for nine months ended September 30, 2023, as compared to the same period in 2022 respectively, primarily due to end of the lease in Tennessee for AMRE office space and California for the Company's DSS Wealth Management subsidiary. The company rented additional space at our facility leased in Houston, Texas started during the 2022 as well as Premier Packaging's leased facility beginning in March 2022.

Research and development costs decreased 28% and 3% during the three and nine months ended September 30, 2023, as compared to the same period in 2022 respectively, due to a decrease in such activities at our Impact Biomedical, Inc. subsidiary.

Other operating expenses consist primarily of equipment maintenance and repairs, office supplies, IT support, and insurance costs. During the three and nine months ended September 30, 2023, other operating expenses decreased 94% but increased 123% as compared to the same period in 2022 respectively, due primarily to the reserves put against rent receivables during the nine months ended September 30, 2023 at our AMRE subsidiary approximating \$3.4 million.

Other Income (Expense)

	Three months ended September 30, 2023	Three months ended September 30, 2022	% Change	Nine months ended September 30, 2023	Nine months ended September 30, 2022	% Change
Interest Income	\$ 682,000	\$ 319,000	114%	\$ 1,220,000	\$ 613,000	99%
Dividend Income	-	-	N/A	12,000	-	N/A
Interest Expense	(51,000)	(42,000)	21%	(438,000)	(100,000)	338%
Other Income (expense)	(44,000)	3,627,000	-101%	44,000	4,203,000	-99%
Loss on investments	301,000	(14,302,000)	-102%	(30,490,000)	(10,479,000)	191%
Gain/(loss) on equity method investment	(6,000)	344,000	-102%	(28,000)	134,000	-121%
Gain/(Loss) on extinguishment of debt	-	-	N/A	-	110,000	-100%
Provision for loan losses	(1,179,000)	-	N/A	(4,936,000)	-	N/A
Loss on disposal of operations, net of taxes	(1,281,000)	-	N/A	(1,281,000)	405,000	-415%
Total other income	\$ (1,578,000)	\$ (10,054,000)	-84%	\$ (35,897,000)	\$ (5,114,000)	602%

Interest income is recognized on the Company's money markets, and a portion of notes receivable, identified in Note 4.

Other expense for the nine months ended September 30, 2022 is driven by the impairment of investments and notes receivables for SHRG approximating \$1,745,000. No similar activity occurred in 2023.

Interest expenses increased 21% and 338% during the three and nine months ended September 30, 2023, as compared to the same period in 2022, due to decreasing debt balances.

Loss on investments consists of net realized losses on marketable securities which are recognized as the difference between the purchase price and sale price of the common stock investment, and net unrealized losses on marketable securities which are recognized on the change in fair market value on our common stock investment. Also included is a loss approximating \$29.2 million associated with the Deconsolidation of SHRG (see Note 1).

Loss on equity method investment is the Company's prorated portion of earnings on its investments treated under the equity method of account for the three and nine months ended September 30, 2023.

Gain on extinguishment of debt During the three months ended June 30, 2022, SHRG's \$110,000 SBA Paycheck Protection Program was forgiven in full.

Loss on sale of assets is driven by the Company's loss on the sale of equity of HWH Holdings Inc and loss on sale of assets of HWH World as identified in Note 7.

Net Loss

	Three months ended September 30, 2023	Three months ended September 30, 2022	% Change	Nine months ended September 30, 2023	Nine months ended September 30, 2022	% Change
Loss from continuing operations	\$ (6,681,000)	\$ (24,802,000)	73%	\$ (53,039,000)	\$ (39,161,000)	-35%
Net loss	\$ (6,681,000)	\$ (24,802,000)	73%	\$ (53,039,000)	\$ (39,161,000)	-35%

For the three and nine months ended September 30, 2023, the Company recorded net losses of \$6,681,000 and \$53,039,000, respectively as compared to net losses of \$24,802,000 and \$39,161,000, respectively for September 30, 2022. The decrease in net loss during the three months ended September 30, 2023, is driven by the Deconsolidation of SHRG as described in Note 1.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically met its liquidity and capital requirements primarily through the sale of its equity securities and debt financing. As of September 30, 2023 the Company had cash of approximately \$6.9 million. As of September 30, 2023, the Company believes that it has sufficient cash to meet its cash requirements for at least the next 12 months from the filing date of this Annual Report. In addition, the Company believes that it will have access to sources of capital from the sale of its equity securities and debt financing. The deconsolidation of SHRG and sale of HWH Holdings, Inc, two companies with historical losses, will also be expected to improve future cash flows.

Cash Flow from Continuing Operating Activities

Net cash used from continuing operating activities was \$21,035,000 for the nine months ended September 30, 2023 as compared to \$23,251,000 for the nine months ended September 30, 2022. This fluctuation is driven by increases in net loss and decrease in inventory of \$5,270,000, accounts receivable of \$2,520,000 off-set by accrued expenses of \$15,549,000 during 2023.

Cash Flow from Investing Activities

Net cash provided by investing activities was \$11,885,000 for the nine months ended September 30, 2023 as compared to net cash used of \$17,816,000 for the nine months ended September 30, 2022. This fluctuation is driven by the sale of marketable securities approximating \$11,330,000 during 2023 versus the purchase of marketable securities approximating \$14,254,000 during 2022.

Cash Flow from Financing Activities

Net cash used from financing activities was \$3,243,000 for the nine months ended September 30, 2023 and represents payment of debt of \$4,056,000 offset by borrowings of debt of \$813,000. During the nine months ended September 30, 2022, net cash provided by financing activities was driven by borrowings of long-term debt of \$6,360,000 and issuance of common stock of \$1,518,000.

Off-Balance Sheet Arrangements

We do not have any material off-balance sheet arrangements that have, or are reasonably likely to have, an effect on our financial condition, financial statements, revenues, or expenses.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make judgments, assumptions and estimates that affect the amounts reported in our financial statements and accompanying notes. The financial statements as of December 31, 2021, describe the significant accounting policies and methods used in the preparation of the financial statements. There have been no material changes to such critical accounting policies as of the Quarterly Report on Form 10-Q for the quarter ended September 30, 2023.

ITEM 4 - CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures for the quarter ended September 30, 2023, pursuant to Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation and on the material weaknesses disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022 which remained as of September 30, 2023, our principal executive officer and principal financial officer concluded that as of September 30, 2023, our disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is being recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that our disclosure controls are not effectively designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is being accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Plan for Remediation of Material Weaknesses

As discussed in our Annual Report on Form 10-K for the year ended December 31, 2022, the Company has a remediation plan and is committed to maintaining a strong internal control environment and believes that these remediation efforts will represent significant improvements in our controls. The Company has started to implement these steps, however, some of these steps will take time to be fully integrated and confirmed to be effective and sustainable. Additional controls may also be required over time. Until the remediation steps set forth above are fully implemented and tested, the material weaknesses described above will continue to exist.

Changes in Internal Control over Financial Reporting

While changes in the Company's internal control over financial reporting occurred during the quarter ended September 30, 2023, as the

PART II
OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

See commentary in Note 12 Commitments and Contingencies.

ITEM 1A - RISK FACTORS

There have been no material changes to the discussion of risk factors previously disclosed in our most recently filed Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On January 25, 2022, the Company entered into a stock purchase agreement with Alset EHome International, Inc. (the "January 25, 2022 SPA"), pursuant to which the Company agreed to issue to Alset EHome International, Inc. ("AEI") up to 44,619,423 shares of the Company's common stock (the "Shares") for a purchase price of \$0.3810 per share. On February 28, 2022, the Company entered into an Amendment to Stock Purchase Agreement, pursuant to which the Company and AEI agreed to amend certain terms of the January 25, 2022 SPA. Pursuant to the Amendment, the number of shares of the common stock of the Company that the AEI will purchase has been reduced from 44,619,423 to 3,986,877 shares for an aggregate purchase price of \$1,519,000.

On January 18, 2022, the Company entered into a stock purchase agreement with AEI, pursuant to which AEI sold to the Company 100% of the shares of common stock of its wholly owned subsidiary True Partner International Limited (HK) ("TP"), and all of TP's 62,122,908 ordinary shares of True Partner Capital Holding Limited, for a purchase price of 11,397,080 newly issued shares of the Company's common stock. This agreement was terminated on February 25, 2022. On February 28, 2022, the Company entered into a Stock Purchase Agreement with Alset EHome International Inc. (the "True Partner Revised Stock Purchase Agreement"), pursuant to which AEI has agreed to sell a subsidiary holding 62,122,908 shares of stock of True Partner Capital Holding Limited in exchange for 17,570,948 shares of common stock of the Company.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 - MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5 - OTHER INFORMATION

None.

ITEM 6 - EXHIBITS

Exhibit Number	Exhibit Description
3.1	Certificate of Incorporation *
3.2	Fifth Amended and Restated Bylaws *
3.3	Amendment 1 to Fifth Amended and Restated Bylaws
10.1	Securities Purchase Agreement between Decentralized Sharing Systems, Inc. and Sharing Services Global Corporation for the sale of HWH Holdings, Inc.
10.2	Securities Purchase Agreement between Decentralized Sharing Systems, Inc. and Sharing Services Global Corporation for the sale of HWH World, Inc.
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.*
31.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer. *
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002. *
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002. *
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)*

*Filed herewith.

SIGNATURES

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 thereunto duly authorized.

DSS, INC.

November 14, 2023

By: */s/ Frank D. Heuszel*

Frank D. Heuszel
Chief Executive Officer
(Principal Executive Officer)

November 14, 2023

By: */s/ Todd D. Macko*

Todd D. Macko
Chief Financial Officer

INFO.
E40210

CERTIFICATE OF INCORPORATION
OF
THOROUGHBREDS, U.S.A., INC.

Under Section 402 of the Business Corporation Law

IT IS HEREBY CERTIFIED THAT:

106609
82

(1) The name of the corporation is:

THOROUGHBREDS, U.S.A., INC.

(2) The purpose or purposes for which this corporation is
organized are as follows, to wit:

To conduct the business of breeding horses; to buy, sell, import
and export, board, lease, prepare for racing, transport, race, show, and
generally deal in and with thoroughbred horses; to register the same
with stock associations, race associations, and jockey clubs; to become
associated with others engaged in the business of breeding thoroughbred
horses, and to do all acts necessary to improve the breed of horses.

To conduct the business of breeding cows, sheep, dogs, and fowl; to
buy, sell, import, export and deal in and with purebred livestock; to
register the same with stock associations; to become associated with
others engaged in the business of breeding purebred livestock, and to do
all acts necessary to improve the breed of stock.

To acquire, hold, sell, mortgage, or lease real estate and farm
land necessary to carry out the above objects, and, incidental to said
objects, to carry on the general business of farming.

The purpose of the Corporation is to engage in any lawful act or
activity for which corporations may be organized pursuant to the Business
Corporation Law of the State of New York. The Corporation is not to engage

106609

1

in any act or activity requiring any consents or approvals by law without such consent or approval first being obtained.

For the accomplishment of the aforesaid purposes, and in furtherance thereof, the Corporation shall have, and may exercise, all of the powers conferred by the Business Corporation Law upon corporations formed thereunder, subject to any limitations contained in Article 2 of said law or in accordance with the provisions of any other statute of the State of New York.

(3) The office of the corporation is to be located in the City of Rochester County of Monroe State of New York.

(4) The aggregate number of shares which the corporation shall have the authority to issue is (200,000,000) shares, all of which are to be one thousandth of a cent par value.

(5) The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him is:

c/o The Corporation

1 East Main Street

Rochester, NY 14614

The undersigned incorporator is of the age of eighteen years or over.

IN WITNESS WHEREOF, this certificate has been subscribed this 24th day of May, 1984 by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

Dolores Dorsey

500 Central Avenue, Albany, NY 12206

Dolores Dorsey

2

106609

11 11 188

3
CERTIFICATE OF INCORPORATION

STATE OF NEW YORK
DEPARTMENT OF STA

FILED MAY 30 1984

AMT. OF CHECK \$120.
FILING FEE \$ 100.
TAX \$ 10.
COUNTY FEE \$ 5.
COPY \$ 3.50.
CERT \$ 1.
REFUND \$ 0.
SPEC HANDLE \$ 10.
BY m
D. Monroe

OF
THOROUGHBREDS, U.S.A., INC.
Under Section 402 of the Business Corporation Law

FILER
Elliot Stern & Calabrese
1 E. Main Street
Rochester, NY 14614

INFO.

BILLED

10 MAY 29 1984

F40010

FILED

357303

C.F.S/85

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
THOROUGHBREDS, U.S.A., INC.

Under Section 805 of the Business Corporation Law

(1) The name of the corporation is:

THOROUGHBREDS, U.S.A., INC.

(2) Its original Certificate of Incorporation was filed by the Department of State, New York on the 30th day of May, 1984 as Thoroughbreds, U.S.A., Inc.

(3) The Certificate of Incorporation is hereby amended to effect the following changes.

(1) To change the number of authorized shares from Two Hundred Million (200,000,000) Shares having a par value of \$.001 per share to Two Hundred Million (200,000,000) Shares having a par value of \$.0001 per share. As of the date of the authorization of this amendment there were no shares issued or outstanding and therefore effective upon filing of this amendment.

Two Hundred Million (200,000,000) Shares of authorized but unissued stock par value \$.001 per share shall be changed into 200,000,000 Shares of authorized but unissued shares having a par value of \$.0001 per share. Each authorized but unissued share will be changed at a rate of one old share for each new share.

(2) To eliminate preemptive rights.

ARTICLE 3 OF THE CERTIFICATE OF INCORPORATION IS HEREBY AMENDED TO READ AS FOLLOWS:

3. The aggregate number of shares which the corporation shall have the authority to issue is 200,000,000 shares

3234873

B234873

having a par value of \$.0001 per share.

TO ADD A NEW PARAGRAPH 6 TO THE ORIGINAL CERTIFICATE
OF INCORPORATION WHICH READS AS FOLLOWS:

6. No shareholder of this corporation shall have a preemptive right because of his shareholdings to have first offered to him any part of the presently authorized shares of this corporation hereafter issued, optioned or sold, or any part of any debentures, bonds, notes or securities of this corporation convertible into shares hereafter issued, optioned or sold by the corporation. This provision shall operate to defeat rights in all shares and classes of shares now authorized and in all debentures, bonds, notes or securities of the corporation which may be convertible into shares and also to defeat preemptive rights in any and all shares and classes of shares and securities convertible into shares which this corporation may be hereafter authorized to issue by any amended certificate duly filed.

7. The amendment to the Certificate of Incorporation was authorized by a vote of the Board of Directors, followed by a vote of a majority of all outstanding shares entitled to vote thereon at a meeting of the shareholders.

IN WITNESS WHEREOF, this certificate has been subscribed
on the 15th day of June, 1984, by the undersigned who
affirm that the statements made herein are true under the
penalties of perjury.

Charles M. LaLoggia
CHARLES M. LALOGGIA President
Charles M. LaLoggia

Carl R. Reynolds
CARL R. REYNOLDS Secretary

451 S.H.O

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
THOROUGHBREDS, U.S.A., INC.

Under Section 805 of the Business Corporation Law

B234873

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JUN 10 1985

AMT. OF CHECK \$ 70
FILING FEE \$ 10
TAX \$ 0
COUNTY FEE \$ 0
COPY \$ 0
CERT \$ 0
REFUND \$ 0
SPEC HANOLE \$ 0

BY: Monroe

5-30-84
Monroe Co
NA

B106609-3
200,000,000 PR \$0.001

FILER:
Elliott, Stern and Calabrese
One East Main Street
Rochester, New York 14614

542688

5-30-84
FILED

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

THOROUGHBREDS U.S.A., INC.

INFO.

R 52 Q231

Under Section 805 of the Business Corporation Law

1. The name of the corporation as originally formed is:

THOROUGHBREDS U.S.A., INC.

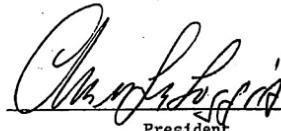
2. The Certificate of incorporation was originally filed by the Department of State on May 30, 1984.

3. The amendment to the certificate is to change the name of the corporation to:

NEW SKY COMMUNICATIONS, INC.

4. The Amendment to the Certificate of Incorporation was authorized by a vote of the Board of Directors followed by a vote of the holders of a majority of all outstanding shares entitled to vote theron at a meeting of shareholders.

IN WITNESS WHEREOF, this certificate has been subscribed the 3rd day of July, 1986 by the undersigned who affirm that the statements made herein are true under the penalties of perjury.



President
Charles M. LaLoggia



Secretary
Carl R. Reynolds

8378247

8378247

2

INFO.

52081

CERTIFICATE OF AMENDMENT

OF

THOROUGHBREDS, U.S.A., INC.

8378247

5/30/86 Monroe a

B 106609-3

C- B 234873-4

Monroe de

X717

F

757960

74

PH 86

FILER:

REYNOLDS & VALENTI
910 WILDER BUILDING
ROCHESTER, NY 14614

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JUL 8 - 1986

AMT. OF CHECK \$ 70
FILING FEE \$ 60
TAX \$ _____
COUNTY FEE \$ _____
COPY \$ _____
CERT \$ _____
REFUND \$ _____
SPEC HANDLE \$ 10

BY

Monroe

JUL 8 1986 PH 86

FILED

F 030203000021

To the honorable Secretary of State of
the State of New York:

Please take notice that pursuant to the provisions of section 203-a of the Tax Law, as amended, the Commissioner of Taxation and Finance of the State of New York does hereby certify that

NEW SKY COMMUNICATIONS, INC.

a corporation organized to do business under the laws of the State of New York on the date of May 30, 1984, and heretofore dissolved by proclamation published on December 27, 1995, pursuant to the provisions of section-a of the Tax Law, has paid all franchise taxes, penalties, and interest charges accrued against it.

In witness whereof, the Commissioner of Taxation and Finance has caused this certificate to be executed and the official seal of the Department of Taxation and Finance of the State of New York affixed hereto this twenty-fourth day of January two thousand three.

Commissioner of
Taxation and Finance

by *Esther Rockenstine*

Deputy Commissioner

F030203000021

CSC 45

Instructions

This certificate must be filed with the Department of State.

The fee of the Secretary of State for filing this certificate is \$50. If it is filed later than three months after the date of publication of the proclamation, the Secretary of State will collect an additional sum equal to one-fortieth of one percent of all shares with par value and two and one-half cents for every share without par value that the company was authorized to have at the time of publication.

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED FEB 03 2003
TAX \$ 50
D.Y. 021

*#200
2004 RECEIVED
\$100 4/5/03*

SAC-150

In the Matter of the Annulment of the Dissolution of NEW SKY COMMUNICATIONS, INC. Pursuant to the provisions of section 203-a of the Tax Law	<i>2/30/03</i> 100.000.00 Taxes RECEIVED 021
<i>9</i>	
Certificate of Payment of Taxes	
Carl Reynolds, Esq. 36 West Main Street Suite 710 Rochester, NY 14614 869-7788	

F 030203000025

CERTIFICATE OF AMENDMENT

OF THE

CERTIFICATE OF INCORPORATION

OF

NEW SKY COMMUNICATIONS, INC.

Under Section 405 of the
Business Corporation Law

1. The name of the corporation is

NEW SKY COMMUNICATIONS, INC.

2. The Certificate of Incorporation was filed by the Department of State on
the 30th day of May, 1984 under the original name, THOROUGHBREDS, U.S.A., INC.

3. The corporation is currently authorized to issue 20,000,000 shares of
common stock par value of .001 per share. Of the currently authorized 200,000,000
shares, 9,309,818 are issued and 190,690,182 are unissued. The 9,309,818 issued
shares will be changed in 46,549.09 shares of common stock par value of .02 per
share at a rate of one old share for every .005 new share. The 190,690,182 un-
issued shares will be changed in 199,953,450.91 shares of common stock par value of .02 per
share at a rate of one old share for every 1,048577 new shares.

4. A Certificate of Amendment of the Certificate of Incorporation was filed
by the Department of State on July 8, 1986 changing the name of the corporation
to NEW SKY COMMUNICATIONS, INC.

5. The Certificate of Incorporation is hereby amended to change the name of
the Corporation to:

DOCUMENT SECURITY SYSTEMS, INC.

and increase the par value of the corporate stock to \$.02 per share

6. The Amendments effected by this Certificate are as follows:

A. Paragraph 1 of the Original Certificate of Incorporation, which
refers to the name of the Corporation is amended in its entirety to read as
follows: "The name of the Corporation is:

" DOCUMENT SECURITY SYSTEMS, INC."

B. Paragraph 4 of the Original Certificate of Incorporation is amended
in its entirety to read:

"The aggregate number of shares which the corporation shall have the authority to issue is Two Hundred Million (200,000,000), all of which are to be two cents (\$.02) par value."

5. The above and foregoing amendments of the Certificate of Incorporation were duly authorized by a vote of the Board of Directors followed by a vote of holders of all of the outstanding shares of the Corporation entitled to vote at a meeting of shareholders held on August 22, 2001.

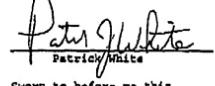
IN WITNESS WHEREOF, I have executed and subscribed this Amendment of Certificate of Incorporation and do affirm the foregoing as true under the penalties of perjury this 9 day of December, 2002.


Patrick White, President


Thomas M. Wicker, Secretary

STATE OF NEW YORK
COUNTY OF MONROE) ss.

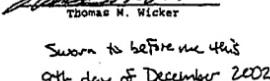
We, Patrick White and Thomas M. Wicker, being duly sworn, depose and state that we are the President and Secretary, respectively, of the Corporation named and described in the foregoing Certificate, and that we have read the foregoing Certificate and know the contents thereof to be true, except as to matters stated therein to be alleged upon information and belief, and as to those matters we believe them to be true.


Patrick White

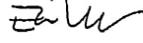
Sworn to before me this
9th day of December, 2002.


Notary Public

STATE OF NEW YORK
MONROE COUNTY, NY
Notary Public
My Commission # 42105
12/10/05


Thomas M. Wicker

Sworn to before me this
9th day of December, 2002


Notary Public

STATE OF NEW YORK
MONROE COUNTY, NY
Notary Public
My Commission # 42105
12/10/05

2

F-030203000025
CSC 45

RECEIVED
Jan 31 4 02 PM '03

CERTIFICATE OF AMENDMENT
OF
NEW SKY COMMUNICATIONS, INC.
Under Section 805 of the Business Corporation Law

cc
JAC
STATE OF NEW YORK
DEPARTMENT OF STATE
FILED FEB 03 2003
TAX \$ 0
BY: JAC
Monroe

FILED BY:
CARL REYNOLDS, ESQ.
Suite 710
36 West Main Street
Rochester, NY 146140000
Cust. Ref#849947HXM

27 FEB 03
RECEIVED
023

F 030203000025

CERTIFICATE OF AMENDMENT

OF THE

CERTIFICATE OF INCORPORATION

OF

NEW SKY COMMUNICATIONS, INC.

Under Section 405 of the
Business Corporation Law

1. The name of the corporation is

NEW SKY COMMUNICATIONS, INC.

2. The Certificate of Incorporation was filed by the Department of State on
the 30th day of May, 1984 under the original name, THOROUGHBREDS, U.S.A., INC.

3. The corporation is currently authorized to issue 20,000,000 shares of
common stock par value of .001 per share. Of the currently authorized 200,000,000
shares, 9,309,818 are issued and 190,690,182 are unissued. The 9,309,818 issued
shares will be changed in 46,549.09 shares of common stock par value of .02 per
share at a rate of one old share for every .005 new share. The 190,690,182 un-
issued shares will be changed in 199,953,450.91 shares of common stock par value of .02 per
share at a rate of one old share for every 1,048577 new shares.

4. A Certificate of Amendment of the Certificate of Incorporation was filed
by the Department of State on July 8, 1986 changing the name of the corporation
to NEW SKY COMMUNICATIONS, INC.

5. The Certificate of Incorporation is hereby amended to change the name of
the Corporation to:

DOCUMENT SECURITY SYSTEMS, INC.

and increase the par value of the corporate stock to \$0.02 per share

6. The Amendments effected by this Certificate are as follows:

A. Paragraph 1 of the Original Certificate of Incorporation, which
refers to the name of the Corporation is amended in its entirety to read as
follows: "The name of the Corporation is:

" DOCUMENT SECURITY SYSTEMS, INC."

B. Paragraph 4 of the Original Certificate of Incorporation is amended
in its entirety to read:

"The aggregate number of shares which the corporation shall have the authority to issue is Two Hundred Million (200,000,000), all of which are to be two cents (\$.02) par value."

5. The above and foregoing amendments of the Certificate of Incorporation were duly authorized by a vote of the Board of Directors followed by a vote of holders of all of the outstanding shares of the Corporation entitled to vote at a meeting of shareholders held on August 22, 2001.

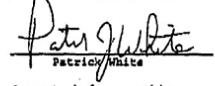
IN WITNESS WHEREOF, I have executed and subscribed this Amendment of Certificate of Incorporation and do affirm the foregoing as true under the penalties of perjury this 9 day of December, 2002.


Patrick White, President


Thomas M. Wicker, Secretary

STATE OF NEW YORK
COUNTY OF MONROE) ss.

We, Patrick White and Thomas M. Wicker, being duly sworn, depose and state that we are the President and Secretary, respectively, of the Corporation named and described in the foregoing Certificate and that we have read the foregoing Certificate and know the contents thereof to be true, except as to matters stated therein to be alleged upon information and belief, and as to those matters we believe them to be true.


Patrick White

Sworn to before me this
9th day of December, 2002.


Notary Public

STATE OF NEW YORK
MONROE COUNTY, Pg. No. CLAD00166
Notary Public
12/10/02


Thomas M. Wicker

Sworn to before me this
9th day of December, 2002


Notary Public

STATE OF NEW YORK
MONROE COUNTY, Pg. No. CLAD00166
Notary Public
12/10/02

2

F-030203000025
CSC-15

RECEIVED
JAN 31 4 02 PM '03

CERTIFICATE OF AMENDMENT
OF
NEW SKY COMMUNICATIONS, INC.
Under Section 805 of the Business Corporation Law

cc
JAC
STATE OF NEW YORK
DEPARTMENT OF STATE
FILED FEB 03 2003
TAX \$ 00
BY: JAC
Monroe

FILED BY:
CARL REYNOLDS, ESQ.
Suite 710
36 West Main Street
Rochester, NY 146140000
Cust. Ref#849947HXM
3
JAN 27 4 05 PM '03
RECEIVED

023

081020000541

RELYEA 75

CERTIFICATE OF CORRECTION
OF THE
CERTIFICATE OF AMENDMENT
OF
DOCUMENT SECURITY SYSTEMS, INC.

I, the undersigned, President of Document Security Systems, Inc., pursuant to Section 105 of the Business Corporation Law, do hereby certify:

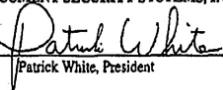
1. The name of the Corporation is *Document Security Systems, Inc.*
2. The Certificate of Amendment being corrected was filed by the Department of State on February 3, 2003.
3. The Certificate of Amendment is corrected pursuant to Section 105 of the Business Corporation Law to remove the following Paragraph 3 because it contained incorrect statements:

"The Corporation is currently authorized to issue 20,000,000 shares of common stock, par value of .001 per share. Of the currently authorized 200,000,000 shares, 9,309,818 are issued and 190,690,182 are unissued. The 9,309,818 issued shares will be changed in 46,549.09 shares of common stock par value of .02 per share at a rate of one old share for every .005 new share. The 190,690,182 unissued shares will be changed in 199,953,450.91 shares of common stock par value of .02 per share at a rate of one old share for every 1,048577 new shares."
4. Paragraph 3 of the Certificate of Amendment shall be stricken in its entirety and replaced with the following:

"The Corporation is currently authorized to issue 200,000,000 shares of common stock, par value .0001 per share. Of the currently authorized 200,000,000 shares, 9,309,818 are issued and 190,690,182 are unissued. The 9,309,818 issued shares of common stock, par value .0001 per share, will be changed into 9,309,818 shares of common stock, par value .02 per share, at a rate of one old share for every one new share. The 190,690,182 unissued shares of common stock, par value .0001 per share, will be changed into 190,690,182 shares of common stock, par value .02 per share, at a rate of one old share for every one new share."
5. The balance of the Certificate of Amendment shall remain unchanged.

DOCUMENT SECURITY SYSTEMS, INC.

Dated: October 17, 2003

By: 

Patrick White, President

[443994]

** TOTAL PAGE.02 **

P031020000541

RELYEA-75
DRAWDOWNCERTIFICATE OF CORRECTION
OF THE
CERTIFICATE OF AMENDMENT
OF

DOCUMENT SECURITY SYSTEMS, INC.

Under Section 105 of the Business Corporation Law

RECEIVED
2003 OCT 1 PM 3:00Filed By:
Relyea Services LLC
P.O. Box 5167
Albany, New York
12205-0167

Customer Reference # 28757

X/10/03
GTSTATE OF NEW YORK RELYEA-75
DEPARTMENT OF STATE

FILED OCT 20 2003

TAX \$ 740
BY: *Monroe*RECEIVED
2003 SEP 26 PM 3:00
RECEIVED
2003 SEP 18 AM 9:00

2

537

160825000

610

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
DOCUMENT SECURITY SYSTEMS, INC.
Under Section 805 of the New York Business Corporation Law

The undersigned, being the Chief Executive Officer of Document Security Systems, Inc. (the "Corporation"), hereby certifies as follows:

1. The name of the Corporation is Document Security Systems, Inc. The name under which the Corporation was formed was Thoroughbreds, U.S.A., Inc.
2. The Certificate of Incorporation was originally filed on May 30, 1984 in the name of Thoroughbreds, U.S.A., Inc. A Certificate of Amendment was filed on June 10, 1985. A Certificate of Amendment was filed on July 8, 1986 changing the name of the Corporation to New Sky Communications, Inc. A Certificate of Amendment was filed on February 3, 2003 changing the name of the Corporation to Document Security Systems, Inc. A Certificate of Correction of the Certificate of Amendment was filed on October 20, 2003.
3. The Corporation is currently authorized to issue 200,000,000 shares of Capital Stock with a par value of \$0.02, of which 51,906,948 are issued and 148,093,052 are unissued. The Certificate of Amendment of the Certificate of Incorporation effected by this Certificate of Amendment is to amend the total number of issued shares from 51,906,948 to 12,976,737 at a rate of 4 to 1, and increase the unissued shares from 148,093,052 to 187,023,263 by adding an additional 38,930,211. As a result of this Certificate of Amendment, 51,906,948 issued shares of Common Stock of the Corporation, par value \$0.02, shall be changed into 12,976,737 such shares, par value \$0.02. As a result of this Certificate of Amendment, there will be 187,023,263 authorized but unissued shares of Common Stock of the Corporation, par value \$0.02. Paragraph FOURTH of the Certificate of Incorporation shall be amended to read in its entirety as follows:

FOURTH: The Corporation is currently authorized to issue 200,000,000 shares of common stock, with a par value of \$0.02.

- (a) Upon the filing of the Certificate of Amendment on August 25, 2016 with the New York Department State (the Record Date), the shares of the Corporation's Common Stock issued and outstanding shall automatically be changed into a smaller number of shares such that each 4 shares of the Corporation's issued and outstanding Common Stock, par value \$0.02 per share, as of the Record Date are hereby changed into one validly issued, fully paid and nonassessable share of Common Stock, par value \$0.02 per share, without any further action by the Corporation or the holder thereof. No fractional shares of the Corporation's Common Stock will be issued as a result of the stock change. Instead, stockholders of the Record Date who otherwise would be entitled to receive fractional shares will be entitled to a rounding up of their fractional share to the nearest whole share, except in the case of any stockholder that owns less than 4 shares of the

24588.1-930598 v5

160825000610

Corporation's Common Stock immediately preceding the Record Date. In such case, such stockholder will receive cash for such fractional share in an amount equal to the product obtained by multiplying: (x) the closing sale price of the Common Stock on August 25, 2016 as reported on the NYSE MKT, by (y) the amount of the fractional share.

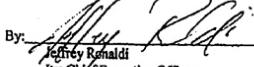
(b) Each certificate that, immediately prior to the Record Date, represented shares of Common Stock that were issued and outstanding immediately prior to the Record Date shall, from and after the Record Date, automatically and without the necessity of presenting the same for exchange, represent that number of whole shares of Common Stock after the Record Date into which the shares of Common Stock formerly represented by such certificate shall have been changed (as well as the right to receive a whole share in lieu of a fractional share of Common Stock), except as provided in Section (a) hereof regarding stockholders owning less than 4 shares who shall, automatically and without the necessity of presenting the same for exchange, have a right to receive cash as provided in Section (a).

4. This Certificate of Amendment to the Certificate of Incorporation was authorized by the vote of the Board of Directors of the Corporation and a vote of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders, pursuant to Section 803 of the New York Business Corporation Law.

[The next page is the signature page]

In witness whereof, the undersigned has executed this Certificate of Amendment this the 25th day of August, 2016.

DOCUMENT SECURITY SYSTEMS, INC.

By: 
Jeffrey Ronaldi
Its: Chief Executive Officer

610

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
DOCUMENT SECURITY SYSTEMS, INC.

UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

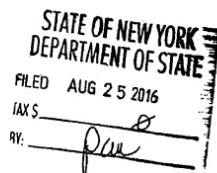
FILED
2016 AUG 25 PM12:52

RECEIVED
2016 AUG 25 PM12:42

FILED BY:

INCORPORATING SERVICES, LTD.
3500 S. DuPont Highway
DOVER, DE 19901

DRAWDOWN
DELANEY - 30



638

67

200507000 578

**CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
DOCUMENT SECURITY SYSTEMS, INC.
UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW**

The undersigned, being the Chief Executive Officer of Document Security Systems, Inc. (the "Corporation"), a corporation organized and existing under Business Corporation Law of the State of New York (the "NYBCL"), hereby certifies as follows, pursuant to Section 805 of the NYBCL:

- (1) The name of the Corporation is Document Security Systems, Inc. The name under which the Corporation was formed was Thoroughbreds, U.S.A., Inc.
- (2) The Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") was originally filed on May 30, 1984, in the name of Thoroughbreds, U.S.A., Inc. A Certificate of Amendment was filed on June 10, 1985. A Certificate of Amendment was filed on July 8, 1986, changing the name of the Corporation to New Sky Communications, Inc. A Certificate of Amendment was filed on February 3, 2003, changing the name of the Corporation to Document Security Systems, Inc. A Certificate of Correction of the Certificate of Amendment was filed on October 20, 2003. A Certificate of Amendment was filed on August 25, 2016, to reduce the number of issued and outstanding common stock.
- (3) Paragraph FOURTH of the Certificate of Incorporation relating to the stock of the corporation is hereby amended to add and remove provisions relating to the corporation's stock and shall read in its entirety as follows:

"FOURTH: The Corporation is currently authorized to issue 200,000,000 shares of common stock, with a par value of \$0.02.

Upon the filing of this Certificate of Amendment to the Certificate of Incorporation, each thirty (30) shares of Common Stock of the Corporation issued and outstanding immediately prior to this Certificate of Amendment to the Certificate of Incorporation, without further action, will be automatically combined into and become one (1) share of fully paid and nonassessable Common Stock of the Corporation (the "Share Exchange"). No fractional shares shall be issued upon the Share Exchange; rather, each fractional share resulting from the Share Exchange shall be rounded up to the nearest whole number. Each outstanding stock certificate of the Corporation, which prior to the filing of this Certificate of Amendment to the Certificate of Incorporation represented one or more shares of Common Stock, shall immediately after such filing represent that number of shares of Common Stock equal to the product of (x) the number of shares of Common Stock represented on such certificates divided by (y) thirty (30) (such adjusted shares, the "Reclassified Shares"), with any resulting fractional shares rounded up to the nearest whole share as set forth above. Any options, warrants or other purchase rights, which prior to the filing of this Certificate of Amendment represented the right to acquire one or more shares of the Corporation's Common Stock, shall immediately after such filing represent the right to acquire one thirtieth (1/30) of one (1) share of the Corporation's Common Stock for each share of the Corporation's Common Stock that such option, warrant or other purchase right previously represented the right to acquire. The exercise price of such options, warrants and purchase rights shall be adjusted by multiplying the existing exercise price by thirty (30). Pursuant to the Share Exchange, (i) the 62,352,824 shares of Common Stock, par value \$0.02 per share, issued and outstanding immediately preceding the Share Exchange will be combined into 2,078,428 shares of Common Stock, par value \$0.02 per share and (ii) the 137,647,176 shares of Common Stock, par value \$0.02 per share, that are authorized but unissued immediately preceding the Share Exchange will increase to 197,921,572 shares of Common Stock, par value \$0.02 per share, that are authorized but unissued immediately following the Share Exchange, subject to adjustment to account for additional shares issued in lieu of fractional shares.

200507000578

The number of authorized shares of Common Stock of the Corporation and the par value of such shares will not be affected by this Certificate of Amendment.

The Corporation shall, upon the request of each record holder of a certificate representing shares of Common Stock issued and outstanding immediately prior to the filing of this Certificate of Amendment to the Certificate of Incorporation, issue and deliver to such holder in exchange for such certificate a new certificate or certificates representing the Reclassified Shares."

(4) The certificate of amendment was authorized by: the vote of the board of directors followed by a vote of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Certificate of Designation is executed on behalf of the Corporation by its Chief Executive Officer this 6th day of May 2020.

DOCUMENT SECURITY SYSTEMS, INC.

By: 
Frank D. Heuzel
Chief Executive Officer

200507000 S78

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
DOCUMENT SECURITY SYSTEMS, INC.
UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

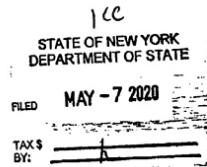
Drawdown #30

FILED BY:

Sichenzia Ross Ference LLP
1185 Avenue of the Americas, 37th Floor
New York, NY 10036

RECEIVED
2020 MAY -7 PM 2:02

2020 MAY -7 PM 2:21



608

200818000 699

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION

OF DOCUMENT SECURITY SYSTEMS, INC.

UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

The undersigned, being the Chief Executive Officer of Document Security Systems, Inc. (the "Corporation"), a corporation organized and existing under Business Corporation Law of the State of New York (the "NYBCL"), hereby certifies as follows, pursuant to Sections 502 and 805 of the NYBCL:

- (1) The name of the Corporation is Document Security Systems, Inc. The name under which the Corporation was formed was Thoroughbreds, U.S.A., Inc.
- (2) The Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") was originally filed on May 30, 1984.
- (3) This Certificate of Amendment to the Certificate of Incorporation was authorized by the vote of the Board of Directors of the Corporation pursuant to Section 502 of the New York Business Corporation Law.
- (4) The Corporation is currently authorized to issue 200,000,000 shares of Common Stock, with a par value of \$0.02. The amendment to the Certificate of Incorporation effected by this Certificate of Amendment is to increase the total number of authorized shares the Corporation shall have the authority to issue by adding 200,000,000 shares of Preferred Stock, with a par value of \$0.02, of which 46,868 shares will be designated Series A Preferred Stock for a total of 400,000,000 shares, with a par value of \$0.02, of which 200,000,000 shares, with a par value of \$0.02, are designated Common Stock, 199,953,132 shares, with a par value of \$0.02, will be designated Preferred Stock, and 46,868 shares, with a par value of \$0.02, will be designated Series A Preferred Stock.

WHEREAS, the Certificate of Incorporation authorizes the issuance of up to 200,000,000 shares of preferred stock, par value 0.02 per share, of the Corporation ("Preferred Stock") in one or more series, and expressly authorizes the Board of Directors of the Corporation (the "Board"), subject to limitations prescribed by law, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock, and, with respect to each such series, to establish and fix the number of shares to be included in any series of Preferred Stock and the designation, rights, preferences, powers, restrictions, and limitations of the shares of such series; and

WHEREAS, it is the desire of the Board to establish and fix the number of shares to be included in a new series of Preferred Stock and the designation, rights, preferences, and limitations of the shares of such new series.

NOW, THEREFORE, BE IT RESOLVED, that the Board does hereby provide for the issue of a series of Preferred Stock and does hereby establish and fix and herein state and express the designation, rights, preferences, powers, restrictions, and limitations of such series of Preferred Stock, and paragraph FOURTH relating to the stock of the Corporation is hereby amended to read as follows:

"FOURTH: The Corporation is authorized to issue 400,000,000 shares, with a par value of \$0.02, consisting of 200,000,000 shares of Common Stock, with a par value of \$0.02, 199,953,132 shares of Preferred Stock, with a par value of \$0.02, and 46,868 shares of Series A Preferred Stock, with a par value of \$0.02.

1. Designation. There shall be a series of Preferred Stock that shall be designated as "Series A Convertible Preferred Stock" (the "Series A Preferred Stock") and the number of Shares constituting such series shall be Forty-six Thousand Eight Hundred Sixty-eight (46,868). The rights, preferences, powers, restrictions, and limitations of the Series A Preferred Stock shall be as set forth herein.

2. Defined Terms. For purposes hereof, the following terms shall have the following meanings:

"Beneficial Ownership Limitation" has the meaning set forth in Section 8.1(c)(ii).

200818000699

"Board" has the meaning set forth in the Recitals.

"Business Day" means any day, except a Saturday, Sunday or legal holiday, on which banking institutions in the city of New York, New York, are authorized or obligated by law or executive order to close.

"Certificate of Designation" means this Certificate of Amendment.

"Certificate of Incorporation" has the meaning set forth in the Recitals.

"Common Stock" means the common stock, par value \$0.02 per share, of the Corporation.

"Convertible Securities" means any securities (directly or indirectly) convertible into or exchangeable for Common Stock, but excluding Options.

"Corporation" has the meaning set forth in the Preamble.

"Conversion Price" shall initially be \$6.48 per share of Common Stock, subject to adjustment as provided in Section 8.

"Conversion Shares" means the shares of Common Stock or other capital stock of the Corporation then issuable upon conversion of the Series A Preferred Stock in accordance with the terms of Section 8.

"Date of Issuance" means, for any Share of Series A Preferred Stock, the date on which the Corporation initially issues such Share (without regard to any subsequent transfer of such Share or reissuance of the certificate(s) representing such Share).

"Dollar" or **"\$"** means the lawful currency of the United States of America.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

"Fair Market Value" means, as of any particular date: (a) the volume weighted average of the closing sales prices of the Common Stock for such day on all domestic securities exchanges on which the Common Stock may at the time be listed; (b) if there have been no sales of the Common Stock on any such exchange on any such day, the average of the highest bid and lowest asked prices for the Common Stock on all such exchanges at the end of such day; (c) if on any such day the Common Stock is not listed on a domestic securities exchange, the closing sales price of the Common Stock as quoted on the OTC Markets or similar quotation system or association for such day; or (d) if there have been no sales of the Common Stock on the OTC Markets or similar quotation system or association on such day, the average of the highest bid and lowest asked prices for the Common Stock quoted on the Pink OTC Markets or similar quotation system or association at the end of such day; in each case, averaged over twenty (20) consecutive Business Days ending on the Business Day immediately prior to the day as of which "Fair Market Value" is being determined; provided, that if the Common Stock is listed on any domestic securities exchange, the term "Business Day" as used in this sentence means Business Days on which such exchange is open for trading. If at any time the Common Stock is not listed on any domestic securities exchange or quoted on the OTC Markets or similar quotation system or association, the "Fair Market Value" of the Common Stock shall be the fair market value per share as determined by the Board in good faith.

"Holder Controlled Persons" has the meaning set forth in Section 8.1(c)(ii).

"Junior Securities" means, collectively, the Common Stock and any other class of securities that is specifically designated as junior to the Series A Preferred Stock.

"Liquidation" has the meaning set forth in Section 5.1.

"**Liquidation Value**" means, with respect to any Share on any given date, **One Thousand Dollars (\$1,000)** (as adjusted for any stock splits, stock dividends, recapitalizations, or similar transaction with respect to the Series A Preferred Stock).

"**Options**" means any warrants or other rights or options to subscribe for or purchase Common Stock or Convertible Securities.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association, or other entity.

"**Preferred Stock**" has the meaning set forth in the Recitals.

"**Principal Market**" means the principal stock exchange or market on which the Corporation's Common Stock is traded (or if not trading, the principal stock exchange or market on which listed or quoted), including any market operated by OTC Markets or any other stock exchange or market.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

"**Series A Conversion Election Date**" has the meaning set forth in Section 7.2.

"**Series A Holder Conversion Notice**" has the meaning set forth in Section 8.2(a).

"**Series A Mandatory Conversion Notice**" has the meaning set forth in Section 8.2(b).

"**Series A Mandatory Conversion Date**" has the meaning set forth in Section 8.2(b)(ii).

"**Series A Preferred Stock**" has the meaning set forth in Section 1.

"**Series A Redemption**" has the meaning set forth in Section 7.1.

"**Series A Redemption Date**" has the meaning set forth in Section 7.2.

"**Series A Redemption Notice**" has the meaning set forth in Section 7.2.

"**Series A Redemption Price**" has the meaning set forth in Section 7.1.

"**Share**" means a share of Series A Preferred Stock.

"**Subsidiary**" means, with respect to any Person, any other Person of which a majority of the outstanding shares or other equity interests having the power to vote for directors or comparable managers are owned, directly or indirectly, by the first Person.

"**Supermajority Interest**" means holders of not less than two-thirds of the then total outstanding Shares of Series A Preferred Stock.

3. Rank. With respect to payment distribution of assets upon liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, all Shares of the Series A Preferred Stock shall rank senior to all Junior Securities.

4. No Dividends. Notwithstanding any provision of the Certificate of Incorporation or of the NYBCL to the contrary, no dividends shall accrue or be payable upon the Series A Preferred Stock, whether or not any dividends are declared by the Board on the Common Stock or any other class or series of capital stock of the Corporation, and whether or not there are funds legally available for the payment of dividends.

5. Liquidation.

5.1 Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation (a "Liquidation"), the holders of Shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of Junior Securities by reason of their ownership thereof, an amount in cash equal to the aggregate Liquidation Value of all Shares held by such holder.

5.2 No Participation with Junior Securities on Liquidation. After payment in full of all preferential amounts required to be paid to the holders of Series A Preferred Stock upon a Liquidation under this Section 5, the holders of Shares of Series A Preferred Stock then outstanding shall not be entitled to participate with the holders of shares of Junior Securities or any other class or series of the Corporation's capital stock then outstanding in the distribution of any of the remaining assets and funds of the Corporation available for distribution to its stockholders.

5.3 Insufficient Assets. If upon any Liquidation the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of the Shares of Series A Preferred Stock the full preferential amount to which they are entitled under Section 5.1, (a) the holders of the Shares shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective full preferential amounts which would otherwise be payable in respect of the Series A Preferred Stock in the aggregate upon such Liquidation if all amounts payable on or with respect to such Shares were paid in full, and (b) the Corporation shall not make or agree to make any payments to the holders of Junior Securities.

5.4 Notice. In the event of any Liquidation, the Corporation shall, within ten (10) Business Days after the date the Board approves such action, or no later than ten (10) Business Days prior to any stockholders' meeting called to approve such action, or within ten (10) Business Days after the commencement of any involuntary proceeding, whichever is earlier, give each holder of Shares of Series A Preferred Stock written notice of the action or proposed action. Such written notice shall describe the material terms and conditions of such action or proposed action, including a description of the stock, cash, and property to be received by the holders of Shares upon consummation of the proposed action and the date of delivery thereof. If any material change in the facts set forth in the initial notice shall occur, the Corporation shall promptly give written notice to each holder of Shares of such material change.

6. No Voting Rights. Notwithstanding any provision of the Certificate of Incorporation to the contrary, unless and only to the extent expressly required by the NYBCL or other applicable law, rule or regulation (including the rules of any exchange upon which securities of the corporation may be listed), no holder of outstanding Shares of Series A Preferred Stock shall be entitled to vote on any matter presented or required to be presented to the stockholders of the Corporation for their action or consideration (including, without limitation, the election of directors of the Corporation), nor shall be entitled to notice of any stockholder meeting (or requests for written consent of stockholders).

7. Redemption.

7.1 Redemption. At any time and from time to time on or after the Date of Issuance, the Corporation shall have the right to redeem, out of funds legally available therefor, all or any portion of the then outstanding Shares of Series A Preferred Stock, pro rata among all holders of Series A Preferred Stock, redeemed by the Corporation (a "Series A Redemption") for a price per Share equal to the Liquidation Value for such Share (the "Series A Redemption Price"). All holders of Series A Preferred Stock shall be bound by a Series A Redemption effected as provided in this Section 7 to have all, or in the case of an election by the Corporation to redeem less than all of the outstanding Shares of Series A Preferred Stock, the same pro rata portion of their Shares, redeemed pursuant to this Section 7; provided, that notwithstanding anything to the contrary contained herein, each holder of Shares of Series A Preferred Stock shall have the right to elect prior to the Series A Conversion Election Date to give effect to the conversion rights contained in Section 8 instead of giving effect to the provisions contained in this Section 7 with respect to all or any Shares of Series A Preferred Stock held by such holder. In exchange for the surrender to the Corporation by the respective holders of Shares of Series A Preferred Stock of their certificate or certificates representing such Shares in accordance with Section 7.4 below, the aggregate Series A

Redemption Price for all Shares held by each holder of Shares shall be payable in cash (or tendered for payment) in immediately available funds to the respective holders of the Series A Preferred Stock on the applicable Series A Redemption Date, subject to the provisions of Sections 7.3 and 7.4.

7.2 Redemption Notice. Not less than thirty (30) days prior to the Series A Redemption Date, the Corporation shall send written notice (the "Series A Redemption Notice") of a Series A Redemption to each holder of record of outstanding Series A Preferred Stock. Each Series A Redemption Notice shall state:

(a) the number of Shares of Series A Preferred Stock outstanding, the number of Shares of Series A Preferred Stock that the Corporation shall redeem in the aggregate, and the number of Shares of Series A Preferred Stock held by the holder that the Corporation shall redeem on the Series A Redemption Date specified in the Series A Redemption Notice;

(b) the date of the closing of the redemption (the applicable date, the "Series A Redemption Date") and the Series A Redemption Price per share;

(c) the date upon which the holder's right to convert its Shares pursuant to Section 8 terminates, which date shall be no earlier than five (5) days before the Series A Redemption Date (the applicable date, the "Series A Conversion Election Date"); and

(d) the manner and place designated for surrender by the holder to the Corporation of his, her or its certificate or certificates representing the Shares of Series A Preferred Stock to be redeemed, or, in the event a certificate or certificates are lost, stolen or missing, the manner and place of delivering an affidavit of loss with respect thereto.

7.3 Insufficient Funds; Remedies for Nonpayment.

(a) **Insufficient Funds.** If on any Series A Redemption Date, the assets of the Corporation legally available are insufficient to pay the full Series A Redemption Price for the total number of Shares elected to be redeemed pursuant to Section 7.1, the Corporation shall (i) take all appropriate action reasonably within its means to maximize the assets legally available for paying the Series A Redemption Price, (ii) redeem out of all such assets legally available therefor on the applicable Series A Redemption Date the maximum possible number of Shares that it can redeem on such date, *pro rata* among the holders of such Shares to be redeemed in proportion to the aggregate number of Shares elected to be redeemed by each such holder on the applicable Series A Redemption Date and (iii) following the applicable Series A Redemption Date, at any time and from time to time when additional assets of the Corporation become legally available to redeem the remaining Shares, the Corporation shall immediately use such assets to pay the remaining balance of the aggregate applicable Series A Redemption Price.

(b) **Effect of Nonpayment.** If on any Series A Redemption Date, all of the Shares elected to be redeemed pursuant to a Series A Redemption Notice are not redeemed in full by the Corporation by paying the entire Series A Redemption Price, until any such Shares are fully redeemed and the aggregate Series A Redemption Price paid in full, the unredeemed Shares shall remain outstanding and continue to have the rights, preferences, and privileges expressed herein.

7.4 Surrender of Certificates. On or before the Series A Redemption Date, each holder of Shares of Series A Preferred Stock not otherwise electing prior to the Series A Conversion Election Date to convert its Shares pursuant to Section 8 shall surrender the certificate or certificates representing such Shares to the Corporation, in the manner and place designated in the Series A Redemption Notice, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), or, in the event the certificate or certificates are lost, stolen or missing, shall deliver an affidavit of loss, in the manner and place designated in the Series A Redemption Notice. Each surrendered certificate shall be canceled and retired, and the Corporation shall thereafter make payment of the applicable Series A Redemption Price by certified check or wire transfer to the holder of record of such certificate; *provided*, that if less than all the Shares represented by a surrendered certificate are redeemed, then a new stock certificate representing the unredeemed Shares shall be issued in the name of the applicable holder of record of canceled stock certificate.

7.5 Rights Subsequent to Redemption. If on the applicable Series A Redemption Date, the Series A Redemption Price is paid (or tendered for payment) for any of the Shares to be redeemed on such Series A Redemption Date, then on such date all rights of the holder in the Shares so redeemed and paid or tendered, including any rights to dividends on such Shares, shall cease, and such Shares shall no longer be deemed issued and outstanding.

8. Conversion.

8.1 Right to Convert; Mandatory Conversion; Limitations.

(a) **Right to Convert.** Subject to the provisions of this Section 8, at any time and from time to time on or after the Date of Issuance, any holder of Series A Preferred Stock shall have the right by written election to the Corporation to convert all or any portion of the outstanding Shares of Series A Preferred Stock (including any fraction of a Share) held by such holder into an aggregate number of shares of Common Stock as is determined by (i) multiplying the number of Shares (including any fraction of a Share) to be converted by the Liquidation Value thereof, and then (ii) dividing the result by the Conversion Price in effect immediately prior to such conversion.

(b) **Mandatory Conversion.** Subject to the provisions of this Section 8, at any time and from time to time on or after the Date of Issuance, the Corporation shall have the right to convert all or any portion of the then outstanding Shares of Series A Preferred Stock, pro rata among all holders of Series A Preferred Stock, without any action by the relevant holder of such Shares, into an aggregate number of shares of Common Stock as is determined by (i) multiplying the number of Shares (including any fraction of a Share) to be converted by the Liquidation Value thereof, and then (ii) dividing the result by the applicable Conversion Price then in effect.

(c) **Limitations on Conversion.** Notwithstanding Section 8.1(a), a holder of Series A Preferred Stock shall have no right to convert all or any portion of any Share of Series A Preferred Stock as and to the extent provided below:

(i) **Insufficient Number of Authorized Shares.** To the extent, and only to the extent, that the number of shares of the Corporation's Common Stock to be issued upon such conversion exceeds the number of authorized but unissued shares of Common Stock.

(ii) **Beneficial Ownership Limitation.** To the extent that after giving effect to such issuance after conversion as set forth on the applicable Series A Holder Conversion Notice, the holder (together with the holder's subsidiaries, and any other persons controlled by the holder ("Holder Controlled Persons")) would beneficially own in excess of the Beneficial Ownership Limitation. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the holder and Holder Controlled Persons shall include the number of shares of Common Stock issuable upon conversion of the Shares of Series A Preferred Stock to be converted with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) conversion of the remaining, unconverted Shares of Series A Preferred Stock beneficially owned by the holder and Holder Controlled Persons and (ii) exercise conversion of the unexercised or unconverted portion of any other securities of the Corporation subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the holder and Holder Controlled Persons. Except as set forth in the preceding sentence, for purposes of this Section 8.1(c)(ii), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the holder that the Corporation is not representing to the holder that such calculation is in compliance with Section 13(d) of the Exchange Act, and the holder is solely responsible for any forms or schedules required to be filed in connection therewith. To the extent that the limitation contained in this Section 8.1(c)(ii) applies, the determination of whether Shares of Series A Preferred Stock are convertible (in relation to other securities beneficially owned by the holder

together with the and Holder Controlled Persons) and of what amount of Shares of Series A Preferred Stock are convertible shall be in the sole discretion of the holder, and the submission of a Series A Holder Conversion Notice shall be deemed to be the holder's determination of whether Shares of Series A Preferred Stock are convertible (in relation to other securities beneficially owned by the holder together with the and Holder Controlled Persons) and of what amount of Shares of Series A Preferred Stock are convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, the holder will be deemed to represent to the Corporation each time it delivers a Series A Holder Conversion Notice that such Notice of Conversion has not violated the restrictions set forth in this paragraph, and the Corporation shall have no obligation to verify or confirm the accuracy of such determination. For purposes of this Section 8.1(c)(ii), in determining the number of outstanding shares of Common Stock, a holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Corporation's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Corporation or (C) a more recent written notice by the Corporation or the Corporation's transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a holder, the Corporation shall within two (2) Business Days confirm orally and in writing to the holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Corporation, including Shares of Series A Preferred Stock, by the holder or Holder Controlled Persons since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 19.99% (subject to decrease as provided below) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of the Shares of Series A Preferred Stock to be converted. The holder may, at any time, decrease the Beneficial Ownership Limitation, effective immediately upon written notice to the Corporation. The provisions of this Section 8.1(c)(ii) shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 8.1(c)(ii) to correct this Section 8.1(c)(ii) (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation.

(iii) **Principal Market Regulation.** If the issuance of such shares of Common Stock would exceed the aggregate number of shares of Common Stock which the Corporation may issue upon conversion of the Notes without breaching the Corporation's obligations under the rules or regulations of the Principal Market (the "Exchange Cap"), if applicable, except that such limitation shall not apply in the event that the Corporation (A) obtains the approval of its stockholders as required by the applicable rules of the Principal Market for issuances of Common Stock in excess of such amount or (B) obtains a written opinion from outside counsel to the Corporation that such approval is not required.

8.2 Procedures for Conversion; Effect of Conversion.

(a) **Procedures for Holder Conversion.** In order to effectuate a conversion of Shares of Series A Preferred Stock pursuant to Section 8.1(a), a holder shall (a) submit a written election to the Corporation ("Series A Holder Conversion Notice") that such holder elects to convert Shares and the number of Shares elected to be converted, and (b) surrender, along with such written election, to the Corporation the certificate or certificates representing the Shares being converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) or, in the event the certificate or certificates are lost, stolen, or missing, accompanied by an affidavit of loss executed by the holder. The conversion of such Shares hereunder shall be deemed effective as of the date of surrender of such Series A Preferred Stock certificate or certificates or delivery of such affidavit of loss executed by the holder. Upon the receipt by the Corporation of a written election and the surrender of such certificate(s) and accompanying materials, the Corporation shall as promptly as practicable (but in any event within ten (10) Business Days thereafter) deliver to the relevant holder (a) a certificate in such holder's name (or the name of such holder's designee as stated in the written election) for the number of shares of Common

Stock to which such holder shall be entitled upon conversion of the applicable Shares as calculated pursuant to Section 8.1(a) and, if applicable (b) a certificate in such holder's (or the name of such holder's designee as stated in the written election) for the number of Shares of Series A Preferred Stock (including any fractional share) represented by the certificate or certificates delivered to the Corporation for conversion but otherwise not elected to be converted pursuant to the written election. All shares of capital stock issued hereunder by the Corporation shall be duly and validly issued, fully paid, and nonassessable, free and clear of all taxes, liens, charges, and encumbrances with respect to the issuance thereof.

(b) **Procedures for Mandatory Conversion.** To effect a mandatory conversion of Shares of Series A Preferred Stock as provided in Section 8.1(b), not less than thirty (30) days prior to the Series A Mandatory Conversion Date, the Corporation shall send to each holder of Shares of Series A Preferred Stock written notice thereof (the "Series A Mandatory Conversion Notice"), which shall state:

(i) the number of Shares of Series A Preferred Stock outstanding, the number of Shares of Series A Preferred Stock that the Corporation shall convert in the aggregate, and the number of Shares of Series A Preferred Stock held by the holder that the Corporation shall convert on the Series A Mandatory Conversion Date specified in the Series A Redemption Notice;

(ii) the date of the conversion (the applicable date, the "Series A Mandatory Conversion Date") and the Conversion Price per share in effect; and

(iii) the manner and place designated for surrender by the holder to the Corporation of his, her or its certificate or certificates representing the Shares of Series A Preferred Stock to be converted, or, in the event a certificate or certificates are lost, stolen or missing, the manner and place of delivering an affidavit of loss with respect thereto.

Upon receipt of such Series A Mandatory Conversion Notice, each holder shall surrender to the Corporation the certificate or certificates representing the Shares being converted, in the manner and place designated in the Series A Mandatory Conversion Notice, duly assigned, or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) or, in the event the certificate or certificates are lost, stolen, or missing, an affidavit of loss executed by the holder, in the manner and place designated in the Series A Mandatory Conversion Notice. Upon the surrender of such certificate(s) and accompanying materials, the Corporation shall as promptly as practicable (but in any event within ten (10) Business Days thereafter) deliver to the relevant holder a certificate in such holder's name (or the name of such holder's designee as stated in the written election) for the number of shares of Common Stock to which such holder shall be entitled upon conversion of the applicable Shares. All shares of Common Stock issued hereunder by the Corporation shall be duly and validly issued, fully paid, and nonassessable, free and clear of all taxes, liens, charges, and encumbrances with respect to the issuance thereof.

(c) **Effect of Conversion.** All Shares of Series A Preferred Stock converted as provided in this Section 8.1 shall no longer be deemed outstanding as of the effective time of the applicable conversion and all rights with respect to such Shares shall immediately cease and terminate as of such time (including, without limitation, any right of redemption pursuant to Section 7), other than the right of the holder to receive shares of Common Stock and payment in lieu of any fraction of a Share as provided in Section 8.5 in exchange therefor.

8.3 Restricted Securities. The issuance of any shares of Common Stock upon conversion of Shares of Series A Preferred Stock will not have been registered under the Securities Act, and such shares of Common Stock will be "restricted securities" as defined in Rule 144 under the Securities Act ("Rule 144"). The certificate(s) representing any shares of Common Stock issued upon conversion of Shares of Series A Preferred Stock that are not eligible for immediate resale without restriction pursuant to the registration exemption afforded by Rule 144 at the time they are issued shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such certificates or other instruments):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED, UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

8.4 Reservation of Stock. The Corporation shall at all times when any Shares of Series A Preferred Stock is outstanding reserve and keep available out of its authorized but unissued shares of capital stock, solely for the purpose of issuance upon the conversion of the Series A Preferred Stock, such number of shares of Common Stock issuable upon the conversion of all outstanding Series A Preferred Stock pursuant to this Section 8, taking into account any adjustment to such number of shares so issuable in accordance with Section 8.7 hereof. The Corporation shall take all such actions as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any securities exchange upon which shares of Common Stock may be listed (except for official notice of issuance which shall be immediately delivered by the Corporation upon each such issuance). The Corporation shall not close its books against the transfer of any of its capital stock in any manner which would prevent the timely conversion of the Shares of Series A Preferred Stock.

8.5 No Charge or Payment: No Fractional Shares of Common Stock. The issuance of certificates for shares of Common Stock upon conversion of Shares of Series A Preferred Stock pursuant to Section 8.1 shall be made without payment of additional consideration by, or other charge, cost, or tax to, the holder in respect thereof. No fractional interest in a share of Common Stock shall be issued on redemption of any Shares of Series A Preferred Stock in accordance with Section 7 or conversion of any Shares of Series A Preferred Stock in accordance with Section 8. In lieu of delivering fractional shares, the Corporation shall pay in cash an amount equal to the product of (i) such fractional share that would otherwise be issuable multiplied by (ii) the Fair Market Value of a share of Common Stock.

8.6 Termination of Conversion Rights. In the event of a Series A Redemption Notice relating to a redemption of any Shares of Series A Preferred Stock pursuant to Section 7, the conversion rights described herein of the Shares designated for redemption shall terminate at the close of business on the applicable Series A Conversion Election Date, unless the Series A Redemption Price is not fully paid on such redemption date, in which case the conversion rights for such Shares shall continue until such price is paid in full.

8.7 Adjustments to Conversion Price.

(a) Adjustment to Conversion Price upon Dividend, Subdivision, or Combination of Common Stock. If the Corporation shall, at any time or from time to time after the Date of Issuance, (i) pay a dividend or make any other distribution upon the Common Stock or any other capital stock of the Corporation payable in shares of Common Stock or in Options or Convertible Securities, or (ii) subdivide (by any stock split, recapitalization, or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to any such dividend, distribution, or subdivision shall be proportionately reduced. If the Corporation at any time combines (by combination, reverse stock split, or otherwise) its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately prior to such combination shall be proportionately increased.

Any adjustment under this Section 8.7(a) shall become effective at the close of business on the date the dividend, subdivision, or combination becomes effective.

(b) Adjustment to Conversion Price and Conversion Shares upon Reorganization, Reclassification, Consolidation, or Merger. In the event of any (i) capital reorganization of the Corporation, (ii) reclassification of the stock of the Corporation (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), (iii) consolidation or merger of the Corporation with or into another Person, (iv) sale of all or substantially all of the Corporation's assets to another Person or (v) other similar transaction (other than any such transaction covered by Section 8.7(a)), in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities, or assets with respect to or in exchange for Common Stock, each Share of Series A Preferred Stock shall, immediately after such reorganization, reclassification, consolidation, merger, sale, or similar transaction, remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Conversion Shares then convertible for such Share, be exercisable for the kind and number of shares of stock or other securities or assets of the Corporation or of the successor Person resulting from such transaction to which such Share would have been entitled upon such reorganization, reclassification, consolidation, merger, sale, or similar transaction if the Share had been converted in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale, or similar transaction and acquired the applicable number of Conversion Shares then issuable hereunder as a result of such conversion (without taking into account any limitations or restrictions on the convertibility of such Share, if any); and, in such case, appropriate adjustment shall be made with respect to such holder's rights under this Certificate of Designation to insure that the provisions of this Section 8 hereof shall thereafter be applicable, as nearly as possible, to the Series A Preferred Stock in relation to any shares of stock, securities, or assets thereafter acquirable upon conversion of Series A Preferred Stock (including, in the case of any consolidation, merger, sale, or similar transaction in which the successor or purchasing Person is other than the Corporation, an immediate adjustment in the Conversion Price to the value per share for the Common Stock reflected by the terms of such consolidation, merger, sale, or similar transaction, and a corresponding immediate adjustment to the number of Conversion Shares acquirable upon conversion of the Series A Preferred Stock without regard to any limitations or restrictions on conversion, if the value so reflected is less than the Conversion Price in effect immediately prior to such consolidation, merger, sale, or similar transaction). The provisions of this Section 8.7(b) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, or similar transactions. The Corporation shall not effect any such reorganization, reclassification, consolidation, merger, sale, or similar transaction unless, prior to the consummation thereof, the successor Person (if other than the Corporation) resulting from such reorganization, reclassification, consolidation, merger, sale, or similar transaction, shall assume, by written instrument substantially similar in form and substance to this Certificate of Designation, the obligation to deliver to the holders of Series A Preferred Stock such shares of stock, securities, or assets which, in accordance with the foregoing provisions, such holders shall be entitled to receive upon conversion of the Series A Preferred Stock. Notwithstanding anything to the contrary contained herein, with respect to any corporate event or other transaction contemplated by the provisions of this Section 8.7(b), each holder of Shares of Series A Preferred Stock shall have the right to elect prior to the consummation of such event or transaction, to give effect to the provisions of Section 7.1 or Section 8 hereunder, instead of giving effect to the provisions contained in this Section 8.7(b) with respect to such holder's Series A Preferred Stock.

(c) Certain Events. If any event of the type contemplated by the provisions of this Section 8.5 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights, or other rights with equity features) occurs, then the Board shall make an appropriate adjustment in the Conversion Price and the number of Conversion Shares issuable upon conversion of Shares of Series A Preferred Stock so as to protect the rights of the holder of such Shares in a manner consistent with the provisions of this Section 8; provided, that no such adjustment pursuant to this Section 8.5 shall increase the Conversion Price or decrease the number of Conversion Shares issuable as otherwise determined pursuant to this Section 8.

(d) Certificate as to Adjustment.

(i) As promptly as reasonably practicable following any adjustment of the Conversion Price, but in any event not later than ten (10) Business Days thereafter, the Corporation shall furnish to each holder of record of Series A Preferred Stock at the address specified for such holder in the books and records of the Corporation (or at such other address as may be provided to the Corporation in writing by such holder) a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Corporation of a written request by any holder of Series A Preferred Stock, but any event not later than ten (10) Business Days thereafter, the Corporation shall furnish to such holder a certificate of an executive officer certifying the Conversion Price then in effect and the number of Conversion Shares or the amount, if any, of other shares of stock, securities, or assets then issuable to such holder upon conversion of the Shares of Series A Preferred Stock held by such holder.

(e) Notices. In the event:

(i) that the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series A Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, to vote at a meeting (or by written consent), to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(ii) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, any consolidation or merger of the Corporation with or into another Person, or sale of all or substantially all of the Corporation's assets to another Person; or

(iii) of the voluntary or involuntary dissolution, liquidation, or winding-up of the Corporation;

then, and in each such case, the Corporation shall send or cause to be sent to each holder of record of Series A Preferred Stock at the address specified for such holder in the books and records of the Corporation (or at such other address as may be provided to the Corporation in writing by such holder) at least five (5) Business Days prior to the applicable record date or the applicable expected effective date, as the case may be, for the event, a written notice specifying, as the case may be, (A) the record date for such dividend, distribution, meeting or consent, or other right or action, and a description of such dividend, distribution, or other right or action to be taken at such meeting or by written consent, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, or winding-up is proposed to take place, and the date, if any is to be fixed, as of which the books of the Corporation shall close or a record shall be taken with respect to which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon conversion of the Series A Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, or winding-up, and the amount per share and character of such exchange applicable to the Series A Preferred Stock and the Conversion Shares.

9. Reissuance of Series A Preferred Stock. Any Shares of Series A Preferred Stock redeemed, converted, or otherwise acquired by the Corporation or any Subsidiary shall be cancelled and retired as authorized and issued shares of capital stock of the Corporation and no such Shares shall thereafter be reissued, sold, or transferred.

10. Notices. Except as otherwise provided herein, all notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation

of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent (a) to the Corporation, at its principal executive offices and (b) to any stockholder, at such holder's address as it appears in the stock records of the Corporation (or at such other address for a stockholder as shall be specified in a notice given in accordance with this Section 10).

11. Amendment and Waiver. No provision of this Certificate of Designation may be amended, modified, or waived except by an instrument in writing executed by the Corporation and a Supermajority Interest, and any such written amendment, modification, or waiver will be binding upon the Corporation and each holder of Series A Preferred Stock; *provided*, that no such action shall change or waive (a) the definition of Liquidation Value or Conversion Price, or (b) this Section 11, without the prior written consent of each holder of outstanding Shares of Series A Preferred Stock."

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Certificate of Designation is executed on behalf of the Corporation by its Chief Executive Officer this 18th day of August, 2020.

DOCUMENT SECURITY SYSTEMS, INC.

By: */s/Frank D. Heuszel*
Frank D. Heuszel
Chief Executive Officer

699

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION
OF DOCUMENT SECURITY SYSTEMS, INC.
UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

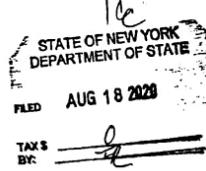
FILED

2020 AUG 18 PM 3:36

RECEIVED

2020 AUG 18 PM 2:38

Filed By:
Sichenzia Ross Ference LLP
1185 Avenue of the Americas, 37th Floor
New York, NY 10036



736

201106000

CERTIFICATE OF CORRECTION

OF

CERTIFICATE OF AMENDMENT TO CERTIFICATE OF INCORPORATION

OF DOCUMENT SECURITY SYSTEMS, INC.

UNDER SECTION 105 OF THE BUSINESS CORPORATION LAW

FIRST: The name of the Corporation is Document Security Systems, Inc.

ND: The date the d

August 18, 2020

Q: The nature of the informality, error, incorrect statement or defect to be corrected is:

The number of authorized shares of preferred stock of the Corporation in the document is stated in

H: The provision in the document, as corrected

"(4) The Corporation is currently authorized to issue 200,000,000 shares of Common Stock, with a par value of \$0.02. The amendment to the Certificate of Incorporation effected by this Certificate of Amendment is to increase the total number of authorized shares the Corporation shall have the authority to issue by adding 46,868 shares of Preferred Stock, with a par value of \$0.02, of which 46,868 shares will be designated Series A Convertible Preferred Stock for a total of 200,046,868.

The following WHEREAS clause of the Certificate of Incorporation of Document Security Systems, Inc., as amended, is eliminated. It is replaced by the following:

"WHEREAS, the Certificate of Incorporation authorizes the issuance of up to 200,000,000 shares of preferred stock, par value 0.02 per share, of the Corporation ("Preferred Stock") in one or more series, and expressly authorizes the Board of Directors of the Corporation (the "Board"), subject to limitations prescribed by law, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock, and, with respect to each such series, to establish and fix the number of shares to be included in any series of Preferred Stock and the designation, rights, preferences, powers, restrictions, limitations, and qualifications of such series.

Paragraph FOURTH of the Certificate of Incorporation of Document Security Systems, Inc., as corrected, will read as follows:

"NOW, THEREFORE, BE IT RESOLVED, that the Board does hereby provide for the issue of a series of Preferred Stock and does hereby establish and fix and herein state and express the designation, rights, preferences, powers, restrictions, and limitations of such series of Preferred Stock, and paragraph FOURTH relating to the stock of the Corporation is hereby amended to read as follows:

201106000255

FOURTH: The Corporation is authorized to issue 200,046,868 shares, with a par value of \$0.02, consisting of 200,000,000 shares of Common Stock, with a par value of \$0.02, and 46,868 shares of Series A Convertible Preferred Stock, with a par value of \$0.02.

1. Designation. There shall be a series of Preferred Stock that shall be designated as "Series A Convertible Preferred Stock" (the "Series A Preferred Stock") and the number of Shares constituting such series shall be **Forty-six Thousand Eight Hundred Sixty-eight (46,868)**. The rights, preferences, powers, restrictions, and limitations of the Series A Preferred Stock shall be as set forth herein.

2. Defined Terms. For purposes hereof, the following terms shall have the following meanings:

"**Beneficial Ownership Limitation**" has the meaning set forth in Section 8.1(c)(ii).

"**Board**" has the meaning set forth in the Recitals.

"**Business Day**" means any day, except a Saturday, Sunday or legal holiday, on which banking institutions in the city of New York, New York, are authorized or obligated by law or executive order to close.

"**Certificate of Designation**" means this Certificate of Amendment.

"**Certificate of Incorporation**" has the meaning set forth in the Recitals.

"**Common Stock**" means the common stock, par value \$0.02 per share, of the Corporation.

"**Convertible Securities**" means any securities (directly or indirectly) convertible into or exchangeable for Common Stock, but excluding Options.

"**Corporation**" has the meaning set forth in the Preamble.

"**Conversion Price**" shall initially be \$6.48 per share of Common Stock, subject to adjustment as provided in Section 8.

"**Conversion Shares**" means the shares of Common Stock or other capital stock of the Corporation then issuable upon conversion of the Series A Preferred Stock in accordance with the terms of Section 8.

"**Date of Issuance**" means, for any Share of Series A Preferred Stock, the date on which the Corporation initially issues such Share (without regard to any subsequent transfer of such Share or reissuance of the certificate(s) representing such Share).

"**Dollar**" or "**\$**" means the lawful currency of the United States of America.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

"**Fair Market Value**" means, as of any particular date: (a) the volume weighted average of the closing sales prices of the Common Stock for such day on all domestic securities exchanges on which the Common Stock may at the time be listed; (b) if there have been no sales of the Common Stock on any such exchange on any such day, the average of the highest bid and lowest asked prices for the Common Stock on all such exchanges at the end of such day; (c) if on any such day the Common Stock is not listed on a domestic securities exchange, the closing sales price of the Common Stock as quoted on the OTC Markets or similar quotation system or association for such day; or (d) if there have been no sales of the Common Stock on the OTC Markets or similar quotation system or association on such day, the average of the highest bid and association at the end of such day; in each case, averaged over twenty (20) consecutive Business Days ending on the Business Day immediately prior to the day as of which "**Fair Market Value**" is being determined; **provided**, that if the Common Stock is listed on any domestic securities exchange, the term "**Business Day**"

as used in this sentence means Business Days on which such exchange is open for trading. If at any time the Common Stock is not listed on any domestic securities exchange or quoted on the OTC Markets or similar quotation system or association, the "Fair Market Value" of the Common Stock shall be the fair market value per share as determined by the Board in good faith.

"Holder Controlled Persons" has the meaning set forth in Section 8.1(c)(ii).

"Junior Securities" means, collectively, the Common Stock and any other class of securities that is specifically designated as junior to the Series A Preferred Stock.

"Liquidation" has the meaning set forth in Section 5.1.

"Liquidation Value" means, with respect to any Share on any given date, One Thousand Dollars (\$1,000) (as adjusted for any stock splits, stock dividends, recapitalizations, or similar transaction with respect to the Series A Preferred Stock).

"Options" means any warrants or other rights or options to subscribe for or purchase Common Stock or Convertible Securities.

"Person" means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association, or other entity.

"Preferred Stock" has the meaning set forth in the Recitals.

"Principal Market" means the principal stock exchange or market on which the Corporation's Common Stock is traded (or if not trading, the principal stock exchange or market on which listed or quoted), including any market operated by OTC Markets or any other stock exchange or market.

"Securities Act" means the U.S. Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

"Series A Conversion Election Date" has the meaning set forth in Section 7.2.

"Series A Holder Conversion Notice" has the meaning set forth in Section 8.2(a).

"Series A Mandatory Conversion Notice" has the meaning set forth in Section 8.2(b).

"Series A Mandatory Conversion Date" has the meaning set forth in Section 8.2(b)(ii).

"Series A Preferred Stock" has the meaning set forth in Section 1.

"Series A Redemption" has the meaning set forth in Section 7.1.

"Series A Redemption Date" has the meaning set forth in Section 7.2.

"Series A Redemption Notice" has the meaning set forth in Section 7.2.

"Series A Redemption Price" has the meaning set forth in Section 7.1.

"Share" means a share of Series A Preferred Stock.

"Subsidiary" means, with respect to any Person, any other Person of which a majority of the outstanding shares or other equity interests having the power to vote for directors or comparable managers are owned, directly or indirectly, by the first Person.

"Supermajority Interest" means holders of not less than two-thirds of the then total outstanding Shares of Series A Preferred Stock.

3. Rank. With respect to payment distribution of assets upon liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, all Shares of the Series A Preferred Stock shall rank senior to all Junior Securities.

4. No Dividends. Notwithstanding any provision of the Certificate of Incorporation or of the NYBCL to the contrary, no dividends shall accrue or be payable upon the Series A Preferred Stock, whether or not any dividends are declared by the Board on the Common Stock or any other class or series of capital stock of the Corporation, and whether or not there are funds legally available for the payment of dividends.

5. Liquidation.

5.1 Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation (a "Liquidation"), the holders of Shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of Junior Securities by reason of their ownership thereof, an amount in cash equal to the aggregate Liquidation Value of all Shares held by such holder.

5.2 No Participation with Junior Securities on Liquidation. After payment in full of all preferential amounts required to be paid to the holders of Series A Preferred Stock upon a Liquidation under this Section 5, the holders of Shares of Series A Preferred Stock then outstanding shall not be entitled to participate with the holders of shares of Junior Securities or any other class or series of the Corporation's capital stock then outstanding in the distribution of any of the remaining assets and funds of the Corporation available for distribution to its stockholders.

5.3 Insufficient Assets. If upon any Liquidation the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of the Shares of Series A Preferred Stock the full preferential amount to which they are entitled under Section 5.1, (a) the holders of the Shares shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective full preferential amounts which would otherwise be payable in respect of the Series A Preferred Stock in the aggregate upon such Liquidation if all amounts payable on or with respect to such Shares were paid in full, and (b) the Corporation shall not make or agree to make any payments to the holders of Junior Securities.

5.4 Notice. In the event of any Liquidation, the Corporation shall, within ten (10) Business Days after the date the Board approves such action, or no later than ten (10) Business Days prior to any stockholders' meeting called to approve such action, or within ten (10) Business Days after the commencement of any involuntary proceeding, whichever is earlier, give each holder of Shares of Series A Preferred Stock written notice of the action or proposed action. Such written notice shall describe the material terms and conditions of such action or proposed action, including a description of the stock, cash, and property to be received by the holders of Shares upon consummation of the proposed action and the date of delivery thereof. If any material change in the facts set forth in the initial notice shall occur, the Corporation shall promptly give written notice to each holder of Shares of such material change.

6. No Voting Rights. Notwithstanding any provision of the Certificate of Incorporation to the contrary, unless and only to the extent expressly required by the NYBCL or other applicable law, rule or regulation (including the rules of any exchange upon which securities of the corporation may be listed), no holder of outstanding Shares of Series A Preferred Stock shall be entitled to vote on any matter presented or required to be presented to the stockholders of the Corporation for their action or consideration (including, without limitation, the election of directors of the Corporation), nor shall be entitled to notice of any stockholder meeting (or requests for written consent of stockholders).

7. Redemption.

7.1 Redemption. At any time and from time to time on or after the Date of Issuance, the Corporation shall have the right to redeem, out of funds legally available therefor, all or any portion of the then outstanding Shares of Series A Preferred Stock, *pro rata* among all holders of Series A Preferred Stock, redeemed by the Corporation (a "Series A Redemption") for a price per Share equal to the Liquidation Value for such Share (the "Series A Redemption Price"). All holders of Series A Preferred Stock shall be bound by a Series A Redemption effected as provided in this Section 7 to have all, or in the case of an election by the Corporation to redeem less than all of the outstanding Shares of Series A Preferred Stock, the same *pro rata* portion of their Shares, redeemed pursuant to this Section 7; provided, that notwithstanding anything to the contrary contained herein, each holder of Shares of Series A Preferred Stock shall have the right to elect prior to the Series A Conversion Election Date to give effect to the conversion rights contained in Section 8 instead of giving effect to the provisions contained in this Section 7 with respect to all or any Shares of Series A Preferred Stock held by such holder. In exchange for the surrender to the Corporation by the respective holders of Shares of Series A Preferred Stock of their certificate or certificates representing such Shares in accordance with Section 7.4 below, the aggregate Series A Redemption Price for all Shares held by each holder of Shares shall be payable in cash (or tendered for payment) in immediately available funds to the respective holders of the Series A Preferred Stock on the applicable Series A Redemption Date, subject to the provisions of Sections 7.3 and 7.4.

7.2 Redemption Notice. Not less than thirty (30) days prior to the Series A Redemption Date, the Corporation shall send written notice (the "Series A Redemption Notice") of a Series A Redemption to each holder of record of outstanding Series A Preferred Stock. Each Series A Redemption Notice shall state:

- (a) the number of Shares of Series A Preferred Stock outstanding, the number of Shares of Series A Preferred Stock that the Corporation shall redeem in the aggregate, and the number of Shares of Series A Preferred Stock held by the holder that the Corporation shall redeem on the Series A Redemption Date specified in the Series A Redemption Notice;
- (b) the date of the closing of the redemption (the applicable date, the "Series A Redemption Date") and the Series A Redemption Price per share;
- (c) the date upon which the holder's right to convert its Shares pursuant to Section 8 terminates, which date shall be no earlier than five (5) days before the Series A Redemption Date (the applicable date, the "Series A Conversion Election Date"); and
- (d) the manner and place designated for surrender by the holder to the Corporation of his, her or its certificate or certificates representing the Shares of Series A Preferred Stock to be redeemed, or, in the event a certificate or certificates are lost, stolen or missing, the manner and place of delivering an affidavit of loss with respect thereto.

7.3 Insufficient Funds; Remedies for Nonpayment.

(a) **Insufficient Funds.** If on any Series A Redemption Date, the assets of the Corporation legally available are insufficient to pay the full Series A Redemption Price for the total number of Shares elected to be redeemed pursuant to Section 7.1, the Corporation shall (i) take all appropriate action reasonably within its means to maximize the assets legally available for paying the Series A Redemption Price, (ii) redeem out of all such assets legally available thereon on the applicable Series A Redemption Date the maximum possible number of Shares that it can redeem on such date, *pro rata* among the holders of such Shares to be redeemed in proportion to the aggregate number of Shares elected to be redeemed by each such holder on the applicable Series A Redemption Date and (iii) following the applicable Series A Redemption Date, at any time and from time to time when additional assets of the Corporation become legally available to redeem the remaining Shares, the Corporation shall immediately use such assets to pay the remaining balance of the aggregate applicable Series A Redemption Price.

(b) **Effect of Nonpayment.** If on any Series A Redemption Date, all of the Shares elected to be redeemed pursuant to a Series A Redemption Notice are not redeemed in full by the Corporation by paying the entire Series A Redemption Price, until any such Shares are fully redeemed and the aggregate

Series A Redemption Price paid in full, the unredeemed Shares shall remain outstanding and continue to have the rights, preferences, and privileges expressed herein.

7.4 Surrender of Certificates. On or before the Series A Redemption Date, each holder of Shares of Series A Preferred Stock not otherwise electing prior to the Series A Conversion Election Date to convert its Shares pursuant to Section 8 shall surrender the certificate or certificates representing such Shares to the Corporation, in the manner and place designated in the Series A Redemption Notice, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), or, in the event the certificate or certificates are lost, stolen or missing, shall deliver an affidavit of loss, in the manner and place designated in the Series A Redemption Notice. Each surrendered certificate shall be canceled and retired, and the Corporation shall thereafter make payment of the applicable Series A Redemption Price by certified check or wire transfer to the holder of record of such certificate; *provided*, that if less than all the Shares represented by a surrendered certificate are redeemed, then a new stock certificate representing the unredeemed Shares shall be issued in the name of the applicable holder of record of canceled stock certificate.

7.5 Rights Subsequent to Redemption. If on the applicable Series A Redemption Date, the Series A Redemption Price is paid (or tendered for payment) for any of the Shares to be redeemed on such Series A Redemption Date, then on such date all rights of the holder in the Shares so redeemed and paid or tendered, including any rights to dividends on such Shares, shall cease, and such Shares shall no longer be deemed issued and outstanding.

8. Conversion.

8.1 Right to Convert; Mandatory Conversion; Limitations.

(a) **Right to Convert.** Subject to the provisions of this Section 8, at any time and from time to time on or after the Date of Issuance, any holder of Series A Preferred Stock shall have the right by written election to the Corporation to convert all or any portion of the outstanding Shares of Series A Preferred Stock (including any fraction of a Share) held by such holder into an aggregate number of shares of Common Stock as is determined by (i) multiplying the number of Shares (including any fraction of a Share) to be converted by the Liquidation Value thereof, and then (ii) dividing the result by the Conversion Price in effect immediately prior to such conversion.

(b) **Mandatory Conversion.** Subject to the provisions of this Section 8, at any time and from time to time on or after the Date of Issuance, the Corporation shall have the right to convert all or any portion of the then outstanding Shares of Series A Preferred Stock, pro rata among all holders of Series A Preferred Stock, without any action by the relevant holder of such Shares, into an aggregate number of shares of Common Stock as is determined by (i) multiplying the number of Shares (including any fraction of a Share) to be converted by the Liquidation Value thereof, and then (ii) dividing the result by the applicable Conversion Price then in effect.

(c) **Limitations on Conversion.** Notwithstanding Section 8.1(a), a holder of Series A Preferred Stock shall have no right to convert all or any portion of any Share of Series A Preferred Stock as and to the extent provided below:

(i) **Insufficient Number of Authorized Shares.** To the extent, and only to the extent, that the number of shares of the Corporation's Common Stock to be issued upon such conversion exceeds the number of authorized but unissued shares of Common Stock.

(ii) **Beneficial Ownership Limitation.** To the extent that after giving effect to such issuance after conversion as set forth on the applicable Series A Holder Conversion Notice, the holder (together with the holder's subsidiaries, and any other persons controlled by the holder ("Holder Controlled Persons")) would beneficially own in excess of the Beneficial Ownership Limitation. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the holder and Holder Controlled Persons shall include the number of shares of Common Stock issuable upon conversion of the Shares of Series A Preferred Stock to

be converted with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) conversion of the remaining, unconverted Shares of Series A Preferred Stock beneficially owned by the holder and Holder Controlled Persons and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Corporation subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the holder and Holder Controlled Persons. Except as set forth in the preceding sentence, for purposes of this Section 8.1(c)(ii), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the holder that the Corporation is not representing to the holder that such calculation is in compliance with Section 13(d) of the Exchange Act, and the holder is solely responsible for any forms or schedules required to be filed in connection therewith. To the extent that the limitation contained in this Section 8.1(c)(ii) applies, the determination of whether Shares of Series A Preferred Stock are convertible (in relation to other securities beneficially owned by the holder together with the and Holder Controlled Persons) and of what amount of Shares of Series A Preferred Stock are convertible shall be in the sole discretion of the holder, and the submission of a Series A Holder Conversion Notice shall be deemed to be the holder's determination of whether Shares of Series A Preferred Stock are convertible (in relation to other securities beneficially owned by the holder together with the and Holder Controlled Persons) and of what amount of Shares of Series A Preferred Stock are convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, the holder will be deemed to represent to the Corporation each time it delivers a Series A Holder Conversion Notice that such Notice of Conversion has not violated the restrictions set forth in this paragraph, and the Corporation shall have no obligation to verify or confirm the accuracy of such determination. For purposes of this Section 8.1(c)(ii), determining the number of outstanding shares of Common Stock, a holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Corporation's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Corporation or (C) a more recent written notice by the Corporation or the Corporation's transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a holder, the Corporation shall within two (2) Business Days confirm orally and in writing to the holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Corporation, including Shares of Series A Preferred Stock, by the holder or Holder Controlled Persons since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 19.99% (subject to decrease as provided below) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of the Shares of Series A Preferred Stock to be converted. The holder may, at any time, decrease the Beneficial Ownership Limitation, effective immediately upon written notice to the Corporation. The provisions of this Section 8.1(c)(ii)s shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 8.1(c)(ii) to correct this Section 8.1(c)(ii) (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation.

(iii) **Principal Market Regulation.** If the issuance of such shares of Common Stock would exceed the aggregate number of shares of Common Stock which the Corporation may issue upon conversion of the Notes without breaching the Corporation's obligations under the rules or regulations of the Principal Market (the "Exchange Cap"), if applicable, except that such limitation shall not apply in the event that the Corporation (A) obtains the approval of its stockholders as required by the applicable rules of the Principal Market for issuances of Common Stock in excess of such amount or (B) obtains a written opinion from outside counsel to the Corporation that such approval is not required.

8.2 Procedures for Conversion: Effect of Conversion.

(a) Procedures for Holder Conversion. In order to effectuate a conversion of Shares of Series A Preferred Stock pursuant to Section 8.1(a), a holder shall (a) submit a written election to the Corporation ("Series A Holder Conversion Notice") that such holder elects to convert Shares and the number of Shares elected to be converted, and (b) surrender, along with such written election, to the Corporation the certificate or certificates representing the Shares being converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) or, in the event the certificate or certificates are lost, stolen, or missing, accompanied by an affidavit of loss executed by the holder. The conversion of such Shares hereunder shall be deemed effective as of the date of surrender of such Series A Preferred Stock certificate or certificates or delivery of such affidavit of loss executed by the holder. Upon the receipt by the Corporation of a written election and the surrender of such certificate(s) and accompanying materials, the Corporation shall as promptly as practicable (but in any event within ten (10) Business Days thereafter) deliver to the relevant holder (a) a certificate in such holder's name (or the name of such holder's designee as stated in the written election) for the number of shares of Common Stock to which such holder shall be entitled upon conversion of the applicable Shares as calculated pursuant to Section 8.1(a) and, if applicable (b) a certificate in such holder's (or the name of such holder's designee as stated in the written election) for the number of Shares of Series A Preferred Stock (including any fractional share) represented by the certificate or certificates delivered to the Corporation for conversion but otherwise not elected to be converted pursuant to the written election. All shares of capital stock issued hereunder by the Corporation shall be duly and validly issued, fully paid, and nonassessable, free and clear of all taxes, liens, charges, and encumbrances with respect to the issuance thereof.

(b) Procedures for Mandatory Conversion. To effect a mandatory conversion of Shares of Series A Preferred Stock as provided in Section 8.1(b), not less than thirty (30) days prior to the Series A Mandatory Conversion Date, the Corporation shall send to each holder of Shares of Series A Preferred Stock written notice thereof (the "Series A Mandatory Conversion Notice"), which shall state:

(i) the number of Shares of Series A Preferred Stock outstanding, the number of Shares of Series A Preferred Stock that the Corporation shall convert in the aggregate, and the number of Shares of Series A Preferred Stock held by the holder that the Corporation shall convert on the Series A Mandatory Conversion Date specified in the Series A Redemption Notice;

(ii) the date of the conversion (the applicable date, the "Series A Mandatory Conversion Date") and the Conversion Price per share in effect; and

(iii) the manner and place designated for surrender by the holder to the Corporation of his, her or its certificate or certificates representing the Shares of Series A Preferred Stock to be converted, or, in the event a certificate or certificates are lost, stolen or missing, the manner and place of delivering an affidavit of loss with respect thereto.

Upon receipt of such Series A Mandatory Conversion Notice, each holder shall surrender to the Corporation the certificate or certificates representing the Shares being converted, in the manner and place designated in the Series A Mandatory Conversion Notice, duly assigned, or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) or, in the event the certificate or certificates are lost, stolen, or missing, an affidavit of loss executed by the holder, in the manner and place designated in the Series A Mandatory Conversion Notice. Upon the surrender of such certificate(s) and accompanying materials, the Corporation shall as promptly as practicable (but in any event within ten (10) Business Days thereafter) deliver to the relevant holder a certificate in such holder's name (or the name of such holder's designee as stated in the written election) for the number of shares of Common Stock to which such holder shall be entitled upon conversion of the applicable Shares. All shares of Common Stock issued hereunder by the Corporation shall be duly and validly issued, fully paid, and nonassessable, free and clear of all taxes, liens, charges, and encumbrances with respect to the issuance thereof.

(c) Effect of Conversion. All Shares of Series A Preferred Stock converted as provided in this Section 8.1 shall no longer be deemed outstanding as of the effective time of the applicable conversion

and all rights with respect to such Shares shall immediately cease and terminate as of such time (including, without limitation, any right of redemption pursuant to Section 7), other than the right of the holder to receive shares of Common Stock and payment in lieu of any fraction of a Share as provided in Section 8.5 in exchange therefor.

8.3 Restricted Securities. The issuance of any shares of Common Stock upon conversion of Shares of Series A Preferred Stock will not have been registered under the Securities Act, and such shares of Common Stock will be "restricted securities" as defined in Rule 144 under the Securities Act ("Rule 144"). The certificate(s) representing any shares of Common Stock issued upon conversion of Shares of Series A Preferred Stock that are not eligible for immediate resale without restriction pursuant to the registration exemption afforded by Rule 144 at the time they are issued shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such certificates or other instruments):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

8.4 Reservation of Stock. The Corporation shall at all times when any Shares of Series A Preferred Stock is outstanding reserve and keep available out of its authorized but unissued shares of capital stock, solely for the purpose of issuance upon the conversion of the Series A Preferred Stock, such number of shares of Common Stock issuable upon the conversion of all outstanding Series A Preferred Stock pursuant to this Section 8, taking into account any adjustment to such number of shares so issuable in accordance with Section 8.7 hereof. The Corporation shall take all such actions as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any securities exchange upon which shares of Common Stock may be listed (except for official notice of issuance which shall be immediately delivered by the Corporation upon each such issuance). The Corporation shall not close its books against the transfer of any of its capital stock in any manner which would prevent the timely conversion of the Shares of Series A Preferred Stock.

8.5 No Charge or Payment: No Fractional Shares of Common Stock. The issuance of certificates for shares of Common Stock upon conversion of Shares of Series A Preferred Stock pursuant to Section 8.1 shall be made without payment of additional consideration by, or other charge, cost, or tax to, the holder in respect thereof. No fractional interest in a share of Common Stock shall be issued on redemption of any Shares of Series A Preferred Stock in accordance with Section 7 or conversion of any Shares of Series A Preferred Stock in accordance with Section 8. In lieu of delivering fractional shares, the Corporation shall pay in cash an amount equal to the product of (i) such fractional share that would otherwise be issuable multiplied by (ii) the Fair Market Value of a share of Common Stock.

8.6 Termination of Conversion Rights. In the event of a Series A Redemption Notice relating to a redemption of any Shares of Series A Preferred Stock pursuant to Section 7, the conversion rights described herein of the Shares designated for redemption shall terminate at the close of business on the applicable Series

A Conversion Election Date, unless the Series A Redemption Price is not fully paid on such redemption date, in which case the conversion rights for such Shares shall continue until such price is paid in full.

8.7 Adjustments to Conversion Price.

(a) **Adjustment to Conversion Price upon Dividend, Subdivision, or Combination of Common Stock.** If the Corporation shall, at any time or from time to time after the Date of Issuance, (i) pay a dividend or make any other distribution upon the Common Stock or any other capital stock of the Corporation payable in shares of Common Stock or in Options or Convertible Securities, or (ii) subdivide (by any stock split, recapitalization, or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to any such dividend, distribution, or subdivision shall be proportionately reduced. If the Corporation at any time combines (by combination, reverse stock split, or otherwise) its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately prior to such combination shall be proportionately increased. Any adjustment under this Section 8.7(a) shall become effective at the close of business on the date the dividend, subdivision, or combination becomes effective.

(b) **Adjustment to Conversion Price and Conversion Shares upon Reorganization, Reclassification, Consolidation, or Merger.** In the event of any (i) capital reorganization of the Corporation, (ii) reclassification of the stock of the Corporation (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), (iii) consolidation or merger of the Corporation with or into another Person, (iv) sale of all or substantially all of the Corporation's assets to another Person or (v) other similar transaction (other than any such transaction covered by Section 8.7(a)), in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities, or assets with respect to or in exchange for Common Stock, each Share of Series A Preferred Stock shall, immediately after such reorganization, reclassification, consolidation, merger, sale, or similar transaction, remain outstanding and shall (hereafter, in lieu of or in addition to (as the case may be) the number of Conversion Shares then convertible for such Share, be exercisable for the kind and number of shares of stock or other securities or assets of the Corporation or of the successor Person resulting from such transaction to which such Share would have been entitled upon such reorganization, reclassification, consolidation, merger, sale, or similar transaction if the Share had been converted in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale, or similar transaction and acquired the applicable number of Conversion Shares then issuable hereunder as a result of such conversion (without taking into account any limitations or restrictions on the convertibility of such Share, if any); and, in such case, appropriate adjustment shall be made with respect to such holder's rights under this Certificate of Designation to insure that the provisions of this Section 8 hereof shall thereafter be applicable, as nearly as possible, to the Series A Preferred Stock in relation to any shares of stock, securities, or assets thereafter acquirable upon conversion of Series A Preferred Stock (including, in the case of any consolidation, merger, sale, or similar transaction in which the successor or purchasing Person is other than the Corporation, an immediate adjustment in the Conversion Price the value per share for the Common Stock reflected by the terms of such consolidation, merger, sale, or similar transaction, and a corresponding immediate adjustment to the number of Conversion Shares acquirable upon conversion of the Series A Preferred Stock without regard to any limitations or restrictions on conversion, if the value so reflected is less than the Conversion Price in effect immediately prior to such consolidation, merger, sale, or similar transaction). The provisions of this Section 8.7(b) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, or similar transactions. The Corporation shall not effect any such reorganization, reclassification, consolidation, merger, sale, or similar transaction unless, prior to the consummation thereof, the successor Person (if other than the Corporation) resulting from such reorganization, reclassification, consolidation, merger, sale, or similar transaction, shall assume, by written instrument substantially similar in form and substance to this Certificate of Designation, the obligation to deliver to the holders of Series A Preferred Stock such shares of stock, securities, or assets which, in accordance with the foregoing provisions, such holders shall be entitled to receive upon conversion of the Series A Preferred Stock. Notwithstanding anything to the contrary contained herein, with respect to any corporate event or other transaction contemplated by the provisions of this Section 8.7(b), each holder of Shares of Series A Preferred Stock shall have the right to elect prior

to the consummation of such event or transaction, to give effect to the provisions of Section 7.1 or Section 8 hereunder, instead of giving effect to the provisions contained in this Section 8.7(b) with respect to such holder's Series A Preferred Stock.

(c) **Certain Events.** If any event of the type contemplated by the provisions of this Section 8.5 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights, or other rights with equity features) occurs, then the Board shall make appropriate adjustment in the Conversion Price and the number of Conversion Shares issuable upon conversion of Shares of Series A Preferred Stock so as to protect the rights of the holder of such Shares in a manner consistent with the provisions of this Section 8; *provided*, that no such adjustment pursuant to this Section 8.5 shall increase the Conversion Price or decrease the number of Conversion Shares issuable as otherwise determined pursuant to this Section 8.

(d) **Certificate as to Adjustment.**

(i) As promptly as reasonably practicable following any adjustment of the Conversion Price, but in any event not later than ten (10) Business Days thereafter, the Corporation shall furnish to each holder of record of Series A Preferred Stock at the address specified for such holder in the books and records of the Corporation (or at such other address as may be provided to the Corporation in writing by such holder) a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Corporation of a written request by any holder of Series A Preferred Stock, but in any event not later than ten (10) Business Days thereafter, the Corporation shall furnish to such holder a certificate of an executive officer certifying the Conversion Price then in effect and the number of Conversion Shares or the amount, if any, of other shares of stock, securities, or assets then issuable to such holder upon conversion of the Shares of Series A Preferred Stock held by such holder.

(e) **Notices.** In the event:

(i) that the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series A Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, to vote at a meeting (or by written consent), to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(ii) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, any consolidation or merger of the Corporation with or into another Person, or sale of all or substantially all of the Corporation's assets to another Person; or

(iii) of the voluntary or involuntary dissolution, liquidation, or winding-up of the Corporation;

then, and in each such case, the Corporation shall send or cause to be sent to each holder of record of Series A Preferred Stock at the address specified for such holder in the books and records of the Corporation (or at such other address as may be provided to the Corporation in writing by such holder) at least five (5) Business Days prior to the applicable record date or the applicable expected effective date, as the case may be, for the event, a written notice specifying, as the case may be, (A) the record date for such dividend, distribution, meeting or consent, or other right or action, and a description of such dividend, distribution, or other right or action to be taken at such meeting or by written consent, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, or winding-up is proposed to take place, and the date, if any is to be fixed, as of which the books of the Corporation shall close or a record shall be taken with respect to which the holders of record of Common

Stock (or such other capital stock or securities at the time issuable upon conversion of the Series A Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, or winding-up, and the amount per share and character of such exchange applicable to the Series A Preferred Stock and the Conversion Shares.

9. Reissuance of Series A Preferred Stock. Any Shares of Series A Preferred Stock redeemed, converted, or otherwise acquired by the Corporation or any Subsidiary shall be cancelled and retired as authorized and issued shares of capital stock of the Corporation and no such Shares shall thereafter be reissued, sold, or transferred.

10. Notices. Except as otherwise provided herein, all notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent (a) to the Corporation, at its principal executive offices and (b) to any stockholder, at such holder's address as it appears in the stock records of the Corporation (or at such other address for a stockholder as shall be specified in a notice given in accordance with this Section 10).

11. Amendment and Waiver. No provision of this Certificate of Designation may be amended, modified, or waived except by an instrument in writing executed by the Corporation and a Supermajority Interest, and any such written amendment, modification, or waiver will be binding upon the Corporation and each holder of Series A Preferred Stock; *provided*, that no such action shall change or waive (a) the definition of Liquidation Value or Conversion Price, or (b) this Section 11, without the prior written consent of each holder of outstanding Shares of Series A Preferred Stock."

IN WITNESS WHEREOF, this Certificate of Designation is executed on behalf of the Corporation by its Interim Chief Financial Officer this 5th day of November 2020.

DOCUMENT SECURITY SYSTEMS, INC.

By: /s/ Todd D. Macko

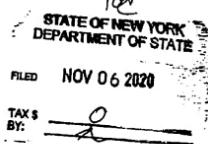
Todd D. Macko
Interim Chief Financial Officer

255

CERTIFICATE OF CORRECTION
OF
CERTIFICATE OF AMENDMENT TO CERTIFICATE OF INCORPORATION
OF DOCUMENT SECURITY SYSTEMS, INC.
UNDER SECTION 105 OF THE BUSINESS CORPORATION LAW

RECEIVED
2020 NOV - 6 PM 2:43

Filed by:
Schenzria Ross Ference LLP
1185 Avenue of the Americas, 37th Floor
New York, NY 10036



RECEIVED
2020 NOV - 6 PM 2:43

Drawdown #30
JCG

CERTIFICATE OF MERGER
OF
DSS, INC.
INTO
DOCUMENT SECURITY SYSTEMS, INC.

Under Section 905 of the
Business Corporation Law of the State of New York

The undersigned hereby as follows:

1. The name and state of incorporation of each of the constituent corporations named herein (each, a "Constituent Corporation") are as follows:
 - a. Document Security Systems, Inc., a New York corporation, originally formed as Thoroughbreds, U.S.A., Inc., and subsequently renamed New Sky Communications, Inc. ("Parent"); and
 - b. DSS, Inc., a New York corporation and a wholly-owned subsidiary of Parent ("Sub").
2. As to each Constituent Corporation, the designation and number of outstanding shares of each class are as follows:

<u>Name of Corporation</u>	<u>Designation</u>	<u>Number of Outstanding Shares</u>
Document Security Systems, Inc.	Common Stock, par value \$.02 per share	79,745,886
DSS, Inc.	Common Stock, par value \$.01 per share	1,000

3. Following the merger of Sub into Parent (the "Merger"), Parent will continue as the surviving corporation (the "Surviving Corporation"), and the separate corporate existence of Sub will cease. The name of the Surviving Corporation shall be amended in the Merger to be "DSS, Inc."

Filed with the NYS Department of State on 09/17/2021
Filing Number: 210917001600 DOS ID: 919905

4. The dates when the certificates of incorporation of each Constituent Corporation were filed by the Department of State of the State of New York are as follows:

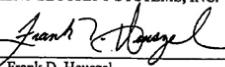
<u>Name of Corporation</u>	<u>Date of Incorporation</u>
Document Security Systems, Inc.	May 30, 1984
DSS, Inc.	July 9, 2020

5. The Plan of Merger was authorized by the board of directors of Parent in accordance with Section 905 of the Business Corporation Law of the State of New York.

6. The effective date of the Merger will be September 30, 2021.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Merger as of the date first written above.

DOCUMENT SECURITY SYSTEMS, INC.

By: 
Name: Frank D. Heuszel
Title: Chief Executive Officer

Filed with the NYS Department of State on 09/17/2021
Filing Number: 210917001600 DOS ID: 919905

CERTIFICATE OF MERGER
OF
DSS, INC.
INTO
DOCUMENT SECURITY SYSTEMS, INC.

Under Section 905 of the
Business Corporation Law of the State of New York

Filed by:

Sichenzia Ross Ference LLP
1185 Avenue of the Americas, 31st Floor
New York, NY 10036

Filed with the NYS Department of State on 09/17/2021
Filing Number: 210917001600 DOS ID: 919905

CT07



**Division of Corporations,
State Records and
Uniform Commercial Code**

New York State
Department of State
**DIVISION OF CORPORATIONS,
STATE RECORDS AND
UNIFORM COMMERCIAL CODE**
One Commerce Plaza
99 Washington Ave.
Albany, NY 12231-0001
www.dos.ny.gov

**CERTIFICATE OF CHANGE
OF**

DSS, INC.

(Insert Name of Domestic Corporation)

Under Section 805-A of the Business Corporation Law

FIRST: The name of the corporation is:
DSS, INC.

If the name of the corporation has been changed, the name under which it was formed is:
THOROUGLIBREDS, U.S.A., INC.

SECOND: The certificate of incorporation was filed by the Department of State on:
05/30/1984

THIRD: The change(s) effected hereby are: *(Check appropriate statement(s))*

The county location, within this state, in which the office of the corporation is located, is
changed to: New York County

The address to which the Secretary of State shall forward copies of process accepted on
behalf of the corporation is changed to read in its entirety as follows:

c/o C T Corporation System, 28 Liberty Street, New York, N.Y. 10005

The corporation hereby: *(Check one)*
 Designates C T Corporation System
as its registered agent upon whom process against the corporation may be served.

The street address of the registered agent is:

28 Liberty Street, New York, N.Y. 10005

Changes the designation of its registered agent to:

The street address of the registered agent is:

DOS-1556-f (Rev. 03/17)
NY008 - 1/14/2019 Wolters Kluwer Online

Filed with the NYS Department of State on 10/06/2021
Filing Number: 211006003083 DOS ID: 919905

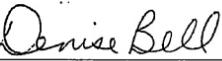
Page 1 of 2

CT07

Changes the address of its registered agent to:

Revokes the authority of its registered agent.

FOURTH: The change was authorized by the board of directors.

X 
(Signature) Denise Bell
(Name of Signer)

Assistant Secretary
(Title of Signer)

CERTIFICATE OF CHANGE
OF

DSS, INC.

(Insert Name of Domestic Corporation)

Under Section 805-A of the Business Corporation Law

Filer's Name and Mailing Address:

TJ Leonardo
Name
Document Security Systems, Inc.
Company, if Applicable
200 CANAL VIEW BLVD STE 104
Mailing Address
ROCHESTER, NY 14623-2850
City, State and Zip Code

NOTES:

1. The name of the corporation and its date of incorporation provided on this certificate must exactly match the records of the Department of State. This information should be verified on the Department of State's website at www.dos.ny.gov.
2. This form was prepared by the New York State Department of State. You are not required to use this form. You may draft your own form or use forms available at legal stationery stores.
3. The Department of State recommends that all documents be prepared under the guidance of an attorney.
4. The certificate must be submitted with a \$30 filing fee.

For Office Use Only

DRAWDOWN
CST REF: 13778095LP

DOS-1556-f (Rev. 03/17)
NY008 - 1/14/2019 Wolters Kluwer Online

Filed with the NYS Department of State on 10/06/2021
Filing Number: 211006003083 DOS ID: 919905

Page 2 of 2

Biennial Statement
NYS Department of State
Division of Corporations, State Records &
Uniform Commercial Code
www.dos.ny.gov

BUSINESS NAME: DSS, INC.
FILING PERIOD: 5/1/2022 12:00:00 AM

Part 1 - Chief Executive Officer's Name and Business Address

Name FRANK D. HEUSZEL		
Address Line 1 275 WIREGRASS PARKWAY		
Address Line 2		
City WEST HENRIETTA	State NY	Zip Code 14608

Part 2 - Street Address of Principal Executive Office (A Post Office Box cannot be used)

Corporation Name C T CORPORATION SYSTEM		
Address Line 1 28 LIBERTY STREET		
Address Line 2		
City NEW YORK	State NY	Zip Code 10005

Part 3 - Service of Process Address (Address must be within the United States or its territories)

Name C T CORPORATION SYSTEM		
Address Line 1 28 LIBERTY STREET		
Address Line 2		
City NEW YORK	State NY	Zip Code 10005

Signer Information

I affirm that the statements contained herein are true to the best of my knowledge, that I am authorized to sign this Biennial Statement and that my signature typed below constitutes my electronic signature.

Electronic Signature NATALIE PICKENS	
Capacity of Signer AUTHORIZED PERSON	

Filed with the NYS Department of State on 05/12/2022
Filing Number: 22051200221 DOS ID: 919905

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
DSS, INC.**

UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

The undersigned, being the Chief Executive Officer of DSS, Inc. (the "Corporation"), a corporation organized and existing under Business Corporation Law of the State of New York (the "NYBCL"), hereby certifies as follows, pursuant to §805 of the NYBCL:

FIRST The name of the Corporation is DSS, Inc. The name under which the Corporation was formed was Thoroughbreds, U.S.A., Inc.

SECOND The Certificate of Incorporation of the Corporation (as amended, supplemented or restated, the "Certificate of Incorporation") was originally filed on May 30, 1984.

THIRD The Certificate of Incorporation is hereby amended as follows:

The Corporation is currently authorized to issue 200,046,868 shares, with a par value of \$0.02, consisting of 200,000,000 shares of Common Stock, with a par value of \$0.02, and 46,868 shares of Series A Convertible Preferred Stock, with a par value of \$0.02. The amendment effected by this Certificate of Amendment is to add 300,000,000 shares of Common Stock, with a par value of \$0.02 resulting in a total of 500,046,868 shares, with a par value of \$0.02, consisting of 500,000,000 shares of Common Stock, with a par value of \$0.02, and 46,868 shares of Series A Convertible Preferred Stock, with a par value of \$0.02. The introductory paragraph of article FOURTH of the Certificate of Incorporation, relating to the Corporation's stated capital is amended to read in its entirety as follows:

"FOURTH: The Corporation is authorized to issue 500,046,868 shares, with a par value of \$0.02, consisting of 500,000,000 shares of Common Stock, with a par value of \$0.02, and 46,868 shares of Series A Convertible Preferred Stock, with a par value of \$0.02."

FOURTH The certificate of amendment was authorized by the board of directors followed by a vote of the holders of the required outstanding shares entitled to vote thereon at a meeting of shareholders.

[SIGNATURE PAGE FOLLOWS]

Filed with the NYS Department of State on 05/27/2022
Filing Number: 220602002468 DOS ID: 919905

IN WITNESS WHEREOF, this Certificate of Amendment is executed on behalf of the Corporation by its Chief Executive Officer this 26 day of May, 2022

DSS, INC.
By: 
Frank D. Heuzel
Chief Executive Officer

Filed with the NYS Department of State on 05/27/2022
Filing Number: 220602002468 DOS ID: 919905

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
DSS, INC.

UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

Filed By:
Sichenzia Ross Ference LLP
1185 Avenue of the Americas, 31st Floor
New York, NY 10036

Filed with the NYS Department of State on 05/27/2022
Filing Number: 220602002468 DOS ID: 919905

**FIFTH AMENDED AND RESTATED BY-LAWS
OF
DOCUMENT SECURITY SYSTEMS, INC.**

(A New York Corporation)

ARTICLE 1 - CORPORATE OFFICES

(1.1) Location. The principal office of the Corporation shall be located at:
200 Canal View Boulevard Suite 300
Rochester, New York 14623

(1.2) Change of Location. The Board of Directors (the "Board") of Document Security Systems, Inc. (the "Corporation") may relocate the principal office of the Corporation, to a location within or without the state of incorporation, as the Board may designate, by resolution adopted by the affirmative vote of a majority of the entire Board. As used in these Fifth Amended and Restated By-Laws of the Corporation (the "By-Laws"), the term "entire Board" means the total authorized number of directors which the Corporation would have if there were no vacancies.

(1.3) Other Offices. In addition to its principal office, the Corporation may establish and maintain such other offices, either within or without the state of incorporation, as the Board may designate, by resolution adopted by the affirmative vote of a majority of the entire Board.

ARTICLE 2 – BOARD OF DIRECTORS

(2.1) Number. The number of directors of the Corporation shall be fixed from time to time by action of the shareholders or by resolution adopted by the affirmative vote of a majority of the entire Board; provided that such number of directors shall not be less than three nor more than eleven, unless and until otherwise determined by vote of a majority of the entire Board; and provided further that no decrease in the number of directors shall shorten the term of any incumbent director.

(2.2) Election of Directors.

(a) Except as may otherwise be provided herein or in the Corporation's Certificate of Incorporation, as amended (such Certificate of Incorporation, and any amendments thereof, hereinafter collectively referred to as the "Certificate"), the members of the Board, who need not be shareholders of the Corporation, shall each be elected by receiving a majority of the votes cast by the holders of shares of such class entitled to vote generally in the election of directors at each succeeding annual meeting of the shareholders of the Corporation (a "Majority Vote"); provided, however, that in the event of a "Contested Election," directors shall be elected by a plurality vote. For this purpose, a "Contested Election" means an election in which nominees for election are to be voted on who have not been recommended for election by the Board or the Nominating and Corporate Governance Committee thereof or as to which the number of nominees for election at the meeting exceeds the number of directors to be elected at such meeting.

(b) The Board shall only nominate for election or re-election to the Board and shall only fill director vacancies and elect persons to new directorships candidates who agree to tender, before they are nominated for election or re-election as directors, irrevocable resignations that will be effective upon (i) the failure to receive a Majority Vote at the next meeting at which they stand for election or re-election (unless there is a Contested Election at such meeting) and (ii) the Board's acceptance of such resignation. If a director nominee fails to receive the required vote for election or re-election, the Nominating and Corporate Governance Committee of the Board will act on an expedited basis to recommend whether the Board should accept the director's resignation and will submit such recommendation for prompt consideration by the Board. Pending such final determination by the Board as to whether to accept such resignation, the director shall have no right to participate in such determination except and solely to the extent (if any) specifically required by the Board or the Nominating and Corporate Governance Committee thereof (as applicable).

(2.3) Term of Office. A director shall hold office until the next year's annual meeting and until his or her successor has been elected and qualified, subject, however, to such director's earlier death, resignation, retirement, disqualification or removal.

(2.4) Duties and Powers. The Board shall be responsible for the control and management of the affairs, property and interests of the Corporation, and may exercise all powers of the Corporation, except as are in the Certificate or by statute expressly conferred upon or reserved to the shareholders.

(2.5) Qualification. No person shall serve as a director unless such person is at least twenty-one years of age.

(2.6) Notices. Upon taking office, each director shall file with the Secretary a written designation of the address that the director desires to be used for the purpose of giving notices to him. Until the director shall have effectively done so, he shall be deemed to have designated either the principal office of the Corporation or any other address that the sender of the notice could reasonably believe to be an appropriate address. Any designated address may be re-designated by similar filing with the Secretary. The Secretary shall give each of the other directors prompt notice of every designation or re-designation filed. The designation or re-designation shall be effective three business days after the Secretary's action or upon earlier receipt. Any notice to a director shall be valid if sent to either (a) the director's designated address or (b) any other address used in good faith unless it be shown that prejudice resulted from use of such other address. All notices must be in writing. Any notice may be delivered by hand or sent by telecommunications device, by e-mail, by regular mail, by overnight courier, or by similar means.

(2.7) Resignation. A director may resign at any time by giving notice to each of the other directors or to the Corporation. Unless otherwise specified, the notice shall be effective immediately and acceptance shall not be necessary to make it effective. A director need not assign cause for resigning.

(2.8) Newly Created Directorships; Vacancies. Newly created directorships resulting from an increase in the number of directors and any vacancies on the Board resulting from death, resignation, retirement, disqualification, removal or other reason may be filled solely by a majority vote of the remaining directors then in office, even if less than a quorum, or by a sole remaining director, and any director so chosen shall hold office for the remainder of the full term of the departed director and until his or her successor has been elected and qualified, subject, however, to such director's earlier death, resignation, retirement, disqualification or removal.

(2.9) Removal. (i) Any director, or the entire Board, may be removed by the shareholders from office at any time prior to the expiration of his or their respective terms of office, but only for cause, and only by the affirmative vote of the holders of record of outstanding shares representing a majority of the voting power of all the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, and (ii) any director may be removed from office by the affirmative vote of a majority of the entire Board, at any time prior to the expiration of his term of office, but only for cause.

(2.10) Rights of Preferred Shareholders. Notwithstanding any other provision of this Section 2, and except as otherwise required by law, whenever the holders of one or more series of Preferred Stock shall have the right, voting separately by class or series, to elect one or more directors, the term of office, the filling of vacancies, the removal from office and other features of such directorships shall be governed by the terms of such series of Preferred Stock.

ARTICLE 3 –BOARD MEETINGS; PROCEDURES; COMPENSATION; COMMITTEES

(3.1) Regular Meetings. A regular meeting of the Board shall be held immediately after the annual meeting of shareholders. The Board may provide for other regular meetings. Notice need not be given of any regular meeting.

(3.2) Special Meetings. The Chairman, the lead independent director or the Chief Executive Officer, or any two directors together, may call a special meeting. The special meeting notice does not have to specify the business to be transacted. Special meetings of the Board shall be held upon notice to the directors not less than twenty-four (24) hours before the meeting.

(3.3) Adjourned Meetings. Whether or not a quorum is present, a majority of the directors present may adjourn any meeting to such time and place as they shall decide. Notice of any adjourned meeting need not be given at any adjourned meeting, whether adjourned once or more, and any business may be transacted that might have been transacted at the meeting of which there is an adjournment. Additional business may also be transacted if proper notice shall have been given.

(3.4) Chairman; Lead Independent Director.

(a) At all meetings of the Board, the Chairman of the Board, if any and if present, shall preside and, if there shall be no Chairman, or he shall be absent, then the lead independent director, if any and if present, shall preside, and in his absence, a chairman chosen by the directors then present shall preside.

(b) The Board shall select a lead independent director if at any time the Chairman shall be an executive officer of the Corporation or for any other reason shall not be an independent director. The lead independent director shall (i) preside at all meetings of the Board at which the Chairman of the Board is not present, at all meetings of the independent directors and at all executive sessions of the independent directors, (ii) have a reasonable opportunity to review and comment on Board meeting agendas, (iii) serve as a liaison between the Chairman of the Board and the other members of the Board, (iv) have the authority to call special meetings of the Board and of the independent directors, and (v) perform such other duties as the Board may from time to time delegate.

(3.5) Quorum and Adjournments.

(a) At all meetings of the Board, the presence of a majority of the entire Board shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by law, by the Certificate, or by these By-Laws.

(b) A majority of the directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice, until a quorum shall be present.

(3.6) Manner of Acting.

(a) At all meetings of the Board, or any committee thereof, each director present shall have one vote, irrespective of the number of shares of the Corporation's capital stock, if any, he may hold.

(b) Except as otherwise provided by statute, by the Certificate, or by these By-Laws, the action of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board. Any action authorized, in writing, by all of the directors entitled to vote thereon and filed with the minutes of the Corporation shall be the act of the Board with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the Board.

(c) Where appropriate communication facilities are reasonably available, any or all directors shall have the right to participate in any Board meeting, or committee meeting, by means of a conference telephone or any means of communication by which all persons participating in the meeting are able to hear each other, and such participation shall constitute presence in person at any such meeting.

(3.7) Compensation. The Board is authorized to make provision for reasonable compensation to its members for their services as directors and to fix the basis and conditions upon which this compensation shall be paid. Any director may also serve the Corporation in any other capacity and receive compensation therefor in any form.

(3.8) Contracts.

(a) No contract or other transaction between this Corporation and any other corporation or entity shall be impaired, affected or invalidated nor shall any director be liable in any way by reason of the fact that any one or more of the directors of this Corporation is or are interested in, or is a director or officer, or are directors or officers of such other corporation or other entity, provided that such material facts are disclosed or made known to the Board.

(b) Any director, personally and individually, may be a party to or may be interested in any contract or transaction of this Corporation, and no director shall be liable in any way by reason of such interest, provided that the fact of such interest be disclosed or made known to the Board, and provided that the Board shall authorize, approve or ratify such contract or transaction by the vote (not counting the vote of any such interested director) of a majority of a quorum, notwithstanding the presence of any such director at the meeting at which such action is taken. Such interested director or directors may be counted in determining the presence of a quorum at such meeting. This Section 3.8 shall not be construed to impair or invalidate or in any way affect any contract or other transaction which would otherwise be valid under the law (common, statutory or otherwise) applicable thereto.

(3.9) Committees. The Board, by resolution adopted by a majority of the entire Board, may from time to time designate from among its members an executive, audit, nominating, corporate governance or compensation committee and such other committees, and alternate members thereof, as they

deem desirable, each consisting of three or more directors (or such lesser number as is permitted by the rules of the stock exchange or over-the-counter market on which the Corporation's stock is then traded), with such powers and authority (to the extent permitted by law) as may be provided in such resolution. Each such committee shall serve at the pleasure of the Board. At all meetings of a committee, the presence of a majority of the members of the committee shall be necessary to constitute a quorum for the transaction of business, except as otherwise provided by said resolution or by these By-Laws. Participation of any one or more members of the committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, shall constitute presence in person at any such meeting. Any action authorized in writing by all of the members of a committee entitled to vote thereon and filed with the minutes of the committee shall be the act of the committee with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the committee.

(3.10) Regulations. The Board may adopt rules and regulations not inconsistent with law, the Certificate or these By-Laws, for the conduct of its meetings and the management of all aspects of the affairs of the Corporation.

(3.11) Reliance on Books and Records. A member of the Board or of any committee thereof designated by the Board as provided in these By-Laws, shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or reports made to the Corporation by any of its officers, or by an independent certified public accountant or by an appraiser selected with reasonable care by the Board or by any such committee, or in relying in good faith upon other records of the Corporation.

ARTICLE 4 - SHARES AND CERTIFICATES

(4.1) Form of Certificates. Certificates representing shares of capital stock of the Corporation shall be in the form determined by the Board. All certificates issued shall be consecutively numbered or otherwise appropriately identified.

(4.2) Share Transfer Ledger. There shall be kept a share transfer ledger in which shall be entered full and accurate records including the names and addresses of all shareholders, the number of shares issued to each shareholder and the dates of issuance. All transfers of shares shall be promptly reflected in the share transfer ledger. Unless otherwise directed by the Board, the share transfer ledger shall be kept at the principal office of the Corporation and any shareholder of the Corporation is entitled to inspect such list under the Business Corporation Law of New York.

(4.3) Transfer of Shares. Upon (a) receipt of the certificate representing the shares to be transferred, either duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, (b) payment of any required transfer taxes, and (c) payment of any reasonable charge the Board may have established, the surrendered certificate shall be canceled and a new certificate or certificates shall be issued to the person(s) entitled to it.

(4.4) Replacement Certificates. Replacement certificates will be issued at the request of the shareholder upon payment of any reasonable charge the Board may have established. In case of a lost, mislaid, destroyed or mutilated certificate, proof of the facts, by affidavit or otherwise, may also be required, as may be a bond or other proper indemnification for the Corporation and its agents.

(4.5) Record Owner to be Treated as Owner. Unless otherwise directed by a court of competent jurisdiction, the Corporation shall treat the holder of record of any share as the holder in fact and accordingly shall not recognize any equitable or other claim to or interest in the shares on the part of any other persons, whether or not it shall have express or other notice of it.

ARTICLE 5 – SHAREHOLDER MEETINGS

(5.1) Annual Meetings. The Corporation shall hold an annual meeting of shareholders no later than one year after the end of its fiscal year.

(5.2) Notice of Meetings. Written notice of each meeting of shareholders, stating the place, date and hour thereof, and, in the case of a special meeting, specifying the purpose or purposes thereof, shall be given to each shareholder entitled to vote thereat not less than ten (10) days nor more than sixty (60) days prior to the meeting, except that where the matter to be acted on is a merger or consolidation of the Corporation or a sale, lease or exchange of all or substantially all of its assets, such notice shall be given not less than twenty (20) days nor more than sixty (60) days prior to such meeting. If a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof was announced at the meeting at which the adjournment is taken. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

(5.3) Special Meetings. A special meeting of the shareholders may be called by any two or more directors, the Chairman or Chief Executive Officer, or the holders of no less than 10% of all the outstanding shares of the Corporation's capital stock entitled to vote at the meeting.

(5.4) Adjourned Meetings. Whether or not a quorum is present, a majority in voting power of the shareholders present in person or by proxy and entitled to vote may adjourn any meeting to a time and place as they shall decide. Notice of any adjourned meeting need not be given. At any adjourned meeting, whether adjourned once or more, any business may be transacted that might have been transacted at the meeting of which it is an adjournment. Additional business may also be transacted if proper notice shall have been given.

(5.5) Organization. The Chairman of the Board shall be the chairman of the meeting. The Secretary shall be secretary of the meeting. If the Chairman is not present, the Chief Executive Officer shall preside at the meeting. If none of such persons are present, then the shareholders shall choose a chairman of the meeting. If neither the Secretary nor any assistant secretary is present, the chairman of the meeting shall appoint a secretary of the meeting.

(5.6) Quorum.

(a) Except as otherwise provided herein, or by statute, or in the Certificate, at all meetings of shareholders of the Corporation, the presence at the commencement of such meetings in person or by proxy of shareholders holding of record thirty-five percent (35%) of the total number of shares of the Corporation then issued and outstanding and entitled to vote, shall be necessary and sufficient to constitute a quorum for the transaction of any business. The withdrawal of any shareholder after the commencement of a meeting shall have no effect on the existence of a quorum, after a quorum has been established at such meeting.

(b) Despite the absence of a quorum at any annual or special meeting of shareholders, the shareholders, by a majority of the votes cast by the holders of shares entitled to vote thereon, may adjourn the meeting. At any such adjourned meeting at which a quorum is present, any business may be

transacted which might have been transacted at the meeting as originally called if a quorum had been present.

(5.7) Voting.

(a) Except as otherwise provided by the Certificate or in these By-Laws, all elections of directors at any meeting of shareholders shall be determined by a majority of the votes cast in such election, and any other corporate action to be taken by vote of the shareholders at a meeting of shareholders shall be authorized by a majority of the votes cast for each proposal by the holders of record of the shares present and entitled to vote thereon.

(b) Except as otherwise provided by the Certificate, at each meeting of shareholders, each holder of record of capital stock of the Corporation entitled to vote thereat, shall be entitled to one vote for each share of capital stock registered in his name on the books of the Corporation.

(c) Each shareholder entitled to vote or to express consent or dissent without a meeting, may do so by proxy; provided, however, that the instrument authorizing such proxy to act shall have been executed in writing by the shareholder himself, or by his attorney-in-fact thereunto duly authorized in writing. No proxy shall be valid after the expiration of eleven months from the date of its execution, unless the persons executing it shall have specified therein the length of time it is to continue in force. Such instrument shall be exhibited to the Secretary at the meeting and shall be filed with the records of the Corporation.

(d) Subject to Section 5.11, any resolution in writing, signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, shall be and constitute action by such shareholders to the effect therein expressed, with the same force and effect as if the same had been duly passed at a duly called meeting of shareholders and such resolution so signed shall be included in the minutes of the Corporation.

(e) There shall be one or more inspectors at any shareholders meeting, appointed by the Board to act at any such meeting or any adjournment and make a written report thereof. The Board may appoint an alternate inspector or inspectors to replace any inspector who fails to perform his job in a satisfactory way. If no alternate inspector has been appointed and the person or persons appointed as inspector is unable to act at a shareholders meeting, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting.

(f) The date and time of the opening and closing of the polls for each matter upon which the shareholders will vote at a shareholders meeting shall be announced by the person presiding at the meeting at the beginning of the meeting and, if no such opening and closing date and time is announced, the polls shall close at the end of the meeting, including any adjournment thereof. No ballots, proxies or consents, not any revocation thereof or changes thereto shall be accepted by the inspectors after the closing of the polls unless the New York Supreme Court at a special term held within the judicial district where the Corporation's office is located upon application by a shareholder of the Corporation, shall determine otherwise.

(5.8) Advance Notice of Business to be Brought Before a Meeting.

(a) At an annual or special meeting of the shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before a meeting, nomination of persons for election to the Board must be made in accordance with the procedures set forth in Section 5.9. To be properly brought before a meeting, business other than nominations of persons for election to the Board must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the meeting by or at the direction of the Board or (iii) otherwise properly brought before an annual meeting by a shareholder of record of the Corporation (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) (A) both at the time the notice provided for in this Section 5.8 is delivered to the Secretary of the Corporation and at the time of the meeting, (B) who is entitled to vote at the meeting, and (C) who otherwise complies with this Section 5.8. Shareholders shall not be permitted to propose business to be brought before a special meeting of the shareholders, and the only matters that may be brought before a special meeting are the matters specified in the notice of meeting given by or at the direction of the persons calling the meeting pursuant to Section 5.3. For any proposed business to be properly brought before an annual meeting by a shareholder pursuant to clause (iii) above of this paragraph, the proposed business must constitute a proper matter for shareholder action under the Business Corporation Law of New York and the shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation and must provide any updates or supplements to such notice at the times and in the forms required by this Section 5.8. To be timely, a shareholder's notice of a proposal to be presented at an annual meeting must be received at the Corporation's principal executive office addressed to the attention of the Secretary of the Corporation not less than ninety (90) calendar days nor more than one hundred twenty (120) calendar days in advance of the date of the one- year anniversary of the Corporation's previous year's annual meeting of shareholders. However, if no annual meeting was held in the previous year or the date of the annual meeting is more than thirty (30) calendar days before or more than sixty (60) calendar days after such anniversary date, such notice by the shareholder to be timely must be received by the Secretary of the Corporation not later than the close of business on the ninetieth (90th) calendar day prior to such annual meeting or, if later, the tenth (10th) calendar day following the day on which public disclosure (as defined below) of the date of the meeting was first made. In no event shall the public disclosure of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above. A shareholder's notice to the Secretary of the Corporation shall set forth (i) as to each matter the shareholder proposes to bring before the annual meeting, a brief description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and the language of any proposed amendment to the By-Laws of the Corporation), and the reasons for conducting such business at the annual meeting, and (ii) as to such shareholder, the Shareholder Information (as defined below).

(b) "Shareholder Information" with respect to a shareholder means, collectively, (i) the name and address, as they appear on the Corporation's books, of such shareholder and the name and address of the beneficial owner, if any, on whose behalf a proposal of business or action, or nomination for election of directors, as applicable, is made, (ii) the class, series and number of shares of capital stock of the Corporation which are owned beneficially and of record by such shareholder and such beneficial owner, (iii) a representation that such shareholder will notify the Corporation in writing of the class and number of such shares owned beneficially and of record by such shareholder and such beneficial owner as of the record date for the meeting (or action, as applicable) promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (iv) any option, warrant, convertible security, stock appreciation right, derivative, swap or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value or volatility of any class or series or shares of the Corporation, whether or not such instrument or right shall convey any voting rights in such shares or shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument"), directly or indirectly owned beneficially by such shareholder or beneficial owner and any other direct or indirect opportunity of such shareholder or beneficial owner to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation and a representation that such shareholder will notify the Corporation in writing of any such Derivative Instrument or other direct or indirect opportunity to profit or share in any profit in effect as of the record date for the meeting (or action, as applicable) promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (v) any proxy, contract, arrangement, understanding or relationship pursuant to which such shareholder or beneficial owner has a right to vote any shares of any security of the Corporation, (vi) any rights to dividends on the shares of the Corporation owned beneficially by such shareholder or beneficial owner that are separated or separable from the underlying shares of the Corporation, (vii) any proportionate interest in shares of capital stock of the Corporation or Derivative Instruments or other direct or indirect opportunity to profit or share in any profit held, directly or indirectly, by a general or limited partnership in which such shareholder or beneficial owner is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, (viii) any performance related fees (other than an asset based fee) that such shareholder or beneficial owner is entitled to based on any increase or decrease in the price or value of shares of any class or series of the Corporation, or any Derivative Instruments or other direct or indirect opportunity to profit or share

in any profit, if any, (ix) a description of any agreement, arrangement or understanding with respect to the proposal of business or action or nomination, as applicable, between or among such shareholder and such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, and a representation that such shareholder will notify the Corporation in writing of any such agreements, arrangements or understandings in effect as of the record date for the meeting (or action, as applicable) promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (x) a description of any material interest of such shareholder and such beneficial owner, if any, on whose behalf the proposal is made in such business or action, as applicable, and of any material benefit that such shareholder and such beneficial owner, if any, on whose behalf the proposal is made expects or intends to derive from such business or action, as applicable, (xi) a representation that such shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business, or nomination, as applicable, or a representation that such shareholder is a holder of record of stock of the Corporation entitled to consent to corporate action in writing without a meeting, as applicable, (xii) a representation whether such shareholder or such beneficial owner, if any, intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy (or consent, as applicable) to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal, or elect the nominee, as applicable, and/or (2) otherwise to solicit proxies (or consents, as applicable) from shareholders in support of such proposal, or nomination, as applicable, and (xiii) any other information that is required to be provided by such shareholder pursuant to Section 14 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act") (or any successor provision of the Exchange Act or the rules or regulations promulgated thereunder), in such shareholder's capacity as a proponent of a shareholder proposal or nomination, as applicable.

(c) A shareholder providing notice of business proposed to be brought before an annual meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 5.8 shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (or, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(d) Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 5.8, and no nominations shall be considered at an annual or special meeting of shareholders except in accordance with the procedures set forth in Section 5.9 below; provided, however, that the foregoing notice requirements of this Section 5.8 shall be deemed satisfied by a shareholder with respect to business other than a nomination if the shareholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such shareholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

(e) Except as otherwise provided by law, the Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 5.8, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. Notwithstanding the provisions of this Section 5.8, unless otherwise required by law, if the shareholder (or a qualified representative of the shareholder) does not appear at the annual meeting of shareholders of the Corporation to present proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such proposed business may have been received by the Corporation. For purposes of this Section 5.8, to be considered a qualified representative of the shareholder, a person must be a duly authorized officer, manager, partner or trustee of such shareholder or must be authorized by a writing executed by such shareholder or an electronic transmission delivered by such shareholder to act for such shareholder as proxy at the meeting of shareholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of shareholders.

(f) Notwithstanding the provisions of this Section 5.8 or Section 5.9, a shareholder shall also comply with all applicable requirements of the Exchange Act with respect to the matters set forth in this Section 5.8 and Section 5.9; provided, however, that any references in these By-Laws to the Exchange Act are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 5.8 or Section 5.9, and compliance with this Section 5.8 and Section 5.9 shall be the exclusive means for a shareholder to make nominations or submit other business (other than, as provided in Section 5.8(d) above, matters brought properly under and in compliance with Rule 14a-8 under the Exchange Act). Nothing in this Section 5.8 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to applicable rules and regulations promulgated under the Exchange Act.

(g) For purposes of these By-Laws, (i) "public disclosure" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and (ii) the terms "affiliate" and "associate" shall have the respective meanings given to such terms in Rule 12b-2 under the Exchange Act.

(5.9) Advance Notice of Nomination for Election of Directors at a Meeting.

(a) Subject to the rights of holders of any Preferred Stock then outstanding, and in addition to the rights of shareholders provided below in Section 5.11, nominations for the election of directors may be made by the Board or a committee authorized to do so by the Board, or by any shareholder of the Corporation who was a shareholder of record (and, with respect to any beneficial owner, if different, on whose behalf such nomination is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) (i) both at the time the notice provided for in this Section 5.9 is delivered to the Secretary of the Corporation and at the time of the meeting, (ii) who is entitled to vote for the election of directors at the applicable meeting and (iii) who otherwise complies with this Section 5.9. However, any shareholder entitled to vote in the election of directors may nominate one or more persons for election as directors at a meeting only if timely notice of such shareholder's intent to make such nomination or nominations has been given in proper written form to the Secretary of the Corporation and any updates or supplements to such notice have been provided at the times and in the forms required by this Section 5.9. To be timely, a shareholder notice of a nomination for a director to be elected at an annual meeting must be received at the Corporation's principal executive office addressed to the attention of the Secretary of the Corporation not less than ninety (90) calendar days nor more than one hundred twenty (120) calendar days in advance of the date of the one-year anniversary of the Corporation's previous year's annual meeting of shareholders. However, if no annual meeting was held in the previous year or the date of the annual meeting is more than thirty (30) calendar days before or more than sixty (60) calendar days after such anniversary date, such notice by the shareholder to be timely must be received by the Secretary of the Corporation not later than the close of business on the ninetieth (90th) calendar day prior to such annual meeting or, if later, the tenth (10th) calendar day following the day on which public disclosure of the date of the meeting was first made. In no event shall the public disclosure of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

(b) Such shareholder's notice to the Secretary of the Corporation shall set forth (i) as to each person whom the shareholder proposes to nominate for election or reelection as a director, (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class, series and number of shares of capital stock of the Corporation that are owned beneficially and of record by

the person, (D) a statement as to the person's citizenship, (E) the completed and signed representation and agreement described in Section 5.9(d), (F) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and the person, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the shareholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the person were a director or executive officer of such registrant, (G) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Section 14 of the Exchange Act, and (H) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected, and (ii) as to such shareholder, the Shareholder Information (other than clause (x) thereof). The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as director of the Corporation, including information that could be material to a reasonable shareholder's understanding of the independence or lack of independence of such proposed nominee.

(c) A shareholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 5.9 shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (or, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(d) To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under this Section 5.9) to the Secretary of the Corporation at the principal executive office of the Corporation a written questionnaire with respect to the background, qualification and independence of such person (which questionnaire shall be provided by the Secretary of the Corporation upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (b) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, and (iii) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with, applicable law and all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

(e) Nominations of persons for election to the Board may be made at a special meeting of shareholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board or any committee thereof or (ii) provided that the Board has determined that directors shall be elected at such special meeting, by any shareholder of the Corporation who was a shareholder of record (and, with respect to any beneficial owner, if different, on whose behalf such nomination is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) (A) both at the time the notice provided for in this Section 5.9 is delivered to the Secretary of the Corporation and at the time of the meeting, (B) who is entitled to vote at the meeting and upon such election, and (C) who otherwise complies with this Section 5.9. In the event the Corporation calls a special meeting of shareholders for the purpose of electing one or more directors to the Board, any such shareholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the shareholder's notice required by this Section 5.9 shall be received at the Corporation's principal executive office addressed to the attention of the Secretary of the Corporation not earlier than the close of business on the one hundred twentieth (120th) calendar day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) calendar day prior to such special meeting or the tenth (10th) calendar day following the day on which public disclosure is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

(f) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein. In connection with any annual meeting of the shareholders (or, if and as applicable, any special meeting of the shareholders), the Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he or she should so determine, he or she shall so declare to the meeting and the defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 5.9, unless otherwise required by law, if the shareholder (or a qualified representative of the shareholder) does not appear at the annual or special meeting of shareholders of the Corporation to present a nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 5.9, to be considered a qualified representative of the shareholder, a person must be a duly authorized officer, manager, partner or trustee of such shareholder or must be authorized by a writing executed by such shareholder or an electronic transmission delivered by such shareholder to act for such shareholder as proxy at the meeting of shareholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of shareholders.

(g) In addition to the requirements of this Section 5.9, with respect to any nomination proposed to be made at a meeting, each shareholder nominating one or more persons for election to the Board shall comply with all applicable requirements of the Exchange Act with respect to any such nominations.

(5.10) Shareholder List. The Secretary of the Corporation shall prepare and make, or cause to be prepared and made, at least ten days before every meeting of shareholders, a complete list of the shareholders, arranged in alphabetical order, and showing the address of each shareholder and the number of shares registered in the name of each shareholder. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city or other municipality or community where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any shareholder who is present. The stock ledger shall be the only evidence as to who are the shareholders entitled to examine the stock ledger, the list required by this subsection or the books of the Corporation, or to vote in person or by proxy at any meeting of shareholders.

(5.11) Shareholder Action by Written Consent.

(a) Request for Record Date. The record date for determining shareholders entitled to express consent to corporate action in writing without a meeting shall be as fixed by the Board or as otherwise established under this Section 5.11. Any person seeking to have the shareholders authorize or take corporate action by written consent without a meeting shall, by written notice addressed to the Secretary of the Corporation and delivered to the Corporation and signed by a shareholder of record, request that a record date be fixed for such purpose. Such person shall be a shareholder of record of the Corporation (and, with respect to any beneficial owner, if different, on whose behalf such action is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) (i) both at the time the notice is delivered to the Secretary of the Corporation and as of the record date, (ii) who is entitled to consent to corporate action in writing without a meeting and (iii) who otherwise complies with this Section 5.11. The proposed action must constitute a proper matter for shareholder action under the Business Corporation Law of New York. The written notice must contain the information set forth in paragraph (b) of this Section 5.11, and updates or supplements to such notice must be provided at the times and in the forms required by paragraph (b) of this Section 5.11. Following receipt of the notice, the Board shall have ten (10) calendar days to determine the validity of the request, and if appropriate, adopt a resolution fixing the record date for such purpose. The record date for such purpose shall be no more than twenty (20) calendar days after the date upon which the resolution fixing the record date is adopted by the Board and shall not precede the date such resolution is adopted. If the Board fails within ten (10) calendar days after the Corporation receives such notice to fix a record date for such purpose, the record date shall be the day on which the first written consent is delivered to the Corporation in the manner described in paragraph (d) of this Section 5.11; except that, if prior action by the Board is required under the provisions of New York law, the record date shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

(b) Notice Requirements. Any shareholder's notice required by paragraph (a) of this Section 5.11 must describe the action that the shareholder proposes to take by consent. For each such proposal other than nominations for the election of directors, every notice by a shareholder must set forth (i) as to each action that the shareholder proposes to take by consent, a brief description of the action that the shareholder proposes to take by consent, (ii) the text of the proposal (including the text of any resolutions to be effected by consent and the language of any proposed amendment to the By-Laws of the Corporation), (iii) the reasons for soliciting consents for the proposal, and (iv) as to such shareholder, the Shareholder Information.

A shareholder seeking to have the shareholders authorize or take corporate action by written consent without a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 5.11 shall be true and correct as of the record date for determining shareholders entitled to express consent to corporate action in writing without a meeting and as of the date that is five (5) business days prior to the date the consent solicitation is commenced, and such update and supplement shall be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the Corporation not later than five (5) business days after such record date (in the case of the update and supplement required to be made as of the record date), and not later than three (3) business days prior to the date the consent solicitation is commenced (in the case of the update and supplement required to be made as of five (5) business days prior to the date the consent solicitation is commenced).

Notwithstanding anything in these By-Laws to the contrary, no action may be taken by the shareholders by written consent without a meeting except in accordance with this Section 5.11. If the Board shall determine that any request to fix a record date or to take shareholder action by written consent without a meeting was not properly made in accordance with the provisions of this Section 5.11, or the shareholder or shareholders seeking to take such action do not otherwise comply with the provisions of this Section 5.11, including paragraph (b) of this Section 5.11, then the Board shall not be required to fix a record date and any such purported action by written consent shall be null and void to the fullest extent permitted by applicable law. In addition to the requirements of this Section 5.11 with respect to shareholders seeking to take an action by written consent without a meeting, each person seeking to have the shareholders authorize or take corporate action by written consent without a meeting shall comply with all requirements of applicable law, including all requirements of the Exchange Act, with respect to such action.

(c) Date of Consent. Every written consent purporting to take or authorize the taking of corporate action (each such written consent is referred to in this paragraph and in paragraph (d) as a "Consent") must bear the date of signature of each shareholder who signs the Consent, and no Consent shall be effective to take the corporate action referred to therein unless, within sixty (60) calendar days of the earliest dated Consent delivered in the manner required by this Section 5.11, Consents signed by a sufficient number of shareholders to take such action are so delivered to the Corporation.

(d) Delivery of Consent. Consent must be delivered to the Corporation by delivery to its principal executive office. Delivery must be made by hand or by certified or registered mail, return receipt requested.

In the event of the delivery to the Corporation of Consents, the Secretary of the Corporation, or such other officer of the Corporation as the Board may designate, shall provide for the safekeeping of such Consents and any related revocations and shall promptly conduct such ministerial review of the sufficiency of all Consents and any related revocations and of the validity of the action to be taken by shareholder consent as the Secretary of the Corporation, or such other officer of the Corporation as the Board may designate, as the case may be, deems necessary or appropriate, including, without limitation, whether the holders of a number of shares having the requisite voting power to authorize or take the action specified in Consents have given consent; provided, however, that the Secretary of the Corporation, or such other officer of the Corporation as the Board may designate, as the case may be, may alternatively designate one or more persons, who shall not be members of the Board, to serve as inspectors ("Inspectors") with respect to such Consent and such Inspectors shall discharge the functions of the Secretary of the Corporation, or such other officer of the Corporation as the Board may designate, as the case may be, under this Section 5.11. If after such investigation the Secretary of the Corporation, such other officer of the Corporation as the Board may designate, or the Inspectors, as the case may be, shall determine that the action purported to have been taken is duly authorized by the Consents, that fact shall forthwith be certified on the records of the Corporation kept for the purpose of recording the proceedings of meetings of shareholders, and the Consents shall be filed in such records.

In conducting the investigation required by this Section 5.11, the Secretary of the Corporation, such other officer of the Corporation as the Board may designate, or the Inspectors, as the case may be, may, at the expense of the Corporation, retain special legal counsel and any other necessary or appropriate professional advisors, and such other personnel as such person or persons may deem necessary or appropriate and shall be fully protected in relying in good faith upon the advice of such counsel or advisors.

(e) Effectiveness of Consent. No action by written consent without a meeting shall be effective until such date as the Secretary of the Corporation, such other officer of the Corporation as the Board may designate, or the Inspectors, as applicable, certify to the Corporation that the consents delivered to the Corporation in accordance with paragraph (d) of this Section 5.11 represent at least the minimum number of votes that would be necessary to take the corporate action.

(f) Challenge to Validity of Consent. Nothing contained in this Section 5.11 shall in any way be construed to suggest or imply that the Board or any shareholder shall not be entitled to contest the validity of any Consent or related revocations, whether before or after such certification by the Secretary of the Corporation, such other officer of the Corporation as the Board may designate, or the Inspectors, as the case may be, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

(6.1) Descriptions; Election; Term of Office.

(a) The officers of the Corporation may consist of a Chief Executive Officer, a President, a Chief Operating Officer, and a Chief Financial Officer (the aforementioned collectively hereinafter referred to as the "Executive Officers"), a Secretary, a Treasurer, and such other officers, including, but not limited to, a Chairman of the Board, and one or more Vice Presidents, as the Board may from time to time deem advisable. Any officer of the Corporation may be, but is not required to be, a director of the Corporation. Any two or more offices may be held by the same person.

(b) Executive Officers of the Corporation shall be elected and appointed by the Board at the regular annual meeting of the Board following the annual meeting of shareholders.

(c) Each Executive Officer shall hold office until the annual meeting of the Board next succeeding his election, and until his successor shall have been elected and qualified, or until his death, resignation or removal.

(6.2) Resignation. Any officer may resign at any time by giving written notice of such resignation to the Board or Chief Executive Officer of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board or Chief Executive Officer, and the acceptance of such resignation shall not be necessary to make it effective.

(6.3) Removal. Any officer may be removed by the Board, with or without cause, and a successor elected by the Board at any time, by resolution passed by a majority of the members of the entire Board, unless such officer has an agreement with the Corporation which states specific requirements for removal of such officer.

(6.4) Vacancies. A vacancy in any office by reason of death, resignation, inability to act, disqualification, or any other cause, may at any time be filled for the unexpired portion of the term by the Board, by resolution passed by a majority of the members of the entire Board.

(6.5) Continuation in Office. Unless otherwise provided by the Board, each Executive Officer, and other officers of the Corporation who serve at the pleasure of the Board, shall serve until death, incapacity, resignation or removal by the Board. Any resignation or removal shall be without prejudice to any contractual rights of the Corporation or the officer.

(6.6) Duties in General. Subject to these By-Laws, the authority and duties of all officers shall be determined by, or in the manner prescribed by, the Board. Except as may be specifically restricted by the Board, any officer may delegate any of his authority and duties to any subordinate officer.

(6.7) Duties of Chief Executive Officer. The Chief Executive Officer (CEO), or in the absence of a Chief Executive Officer, the Chief Operating Officer (COO), shall be the principal executive officer of the Corporation and, subject to the control of the Board, shall in general supervise and control all of the day-to-day business and affairs of the Corporation. The CEO may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board, certificates for shares of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments that the Board has authorized to be executed, except in cases where the signing and execution shall be expressly delegated by the Board, the CEO, or by these By-Laws to some other officer or agent of the Corporation or shall be required by law to be otherwise signed or executed, and in general shall perform all duties incident to the office of CEO and such other duties as may be prescribed by the Board from time to time.

(6.8) Duties of President; Vice Presidents. The President, or in the absence or incapacity of the President, a Vice President or Vice Presidents designated by the CEO or the President, shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The President shall oversee all the day-to-day operations of the Corporation's business and its subsidiaries and shall report to the CEO. The Corporation's Vice President & General Counsel, charged with the oversight of the Corporation's legal matters, shall report to the CEO. Each of the Corporation's other Vice Presidents, and the heads of each of the Corporation's other subsidiaries, shall perform the duties assigned to them by the CEO, COO or President, as applicable, and shall report to the Executive Officer designated by the CEO.

(6.9) Duties of Secretary. The Secretary shall record the minutes of the shareholders and Board meetings, see that all notices are duly given in accordance with the provisions of these By-Laws or as otherwise required, be custodian of the corporate records and of the seal of the Corporation (if any), keep a register of the post office addresses of each shareholder, have general charge of the share transfer books of the Corporation, and in general perform all duties incident to the office of Secretary and other duties as may be assigned by the CEO or the Board.

(6.10) Duties of Chief Financial Officer and Treasurer. The Corporation's Chief Financial Officer (CFO), who shall also serve as the Corporation's Treasurer, shall be charged with the oversight of the Corporation's fiscal operations and financial reporting. The CFO shall have charge and custody of and be responsible for all funds and securities of the Corporation and its subsidiaries, shall receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in the banks, trust companies or other depositories as shall be selected in accordance with these By-Laws, and in general perform all the duties incident to the office of CFO and Treasurer and such other duties as may be assigned by the CEO. The CFO shall report directly to the CEO and the Board.

(6.11) Shares of Other Corporations. Whenever the Corporation is the holder of shares of any other corporation, any right or power of the Corporation as such shareholder (including the attendance, acting and voting at shareholder meetings and execution of waivers, consents, proxies or other instruments) may be exercised on behalf of the Corporation by the appropriate Executive Officer, or his authorized designee.

ARTICLE 7 - DIVIDENDS

(7.1) Dividends. Subject to applicable law and the Certificate, dividends may be declared and paid out of any funds available therefor, as often, in such amounts, and at such time or times as the Board may determine, provided, however, that the Corporation is not insolvent when such dividend is paid or rendered insolvent by the payment of such dividend.

ARTICLE 8 - FISCAL YEAR

(8.1) Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board from time to time, subject to applicable law.

ARTICLE 9 - CORPORATE SEAL

(9.1) Form. The corporate seal, if any, shall be in such form as shall be approved from time to time by the Board.

(9.2) Use. The seal, if any, may be used by causing it to be impressed directly on the instrument or writing to be sealed, or upon an adhesive substance annexed. The seal on certificates for shares or other documents may be a facsimile, engraved or imprinted.

ARTICLE 10 – INDEMNIFICATION OF DIRECTORS AND OFFICERS

(10.1) Indemnification of Directors and Officers. Except to the extent expressly prohibited by the Business Corporation Law of New York, the Corporation shall indemnify each person made or threatened to be made a party to any action or proceeding, whether civil or criminal, by reason of the fact that such person or such person's testator or intestate is or was a director, officer or employee of the Corporation, or serves or served at the request of the Corporation, any other Corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgment, fines, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred in connection with such action or proceeding, or any appeal therein, provided that no such indemnification shall be made if a judgment or other final adjudication adverse to such person establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled, and provided further that no such indemnification shall be required with respect to any settlement or other non-adjudicated disposition of any threatened or pending action or proceeding unless the Corporation has given its prior consent to such settlement or other disposition.

The Corporation may advance or promptly reimburse upon request any person entitled to indemnification hereunder for all expenses, including attorneys' fees, reasonably incurred in defending any action or proceeding in advance of the final disposition thereof upon receipt of an undertaking by or on behalf of such person to repay such amount if such person is ultimately found not to be entitled to indemnification or, where indemnification is granted, to the extent the expenses so advanced or reimbursed exceed the amount to which such person is entitled, provided, however, that such person shall cooperate in good faith with any request by the Corporation that common counsel be utilized by the parties to an action or proceeding who are similarly situated unless to do so would be inappropriate due to actual or potential differing interests between or among such parties.

Nothing herein shall limit or affect any right of any person otherwise than hereunder to indemnification or expenses, including attorneys' fees, under any statute, rule, regulation, certificate of incorporation, by-law, insurance policy, contract or otherwise.

Anything in these By-Laws to the contrary notwithstanding, no elimination of these By-Laws, and no amendment of these By-Laws adversely affecting the right of any person to indemnification or advancement of expenses hereunder shall be effective until the 60th day following notice to such person or such action, and no elimination of or amendment to these By-Laws shall deprive any person of his or her rights hereunder arising out of alleged or actual occurrences, acts or failures to act prior to such 60th day.

The Corporation shall not, except by elimination or amendment of this by law in a manner consistent with the preceding paragraph, take any corporate action or enter into any agreement which prohibits, or otherwise limits the rights of any person to, indemnification in accordance with the provisions of these By-Laws. The indemnification of any person provided by these By-Laws shall continue after such person has ceased to be a director, officer or employee of the Corporation and shall inure to the benefit of such person's heirs, executors, administrators and legal representatives.

The Corporation is authorized to enter into agreements with any of its directors, officers or employees extending rights to indemnification and advancement of expenses to such person to the fullest extent permitted by applicable law, but the failure to enter into any such agreement shall not affect or limit the rights of such person pursuant to these By-Laws, it being expressly recognized hereby that all directors, officers and employees of the Corporation, by serving as such after the adoption hereof, are acting in reliance hereon and that the Corporation is stopped to contend otherwise.

In case any provision in these By-Laws shall be determined at any time to be unenforceable in any respect, the other provisions shall not in any way be affected or impaired thereby, and the affected provision shall be given the fullest possible enforcement in the circumstances, it being the intention of the Corporation to afford indemnification and advancement of expenses to its directors, officers and employees, acting in such capacities or in the other capacities mentioned herein, to the fullest extent permitted by law.

For purposes of these By-Laws, the Corporation shall be deemed to have requested a person to serve an employee benefit plan where the performance by such person of his or her duties to the Corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan, and excise taxes assessed on a person with respect to an employee benefit plan pursuant to applicable law shall be considered indemnifiable expenses. For purposes of these By-Laws, the term "Corporation" shall include any legal successor to the Corporation, including any corporation which acquires all or substantially all of the assets of the Corporation in one or more transactions.

(10.2) Insurance For Indemnification of Directors and Officers. The Corporation shall have the power to purchase and maintain insurance for its directors and officers subject to the provisions of Section 726 of the Business Corporation Law of New York.

ARTICLE 11 - AMENDMENTS

(11.1) By Directors. The Board shall have power to make, adopt, alter, amend and repeal, from time to time, the By-Laws of the Corporation; provided, however, that the shareholders entitled to vote with respect thereto as in Article 10 above-provided may alter, amend or repeal the By-Laws made by the Board, except that the Board shall have no power to change the quorum for meetings of shareholders or of the Board, or to change any provisions of the By-Laws with respect to the removal of directors or the filling of vacancies in the Board resulting from the removal by the shareholders. If any By-Laws regulating an impending election of directors is adopted, amended or repealed by the Board, there shall be set forth in the notice of the next meeting of shareholders for the election of Directors, the By-Laws so adopted, amended or repealed, together with a concise statement of the changes made.

ARTICLE 12 -WAIVER OF NOTICE

(12.1) Shareholders. Whenever any notice is required to be given by law, the Certificate or these By-Laws to the shareholders of the Corporation of a meeting of shareholders, a written waiver of notice submitted to the Corporation before or after the meeting or the attendance at the meeting by any shareholder, shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting to the lack of notice thereof, prior to the conclusion of the meeting.

(12.2) Directors. Whenever any notice is required to be given by law, the Certificate or these By-Laws to the directors of the Corporation of a special meeting of the Board, a written waiver of notice submitted to the Corporation before or after the meeting or the attendance at the meeting by any director, shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting the lack of notice thereof, prior to the commencement of the meeting.

ADOPTED BY THE BOARD OF DIRECTORS OF THE CORPORATION AND EFFECTIVE AS OF APRIL 26, 2019.

AMENDMENT NO. 1
TO
FIFTH AMENDED AND RESTATED BY-LAWS
OF
DSS, INC.
(F.K.A. DOCUMENT SECURITY SYSTEMS, INC.)

(A New York Corporation)

The Fourth Amended and Restated By-Laws (the "By-laws") of DSS, Inc. (f.k.a. Document Security Systems, Inc.) (the "Corporation") are hereby amended as follows:

Article 5, Section 5.6 of the By-Laws is deleted in its entirety and replaced with the following:

(5.6) Quorum.

(a) Except as otherwise provided herein, or by statute, or in the Certificate, at all meetings of shareholders of the Corporation, the presence at the commencement of such meetings in person or by proxy of shareholders holding of record thirty-five percent (35%) of the total number of shares of the Corporation then issued and outstanding and entitled to vote, shall be necessary and sufficient to constitute a quorum for the transaction of any business. The withdrawal of any shareholder after the commencement of a meeting shall have no effect on the existence of a quorum, after a quorum has been established at such meeting.

(b) Despite the absence of a quorum at any annual or special meeting of shareholders, the shareholders, by a majority of the votes cast by the holders of shares entitled to vote thereon, may adjourn the meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called if a quorum had been present.

Except as herein amended, the provisions of the By-Laws shall remain in full force and effect.

Dated this 2nd day of June 2022.

DSS, INC.

/S/ Frank D. Heuszel

Frank D. Heuszel
Chief Executive Officer

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (this “**Agreement**”) is made as of July 1, 2023 (the “**Effective Date**”) by and between Decentralized Sharing Systems, Inc., a Nevada Corporation, (the “**Seller**”), and Sharing Services Global Corporation, a Nevada Corporation (the “**Buyer**”).

RECITALS

WHEREAS, Seller and Buyer are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), and Rule 506(b) of Regulation D (“**Regulation D**”) as promulgated under the Securities Act;

WHEREAS, Seller owns all of the issued and outstanding shares of common stock, (the “**Shares**”) of HWHH Holdings, Inc., a Texas corporation (“**HWHH**”);

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Shares, subject to the terms and conditions set forth herein;

WHEREAS, Seller wishes to sell 1,000 shares of common stock, par value \$0.01 per share, representing all of the issued and outstanding shares of common stock of HWHH (the “**HWHH Shares**”) to Buyer in consideration of i) \$10.00 paid immediately in cash (the “**Cash Proceeds**”) and ii) up to a maximum of \$1,210,224.31 (MYR 5,646,906.63 – Malaysian Ringgit) paid from Gross Proceeds (as defined hereinafter) generated from the sale of HWHH’s inventory (the “**Inventory Proceeds**”), as described and priced in detail in exhibit A (“**EXHIBIT A**”), payable on a quarterly basis from the Effective Date; as well as upon the terms and conditions set forth in this Agreement.

WHEREAS, Buyer wishes to purchase the HWHH Shares from Seller in consideration for the Cash Proceeds and Inventory Proceeds (together, the “Purchase Price”), upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

1. SALE AND PURCHASE OF SHARES.

1.1 On the terms and subject to the conditions set forth in this Agreement, on the Effective Date (the “**Closing**”) Seller will sell, convey, transfer and assign to Buyer, free and clear of all liens, pledges, encumbrances, changes, restrictions or known claims of any kind, nature or description, and Buyer will purchase by payment of the Cash Proceeds and accept from Seller, the HWHH Shares. In consideration therefor, Buyer will accept from Seller, the HWHH Shares, free and clear of all liens, pledges, encumbrances, changes, restrictions or known claims of any kind, nature or description. Buyer accepts the entirety of the Company, as is, with all liabilities and assets unless otherwise stated in section 1.7.

1.2 Notwithstanding anything to the contrary contained herein this Agreement, Buyer shall not be obligated to pay any Inventory Proceeds generated more than three (3) years after the Effective Date.

1.3 Intentionally omitted.

1.4 For the purposes of calculating the Inventory Proceeds, “Gross Proceeds” shall mean any amounts that Buyer receives from the sale of HWHH’s inventory, net of the related cost of goods as detailed in Exhibit A.

1.5 Intentionally omitted.

1.6 Buyer shall provide Seller with access and the right to any books and records relating to HWHH, for a period of three (3) years from the Effective Date, to allow for full transparency and accountability in verifying calculations related to the Inventory Proceeds.

2. REPRESENTATIONS AND WARRANTIES.

2.1 REPRESENTATIONS AND WARRANTIES BY SELLER.

(a) Requisite Power and Authority. Seller has all necessary power and authority to execute and deliver this Agreement and the other agreements and instruments entered into or delivered by any of the parties hereto in connection with the transactions contemplated hereby and thereby (the “**Transaction Documents**”) and to carry out their provisions. All action on Seller’s part required for the execution and delivery of this Agreement and the other Transaction Documents has been taken. Upon its execution and delivery, this Agreement and the other Transaction Documents will be valid and binding obligations of Seller, enforceable in accordance with their respective terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors’ rights, and (b) as limited by general principles of equity that restrict the availability of equitable remedies.

(b) No Violations. The execution and delivery of the Transaction Documents, and the consummation by Seller of the transactions contemplated thereby, does not result in a violation of any law, rule, regulation, order, judgment or decree (foreign or domestic and including federal and state securities laws and regulations) applicable to the Company or by which any material property or asset of Seller is bound or affected other than any of the foregoing which would not have a Material Adverse Effect.

(c) Good Title. The HWHH Shares are owned free and clear of any lien, encumbrance, adverse claim, restriction on sale, transfer or voting (other than restrictions imposed by applicable securities laws), preemptive right, option or other right to purchase, and upon the consummation of the sale of such HWHH Shares as contemplated hereby, Buyer will have good title to such HWHH Shares, free and clear of any lien, encumbrance, adverse claim, restriction on sale, transfer or voting (other than restrictions imposed by applicable securities laws), preemptive right, option or other right to purchase.

2.2 REPRESENTATIONS AND WARRANTIES BY BUYER.

Buyer represents and warrants to Seller, as of the date hereof, as follows:

(a) Investment Representations.

- (i) Buyer understands that the HWHH Shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or any other applicable securities laws. Buyer also understands that the HWHH Shares are being offered pursuant to an exemption from the registration requirements of the Securities Act, under Section 4(2) and/or Regulation D of the Securities Act. Seller acknowledges that Buyer will rely on Seller's representations, warranties and certifications set forth below for purposes of determining Seller's suitability as an investor in the HWHH Shares and for purposes of confirming the availability of the Section 4(2) and/or Regulation D exemption from the registration requirements of the Securities Act.
- (ii) Buyer has received all the information it considers necessary or appropriate for deciding whether to acquire the HWHH Shares. Buyer understands the risks involved in an investment in the HWHH Shares. Buyer further represents that it, through its authorized representatives, has had an opportunity to ask questions and receive answers from Seller regarding the terms and conditions of the offering of the HWHH Shares and the business, properties, prospects, and financial condition of HWHH and to obtain such additional information (to the extent Buyer possessed such information or could acquire it without unreasonable effort or expense) necessary to verify the accuracy of any information furnished to Seller or to which Seller had access. Seller further represents that it is an "accredited investor" within the meaning of Rule 501(a) of the Securities Act.
- (iii) Buyer is acquiring the HWHH Shares for its own account for business and strategic development only and not with a view towards their resale or "distribution" (within the meaning of the Securities Act) of any part of the HWHH Shares.

- (iv) Buyer understands that the HWHH Shares may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws or pursuant to an exemption therefrom, and in each case in compliance with the conditions set forth in this Agreement. Buyer acknowledges and is aware that the HWHH Shares may not be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met and until Seller has held the HWHH Shares for the applicable holding period under Rule 144.
- (v) Buyer acknowledges and agrees that each certificate representing the HWHH Shares, or book entry made in lieu of certificates, shall bear a legend substantially in the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE. THE SECURITIES MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AND SUCH LAWS."

(b) **No Reliance.** Buyer has not relied on and is not relying on any representations, warranties or other assurances regarding Seller other than the representations and warranties expressly set forth in this Agreement.

(c) **Organization and Good Standing.** Buyer is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, as the case may be.

(d) **Requisite Power and Authority.** Buyer has all necessary power and authority to execute and deliver this Agreement and the other Transaction Documents and to carry out their provisions. All action on Buyer's part required for the execution and delivery of this Agreement and the other Transaction Documents has been taken. Upon its execution and delivery, this Agreement and the other Transaction Documents will be valid and binding obligations of Buyer, enforceable in accordance with their respective terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, and (b) as limited by general principles of equity that restrict the availability of equitable remedies.

(e) **No Reliance.** Buyer has not relied on and is not relying on any representations, warranties or other assurances regarding HWHH other than the representations and warranties expressly set forth in this Agreement.

2.3 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The representations and warranties shall survive the Closing for a period of 12 months and shall be fully enforceable at law or in equity against the parties and each party's successors and assigns.

3. CLOSING.

3.1 Conditions to Seller's Obligations. The obligations of Seller under this Agreement, (including, without limitation, the obligation to transfer the HWHH Shares) shall be subject to satisfaction of the following conditions, unless waived by Seller: (i) Buyer shall have performed in all material respects all agreements, and satisfied in all material respects all conditions on its part to be performed or satisfied hereunder, at or prior to the Closing; (ii) all of the representations and warranties of Buyer herein shall have been true and correct in all respects when made, shall have continued to have been true and correct in all respects at all times subsequent thereto, and shall be true and correct in all material respects on and as of the Closing as though made on, as of, and with reference to such Closing; (iii) Buyer shall have obtained or made, as applicable, all consents, authorizations and approvals from, and all declarations, filings and registrations required to consummate the transactions contemplated by this Agreement, including all items required under the incorporation document and bylaws of Buyer; (iv) Buyer shall have reviewed this Agreement and the transactions contemplated herein (the "Transaction").

3.2 Conditions to Buyer's Obligations. The obligations of Buyer under this Agreement, (including, without limitation, the obligation to pay the Seller the Cash Proceeds and Inventory Proceeds, shall be subject to satisfaction of the following conditions, unless waived by Buyer: (i) Seller shall have performed in all respects all agreements, and satisfied in all respects all conditions on his part to be performed or satisfied hereunder, at or prior to the Closing; (ii) all of the representations and warranties of Seller herein shall have been true and correct in all material respects when made, shall have continued to have been true and correct in all material respects at all times subsequent thereto, and shall be true and correct in all material respects on and as of the Closing as though made on, as of, and with reference to such Closing; (iii) Seller shall have executed and delivered to Buyer all documents necessary to transfer the HWHH Shares to Buyer, as contemplated by this Agreement; and (iv) Seller shall have obtained or made, as applicable, all consents, authorizations and approvals from, and all declarations, filings and registrations required to consummate the transactions contemplated by this Agreement.

3.3 Closing Documents. At the Closing

(a) Seller shall deliver to Buyer, in form and substance reasonably satisfactory to Buyer a duly executed copy of this Agreement, together with any other Transaction Documents (ii) certificates evidencing the HWHH Shares, together with stock powers duly for such certificates to allow such certificates to be registered in the name of Buyer, or evidence of such book-entry transfer of the HWHH Shares to Buyer.

(b) Buyer shall deliver to Seller, in form and substance reasonably satisfactory to Seller (i) a duly executed copy of this Agreement, together with any other Transaction Documents (ii) copies of resolutions adopted by the board of directors of Buyer and certified by the Secretary of Buyer authorizing the execution and delivery of, and performance of Buyer's obligations under, this Agreement.

4. MISCELLANEOUS.

4.1 ADDRESSES AND NOTICES. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via e-mail transmission prior to 5:00 P.M., New York City time, on a trading day, (b) the next trading day after the date of transmission, if such notice or communication is delivered via e-mail transmission on a day that is not a trading day or later than 5:00 P.M., New York City time, on any trading day, (c) the trading day following the date of mailing, if sent by U.S. nationally recognized overnight courier service with next day delivery specified, or (d) upon actual receipt by the party to whom such notice is required to be given. The address and e-mail address for such notices and communications shall be as follows:

If to Buyer to:	Sharing Services Global Corporation Address: 5200 Tennyson Parkway Plano TX 75024
If to Seller to:	Decentralized Sharing Systems, Inc. Address: 275 Wiregrass Pkwy Henrietta, New York 14586
With copies to:	Sichenzia Ross Ference LLP 1185 Avenue of the Americas, 31 st Floor New York, New York 10036 Attention: Darrin M. Ocasio Facsimile No.: (212) 930-9725 Sichenzia Email: DMOcasio@SRF.LAW

Any such person may by notice given in accordance with this Section 4.1 to the other parties hereto designate another address or person for receipt by such person of notices hereunder.

4.2 TITLES AND CAPTIONS. TITLES AND CAPTIONS. All Article and Section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and do not in any way define, limit, extend or describe the scope or intent of any provisions hereof.

4.3 ASSIGNABILITY. This Agreement is not transferable or assignable by the undersigned.

4.4 PRONOUNS AND PLURALS. 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 and vice versa.

4.5 FURTHER ACTION. The parties shall execute and deliver all documents, provide all information and take or forbear from taking all such action as may be necessary or appropriate to achieve the purposes of this Agreement. Each party shall bear its own expenses in connection therewith.

4.6 APPLICABLE LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas without regard to its conflict of law rules.

4.7 BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors, legal representatives, personal representatives, permitted transferees and permitted assigns. If the undersigned is more than one person, the obligation of the undersigned shall be joint and several and the agreements, representations, warranties and acknowledgments herein contained shall be deemed to be made by and be binding upon each such person and such person's heirs, executors, administrators and successors.

4.8 INTEGRATION. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes and replaces all prior and contemporaneous agreements and understandings, whether written or oral, pertaining thereto, including without limitation, the Prior Agreement. No covenant, representation or condition not expressed in this Agreement shall affect or be deemed to interpret, change or restrict the express provisions hereof.

4.9 AMENDMENT. Neither this Agreement nor any term or provision hereof may be amended, modified, waived or supplemented orally, but only by a written consent executed by the parties hereto.

4.10 CREDITORS. None of the provisions of this Agreement shall be for the benefit of or enforceable by creditors of any party.

4.11 WAIVER. No failure by any party to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement or to exercise any right or remedy available upon a breach thereof shall constitute a waiver of any such breach or of such or any other covenant, agreement, term or condition.

4.12 RIGHTS AND REMEDIES. The rights and remedies of each of the parties hereunder shall be mutually exclusive, and the implementation of one or more of the provisions of this Agreement shall not preclude the implementation of any other provision.

4.13 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. 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 was an original thereof.

SIGNATURES ON THE FOLLOWING PAGES

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their respective representatives hereunto authorized as of the day and year first above written.

By Seller:

DECENTRALIZED SHARING SYSTEMS, INC.

By:

Name:

Title:

By Buyer:

SHARING SERVICES GLOBAL CORPORATION

By:

Name:

Title:

EXHIBIT A

EXHIBIT B

Assignment and Assumption Agreement

This Assignment and Assumption Agreement ("Agreement") made effective as of July 1, 2023 (the "Effective Date"), is entered into by and among Sharing Services Global Corporation, a Nevada corporation ("Assigning Party"), Ascend Management Pte. Ltd., a Singaporean private limited company ("Assuming Party"), and Decentralized Sharing Systems, Inc., a Nevada corporation ("Decentralized") (solely with respect to Section 5 hereof).

RECITALS

WHEREAS, Assigning Party purchased 1,000 shares of common stock, par value \$0.01 per share, of HWH Holdings, Inc., a Texas corporation ("HWH"), representing all of the issued and outstanding shares of capital stock of HWH (the "Assigned Stock"), pursuant to that certain Securities Purchase Agreement made as of July 1, 2023 by and between Decentralized and Assigning Party, a copy of which, together with all amendments thereto, is attached hereto as Exhibit A (the "Prior Agreement"); and

WHEREAS, Assigning Party wishes to assign the Assigned Stock and its rights and obligations under the Prior Agreement to the Assuming Party on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set out herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption.

1.1 Assignment of Assigned Stock. In consideration of the payment of \$1,000 to Assigning Party on or prior to the Effective Date and the Assumption of Liabilities (as defined below), Assigning Party irrevocably sells, assigns, grants, conveys, and transfers to Assuming Party all of Assigning Party's right, title, and interest in and to the Assigned Stock.

1.2 Assumption of Liabilities. Assuming Party unconditionally accepts such assignment and assumes all of Assigning Party's duties, liabilities, and obligations under the Prior Agreement, including, without limitation, Assigning Party's obligation to pay the Inventory Proceeds (as defined in the Prior Agreement) to Decentralized, and agrees to pay, perform, and discharge, as and when due, all of the obligations of Assigning Party under the Prior Agreement.

2. Acknowledgment Regarding Business Consulting Agreement. Assuming Party: (i) acknowledges that simultaneously herewith Assigning Party, Assuming Party and HWH are entering into a Business Consulting Agreement substantially in the form attached hereto as Exhibit B (the "BCA"); and (ii) covenants and agrees that it will cause HWH to fulfill its obligations thereunder.

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

3. Representations and Warranties of Assigning Party. The Assigning Party represents and warrants that: (a) Assigning Party is the true and lawful owner of the Assigned Stock and has good title to the same; (b) the Assigning Party has made no prior assignment or sale of the Assigned Stock and that no other person or entity has any right, title, or interest therein; (c) the execution and delivery hereof by the Assigning Party and the assignment of all its right, title, and interest in and to the Assigned Stock does not contravene its governing documents or any agreement to which the Assigning Party is a party or by which it or its property is bound; (d) no liens, encumbrances, charges, or security interests of any kind exist on the date hereof against the Assigned Stock; and (e) Assigning Party hereby warrants and defends title to the Assigned Stock to Assuming Party against the claims and demands of all persons.

4. Representations and Warranties of Assuming Party. Assuming Party has been advised that the Assigned Stock is not registered under the Securities Act of 1933 nor under the securities act of any state and represents, warrants, and agrees that: (a) Assuming Party is acquiring the securities represented by the Assigned Stock for its own account, solely for investment purposes, and not with a view to resale of said securities; (b) Assuming Party has such knowledge and experience in business and financial matters which enables it to be capable of evaluating the risks and merits of this investment; (c) Assuming Party is able to bear the economic risks of this investment; (d) the Assigned Stock will be not resold or otherwise transferred or assigned by Assuming Party without appropriate compliance with the registration provisions of the Securities Act of 1933 and applicable state blue sky laws or exemption therefrom; and (e) Assuming Party has been provided with access to all information which it deems material to formulating an investment decision and that such information has been sufficient to make an informed decision.

5. Waiver. Assigning Party and Assuming Party acknowledge that the Prior Agreement is not transferable or assignable pursuant to Section 4.3 of the Prior Agreement, and that by virtue of Decentralized's acknowledgement and consent reflected at the signature page of the Agreement, it is understood that Decentralized has agreed that compliance with Section 4.3 of the Prior Agreement is hereby waived.

6. Acceptance by Assuming Party. Assuming Party: (a) accepts the assignment of all Assigning Party's right, title, and interest in and to the Assigned Stock; and (b) agrees to be bound by all the terms, covenants, and conditions of this Agreement and of the Prior Agreement. Assuming Party hereby indemnifies and holds Assigning Party, and its officers, directors, stockholders, employees, members, and agents harmless against any and all losses, costs, and expenses (including reasonable attorneys' fees) arising out of any obligations of Assuming Party relating to the Assigned Stock or the Assumed Liabilities which occur on or after, or arise from events occurring on or after, the date hereof.

7. Further Assurances. Assigning Party shall promptly execute and deliver to Assuming Party any additional instrument or other document which Assuming Party reasonably requests to evidence or better effect the assignments contained herein.

8. Heirs, Successors, and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

9. Defined Terms. Capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to such terms in the Prior Agreement.

10. Notices. Each party shall deliver all notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a "Notice") in writing and addressed to the other party at its address set out below (or to such other address that the receiving party may designate from time to time in accordance with this section). Each party shall deliver all Notices by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile or email (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

Notice to Assuming Party to:

Ascend Management Pte. Ltd.
Address: 70B Telok Blangah Heights
#04-517, Telok Blangah Heights,
Singapore (102070)
Attention: Mr. Tan Teck Liang
Telephone: +65 81557263
Email: 4damtl@gmail.com

Notice to Assigning Party to:

Sharing Services Global Corporation
Address: 5200 Tennyson Parkway
Plano, TX 75024
Attention: John "JT" Thatch
Telephone: 469-304-9400 Ext. 201
Email: jt@shrginc.com

If to Decentralized to:

Decentralized Sharing Systems, Inc.
Address: 1400 Broadfield Blvd., Ste. 100
Houston, Texas 77084
Attention: Travis Heuszel, Esq.
Telephone: (281) 467-0701
Email: Travis.Heuszel@DSSWorld.com

With copies to:

Sichenzia Ross Ference LLP
1185 Avenue of the Americas, 31st Floor

New York, New York 10036
Attention: Darrin M. Ocasio, Esq.
Facsimile No.: (212) 930-9725
Sichenzia Email: DMOcasio@SRF.LAW

11. Interpretation. For purposes of this Agreement: (a) the words "include," "includes," and "including" are deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references in this Agreement: (x) to sections, schedules, and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; (y) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. The parties drafted this Agreement without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The schedules and exhibits referred to herein are an integral part of this Agreement to the same extent as if they were set out verbatim herein.

12. Headings. The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement.

13. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability does not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. On such determination that any term or other provision is invalid, illegal, or unenforceable, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to affect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

14. Entire Agreement. This Agreement, together with all related exhibits and schedules, is the sole and entire agreement of the parties to this Agreement regarding the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

15. Amendment and Modification. No amendment to or rescission, termination, or discharge of this Agreement is effective unless it is in writing, identified as an amendment to or rescission, termination, or discharge of this Agreement and signed by an authorized representative of each party to this Agreement.

16. Waiver.

(a) No waiver under this Agreement is effective unless it is in writing, identified as a waiver to this Agreement, and signed by an authorized representative of the party waiving its right.

(b) Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated, and does not operate as a waiver on any future occasion.

(c) None of the following is a waiver or estoppel of any right, remedy, power, privilege, or condition arising from this Agreement:

(i) any failure or delay in exercising any right, remedy, power, or privilege or in enforcing any condition under this Agreement; or

(ii) any act, omission, or course of dealing between the parties.

17. Cumulative Remedies. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the parties or otherwise.

18. Equitable Remedies. Each of Assigning Party and Assuming Party acknowledges that a breach or threatened breach by it of any of its obligations under this Agreement would give rise to irreparable harm to the other Party for which monetary damages would not be an adequate remedy and hereby agrees that if a breach or a threatened breach by such party of any such obligations occurs, the other Party will, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to seek equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

19. No Third-Party Beneficiaries. This Agreement benefits solely the parties to this Agreement and their respective permitted successors and permitted assigns and nothing in this Agreement, express or implied, confers on any other person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement. Despite the previous sentence, the parties hereby designate Assigning Party and Assuming Party hereby designate their respective officers, directors, employees, agents, affiliates, successors and permitted assigns as third-party beneficiaries of Section 4 having the right to enforce Section 4.

20. Choice of Law. This Agreement and exhibits and schedules attached hereto, and all matters arising out of or relating to this Agreement, except for paragraph 5 and the waiver and consent by Decentralized, are governed by, and construed in accordance with, the laws of the State of New York, United States of America, without regard to

the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of New York.

21. Choice of Forum. Each party irrevocably and unconditionally agrees that it will not commence any action, litigation, or proceeding of any kind whatsoever against the other party in any way arising from or relating to this Agreement, and exhibits and schedules attached hereto, and all contemplated transactions, including, but not limited to, contract, equity, tort, fraud, and statutory claims, in any forum other than the United States District Court, Southern District of New York or, if such court does not have subject matter jurisdiction, the courts of the State of New York, sitting in New York County, and any appellate court from any thereof. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees to bring any such action, litigation, or proceeding only in the United States District Court, Southern District of New York or, if such court does not have subject matter jurisdiction, the courts of the State of New York sitting in New York County. Each party agrees that a final judgment in any such action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

22. WAIVER OF JURY TRIAL. Each party acknowledges and agrees that any controversy that may arise under this Agreement, including exhibits and schedules attached to this Agreement, is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury about any legal action arising out of or relating to this Agreement, including any exhibits or schedules attached to this Agreement, or the transactions contemplated hereby. Each party certifies and acknowledges that (a) no Representative of the other party has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver IN THE EVENT of a legal action, (b) such party has considered the implications of this waiver, (c) such party makes this waiver voluntarily, and (d) such party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section.

23. Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together is deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS] 

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SHARING SERVICES GLOBAL CORPORATION

BY: 
NAME: John "TT" Tan
TITLE: GEO

ASCEND MANAGEMENT PTE. LTD.

BY: 
NAME: Tan Teck Liang (Adam)
TITLE: Director

IN WITNESS WHEREOF, the undersigned, although not a party to the Agreement, has waived its no assignment provisions in the Prior Agreement, and is consenting to the assignment of Sharing Services Global Corporation's promises and obligations in the Prior Agreement to Ascend, i.e. the Assuming Party.

DECENTRALIZED SHARING SYSTEMS, INC.

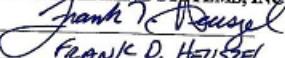
BY: 
NAME: Frank D. Heusel
TITLE: President
DATE: _____

EXHIBIT A

Securities Purchase Agreement made as of July 1, 2023 by and between Decentralized and
Sharing Services Global Corporation. 

EXHIBIT B
BUSINESS CONSULTING AGREEMENT *[Signature]*

TABLE OF CONTENTS

ARTICLE I PURCHASE AND SALE	4
Section 1.01 Purchase and Sale of Assets.....	4
Section 1.02 Excluded Assets.....	4
Section 1.03 Assumed Liabilities.....	4
Section 1.04 Purchase Price.....	5
Section 1.05 Allocation of Purchase Price.....	6
Section 1.06 Withholding Tax.....	6
Section 1.07 Third-Party Consents.....	6
ARTICLE II CLOSING	6
Section 2.01 Closing.....	6
Section 2.02 Closing Deliverables.....	6
ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER	7
Section 3.01 Organization and Authority of Seller.....	7
Section 3.02 No Conflicts or Consents.....	7
Section 3.03 <i>Financial Statements</i>	8
Section 3.04 Undisclosed Liabilities.....	8
Section 3.05 Absence of Certain Changes, Events, and Conditions.....	8
Section 3.06 Assigned Contracts.....	8
Section 3.07 Title to Purchased Assets.....	8
Section 3.12 Legal Proceedings; Governmental Orders.....	8
Section 3.13 Compliance with Laws.....	8
Section 3.14 Taxes.....	8
Section 3.15 Brokers.....	9
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER	9
Section 4.01 Organization and Authority of Buyer.....	9
Section 4.02 No Conflicts; Consents.....	9
Section 4.03 Brokers.....	9

Section 4.04 Legal Proceedings.....	9
ARTICLE V COVENANTS	9
Section 5.01 Confidentiality.....	9
Section 5.04 Bulk Sales Laws.....	10
Section 5.06 Transfer Taxes.....	10
Section 5.07 Further Assurances.....	10
ARTICLE VI INDEMNIFICATION	10
ARTICLE VII MISCELLANEOUS.....	10
Section 7.01 Expenses.....	10
Section 7.02 Notices.....	10
Section 7.03 Interpretation; Headings.....	11
Section 7.04 Severability.....	11
Section 7.05 Entire Agreement.....	11
Section 7.06 Successors and Assigns.....	11
Section 7.07 Amendment and Modification; Waiver.....	12
Section 7.08 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial].....	12
Section 7.09 Counterparts.....	12

EXHIBITS & SCHEDULES

Exhibit A	Bill of Sale
Exhibit B	License Agreement
Schedule 1.01(a)	Inventory
Schedule 1.03(a)(i)	Assumed Liabilities
Schedule 1.04(c)	Wire Transfer Instructions
Exhibit C	Seller's Products



ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement"), made effective as of June 30, 2023, is entered into between HWH World, Inc., a Texas corporation ("Seller"), Sharing Services Global Corporation, a Nevada corporation ("Buyer").

RECITALS

WHEREAS, Seller is engaged in the business of product sourcing and distribution (the "Business"); and

WHEREAS, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase and assume from Seller, the Seller's outstanding inventory, subject to the terms and conditions set forth herein;

WHEREAS, Seller requires certain liabilities related to the inventory, directly or indirectly, to be assumed by the Buyer, which the Buyer wishes to do, subject to the terms and conditions set forth herein; and

WHEREAS, Seller wishes to grant to the Buyer the exclusive right to license of its patents, trademarks, rights to manufacture, and rights sell its products and inventory worldwide, and Buyer wishes to purchase and accept from Seller, this exclusive licensing agreement, subject to the terms, conditions and understandings set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I PURCHASE AND SALE

Section 1.01 Purchase and Sale of Assets. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell, convey, assign, transfer, and deliver to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title, and interest in, to:

(a) all inventory, finished goods, raw materials, work in progress, packaging, supplies, parts, and other inventories, including that set forth on Section 1.01 (a) of the disclosure schedules attached hereto;

(collectively, the "Inventory" or "Purchased Assets")

Section 1.02 Excluded Assets. Reserved.

Section 1.03 Assumed Liabilities. *80*



(a) Subject to the terms and conditions set forth herein, Buyer shall assume and agree to pay, perform, and discharge only the following liabilities of Seller (collectively, the "Assumed Liabilities"), and no other liabilities. Such Assumed Liabilities shall be defined those trade payables incurred as of June 30, 2023, by the Seller, including but not limited to:

(i) all trade accounts payable of Seller to third parties in connection with the Purchased Assets that remain unpaid as of June 30, 2023 as set forth on Section 1.03(a)(i) of the Disclosure Schedule;

(b) Notwithstanding any provision in this Agreement to the contrary, Buyer shall not assume and shall not be responsible to pay, perform, or discharge any Liabilities of Seller or any of its Affiliates of any kind or nature whatsoever other than the Assumed Liabilities, including, without limitation, any Liabilities arising from the Maiden Litigation.

Section 1.04 Purchase Price.

(a) The aggregate purchase price (the "Purchase Price") for the Purchased Assets shall be:

(i) the payment of \$10.00 in cash (the "Cash Purchase Price") to the Seller;

(ii) the payment up to a maximum of \$757,641.98 paid from Gross Proceeds (as defined hereinafter) generated from the sale of the Inventory (the "Inventory Proceeds") shall be paid quarterly to HWH World or its assigns within fifteen (15) calendar days of the last calendar day on which the quarter, commencing with the quarter ending on December 31, 2023. "Gross Proceeds" shall mean any amounts that HWH World receives from the sale of Seller's Inventory (as defined above), net of the related costs, as described and detailed on Section 1.01 (a) of the Disclosure Schedules;

(iii) the payment of one percent (1%) of the gross sale price ("Royalty Proceeds"), of all Seller's Products, with the type an historical names of such products being further defined in Exhibit C ("Seller's Products"), sold, but not including the existing inventory items set forth in Exhibit A, for a period commencing November 1, 2023 and ending October 31, 2033.

(iv) plus the assumption of the Assumed Liabilities; and

(b) For avoidance of any doubt, Buyer must conduct the sales of any Inventory in a manner that maximizes the Gross Proceeds.

(c) Buyer shall pay the Cash Purchase Price on the Closing Date by wire transfer to Seller of immediately available funds in accordance with the wire transfer instructions set forth on Section 1.04 (c) of the Disclosure Schedules.



(d) Buyer shall pay the Inventory Proceeds to Seller by wire transfer to a depository account designated by the Seller or its assigns, within thirty (30) days of Buyer receiving any funds from any third-party in connection with any future transaction involving the Purchased Assets, with the wire transfer instructions set forth on Section 1.04 (c) of the Disclosure Schedules.

(e) Buyer shall pay the Royalty Proceeds to Seller by wire transfer to a depository account designated by the Seller or its assigns, within thirty (30) days of Buyer receiving any funds from such revenue stream, with the wire transfer instructions set forth on Section 1.04 (c) of the Disclosure Schedules.

Section 1.05 Allocation of Purchase Price. Section not used.

Section 1.06 Withholding Tax. Section not used.

Section 1.07 Third-Party Consents. To the extent that Seller's rights under any Purchased Asset may not be assigned to Buyer without the consent of another Person which has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and Seller, at its expense, shall use its reasonable best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights under the Purchased Asset in question so that Buyer would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by Law and the Purchased Asset, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by Law and the Purchased Asset, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

**ARTICLE II
CLOSING**

Section 2.01 Closing. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "Closing") shall take place at an office of the Seller, being 1400 Broadfield Blvd., Suite 100, Houston, Texas 77084 or remotely by exchange of documents and signatures (or their electronic counterparts), at 5:00pm (CST) time, simultaneously with the execution of this Agreement, or at such other time or place or in such other manner as Seller and Buyer may mutually agree upon in writing. The date on which the Closing is to occur is herein referred to as the "Closing Date."

Section 2.02 Closing Deliverables.

(a) At the Closing, Seller shall deliver to Buyer the following:

(i) a Bill of Sale and Assumption Agreement in the form of Exhibit A attached hereto/in form and substance satisfactory to Buyer (the "Bill of Sale") and 

duly executed by Seller, transferring the Purchased Assets to Buyer, and effecting the assignment to and assumption by Buyer of the Assumed Liabilities; and

(ii) an exclusive right to license of its patents, trademarks, rights to manufacture, and rights sell its products and inventory worldwide, to be documented and evidenced by that separate agreement, dated effective July 1, 2023, herein after referred to as that "Licensing Agreement"; and

(iii) such other customary instruments of transfer or assumption, filings, or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to the transactions contemplated by this Agreement.

(b) At the Closing, Buyer shall deliver to Seller the following:

(i) the Cash Purchase Price;

(ii) the Bill of Sale and Assumption Agreement duly acknowledged by Buyer; and

(iii) such other customary instruments of transfer or assumption, filings, or documents, in form and substance satisfactory to the Seller, as may be required to give effect to the transactions contemplated by this Agreement.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the statements contained in this ARTICLE III are true and correct as of the date hereof.

Section 3.01 Organization and Authority of Seller. Seller is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Texas. Seller has full corporate power and authority to enter into this Agreement and the other transaction documents to which Seller is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Seller of this Agreement and any other transaction document to which Seller is a party, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate, board, and shareholder action on the part of Seller. This Agreement and the transaction documents constitute legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their respective terms.

Section 3.02 No Conflicts or Consents. The execution, delivery, and performance by Seller of this Agreement and the other transaction documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) violate or conflict with any provision of the certificate of incorporation, by-laws, or other governing documents of Seller; (b) violate or conflict with any provision of any statute, law, ordinance, regulation, rule, code, constitution, treaty, common law, other requirement, or rule of law of any Governmental Authority

(collectively, "Law") or any order, writ, judgment, injunction, decree, stipulation, determination, penalty, or award entered by or with any Governmental Authority ("Governmental Order") applicable to Seller, the Business, or the Purchased Assets; (c) require the consent, notice, declaration, or filing with or other action by any individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association, or other entity ("Person") or require any permit, license, or Governmental Order; (d) violate or conflict with, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel any Contract to which Seller is a party or by which Seller or the Business is bound or to which any of the Purchased Assets are subject (including any Assigned Contract); or (e) result in the creation or imposition of any charge, claim, pledge, equitable interest, lien, security interest, restriction of any kind, or other encumbrance ("Encumbrance") on the Purchased Assets.

Section 3.03 Financial Statements. Section not used.

Section 3.04 Undisclosed Liabilities. Section not used

Section 3.05 Absence of Certain Changes, Events, and Conditions. To the best of the Seller's knowledge, since the Balance Sheet Date, the Business has been conducted in the ordinary course of business consistent with past practice and there has not been any change, event, condition, or development that is, or could reasonably be expected to be, individually or in the aggregate, materially adverse to: (a) the business, or (b) the value of the Purchased Assets.

Section 3.06 Assigned Contracts. Section not used.

Section 3.07 Title to Purchased Assets. Seller has good and valid title to all the Purchased Assets, free and clear of Encumbrances.

Section 3.08 Section Not Used.

Section 3.09 Legal Proceedings; Governmental Orders.

(a) To the best of the Seller's knowledge, there are no claims, actions, causes of action, demands, lawsuits, arbitrations, inquiries, audits, notices of violation, proceedings, litigation, citations, summons, subpocnas, or investigations of any nature, whether at law or in equity (collectively, "Actions") pending or, to Seller's knowledge, threatened against or by Seller: (i) relating to or affecting the Business, the Purchased Assets, or the Assumed Liabilities; or (ii) that challenge or seek to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement. No event has occurred, or circumstances exist that may give rise to, or serve as a basis for, any such Action.

(b) There are no outstanding Governmental Orders against, relating to, or affecting the Purchased Assets.

Section 3.10 Compliance with Laws. Seller believes it is in compliance with all Laws applicable to the ownership and use of the Purchased Assets.

Section 3.11 Taxes. Section not used. 

Section 3.12 Brokers. No broker, finder, or investment banker is entitled to any brokerage fee, finder's fee, or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction document based upon arrangements made by or on behalf of Seller.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this ARTICLE IV are true and correct as of the date hereof.

Section 4.01 Organization and Authority of Buyer. Buyer is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Nevada. Buyer has full corporate power and authority to enter into this Agreement and the other transaction documents to which Buyer is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and any other transaction document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder, and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement and the transaction documents constitute legal, valid, and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

Section 4.02 No Conflicts; Consents. The execution, delivery, and performance by Buyer of this Agreement and the other transaction documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) violate or conflict with any provision of the certificate of incorporation, by-laws, or other organizational documents of Buyer; (b) violate or conflict with any provision of any Law or Governmental Order applicable to Buyer; or (c) require the consent, notice, declaration, or filing with or other action by any Person or require any permit, license, or Governmental Order.

Section 4.03 Brokers. No broker, finder, or investment banker is entitled to any brokerage fee, finder's fee, or other fee or commission in connection with the transactions contemplated by this Agreement or any other transaction document based upon arrangements made by or on behalf of Buyer.

Section 4.04 Legal Proceedings. To the best of the Seller's knowledge, there are no Actions pending or, to Buyer's knowledge, threatened against or by Buyer that challenge or seek to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

ARTICLE V COVENANTS

Section 5.01 Confidentiality. From and after the Closing, Seller shall hold in confidence any and all information, whether written or oral, concerning the Business, except to the extent that 

Seller can show that such information: (a) is generally available to and known by the public through no fault of Seller, or (b) is lawfully acquired by Seller, any of its affiliates, or their respective representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual, or fiduciary obligation. If Seller or any of its affiliates or their respective representatives are compelled to disclose any information by Governmental Order or Law, Seller shall timely notify Buyer in writing and shall disclose only that portion of such information which is legally required to be disclosed, *provided that* Seller, subject to the Buyer's payment/reimbursement, shall use reasonable efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

Section 5.02 Bulk Sales Laws. The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer, or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer. Any liabilities arising out of the failure of Seller to comply with the requirements and provisions of any bulk sales, bulk transfer, or similar Laws of any jurisdiction which would not otherwise constitute Assumed Liabilities shall be treated as liabilities not deemed to be Assumed Liabilities.

Section 5.03 Transfer Taxes. All sales taxes and/or conveyance taxes and fees (including any penalties and interest) incurred as a result of the sale of the Purchase Asset, if any, shall be borne and paid by Buyer. Any ad valorem, property taxes or similar tax associated with the Purchased Assets are part of the Assumed Liabilities by the Buyer.

Section 5.04 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective affiliates to, execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other transaction documents.

ARTICLE VI INDEMNIFICATION

Article VI and sections thereunder are intentionally deleted.

ARTICLE VII MISCELLANEOUS

Section 7.01 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 7.02 Notices. All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next 

business day if sent after normal business hours of the recipient, or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7.02):

If to Seller: HWH World, Inc.
1400 Broadfield Blvd., Suite 100
Houston, Texas 77084
Email: frank.heuszel@dssworld.com
Attention: Frank D. Heuszel, President

If to Buyer: Sharing Services Global Corporation
5200 Tennyson Parkway, Plano TX 75024
Email: jt@shrginc.com
Attention: John "JT" Thatch, Chief Executive Officer

Section 7.03 Interpretation; Headings. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 7.04 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement.

Section 7.05 Entire Agreement. This Agreement and the other transaction documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter, including, without limitation, that certain Securities Purchase Agreement made as of July 1, 2023 by and between HWH World and Buyer. In the event of any inconsistency between the statements in the body of this Agreement and those in the other transaction documents, the exhibits, and the Disclosure Schedules, the statements in the body of this Agreement will control.

Section 7.06 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Buyer may not assign its rights or obligations hereunder without the prior written consent of the Seller, at the sole discretion of the Seller. The Seller may assign its rights under this Agreement to any subsidiary or affiliate without any further consent from the Buyer required. The Buyer may not assign its rights to a non-subsidiary or non-affiliate, without the prior written consent of the Buyer, which consent shall not be unreasonably withheld or delayed. Any purported assignment in violation of this Agreement shall be null and void.

of this Section shall be null and void. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 7.07 Amendment and Modification; Waiver. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No failure to exercise, or delay in exercising, any right or remedy arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

Section 7.08 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas without giving effect to any choice or conflict of law provision or rule (whether of the State of Texas or any other jurisdiction). Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement, the other Transaction documents, or the transactions contemplated hereby or thereby may be instituted in the federal courts of the United States of America or the courts of the State of Texas in each case located in the city of Houston, Texas and county of Harris, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute.

(b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS AND SCHEDULES ATTACHED TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION; (II) EACH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (III) EACH PARTY MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY; AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 7.09 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of this
3rd day of November, 2023, closed at a later date, but effective for all purposes
July 1, 2023, by their duly authorized officers.

HWH WORLD, INC.

By: 

Name:

Title:

SHARING SERVICES GLOBAL
CORPORATION

By: 

Name: John "JT" Thiel

Title: CEO

EXHIBIT A

BILL OF SALE AND ASSUMPTION AGREEMENT

This Bill of Sale and Assumption Agreement (this "Bill of Sale") is entered into as of July 1, 2023, by and between HWH World, Inc., a Texas corporation ("Seller"), and Sharing Services Global Corporation, a Nevada corporation ("Buyer").

1. Definitions. Unless specifically designated otherwise, capitalized terms used in this Bill of Sale shall have the meanings given them in that certain Asset Purchase Agreement between Seller and Buyer dated July 1, 2023 (the "Asset Purchase Agreement"). The terms of the Asset Purchase Agreement are incorporated herein by this reference.

2. Sale of Assets. Subject to the terms, conditions and limitations set forth in the Asset Purchase Agreement, Seller, as of the Closing Date, for valuable consideration, the receipt of which is hereby acknowledged, hereby sells, assigns, grants and conveys all of Seller's right, title and interest in and to all of the Purchased Assets, to Buyer, its successors and assigns, to its and their own use and benefit, forever.

3. Assumption. Subject to the terms, conditions and limitations set forth in the Asset Purchase Agreement, Seller hereby assigns the Assumed Liabilities to Buyer, and Buyer hereby accepts such assignment and assumes and agrees to observe and perform all of the duties, obligations, terms, provisions and covenants of, and to pay and discharge all of, the Assumed Liabilities.

4. Miscellaneous.

(a) Seller and Buyer hereby agree that they will, from time to time, execute and deliver such further instruments of conveyance and transfer as may be reasonably required to implement and effect (i) the sale of the Purchased Assets pursuant to the Asset Purchase Agreement, and (ii) the assumption of the Assumed Liabilities pursuant to the Asset Purchase Agreement.

(b) This Bill of Sale has been executed to implement the Asset Purchase Agreement and nothing contained herein shall be deemed or construed to impair or alter any of the provisions of the Asset Purchase Agreement.

(c) This Bill of Sale is executed and delivered in, and shall be construed and enforced in accordance with the laws of the State of Texas, without reference to conflict of law provisions, and shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties to this Bill of Sale.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereunto have executed this Bill of Sale on the date first above written.

"BUYER"

**SHARING SERVICES GLOBAL
CORPORATION**

By: 
Name: JOHN "TT" THATCH
Title: CEO
Date: 11/3/23

"SELLER"

HWH WORLD, INC.

By: 
Name: FRANK D. HEUSZEL
Title: President
Date: 11/3/2023

EXHIBIT B
EXCLUSIVE INTELLECTUAL
PROPERTY LICENSE AGREEMENT

This Exclusive Intellectual Property License Agreement “*Agreement*” is effective as of July 01, 2023 by and among **HWH World, Inc.**, a Texas corporation (“*Licensor*” or “*HWH*”), and **Sharing Services Global Corporation**, a Nevada corporation (“*Licensee*” or “*SHRG*”).

WHEREAS, HWH owns numerous registered and unregistered trademarks, service marks, Patents, products, product formulas, product packaging, product name(s), other proprietary information, domains, domain names, distribution and production networks, Logo(s), copyrights, endorsements, and other similar intangible assets (collectively, “*HWH’s Intellectual Property*”); and

WHEREAS, Licensee wishes to obtain a license to use HWH’s Intellectual Property in connection with its business activities and operations;

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, part of which is recited herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1) **GRANT OF LICENSE.** HWH grants an exclusive, non-transferable (except as maybe set forth herein) license to Licensee to use HWH’s Intellectual Property (as more particularly described in *Exhibit A* attached hereto and incorporated herein for all purposes) for Licensee’s business activities and operations. Licensee shall not sublicense the rights granted herein or otherwise approve the use of HWH’s Intellectual Property by any person; provided, however, Licensee may sublicense HWH’s Intellectual Property, directly or indirectly, to an affiliate of Licensee.

2)

3) **OWNERSHIP OF INTELLECTUAL PROPERTY.** Licensee acknowledges that HWH is the exclusive owner(s) of all right, title and interest to HWH’s Intellectual Property, at no time, either during this Agreement or at any time, thereafter, shall Licensee challenge, or cause to be challenged, HWH’s exclusive ownership of all rights, title and interest to HWH’s Intellectual Property. Further, HWH shall continue to have and expressly retain the right to assign all rights title and interests in this Agreement, and related transaction documents, including, but not limited to, any third-party, affiliate, or subsidiary.

4) **ROYALTY PAYMENTS.** As part of the consideration by the Licensee to Licensor, commencing on November 01, 2023, HWH shall be entitled to the payment of a 1% royalty, being defined as 1% of the gross sale price, of all Licensor’s new products made and sold, outside of that existing inventory conveyed to Licensee under the terms of that Asset Purchase Agreement of

similar date, ("Royalty Payments") for a period of 10 years to the Licensor.

Royalty Payments under this Agreement shall be made by Licensee to Licensor by wire transfer to a depository account designated by the Licensor or its assigns, within thirty (30) days of Licensee receiving any funds from any third-party in connection with any transaction, sale, or exchange involving the HWH Intellectual Property, with the wire transfer instructions being set forth on Exhibit B. Such payment requirements shall extend beyond the maturity of this Agreement until all applicable payments have been received by Licensor.

5) **TERM AND TERMINATION**. This Agreement shall commence as of the Effective Date and remain in effect for a period ending on November 01, 2033, provided that Licensee does not terminate it. Licensee may terminate this Agreement with or without cause at any time. Immediately upon termination of this Agreement for any reason, Licensee shall permanently cease all use of HWH's Intellectual Property.

6) **BROKERS**. No broker, finder, or investment banker is entitled to any brokerage fee, finder's fee, or other fee or commission in connection with the license agreement or any transactions contemplated by this Agreement, or any other transaction document based upon arrangements made by or on behalf of Licensor.

7) **AMENDMENT AND MODIFICATION; Waiver**. Amendment and Modification; Waiver. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No failure to exercise, or delay in exercising, any right or remedy arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

8) **GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL**. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas without giving effect to any choice or conflict of law provision or rule (whether of the State of Texas or any other jurisdiction). Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement, the other Transaction documents, or the transactions contemplated hereby or thereby may be instituted in the federal courts of the United States of America or the courts of the State of Texas in each case located in the city of Houston, Texas and county of Harris, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute.

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE

OF ACTION, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS AND SCHEDULES ATTACHED TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION; (II) EACH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (III) EACH PARTY MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY; AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

9) **NOTICES.** All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient, or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses or at such other address for a party as shall be specified in a notice given.

If to Lessor: HWH World, Inc.
1400 Broadfield Blvd., Suite 100
Houston, Texas 77084
Email: frank.heuszel@dssworld.com
Attention: Frank D. Heuszel, President

If to Licensee: Sharing Services Global Corporation
5200 Tennyson Parkway, Plano TX 75024
Email: achan@shrginc.com
Attention: Anthony S. Chan, Chief Financial Officer

10) **INTERPRETATIONS: Headings.** This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

11) **REMEDIES.** Licensee acknowledges that HWH's Intellectual Property is enormously valuable to HWH and that Licensee's continued use of HWH's Intellectual Property after the termination of this Agreement will cause substantial and irreparable injury to HWH. Licensee

acknowledges and agrees that HWH shall be entitled to automatic emergency injunctive relief from a court for specific performance of this Agreement and a violation of the trademark laws if Licensee (or its affiliates) continue to use (or seek to register) HWH's Intellectual Property or similar intellectual property following the termination of this Agreement or otherwise create the impression that they are still connected with HWH. If HWH commences legal action to stop the use of HWH's Intellectual Property by Licensee or Licensee's affiliates, HWH shall be entitled to an award of its reasonable costs and attorney's fees in addition to any other legal and equitable relief to which it may be entitled if it prevails in such action.

12) **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

13) **COMPLETE AGREEMENT.** This Agreement constitutes the entire agreement between the parties with respect to Licensee's licensed use of HWH's Intellectual Property and supersedes and replaces all prior or contemporaneous understandings or agreements, written or oral, regarding such subject matter.

{Signature Page Follows}

LICENSOR:

HWH World, Inc.,
a Texas corporation

By: 
Printed Name: FRANK D. HEDGES
Title: President

LICENSEE:

SHARING SERVICES GLOBAL CORPORATION
a Nevada corporation

By: 
Printed Name: JOHN T. HATCH
Title: CEO

[Exhibit A Follows]

EXHIBIT A TO LICENSE AGREEMENT

Registered and unregistered trademarks, service marks, Patents, products, product formulas, product packaging, product name(s), other proprietary information, domains, domain names, distribution and production networks, Logo(s), copyrights, endorsements, and other similar intangible assets

[Signature]

[Signature]

EXHIBIT B TO LICENSE AGREEMENT

Wire Transfer Instructions

HWH World, Inc.
275 Wiregrass Parkway
West Henrietta, NY 14586

ACH TRANSFER:

HWH World, Inc.
Account# 483066005514
ABA# 021000322

Bank of America

WIRE TRANSFER:

HWH World, Inc.
Account# 483066005514
ABA# 026009593
SWIFT Code: BOFAUS3N

Bank of America



Schedule 1.01(a)
Inventory

HWH World Complete Inventory 6-30-23

Item Code	Item Description	Location	In Stock	EXP Date	Total Cost EA*	Total Ext Cost
PM5113	Aloe Gelée 4 oz Tube w/Flip Top Cap (Screen)	Cosmetic labs	2730	NA	\$ 0.45	\$ 1,228.50
pm037	4 Pack Box - New - Ea (for TruAloe/32 oz)	Lily of the Desert	5132	NA	\$ 0.45	\$ 2,309.40
BP0133	Spirulina tablets (Per thousand)	Progressive	48	NA	\$ 16.50	\$ 785.40
L1544	Endurance 60 (US) Labels	Progressive	2000	NA	\$ -	\$ -
L15442	Endurance 120 (US) Labels	Progressive	3300	NA	\$ -	\$ -
L1544MY	Microhydrin 60 tablets MY label	Progressive	27909	NA	\$ 0.11	\$ 2,933.51
L1600	MSM w Microhydrin label	Progressive	700	NA	\$ -	\$ -
L1600	Joint Rescue (US) Label	Progressive	1732	NA	\$ 0.34	\$ 588.88
L1650	Neurobright label	Progressive	1200	NA	\$ 0.39	\$ 468.00
L1650	Focus120 (US) Label	Progressive	1476	NA	\$ 0.34	\$ 501.84
L1665	SA-Core Label	Progressive	1712	NA	\$ 0.15	\$ 256.80
L1665	Rejuvinate You (US) Labels	Progressive	2000	NA	\$ -	\$ -
L1667	Diosin / Labels	Progressive	1414	NA	\$ 0.27	\$ 381.78
L1667	Endless Energy (US) Labels	Progressive	400	NA	\$ -	\$ -
L1740MY	Over 30 Plus Labels (MY)	Progressive	42000	NA	\$ -	\$ -
L1820	Immune Shield US	Progressive	1030	NA	\$ -	\$ -
L1820MY	Immune Shield Malaysia	Progressive	4400	NA	\$ -	\$ -
L1860	Endurance Plus 60 (US) Labels	Progressive	1860	NA	\$ -	\$ -
L1862	Endurance Plus 120 (US) labels	Progressive	0	NA	\$ -	\$ -
L2500	Aloe Hero Pouch	Progressive	1860	NA	\$ -	\$ -
L2500MY	Vitaloe Label Malaysia	Progressive	5711	NA	\$ 0.61	\$ 4,093.71
L44770	Artichoke Labels	Progressive	1320	NA	\$ 0.11	\$ 138.75
L44770	Cleanse 90 Labels US)	Progressive	4100	NA	\$ -	\$ -
L49601MY	Spirulina Powder Labels	Progressive	230	NA	\$ 0.52	\$ 120.18
L49602	Spirulina 200 ct labels US Malaysia	Progressive	24750	NA	\$ 0.11	\$ 2,722.50
PM1740	Over 30 Plus Boxes (Malaysia)	Progressive	292	NA	\$ 1.40	\$ 408.22
RM021	SMH	Progressive	500.00	NA	\$ 34.54	\$ 17,270.10
RM316	Bl-Aloe per kg	Progressive	39.77	NA	\$ 446.00	\$ 17,737.42
						\$ 51,944.98

15

Item Code	Description	Location	In Stock	EXP Total		
				Date	Cost EA	Total Ext Cost
1544	Microhydrin (60) Dallas		535	04-24	\$ 2.87	\$ 1,535.45
15442	Microhydrin (120) Dallas		0	05-24	\$ 4.49	\$ -
1544MY	Microhydrin (60) Dallas		0	08-24	\$ 2.87	\$ -
1600	Joint Rescue Dallas		719	09-24	\$ 6.31	\$ 4,536.89
1650	Focus Dallas		2206	12-24	\$ 12.17	\$ 26,847.02
1665	SA-Core Dallas		1274	07-24	\$ 4.83	\$ 6,153.42
1665MY	SA-Core Dallas		12108	08-24	\$ 4.83	\$ 58,481.64
1667	Endless Energy Dallas		2031	11-24	\$ 4.38	\$ 8,895.78
1730	Over 30 Plus Dallas		819	11-24	\$ 14.99	\$ 12,276.81
1820	Immune Shield Dallas		2474	10-24	\$ 4.73	\$ 13,702.02
1850	Mikrohydrin Plus Dallas		0	05-24	\$ 3.54	\$ -
1862	Endurance Plus (1) Dallas		1664	10-24	\$ 5.73	\$ 9,534.72
2022Cat	2022 RBC Life Cat Dallas		158	NA	\$ 0.53	\$ 83.74
2500	VitAloe (US) Dallas		0	06-24	\$ 12.42	\$ -
2500MY	VitAloe MY Dallas		7288	06-24	\$ 12.42	\$ 90,516.96
2600	Citrus Spray Dallas		479	NA	\$ 7.00	\$ 3,353.00
4200	RBC Rollie Dallas		420	NA	\$ 16.00	\$ 6,720.00
44770	Artichoke Liver Cite Dallas		0	12-23	\$ 3.81	\$ -
49601	Spirulina Powder (Dallas		3053	02-24	\$ 18.51	\$ 56,520.80
49601MY	Spirulina Powder (Dallas		1004	04-24	\$ 13.54	\$ 63,278.12
49602	Spirulina Strong (2 Dallas		4527	10-24	\$ 4.84	\$ 21,910.68
49603	Spirulina (200) Tat Dallas		1513	12-24	\$ 5.08	\$ 7,686.04
5000	Oliviva Dallas		1957	10-24	\$ 11.27	\$ 22,055.39
5000	Oliviva Dallas		100	03-24	\$ 10.57	\$ 1,057.00
5000MY	Oliviva Malaysia Dallas		1492	11-24	\$ 10.57	\$ 15,770.44
5113	Aloe Gelée/4oz Dallas		9789	10-24	\$ 10.57	\$ 103,469.73
5113MY	Aloe Gelée/4oz Dallas		2740	NA	\$ 2.39	\$ 6,548.60
5130	Royal Aloe Juice (Dallas		0	07-24	\$ 2.39	\$ -
5130MY	TruAloe Peach (4 Dallas		1191	02-25	\$ 20.42	\$ 24,310.01
5137	Royal Aloe Juice R Dallas		612	02-25	\$ 20.42	\$ 12,497.04
8000	RBC Life T-Shirt XS Dallas		0	02-25	\$ 5.11	\$ -
8001	RBC Life T-Shirt S Dallas		5	NA	\$ 11.83	\$ 59.15
8002	RBC Life T-Shirt M Dallas		100	NA	\$ 11.83	\$ 1,183.00
8003	RBC Life T-Shirt L Dallas		99	NA	\$ 11.83	\$ 1,171.17
8004	RBC Life T-Shirt XL Dallas		137	NA	\$ 11.83	\$ 1,620.71
8005	RBC Life T-Shirt 2X Dallas		139	NA	\$ 11.83	\$ 1,644.37
8006	RBC Life T-Shirt 3X Dallas		10	NA	\$ 11.83	\$ 118.30
8P0133	Spirulina tablets (Dallas		5	NA	\$ 11.83	\$ 59.15
E10150	Eller High Organic Dallas		209.2	12-24	\$ 16.50	\$ 3,451.80
E10260	Eller Regenerating Dallas		1719	12-23	\$ 5.00	\$ 8,595.00
E13001	ACTIVLIFT SERUM Dallas		1270	12-23	\$ 3.00	\$ 3,810.00
E13003	ACTIVLIFT NIGHT Dallas		1167	12-23	\$ 3.75	\$ 4,376.25
E13007	ACTIVLIFT SOAP Dallas		1173	12-23	\$ 3.75	\$ 4,398.75
E13009	Eccentric Toothpicks Dallas		2290	04-24	\$ 1.50	\$ 3,435.00
F100	Eller Unique Prote Dallas		567	12-23	\$ 3.00	\$ 1,701.00
L5000	Oliviva Sleeves US Dallas		1643	12-24	\$ 10.00	\$ 16,430.00
L5000MY	Oliviva Sleeves M Dallas		1200	NA	\$ 0.30	\$ 357.60
L5137MY	Tru Aloe Peach / 3 Dallas		17000	NA	\$ 0.30	\$ 5,066.00
P49602	Spirulina Strong P Dallas		13600	NA	\$ 0.54	\$ 7,344.00
P49603	Spirulina Strong P Dallas		1650	NA	\$ -	\$ -
PM075	32 oz Empty Bottles Dallas		1250	NA	\$ -	\$ -
PM077	New Caps for Oliv Dallas		2505	NA	\$ 0.50	\$ 1,262.52
PM1600	MSM Boxes Dallas		110550	NA	\$ 0.04	\$ 4,366.73
PM1650	Neurobright Dallas		5875	NA	\$ 0.41	\$ 2,482.25
			7722	NA	\$ 0.31	\$ 2,409.26

K

HWH World Complete Inventory 6-30-23

PM2740	Over 30 Plus Box Dallas	3660	NA	\$ 1.40	\$ 5,116.68
PM51138W	Aloe Gellee 4 oz Tu Dallas	1364	NA	\$ 0.45	\$ 613.80
RM017	ZeoFree 600 - Kg (1 Dallas	0	06-23	\$ 5.93	\$ -
RM019	Cab-O-Sil EH-5 - Kg Dallas	10	06-24	\$ 42.22	\$ -
RM021	SMH	124.65	03-25	\$ 34.54	\$ 4,305.44
RM030	Spirulina Powder (Dallas	325.00	03-25	\$ 23.00	\$ 7,475.00
RM044	Magnesium Sulfat (Dallas	22.60	03-25	\$ 1.58	\$ 35.80
RM045	Mannitol, USP/FC Dallas	11.60	10-23	\$ 12.80	\$ 148.48
RM046	Potassium Carbon Dallas	97.05	06-24	\$ 3.18	\$ 308.73
RM047	Potassium Citrate Dallas	213.12	02-25	\$ 5.75	\$ 1,225.44
RM050	Magnesium Ascor Dallas	0.00	07-23	\$ 16.00	\$ -
RM115	Olive Leaf Extract Dallas	1750.00	04-25	\$ 20.00	\$ 35,000.00
RM132	Calcium Hydroxide Dallas	34.30	08-23	\$ 0.85	\$ 12.16
RM139	High Oleic Sunflow Dallas	0.00	06-23	\$ 7.22	\$ -
					\$ 705,697.00

Schedule 1.03(a)(i)

Assumed Liabilities

All liabilities of HWH World, Inc. that have been incurred, created, realized that has occurred as of June 30, 2023, including but not limited to:

- All vendor accounts payable, including those set forth and enumerated in the A/P Aging Detail schedule below;
- All other trade payables;
- Any liability for any employees or consultants, if any, that occurred or resulted from such employee(s) or consultant(s) work, contractual obligation, and/or expenses incurred after June 30, 2023;
- Any liability or suit created by the Buyer's use of the assets, handling of the employees and/or consultants, or false representations made by the Buyer after June 30, 2023; and
- Any commissions that are due or in dispute owing to any distributor or sales person.

DSS, Inc.
Corporate Entity : Decentralize Sharing Systems, Inc. : HWH World, Inc. (Consolidated)
A/P Aging Detail
End of Jun 2023

Vendor Vendor	Transaction Type	Date	Document Number	Due Date	Age	Open Balance	Paid	Unpaid
A Truck Express Inc.	Bill	4/15/2023	516812	5/15/2023	168	\$37.56		
Total - A Truck Express Inc.	Bill	4/29/2023	517841	5/29/2023	154	\$48.66		
						\$86.12		
Alexandra Sabot								
Total - Alexandra Sabot	Bill	6/9/2023	5	7/9/2023	113	\$850.00	paid	
Analytical Foods Laboratories	Bill	6/23/2023	6	7/23/2023	98	\$765.00	paid	
						\$1,615.00	paid	
Total - Analytical Foods Laboratories								
BioChroma Analytical Labs, LLC	Bill	4/10/2023	A2303693	4/10/2023	203	\$393.03		
Total - BioChroma Analytical Labs, LLC	Bill	4/18/2023	A2304309	4/18/2023	195	\$165.60		
DPS Print Inc.	Bill	4/18/2023	A2303945	4/18/2023	195	\$306.09		
	Bill	4/20/2023	A2304389	4/20/2023	193	\$234.57		
						\$1,099.29		\$1,099.29
Total - DPS Print Inc.								
Embassy Suites	Bill	5/12/2023	45140	5/11/2023	141	\$468.66		
Total - Embassy Suites	Bill	5/4/2023	9336	5/3/2023	149	\$736.29	paid	
Exigo Office, Inc.	Bill	5/4/2023	9337	5/3/2023	149	\$577.80	paid	
						\$1,314.09	paid	
Total - Exigo Office, Inc.								
FedEx	Journal	4/28/2023	JE15739	4/28/2023	185	\$1,537.24	paid	
						\$1,537.24	paid	
Total - FedEx								
Global Access LLC	Bill	5/8/2023	8-125-97100	5/8/2023	174	\$540.19		
	Bill	5/16/2023	8-132-37016	5/16/2023	167	\$1,032.34		
	Bill	5/16/2023	8-132-37017	5/16/2023	167	\$14.50		
	Bill	5/23/2023	8-138-67440	5/23/2023	160	\$102.00		
	Bill	5/23/2023	8-139-67441	5/23/2023	160	\$85.90		
	Bill	5/30/2023	8-146-80991	5/30/2023	153	\$84.81		
	Bill	5/30/2023	8-146-80992	5/30/2023	153	\$39.08		
	Bill	6/6/2023	8-152-26982	6/6/2023	146	\$13.03		
	Bill	6/6/2023	8-153-42500	6/6/2023	146	\$8.20		
	Bill	6/6/2023	8-153-42502	6/6/2023	146	\$169.82		
	Bill	6/13/2023	8-160-44570	6/13/2023	139	\$32.41		
	Bill	6/13/2023	8-160-44589	6/13/2023	139	\$144.17		
	Bill	6/15/2023	8-152-87670	6/15/2023	137	\$25.74		
	Bill	6/20/2023	8-153-21094	6/20/2023	133	\$10.98		
	Bill	6/20/2023	8-187-72605	6/20/2023	132	\$211.64		
	Bill	6/20/2023	8-187-72605	6/20/2023	132	\$124.08		
	Bill	6/27/2023	8-174-70847	6/27/2023	125	\$960.80		
	Bill	6/27/2023	8-174-70846	6/27/2023	125	\$27.66		
	Bill	6/28/2023	2-173-02603	6/28/2023	124	\$357.51		
Total - FedEx						\$3,865.14		\$3,865.14
Global Access LLC								

AC

VK

Bill	6/8/2023	63690	6/23/2023	129	\$233.48	paid
Bill	6/13/2023	63865	6/28/2023	124	\$511.55	paid
Bill	6/14/2023	63868	6/29/2023	123	\$214.13	paid
Bill	6/19/2023	63955	7/4/2023	118	\$598.46	paid
Bill	6/21/2023	63520	7/8/2023	118	\$221.06	paid
Bill	6/21/2023	63966	7/8/2023	116	\$37.10	paid
Bill	6/23/2023	63768	7/8/2023	114	\$71.20	paid
Bill	6/28/2023	64031	7/13/2023	109	\$310.20	paid
Bill	6/28/2023	64032	7/13/2023	109	\$165.38	paid
Total - Global Access LLC					\$11,607.21	
Micro Quality Labs Inc.						
Bill	3/24/2023	MQL00000000069134	4/23/2023	190	\$710.00	
Bill	3/24/2023	MQL00000000069133	4/23/2023	190	\$710.00	
Bill	4/14/2023	MQL00000000072620	5/14/2023	169	\$710.00	
Bill	4/14/2023	MQL00000000072621	5/14/2023	169	\$710.00	
Bill	5/10/2023	MQL00000000075213	6/9/2023	143	\$710.00	
Bill	5/10/2023	MQL00000000078214	6/9/2023	143	\$710.00	
Bill	6/28/2023	MQL00000000034887	7/28/2023	94	\$710.00	
Bill	6/28/2023	MQL000000000264588	7/28/2023	94	\$710.00	
Bill	6/29/2023	MQL00000000054177	7/29/2023	93	\$710.00	
Bill	6/29/2023	MQL0000000005476	7/29/2023	93	\$710.00	
Total - Micro Quality Labs Inc.					\$7,100.00	
Payquicker LLC						
Bill	4/24/2023	013888	4/24/2023	189	\$570.00	
Bill	4/24/2023	013874	4/24/2023	189	\$645.00	
Total - Payquicker LLC					\$1,215.00	
Southwest Materials Handling Co.						
Bill	5/5/2023	01R3016290	6/4/2023	148	\$1,301.51	
Bill	6/2/2023	01R3022100	7/2/2023	120	\$1,301.51	
Total - Southwest Materials Handling Co.					\$2,603.02	
Staples Business Credit						
Uline Shipping Supplies						
Bill	3/25/2023	1647974735	4/24/2023	189	\$25.99	
Bill	5/11/2023	163540675	6/10/2023	142	\$311.79	
Bill	5/23/2023	163982360	6/22/2023	130	\$189.04	
Total - Uline Shipping Supplies					\$500.83	
United Parcel Service						
Bill	5/13/2023	0000747809193	5/13/2023	170	\$726.21	
Bill	5/20/2023	0000747802003	5/20/2023	163	\$1,083.26	
Bill	5/27/2023	0000747806213	5/27/2023	156	\$783.17	
Bill	6/3/2023	0000747806223	6/3/2023	149	\$673.20	
Bill	6/10/2023	0000747806233	6/10/2023	142	\$1,025.67	
Bill	6/17/2023	000074780243	6/17/2023	135	\$910.63	
Bill	6/24/2023	000074780293	6/24/2023	128	\$785.24	
Total - United Parcel Service					\$5,957.37	
Total					\$43,454.46	
Total Unpaid as of 10/31/2023						

\$22,921.42

(Signature)

(Signature)

Schedule 1.04(c)

Wire Transfer Instructions

HWH World, Inc.
275 Wiregrass Parkway
West Henrietta, NY 14586

ACH TRANSFER:

HWH World, Inc.
Account# 483066005514
ABA# 021000322

Bank of America

WIRE TRANSFER:

HWH World, Inc.
Account# 483066005514
ABA# 026009593
SWIFT Code: BOFAUSS3N

Bank of America 

EXHIBIT C
SELLER'S PRODUCTS

As set forth in that Property License Agreement between Buyer and Seller of the same date:
Registered and unregistered trademarks, service marks, Patents, products, product formulas, product packaging, product name(s), other proprietary information, domains, domain names, distribution and production networks, Logo(s), copyrights, endorsements, and other similar intangible assets

Which includes;

HWH World, Inc. Product Names:

1. 24 SEVEN LIFE ESSENTIAL	22. PHYCOTENE OIL
2. ALOE GELEE	23. PROBALANCE
3. ARTICHOKE	24. PROTIVITY
4. C7	25. PURE CLEANSE
5. CELLUTION 7	26. PURE ENZYMES
6. COLLAGEN HLA	27. PURE FOCUS & ENERGY
7. COLO-VADA PLUS	28. PURE PRO - CHOCOLATE
8. DEPSYL	29. PURE PRO - VANILLA
9. DIOSIN	30. PURE PROBIOTICS
10. DIOSIN-2	31. RBC LIFE SCIENCES
11. FIRSTFOOD COLOSTRUM	32. ROYAL RELIEF
12. GREEN PHYTO-POWER	33. SACORE
13. IMMUNE 360	34. SILICA MINERAL HYDRIDE COMPLEX
14. IMMUNE SHIELD	35. SLIM SHAKE
15. MAGICAL® PLUS	36. SPIRULINA
16. MICROBRITE	37. SPIRULINA NANOCLOUDERS
17. MICROHYDRIN	38. TRIPLE FX
18. MSM	39. TRIPLE FX® ENERGY SHOT (SINGLE)
19. NEUROBRIGHT	40. TRUALOE PEACH
20. OLIVIVA	41. VITALOE 
21. PHYCOTENE	

RULE 13a-14(a)/15d-14(a) CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Frank D. Heuszel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DSS, Inc. for the quarter ended September 30, 2023.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the registrant's audit committee of the board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 14, 2023

/s/ Frank D. Heuszel

Frank D. Heuszel
Chief Executive Officer
(Principal Executive Officer)

RULE 13a-14(a)/15d-14(a) CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER

I, Todd D. Macko, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DSS, Inc. for the quarter ended September 30, 2023;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the registrant's audit committee of the board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 14, 2023

/s/ Todd D. Macko

Todd D. Macko
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of DSS, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank D. Heuszel Chief Executive Officer of the Company hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: November 14, 2023

/s/ Frank D. Heuszel

Frank D. Heuszel
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO 18 U.S.C. 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of DSS, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Todd D. Macko Chief Financial Officer of the Company hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: November 14, 2023

/s/ Todd D. Macko

Todd D. Macko
Chief Financial Officer
(Principal Financial and Accounting Officer)
