

CREATIVE REALITIES, INC.

FORM S-1 (Securities Registration Statement)

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

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

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

Minnesota

(State or other jurisdiction of
incorporation or organization)

41-1967918

(I.R.S. Employer
Identification Number)

22 Audrey Place
Fairfield, New Jersey 07004
Telephone: (973) 244-9911
(Address, including Zip Code, and Telephone Number, including
Area Code, of Registrant's Principal Executive Offices)

John Walpuck
Chief Financial Officer, Chief Operating Officer
22 Audrey Place
Fairfield, New Jersey 07004
Telephone: (973) 244-9911
(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

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

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

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

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered ⁽¹⁾	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee ⁽¹⁾
Common stock, \$0.01 par value per share	20,268,959	\$ 0.23 ⁽²⁾	\$ 4,661,860.51 ⁽²⁾	\$ 469.45 ⁽²⁾

- (1) This registration statement relates to the resale by selling stockholders of shares of our common stock, including shares of common issued on account of convertible promissory notes and accrued interest thereon, upon the exercise of certain outstanding common stock purchase warrants.
- (2) Pursuant to Rule 457(c) under the Securities Act, and solely for the purpose of calculating the registration fee, the proposed offering price per share is based on the average of the high and low prices per share of common stock of Creative Realities, Inc., which was \$0.23, as reported on the OTC Markets (OTC Pink) on February 5, 2016, within five business days prior to the filing of this registration statement.

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

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

SUBJECT TO COMPLETION, DATED FEBRUARY 11, 2016

PROSPECTUS



CREATIVE REALITIES, INC.

20,268,959 Shares of Common Stock

This prospectus relates to the resale of up to 20,268,959 shares of common stock of Creative Realities, Inc. held by or issuable to the selling shareholders listed on page 32 of this prospectus, which figure includes 13,790,178 common shares issued on account of convertible promissory notes and accrued interest thereon and an aggregate of 5,503,781 shares issuable upon the exercise of certain warrants currently held by the selling shareholders. We will receive no proceeds from the sale of common stock by the selling shareholders, but will receive proceeds from this offering in the event that any warrants are exercised for cash. If all of the warrants were exercised for cash, we would receive proceeds in an amount up to approximately \$1,572,562.

Our common stock is listed on the OTC Markets (OTC Pink) under the symbol "CREX." On February 5, 2016, the last sale price for our common stock as reported on the OTC Pink was \$0.23 per share.

The shares of common stock offered by this prospectus involve a high degree of risk. See "Risk Factors" beginning on page 6 for a description of some of the risks you should consider before buying any shares of our common stock offered by this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 11 , 2016

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ABOUT THIS PROSPECTUS

Unless otherwise stated or the context otherwise requires, the terms “we,” “us,” “our,” “Creative Realities” and the “Company” refer to Creative Realities, Inc. and its subsidiaries.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are not making an offer to sell securities in any jurisdiction in which the offer or sale is not permitted. You should assume that the information in this prospectus is accurate only as of the date on the front cover of this prospectus regardless of the time of delivery of this prospectus or any exercise of the rights. Our business, financial condition, results of operations, and prospects may have changed since that date. If there is a material change in the affairs of our Company, we will amend or supplement this prospectus.

The industry, market and data used throughout this prospectus have been obtained from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. We believe that each of these studies and publications is reliable.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary is not complete and may not contain all of the information that you should consider before deciding whether or not you should exercise your rights. You should read the entire prospectus carefully, including the section entitled "Risk Factors" beginning on page 6 of this prospectus and all other information included in this prospectus in its entirety before you decide whether to purchase any shares offered by this prospectus.

Our Company

Creative Realities, Inc. is a Minnesota corporation that provides innovative digital marketing technology solutions to retailers, brand marketers, venue-operators, enterprises, non-profits and other organizations throughout the United States and a growing number of international markets. Our technology and solutions include: digital merchandising systems, interactive digital shopping assistants and kiosks, mobile digital marketing platforms, digital wayfinding platforms, digital menu board systems, dynamic signage, and other digital marketing technologies. We enable our clients' engagement with consumers by using combinations of our technology and solutions that interact with mobile, social media, point-of-sale, wireless networks and web-based platforms. We have expertise in a broad range of existing and emerging digital marketing technologies, as well as the following related aspects of our business: content, network management, and connected device software and firmware platforms; customized software service layers; hardware platforms; digital media workflows; and proprietary processes and automation tools. We believe we are one of the world's leading digital marketing technology companies focused on helping retailers and brands use the latest technologies to create better shopping experiences.

Our main operations are conducted directly through Creative Realities, Inc., and under our wholly owned subsidiaries Creative Realities, LLC, a Delaware limited liability company, Broadcast International, Inc., a Nevada corporation, Wireless Ronin Technologies Canada, Inc., and ConeXus World Global, LLC, a Kentucky limited liability company.

We generate revenue in this business by:

- consulting with our customers to determine the technologies and solutions required to achieve their specific goals, strategies and objectives;
- designing our customers' digital marketing experiences, content and interfaces;
- engineering the systems architecture delivering the digital marketing experiences we design – both software and hardware – and integrating those systems into a customized, reliable and effective digital marketing experience;
- managing the efficient, timely and cost-effective deployment of our digital marketing technology solutions for our customers;
- delivering and updating the content of our digital marketing technology solutions using a suite of advanced media, content and network management software products; and
- maintaining our customers' digital marketing technology solutions by: providing content production and related services; creating additional software-based features and functionality; hosting the solutions; monitoring solution service levels; and responding to and/or managing remote or onsite field service maintenance, troubleshooting and support calls.

These activities generate revenue through: bundled-solution sales; service fees for consulting, experience design, content development and production, software development, engineering, implementation, and field services; software license fees; and maintenance and support services related to our software, managed systems and solutions.

Our digital marketing technology solutions have application in a wide variety of industries. The industries in which we sell our solutions are established and include of hospitality, branded retail, automotive, food service and retail healthcare, but the planning, development, implementation and maintenance of technology-enabled experiences involving combinations of digital marketing technologies is relatively new and evolving. Moreover, a number of participants in these industries have only recently started considering or expanding the adoption of these types of technologies, solutions and experiences as part of their overall marketing strategies. As a result, we remain an early stage company without an established history of profitability.

We believe that the adoption and evolution of digital marketing technology solutions will increase substantially in years to come both in the industries on which we currently focus and in others. We also believe that adoption of our solutions depends not only upon the services and solutions that we provide but also depends heavily upon the cost of hardware used to process and display content on them. While the costs of hardware configurations and software media players have historically decreased and we believe they will continue to do so at an accelerating rate, flat panel displays and players typically constitute a large portion of the expenditure customers make relative to the entire cost of implementing a digital marketing system implementation and can be a barrier to customer deployment. As a result, we believe that the broader adoption of digital marketing technology solutions is likely to increase, although we cannot predict the rate at which such adoption will occur.

Another key component of our business strategy, especially given the evolving industry dynamics in which we operate, is also to acquire and integrate other operating companies in the industry in conjunction with pursuing our organic growth objectives. We believe that the selective acquisition and successful integration of certain companies will: accelerate our growth; enable us to aggregate multiple customer bases onto a single business and technology platform; provide us with greater operating scale; enable us to leverage a common set of processes and tools, and cost efficiencies; and ultimately result in higher operating profitability and cash flow from operations. Our management team is actively pursuing and evaluating alternative acquisition opportunities on an ongoing basis. Our management team and Board of Directors have broad experience with the execution, integration and financing of acquisitions. We believe that, based on the foregoing and other factors, the Company can successfully serve as a consolidator of multiple business and technology platforms serving similar markets.

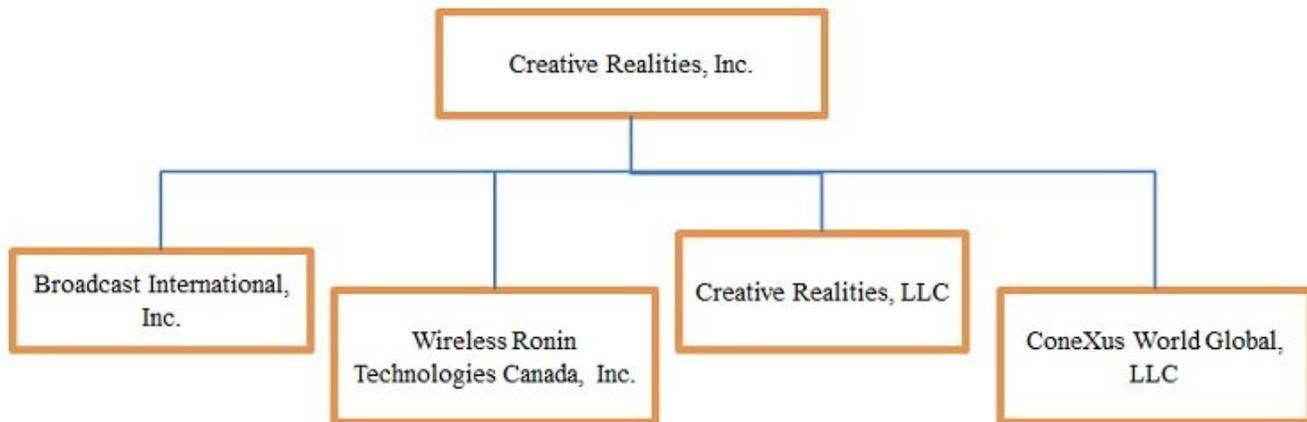
Our company sells products and services primarily throughout North America.

Corporate Organization

Our principal offices are located at 22 Audrey Place, Fairfield, New Jersey 07004, and our telephone number at that office is (973) 244-9911.

The legal entity that is the registrant was originally incorporated and organized as a Minnesota corporation under the name Wireless Ronin Technologies, Inc. in March 2003. Our business initially focused on the provision of expertised digital media marketing solutions to customers, including digital signage, interactive kiosks, mobile, social media and web-based media solutions, intended to transform the manner in which our customers engage with their own customers. As indicated below under the “Recent Developments” caption, we acquired the assets and business of Broadcast International, Inc., a Utah corporation and public registrant, through a merger transaction that was effective as of August 1, 2014. Then on August 20, 2014, we consummated a merger transaction with Creative Realities, LLC, a privately owned Delaware limited liability company, in which we issued a majority of our issued and outstanding shares of common stock. In that merger transaction, we acquired the interactive marketing technology business of Creative Realities that we currently operate. Shortly after that merger, we changed our corporate name from Wireless Ronin Technologies, Inc. to “Creative Realities, Inc.”

Our fiscal year ends December 31. Neither us nor any of our predecessors have been in bankruptcy, receivership or any similar proceeding. Our corporate structure, including our principal operating subsidiaries, is as follows:



As of the date of this filing, Broadcast International, Inc. does not conduct any operations.

Recent Developments

Acquisition of ConeXus World Global

On October 15, 2015, we completed the acquisition of ConeXus World Global, LLC for 2,080,000 shares of Series A-1 Preferred Stock, and the conversion of \$823,000 of ConeXus World Global debt into (i) 2,639,258 shares of our common stock, and (ii) \$150,000 in principal amount of our convertible debt. As a result of the merger transaction, ConeXus World Global, LLC is now our wholly owned operating subsidiary. The merger was completed by the filing of articles of merger with the Kentucky Secretary of State .

At the effective time of the merger, the debtholders and members of ConeXus received a total of 1,664,000 shares of Series A-1 Preferred Stock and 16,000,000 shares of our common stock, with an additional 416,000 shares of Series A-1 Preferred Stock and 4,000,000 shares of common stock being held back pending the completion of a reorganization of the capital structure of a Belgian affiliate of ConeXus. If such reorganization does not occur prior to March 31, 2016, then the shares held back will not be issued to the former security holders of ConeXus.

Changes in Management and Board of Directors; New Employment Arrangements

On October 15, 2015, Richard Mills was appointed to our Board of Directors. Mr. Mills also became our Chief Executive Officer. As a result of this appointment, Mr. John Walpuck is no longer our Chief Executive Officer, but retained his titles of Chief Financial Officer and Chief Operating Officer. In connection with the appointment of Richard Mills as the Chief Executive Officer, we entered into an employment agreement with Mr. Mills. Under the employment agreement, Mr. Mills will serve as Chief Executive Officer for a two-year term, which automatically renews for additional one-year periods unless either we or Mr. Mills elects not to extend the term. The agreement provides for an initial annual base salary of \$270,000, subject to annual increases but generally not subject to decreases, and includes provisions for the right to receive up to 4,951,557 performance shares of common stock in connection with a series of performance-based requirements. Under the agreement, Mr. Mills is eligible to participate in performance-based cash bonus or equity award plans for our senior executives. Mr. Mills will participate in our employee benefit plans, policies, programs, perquisites and arrangements to the extent he meets applicable eligibility requirements.

In November, 2015, Patrick O'Brien was appointed to our Board of Directors.

Financing Transactions

We entered into the financing transactions described below in "The Offering."

The Offering

Common stock offered	20,268,959 shares.
Common stock outstanding before offering	64,686,994 shares.
Common stock outstanding after offering	84,955,952 shares.
Trading symbol (OTC Pink)	CREX
Risk Factors	Shareholders considering exercising their rights to exercise their warrants or notes and the public should carefully consider the risk factors described in the section of this prospectus entitled "Risk Factors," beginning on page 6.

The shares offered hereby relate to the transactions generally described below.

On June 23, 2015, we entered into a Securities Purchase Agreement pursuant to which we offered and sold to an outside party a 14% secured convertible promissory note in the principal amount of \$400,000 and an immediately exercisable five-year warrant to purchase up to 640,000 common shares at a per-share price of \$0.30 in a private placement exempt from registration under the Securities Act of 1933. This note is secured by a third-party pledge made by Slipstream Communications, LLC (with the collateral being Slipstream Communication's investment in one of its subsidiaries). The promissory note bears interest at the annual rate of 14% and is payable monthly in arrears with 12% in cash and 2% as additional principal and matures on September 23, 2016. This note is convertible into common stock at a conversion price of \$0.28 per share, subject, however, to certain customary beneficial ownership conversion limitations. The unpaid principal and any accrued interest may at any time be converted at the option of the holder into shares of our common stock.

In connection with this June 23, 2015 debt financing (and as part of that same offering), we effected a conversion of the \$465,000 principal amount subordinated secured promissory note earlier issued to Slipstream Communications, LLC on May 20, 2015. This note, together with accrued but unpaid interest thereon and a 25% conversion premium, was converted into a 14% secured convertible promissory note in the principal amount of \$584,506, together with new five-year warrants to purchase up to 935,210 common shares at the per-share price of \$0.30.

On October 15, 2015, we together with our subsidiary entities Creative Realities, LLC, ConeXus World Global, LLC, and Broadcast International, Inc., entered into a Factoring Agreement with Allied Affiliated Funding, L.P. Under the Factoring Agreement, Allied Affiliated Funding, or "Allied," will from time to time purchase approved receivables from us and our subsidiaries up to a maximum amount of \$3.0 million. Upon receipt of any advance under the Factoring Agreement, we and our subsidiaries will have sold and assigned all of their rights in such receivables and all proceeds thereof to Allied. The purchase price for receivables bought and sold under the Factoring Agreement is equal to their face amount less a 1.10% base discount. To the base discount is added an additional .037% discount from the face value of a receivable for each day beyond 30 days that the receivable remains unpaid by the account debtor. The base discount is subject to adjustment in the event of changes in the prime lending rate as published by The Wall Street Journal. Allied will provide advances under the Factoring Agreement net of an applicable reserve amount, as specified in the agreement. Our and our subsidiaries' obligations under the Factoring Agreement are secured by substantially all of our and our subsidiaries' assets. Allied has the right under the Factoring Agreement to require us to repurchase any receivable earlier sold for a purchase price equal to the face value of the receivable. The Factoring Agreement has an initial term of one year, subject to potential one-year renewals thereafter, unless earlier terminated (or not renewed) in accordance with the agreement. We may terminate the Factoring Agreement at any time prior to the expiration of the initial term (or a renewal period) upon payment to Allied of an early termination fee equal to \$37,500.

On October 26, 2015, Creative Realities, Inc. entered into a Securities Purchase Agreement with an accredited investor under which it offered and sold a secured convertible promissory note in the principal amount of \$300 together with a five-year warrant to purchase up to 535,714 shares of common stock at a per-share price of \$0.28, in a private placement exempt from registration under the Securities Act of 1933. Our principal subsidiaries — Creative Realities, LLC, Wireless Ronin Technologies Canada, Inc., and Conexus World Global, LLC — were also parties to the Securities Purchase Agreement and are co-makers of the secured convertible promissory note. Obligations under the secured convertible promissory note are secured by a grant of collateral security in all of the personal property of the co-makers pursuant to the terms of a security agreement.

The secured convertible promissory note bears interest at the rate of 14% per annum. Of this amount, 12% per annum is payable monthly in cash, and the remaining 2% per annum is payable in the form an additional principal through increases in the principal amount of the note. Upon the consummation of a change in control transaction of the company or a default, interest on the secured convertible promissory note will increase to the rate of 17% per annum. The secured convertible promissory note matures on April 15, 2017, unless the holder of a note elects to extend the maturity date for an additional six-month period, in which case such note will mature on October 15, 2017. At any time prior to the maturity date, the holder of a promissory note may convert the outstanding principal and accrued and unpaid interest into our common stock at a conversion rate of \$0.28 per share, subject to adjustment. We may not prepay the secured convertible promissory note prior to the maturity date. The secured convertible promissory note contains other customary terms. In connection with the offer and sale of the above-described secured convertible promissory note, we paid commissions to a placement agent aggregating \$25,000. In addition, we entered into extension agreements with the holders of two earlier purchased secured convertible promissory notes, dated as of June 23, 2015, containing terms substantially similar to those in the secured convertible promissory note. We entered into the extension agreements primarily to extend the maturity date of those notes to April 15, 2017.

In December, 2015, we entered into an Exchange Agreement with an accredited investor who held a warrant, dated February 18, 2015, for the purchase of up to 1,515,152 shares of our common stock. Pursuant to the Exchange Agreement, we issued 975,000 shares of our common stock to the investor in exchange for the investor's surrender of the warrant.

On December 28, 2015, we offered and sold to certain accredited investors secured promissory notes in the aggregate principal amount of \$1,250,000 and five-year warrants to purchase up to 2,232,142 shares of Creative Realities' common stock at a per-share price of \$0.28 (subject to adjustment), all pursuant to a securities purchase agreement. The gross proceeds totaled \$1,250,000. Our principal subsidiaries — Creative Realities, LLC, Wireless Ronin Technologies Canada, Inc., and Conexus World Global, LLC — were also parties to the securities purchase agreement and are co-makers of the secured convertible promissory notes. Obligations under the secured convertible promissory notes are secured by a grant of collateral security in all of the tangible assets of the co-makers pursuant to the terms of an amended and restated security agreement.

The secured promissory notes bear interest at the annual rate of 14% (12% payable in cash and 2% payable in the form of additional principal) with an initial maturity date of April 15, 2017, which may be extended at the sole discretion of each Investor to October 15, 2017. At any time prior to the maturity date, the Investors may convert the outstanding principal and accrued and unpaid interest into Creative Realities' common stock at a conversion price equal to \$0.28 per-share (subject to adjustment).

In connection with the private placement, we and the investors entered into registration rights agreements requiring Creative Realities to file a registration statement, on or prior to February 11, 2016, under the Securities Act of 1933 to register the resale of the shares of its common stock issuable upon conversion of the secured notes and upon exercise of the warrants.

RISK RELATING TO FORWARD-LOOKING STATEMENTS

This prospectus contains certain statements that would be deemed "forward-looking statements" under Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements reflect managements' present expectations and estimates regarding future expenses, revenue and profitability, trends affecting our financial condition and results of operations, operating efficiencies, revenue opportunities, potential new markets, the ability of our Company to effectively compete in a highly competitive market, and certain other matters. Nevertheless, and despite the fact that management's expectations and estimates are based on assumptions management believes to be reasonable and data management believes to be reliable, the Company's actual results, performance or achievements are subject to future risks and uncertainties, any of which could materially affect the Company's actual performance. Risks and uncertainties that could affect such performance include, but are not limited to:

- the adequacy of funds for future operations;
- future expenses, revenue and profitability;

- trends affecting financial condition and results of operations;
- ability to convert proposals into customer orders under mutually agreed upon terms and conditions;
- general economic conditions and outlook;
- the ability of customers to pay for products and services received;
- the impact of changing customer requirements upon revenue recognition;
- customer cancellations;
- the availability and terms of additional capital;
- industry trends and the competitive environment;
- the impact of the company's financial condition upon customer and prospective customer relationships;
- potential litigation and regulatory actions directed toward our industry in general;
- the ultimate control of our management and our Board of Directors by our controlling shareholder, Slipstream Funding, LLC;
- our reliance on certain key personnel in the management of our businesses;
- employee and management turnover; and
- the fact that our common stock is presently thinly traded in an illiquid market.

These and other risk factors are discussed in Company reports filed with the SEC.

Although we believe that the assumptions forming the basis of our forward-looking statements are reasonable, any of those assumptions could prove to be inaccurate. Given these uncertainties, you should not attribute any certainty to these forward-looking statements. Actual results could differ materially from those anticipated in the forward-looking statements due to risks, uncertainties or actual events differing from the assumptions underlying these statements. We assume no obligation to update any forward-looking statements publicly, or to update the reasons why actual results could differ materially from those anticipated in any forward-looking statements contained in this press release, even if new information becomes available in the future.

Although federal securities laws provide a safe harbor for forward-looking statements made by a public company that files reports under the federal securities laws, this safe harbor is not available to certain issuers, including issuers that do not have their equity traded on a recognized national exchange or The Nasdaq Capital Market. Our common stock does not trade on any recognized national exchange or The Nasdaq Capital Market. As a result, we will not have the benefit of this safe harbor protection in the event of any legal action based upon a claim that the material provided by us contained a material misstatement of fact or was misleading in any material respect because of our failure to include any statements necessary to make the statements not misleading.

RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the specific risks described below, the risks described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and our Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2015, and any risks described in our other filings with the Securities and Exchange Commission, pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, before making an investment decision. See the section of this prospectus entitled “Where You Can Find More Information.” Any of the risks we describe below could cause our business, financial condition, results of operations or future prospects to be materially adversely affected.

The market price of our common stock could decline if one or more of these risks and uncertainties develop into actual events and you could lose all or part of your investment. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition, results of operations or future prospects. In addition, some of the statements in this section of the prospectus are forward-looking statements. For more information about forward-looking statements, please see the section of this prospectus entitled “Risks Relating to Forward-Looking Statements” above.

RISKS RELATED TO OUR BUSINESS AND OUR INDUSTRY

We have recently incurred losses, and may never become or remain profitable.

Recently, we have incurred net losses. We incurred net losses in each of the years ended December 31, 2014 and 2013, respectively, as well as in the first three quarters of 2015. We do not know with any degree of certainty whether or when we will become profitable. Even if we are able to achieve profitability in future periods, we may not be able to sustain or increase our profitability in successive periods.

We have formulated our business plans and strategies based on certain assumptions regarding the acceptance of our business model and the marketing of our products and services. Nevertheless, our assessments regarding market size, market share, market acceptance of our products and services and a variety of other factors may prove incorrect. Our future success will depend upon many factors, including factors which may be beyond our control or which cannot be predicted at this time.

We have limited operating history as a combined company and cannot ensure the long-term successful operation of our business or the execution of our business plan.

We have limited operating history as a combined company since the closing of the merger transactions summarized herein, and our digital marketing technology and solutions are an evolving business offering. As a result, investors have a limited track record by which to evaluate our future performance. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by growing companies in new and rapidly evolving markets. We may be unable to accomplish any of the following, which would materially impact our ability to implement our business plan:

- establishing and maintaining broad market acceptance of our technology, solutions, services, and platforms, and converting that acceptance into direct and indirect sources of revenue;
- establishing and maintaining adoption of our technology, solutions, services, and platforms in and on a variety of environments, experiences, and device types;
- timely and successfully developing new technology, solution, service, and platform features, and increasing the functionality and features of our existing technology, solution, service, and platform offerings;
- developing technology, solutions, services, and platforms that result in a high degree of customer satisfaction and a high level of end-customer usage;
- successfully responding to competition, including competition from emerging technologies and solutions;
- developing and maintaining strategic relationships to enhance the distribution, features, content and utility of our technology, solutions, services, and platforms;
- identifying, attracting and retaining talented engineering, network operations, program management, technical services, creative services, and other personnel at reasonable market compensation rates in the markets in which we employ such personnel; and
- integration of acquisitions.

Our business strategy may be unsuccessful and we may be unable to address the risks we face in a cost-effective manner, if at all. If we are unable to successfully accomplish these tasks, our business will be harmed.

Adequate funds for our operations may not be available, requiring us to raise additional financing or else curtail our activities significantly.

We will likely be required to raise additional funding through public or private financings, including equity financings, in 2016. Any additional equity financings may be dilutive to shareholders and may be completed at a discount to the then-current market price of our common stock. Debt financing, if available, would likely involve restrictive covenants on our operations or pertaining to future financing arrangements. Nevertheless, we may not successfully complete any future equity or debt financing. Adequate funds for our operations, whether from financial markets, collaborative or other arrangements, may not be available when needed or on terms attractive to us. If adequate funds are not available, our plans to operate our business may be adversely affected and we could be required to curtail our activities significantly and/or cease operating.

We will be unable to implement our business plan if we cannot raise sufficient capital and may be required to pay a high price for capital.

We will need to obtain additional capital to implement our business plan and meet our financial obligations as they become due. We may not be able to raise the additional capital needed or may be required to pay a high price for capital. Factors affecting the availability and price of capital may include the following:

- the availability and cost of capital generally;
- our financial results;
- the experience and reputation of our management team;
- market interest, or lack of interest, in our industry and business plan;
- the trading volume of, and volatility in, the market for our common stock;
- our ongoing success, or failure, in executing our business plan;
- the amount of our capital needs; and
- the amount of debt, options, warrants, and convertible securities we have outstanding.

We may be unable to meet our current or future obligations or to adequately exploit existing or future opportunities if we cannot raise sufficient capital. If we are unable to obtain capital for an extended period of time, we may be forced to discontinue operations.

We expect that there will be significant consolidation in our industry. Our failure or inability to lead that consolidation would have a severe adverse impact on our access to financing, customers, technology, and human resources.

Our industry is currently composed of a large number of relatively small businesses, no single one of which is dominant or which provides integrated solutions and product offerings incorporating much of the available technology. Accordingly, we believe that substantial consolidation may occur in our industry in the near future. If we do not play a positive role in that consolidation, either as a leader or as a participant whose capability is merged in a larger entity, we may be left out of this process, with product offerings of limited value compared with those of our competitors. Moreover, even if we lead the consolidation process, the market may not validate the decisions we make in that process.

Our success depends on our interactive marketing technologies achieving and maintaining widespread acceptance in our targeted markets.

Our success will depend to a large extent on broad market acceptance of our interactive marketing technologies among our current and prospective customers. Our prospective customers may still not use our solutions for a number of other reasons, including preference for static advertising, lack of familiarity with our technology, preference for competing technologies or perceived lack of reliability. We believe that the acceptance of our interactive marketing technologies by prospective customers will depend primarily on the following factors:

- our ability to demonstrate the economic and other benefits attendant our marketing technologies;
- our customers becoming comfortable with using our interactive marketing technologies; and
- the reliability of our interactive marketing technologies.

Our interactive technologies are complex and must meet stringent user requirements. Some undetected errors or defects may only become apparent as new functions are added to our technologies and products. The need to repair or replace products with design or manufacturing defects could temporarily delay the sale of new products and adversely affect our reputation. Delays, costs and damage to our reputation due to product defects could harm our business.

Our financial condition and potential for continued net losses may negatively impact our relationships with customers, prospective customers and third-party suppliers.

Our financial condition and potential for continued net losses may cause current and prospective customers to defer placing orders with us, to require terms that are less favorable to us, or to place their orders with competing marketing technology suppliers, which could adversely affect our business, financial condition and results of operations. On the same basis, third-party suppliers may refuse to do business with us, or may do so only on terms that are unfavorable to us, which also could cause our revenue to decline.

Because we do not have long-term purchase commitments from our customers, the failure to obtain anticipated orders or the deferral or cancellation of commitments could have adverse effects on our business.

Our business is characterized by short-term purchase orders and contracts that do not require that purchases be made. This makes forecasting our sales difficult. The failure to obtain anticipated orders and deferrals or cancellations of purchase commitments because of changes in customer requirements, or otherwise, could have a material adverse effect on our business, financial condition and results of operations. We have experienced such challenges in the past and may experience such challenges in the future.

Our continued growth could be adversely affected by the loss of several key customers.

Our largest customers account for a majority of our total revenue on a pro forma, consolidated basis. We had three and two customers that accounted for 49% and 44% of accounts receivable as of September 30, 2015 and December 31, 2014, respectively. In addition, we had two customers that accounted for 52% of revenue for the three months ended September 30, 2015, and had three and two customers that accounted for 57% and 43% of our revenue for the nine months ended September 30, 2015 and 2014, respectively. As a result of the merger and system integration, sales concentration for the three months ended September 30, 2014 was unavailable. Decisions by one or more of these key customers and/or partners to not renew, terminate or substantially reduce their use of our products, technology, services, and platform could substantially slow our revenue growth and lead to a decline in revenue. Our business plan assumes continued growth in revenue, and it is unlikely that we will become profitable without a continued increase in revenue.

Most of our contracts are terminable by our customers with limited notice and without penalty payments, and early terminations could have a material effect on our business, operating results and financial condition.

Most of our contracts are terminable by our customers following limited notice and without early termination payments or liquidated damages due from them. In addition, each stage of a project often represents a separate contractual commitment, at the end of which the customers may elect to delay or not to proceed to the next stage of the project. We cannot assure you that one or more of our customers will not terminate a material contract or materially reduce the scope of a large project. The delay, cancellation or significant reduction in the scope of a large project or a number of projects could have a material adverse effect on our business, operating results and financial condition.

It is common for our current and prospective customers to take a long time to evaluate our products, most especially during economic downturns that affect our customers' businesses. The lengthy and variable sales cycle makes it difficult to predict our operating results.

It is difficult for us to forecast the timing and recognition of revenue from sales of our products and services because our actual and prospective customers often take significant time to evaluate our products before committing to a purchase. Even after making their first purchases of our products and services, existing customers may not make significant purchases of those products and services for a long period of time following their initial purchases, if at all. The period between initial customer contact and a purchase by a customer may be years with potentially an even longer period separating initial purchases and any significant purchases thereafter. During the evaluation period, prospective customers may decide not to purchase or may scale down proposed orders of our products for various reasons, including:

- reduced need to upgrade existing visual marketing systems;
- introduction of products by our competitors;
- lower prices offered by our competitors; and
- changes in budgets and purchasing priorities.

Our prospective customers routinely require education regarding the use and benefit of our products. This may also lead to delays in receiving customers' orders.

Our industry is characterized by frequent technological change. If we are unable to adapt our products and services and develop new products and services to keep up with these rapid changes, we will not be able to obtain or maintain market share.

The market for our products and services is characterized by rapidly changing technology, evolving industry standards, changes in customer needs, heavy competition and frequent new product and service introductions. If we fail to develop new products and services or modify or improve existing products and services in response to these changes in technology, customer demands or industry standards, our products and services could become less competitive or obsolete.

We must respond to changing technology and industry standards in a timely and cost-effective manner. We may not be successful in using new technologies, developing new products and services or enhancing existing products and services in a timely and cost-effective manner. Furthermore, even if we successfully adapt our products and services, these new technologies or enhancements may not achieve market acceptance.

A portion of business involves the use of software technology that we have developed or licensed. Industries involving the ownership and licensing of software-based intellectual property are characterized by frequent intellectual-property litigation, and we could face claims of infringement by others in the industry. Such claims are costly and add uncertainty to our operational results.

A portion of our business involves our ownership and licensing of software. This market space is characterized by frequent intellectual-property claims and litigation. We could be subject to claims of infringement of third-party intellectual-property rights resulting in significant expense and the potential loss of our own intellectual-property rights. From time to time, third parties may assert copyright, trademark, patent or other intellectual-property rights to technologies that are important to our business. Any litigation to determine the validity of these claims, including claims arising through our contractual indemnification of our business partners, regardless of their merit or resolution, would likely be costly and time consuming and divert the efforts and attention of our management and technical personnel. If any such litigation resulted in an adverse ruling, we could be required to:

- pay substantial damages;
- cease the development, use, licensing or sale of infringing products;
- discontinue the use of certain technology; or
- obtain a license under the intellectual property rights of the third party claiming infringement, which license may not be available on reasonable terms or at all.

Our proprietary platform architectures and data tracking technology underlying certain of our services are complex and may contain unknown errors in design or implementation that could result in system performance failures or inability to scale.

The platform architecture, data tracking technology and integration layers underlying our proprietary platforms, our contract administration, procurement, timekeeping, content and network management, network services, device management, virtualized services, software automation and other tools, and back-end services are complex and include software and code used to generate customer invoices. This software and code is developed internally, licensed from third parties, or integrated by in-house personnel and third parties. Any of the system architecture, system administration, integration layers, software or code may contain errors, or may be implemented or interpreted incorrectly, particularly when they are first introduced or when new versions or enhancements to our tools and services are released. Consequently, our systems could experience performance failure or we may be unable to scale our systems, which may:

- adversely impact our relationship with customers and others who experience system failure, possibly leading to a loss of affected and unaffected customers;
- increase our costs related to product development or service delivery; or
- adversely affect our revenues and expenses.

Our business may be adversely affected by malicious applications that interfere with, or exploit security flaws in, our products and services.

Our business may be adversely affected by malicious applications that make changes to our customers' computer systems and interfere with the operation and use of our products or products that impact our business. These applications may attempt to interfere with our ability to communicate with our customers' devices. The interference may occur without disclosure to or consent from our customers, resulting in a negative experience that our customers may associate with our products and services. These applications may be difficult or impossible to uninstall or disable, may reinstall themselves and may circumvent other applications' efforts to block or remove them. The ability to provide customers with a superior interactive marketing technology experience is critical to our success. If our efforts to combat these malicious applications fail, or if our products and services have actual or perceived vulnerabilities, there may be claims based on such failure or our reputation may be harmed, which would damage our business and financial condition.

We compete with other companies that have more resources, which puts us at a competitive disadvantage.

The market for interactive marketing technologies is generally highly competitive and we expect competition to increase in the future. Some of our competitors or potential competitors may have significantly greater financial, technical and marketing resources than us. These competitors may be able to respond more rapidly than we can to new or emerging technologies or changes in customer requirements. They may also devote greater resources to the development, promotion and sale of their products than us.

We expect competitors to continue to improve the performance of their current products and to introduce new products, services and technologies. Successful new product and service introductions or enhancements by our competitors could reduce sales and the market acceptance of our products and services, cause intense price competition or make our products and services obsolete. To be competitive, we must continue to invest significant resources in research and development, sales and marketing and customer support. If we do not have sufficient resources to make these investments or are unable to make the technological advances necessary to be competitive, our competitive position will suffer. Increased competition could result in price reductions, fewer customer orders, reduced margins and loss of market share. Our failure to compete successfully against current or future competitors could adversely affect our business and financial condition.

Our future success depends on key personnel and our ability to attract and retain additional personnel.

Our key personnel include:

- Richard Mills, our Chief Executive Officer;
- John Walpuck, our Chief Financial and Chief Operating Officer; and
- Alan Levy, our Vice President and Corporate Controller.

If we fail to retain our key personnel or to attract, retain and motivate other qualified employees, our ability to maintain and develop our business may be adversely affected. Our future success depends significantly on the continued service of our key technical, sales and senior management personnel and their ability to execute our growth strategy. The loss of the services of our key employees could harm our business. We may be unable to retain our employees or to attract, assimilate and retain other highly qualified employees who could migrate to other employers who offer competitive or superior compensation packages.

Unpredictability in financing markets could impair our ability to grow our business through acquisitions.

We anticipate that opportunities to acquire similar businesses will materially depend on the availability of financing alternatives with acceptable terms. As a result, poor credit and other market conditions or uncertainty in financial markets could materially limit our ability to grow through acquisitions since such conditions and uncertainty make obtaining financing more difficult.

Our reliance on information management and transaction systems to operate our business exposes us to cyber incidents and hacking of our sensitive information if our outsourced service provider experiences a security breach.

Effective information security internal controls are necessary for us to protect our sensitive information from illegal activities and unauthorized disclosure in addition to denial of service attacks and corruption of our data. In addition, we rely on the information security internal controls maintained by our outsourced service provider. Breaches of our information management system could also adversely affect our business reputation. Finally, significant information system disruptions could adversely affect our ability to effectively manage operations or reliably report results.

Because our technology, products, platform, and services are complex and are deployed in and across complex environments, they may have errors or defects that could seriously harm our business.

Our technology, proprietary platforms, products and services are highly complex and are designed to operate in and across data centers, large and complex networks, and other elements of the digital media workflow that we do not own or control. On an ongoing basis, we need to perform proactive maintenance services on our platform and related software services to correct errors and defects. In the future, there may be additional errors and defects in our software that may adversely affect our services. We may not have in place adequate reporting, tracking, monitoring, and quality assurance procedures to ensure that we detect errors in our software in a timely manner. If we are unable to efficiently and cost-effectively fix errors or other problems that may be identified, or if there are unidentified errors that allow persons to improperly access our services, we could experience loss of revenues and market share, damage to our reputation, increased expenses and legal actions by our customers.

We may have insufficient network or server capacity, which could result in interruptions in our services and loss of revenues.

Our operations are dependent in part upon: network capacity provided by third-party telecommunications networks; data center services provider owned and leased infrastructure and capacity; the Company's dedicated and virtualized server capacity located at its data center services provider partner and a geo-redundant micro-data center location; and the Company's own infrastructure and equipment. Collectively, this infrastructure, equipment, and capacity must be sufficiently robust to handle all of our customers' web-traffic, particularly in the event of unexpected surges in high-definition video traffic and network services incidents. We may not be adequately prepared for unexpected increases in bandwidth and related infrastructure demands from our customers. In addition, the bandwidth we have contracted to purchase may become unavailable for a variety of reasons, including payment disputes, outages, or such service providers going out of business. Any failure of these service providers or the Company's own infrastructure to provide the capacity we require, due to financial or other reasons, may result in a reduction in, or interruption of, service to our customers, leading to an immediate decline in revenue and possible additional decline in revenue as a result of subsequent customer losses.

We do not have sufficient capital to engage in material research and development, which may harm our long-term growth.

In light of our limited resources in general, we have made no material investments in research and development over the past several years. This conserves capital in the short term. In the long term, as a result of our failure to invest in research and development, our technology and product offerings may not keep pace with the market and we may lose any existing competitive advantage. Over the long term, this may harm our revenues growth and our ability to become profitable.

Our business operations are susceptible to interruptions caused by events beyond our control.

Our business operations are susceptible to interruptions caused by events beyond our control. We are vulnerable to the following potential problems, among others:

- our platform, technology, products, and services and underlying infrastructure, or that of our key suppliers, may be damaged or destroyed by events beyond our control, such as fires, earthquakes, floods, power outages or telecommunications failures;
- we and our customers and/or partners may experience interruptions in service as a result of the accidental or malicious actions of Internet users, hackers or current or former employees;
- we may face liability for transmitting viruses to third parties that damage or impair their access to computer networks, programs, data or information. Eliminating computer viruses and alleviating other security problems may require interruptions, delays or cessation of service to our customers; and
- failure of our systems or those of our suppliers may disrupt service to our customers (and from our customers to their customers), which could materially impact our operations (and the operations of our customers), adversely affect our relationships with our customers and lead to lawsuits and contingent liability.

The occurrence of any of the foregoing could result in claims for consequential and other damages, significant repair and recovery expenses and extensive customer losses and otherwise have a material adverse effect on our business, financial condition and results of operations.

General global market and economic conditions may have an adverse impact on our operating performance and results of operations.

Our business has been and could continue to be affected by general global economic and market conditions. Weakness in the United States and worldwide economy has had and could continue to have a negative effect on our operating results, including a decrease in revenue and operating cash flow. To the extent our customers are unable to profitably leverage various forms of digital marketing technology and solutions, and/or the content we create, deliver and publish on their behalf, they may reduce or eliminate their purchase of our products and services. Such reductions in traffic would lead to a reduction in our revenues. Additionally, in a down-cycle economic environment, we may experience the negative effects of increased competitive pricing pressure, customer loss, slowdown in commerce over the Internet and corresponding decrease in traffic delivered over our network and failures by our customers to pay amounts owed to us on a timely basis or at all. Suppliers on which we rely for equipment, field services, servers, bandwidth, co-location and other services could also be negatively impacted by economic conditions that, in turn, could have a negative impact on our operations or revenues. Flat or worsening economic conditions may harm our operating results and financial condition.

The markets in which we operate are rapidly emerging, and we may be unable to compete successfully against existing or future competitors to our business.

The market in which we operate is becoming increasingly competitive. Our current competitors generally include general digital signage companies, specialized digital signage operators targeting certain vertical markets (e.g., financial services), content management software companies, or integrators and vertical solution providers who develop single implementations of content distribution, digital marketing technology, and related services. These competitors, including future new competitors who may emerge, may be able to develop a comparable or superior solution capabilities, software platform, technology stack, and/or series of services that provide a similar or more robust set of features and functionality than the technology, products and services we offer. If this occurs, we may be unable to grow as necessary to make our business profitable.

Whether or not we have superior products, many of these current and potential future competitors have a longer operating history in their current respective business areas and greater market presence, brand recognition, engineering and marketing capabilities, and financial, technological and personnel resources than we do. Existing and potential competitors with an extended operating history, even if not directly related to our business, have an inherent marketing advantage because of the reluctance of many potential customers to entrust key operations to a company that may be perceived as unproven. In addition, our existing and potential future competitors may be able to use their extensive resources:

- to develop and deploy new products and services more quickly and effectively than we can;

- to develop, improve and expand their platforms and related infrastructures more quickly than we can;
- to reduce costs, particularly hardware costs, because of discounts associated with large volume purchases and longer term relationships and commitments;
- to offer less expensive products, technology, platform, and services as a result of a lower cost structure, greater capital reserves or otherwise;
- to adapt more swiftly and completely to new or emerging technologies and changes in customer requirements;
- to take advantage of acquisition and other opportunities more readily; and
- to devote greater resources to the marketing and sales of their products, technology, platform, and services.

If we are unable to compete effectively in our various markets, or if competitive pressures place downward pressure on the prices at which we offer our products and services, our business, financial condition and results of operations may suffer.

RISKS RELATED TO THIS OFFERING AND OUR COMPANY

Because of our early stage of operations and limited resources, we may not have in place various processes and protections common to more mature companies and may be more susceptible to adverse events.

We are in an early stage of operations and have limited resources after incurring a significant amount of restructuring and integration costs. As a result, we may not have in place systems, processes and protections that many of our competitors have or that may be essential to protect against various risks. For example, we have in place only limited resources and processes addressing human resources, timekeeping, data protection, business continuity, personnel redundancy, and knowledge institutionalization concerns. As a result, we are at risk that one or more adverse events in these and other areas may materially harm our business, balance sheet, revenues, expenses or prospects.

Failure to achieve and maintain effective internal controls could limit our ability to detect and prevent fraud and thereby adversely affect our business and stock price.

Effective internal controls are necessary for us to provide reliable financial reports. Nevertheless, all internal control systems, no matter how well designed, have inherent limitations. Even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Our inability to maintain an effective control environment may cause investors to lose confidence in our reported financial information, which could in turn have a material adverse effect on our stock price. Importantly, our most recent Annual Report on Form 10-K discloses our finding of material weaknesses in our internal controls. For more information, please refer to Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on May 7, 2015.

Our controlling shareholder possesses controlling voting power with respect to our common stock and voting preferred stock, which will limit your influence on corporate matters.

Our controlling shareholder, Slipstream Communications, LLC, has beneficial ownership of 43,265,111 shares of common stock, including common shares are beneficially owned by an affiliate of Slipstream Communications named Slipstream Funding, LLC. These shares represent beneficial ownership of approximately 54.58% of our common stock as of the date of this prospectus. As a result, Slipstream Funding has the ability to control our management and affairs through the election and removal of our entire Board of Directors and all other matters requiring shareholder approval, including the future merger, consolidation or sale of all or substantially all of our assets. This concentrated control could discourage others from initiating any potential merger, takeover or other change-of-control transaction that may otherwise be beneficial to our shareholders. Furthermore, this concentrated control will limit the practical effect of your participation in Company matters, through shareholder votes and otherwise.

Our Articles of Incorporation grant our Board of Directors the power to issue additional shares of common and preferred stock and to designate other classes of preferred stock, all without shareholder approval.

Our authorized capital consists of 250 million shares of capital stock. Pursuant to authority granted by our Articles of Incorporation, our Board of Directors, without any action by our shareholders, may designate and issue shares in such classes or series (including other classes or series of preferred stock) as it deems appropriate and establish the rights, preferences and privileges of such shares, including dividends, liquidation and voting rights, provided it is consistent with Minnesota law. The rights of holders of other classes or series of stock that may be issued could be superior to the rights of holders of our common shares. The designation and issuance of shares of capital stock having preferential rights could adversely affect other rights appurtenant to shares of our common stock. Furthermore, any issuances of additional stock (common or preferred) will dilute the percentage of ownership interest of then-current holders of our capital stock and may dilute our book value per share.

Significant issuances of our common stock, or the perception that significant issuances may occur in the future, could adversely affect the market price for our common stock.

Significant actual or perceived potential future issuance our common stock could adversely affect the market price of our common stock. Generally, issuances of substantial amounts of common stock in the public market, and the availability of shares for future sale, including up to 20,268,959 shares of our common stock that are covered by the registration statement of which this prospectus is a part, and issued on account of convertible promissory notes or issuable upon exercise of outstanding warrants, could adversely affect the prevailing market price of our common stock and could cause the market price of our common stock to remain low for a substantial amount of time.

We cannot foresee the impact of potential securities issuances of common shares on the market for our common stock, but it is possible that the market for our shares may be adversely affected, perhaps significantly. It is also unclear whether or not the market for our common stock could absorb a large number of attempted sales in a short period of time, regardless of the price at which they might be offered. Even if a substantial number of sales do not occur within a short period of time, the mere existence of this “market overhang” could have a negative impact on the market for our common stock and our ability to raise additional equity capital.

Our common stock trades only in an illiquid trading market.

Trading of our common stock is conducted on the OTC Markets (OTC Pink). This has an adverse effect on the liquidity of our common stock, not only in terms of the number of shares that can be bought and sold at a given price, but also through delays in the timing of transactions and reduction in security analysts’ and the media’s coverage of us and our common stock. This may result in lower prices for our common stock than might otherwise be obtained and could also result in a larger spread between the bid and asked prices for our common stock.

There is not now and there may not ever be an active market for shares of our common stock.

In general, there has been minimal trading volume in our common stock. The small trading volume will likely make it difficult for our shareholders to sell their shares as and when they choose. Furthermore, small trading volumes are generally understood to depress market prices. As a result, you may not always be able to resell shares of our common stock publicly at the time and prices that you feel are fair or appropriate.

We do not intend to pay dividends on our common stock for the foreseeable future. We will, however, pay dividends on our Series A Convertible Preferred Stock and our Series A-1 Convertible Preferred Stock.

When permitted by Minnesota law, we are required to pay dividends to the holders of our Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock, each share of which carries a \$1.00 stated value. There are presently approximately 5.9 million shares of Series A Convertible Preferred Stock outstanding and 6.7 million shares of Series A-1 Convertible Preferred Stock outstanding. Our Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock entitles its holders to:

- a cumulative 6% dividend, payable on a semi-annual basis in cash unless (i) we are unable to pay the dividend in cash under applicable law, or (ii) we have demonstrated positive cashflow during the prior quarter reported on our Form 10-Q, in which case we may at our election pay the dividend through the issuance of additional shares of preferred stock;
- in the event of a liquidation or dissolution of the Company, a preference in the amount of all accrued but unpaid dividends plus the stated value of such shares before any payment shall be made or any assets distributed to the holders of any junior securities, including our common stock;
- convert their preferred shares into our common shares at a conversion rate of \$0.255 per share, subject, however, to full-ratchet price protection in the event that we issue common stock below the then-current conversion price (subject to certain customary exceptions); and
- vote their preferred shares on an as-if-converted basis.

After August 20, 2017, we will have the right to call and redeem some or all of such preferred shares, subject to a 30-day notice period and certain other conditions, at a price equal to \$1.00 per share plus accrued but unpaid dividends thereon. Holders of Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock have no preemptive or cumulative-voting rights.

We do not anticipate that we will pay any dividends for the foreseeable future on our common stock. Accordingly, any return on an investment in us will be realized only when you sell shares of our common stock. When legally permitted, we must expect to pay dividends to our preferred shareholders.

We do not have significant tangible assets that could be sold upon liquidation.

We have nominal tangible assets. As a result, if we become insolvent or otherwise must dissolve, there will be no tangible assets to liquidate and no corresponding proceeds to disburse to our shareholders. If we become insolvent or otherwise must dissolve, shareholders will likely not receive any cash proceeds on account of their shares.

USE OF PROCEEDS

We will receive no proceeds from the sale of shares offered under this prospectus. We may, however, receive up to approximately \$1,572,562 in proceeds upon the cash exercise of outstanding warrants with respect to which the resale of the underlying common shares is covered by this prospectus.

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

The following discussion should be read in conjunction with the financial statements and related notes that appear elsewhere in, or are incorporated by reference into, this prospectus. This discussion contains forward-looking statements that involve significant uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed in "Risk Factors" elsewhere in this report. For further information, see "Risk Relating to Forward-Looking Statements" above.

Overview

The following discussion contains various forward-looking statements within the meaning of Section 21E of the Exchange Act. Although we believe that, in making any such statement, our expectations are based on reasonable assumptions, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. When used in the following discussion, the words "anticipates," "believes," "expects," "intends," "plans," "estimates" and similar expressions, as they relate to us or our management, are intended to identify such forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from those anticipated. Factors that could cause actual results to differ materially from those anticipated, certain of which are beyond our control, are set forth under the caption "Risk Factors," in the Company's Form 10-K for the year ended December 31, 2014 as filed with the Securities and Exchange Commission on May 7, 2015.

Our actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking statements. Accordingly, we cannot be certain that any of the events anticipated by forward-looking statements will occur or, if any of them do occur, what impact they will have on us. We caution you to keep in mind the cautions and risks described in this document and to refrain from attributing undue certainty to any forward-looking statements, which speak only as of the date of the document in which they appear. We do not undertake to update any forward-looking statement.

Our main operations are conducted directly through Creative Realities, Inc. (f/k/a Wireless Ronin Technologies, Inc.), and under our wholly owned subsidiaries Creative Realities, LLC, a Delaware limited liability company, Broadcast International, Inc., a Utah corporation, Wireless Ronin Technologies Canada, Inc., a Canadian corporation, and ConeXus World Global, LLC, a Kentucky limited liability company.

We generate revenue in this business by:

- consulting with our customers to determine the technologies and solutions required to achieve their specific goals, strategies and objectives;
- designing our customers' digital marketing experiences, content and interfaces;
- engineering the systems architecture delivering the digital marketing experiences we design – both software and hardware – and integrating those systems into a customized, reliable and effective digital marketing experience;
- managing the efficient, timely and cost-effective deployment of our digital marketing technology solutions for our customers;
- delivering and updating the content of our digital marketing technology solutions using a suite of advanced media, content and network management software products; and
- maintaining our customers' digital marketing technology solutions by: providing content production and related services; creating additional software-based features and functionality; hosting the solutions; monitoring solution service levels; and responding to and/or managing remote or onsite field service maintenance, troubleshooting and support calls.

These activities generate revenue through: bundled-solution sales; service fees for consulting, experience design, content development and production, software development, engineering, implementation, and field services; software license fees; and maintenance and support services related to our software, managed systems and solutions.

Our Sources of Revenue

We generate revenue through digital marketing solution sales, which include system hardware, software design and development, consulting, software licensing, deployment, and maintenance and support services.

We currently market and sell our technology and solutions primarily through our sales and business development personnel, but we also utilize agents, strategic partners, and lead generators who provide us with access to additional sales, business development and licensing opportunities.

Our Expenses

Our expenses are primarily comprised of three categories: sales and marketing, research and development, and general and administrative. Sales and marketing expenses include salaries and benefits for our sales, business development solution management and marketing personnel, and commissions paid on sales. This category also includes amounts spent on marketing networking events, promotional materials, hardware and software to prospective new customers, including those expenses incurred in trade shows and product demonstrations, and other related expenses. Our research and development expenses represent the salaries and benefits of those individuals who develop and maintain our proprietary software platforms and other software applications we design and sell to our customers. Our general and administrative expenses consist of corporate overhead, including administrative salaries, real property lease payments, salaries and benefits for our corporate officers and other expenses such as legal and accounting fees.

Critical Accounting Policies and Estimates

The Company's significant accounting policies are described in Form 10-K for the year ended December 31, 2014. There have been no changes in the critical accounting policies and estimates. The Company's consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States. Certain accounting policies involve significant judgments, assumptions, and estimates by management that could have a material impact on the carrying value of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Results of Operations

Note: All dollar amounts reported in Results of Operations are in thousands, except per-share information.

Three Months Ended September 30, 2015 Compared to Three Months Ended September 30, 2014

The following discussions are based on the unaudited condensed consolidated statements of operations for the three months and nine months ended September 30, 2015 and 2014 and notes thereto. The tables presented below compare our results of operations from one period to another, and present the results for each period and the change in those results from one period to another in both dollars and percentage change.

Our consolidated comparisons include certain historical data, transaction entries, journal entries, and chart of account classifications that are not uniformly consistent across Creative Realities, LLC, Wireless Ronin Technologies, Inc. and Broadcast International, Inc. As a result, certain assessments and qualitative descriptions related to our consolidated results cannot be compared directly, and may not fully or accurately reflect actual changes in the specific statement of operations line-item category or subcategory at this time.

The columns present the following:

- The first two data columns in each table show the dollar results for each period presented
- The columns entitled "\$ Increase (Decrease)" and "% Increase (Decrease)" show the change in results, both in dollars and percentages. For example when net sales increase from one period to the next that change is shown as a positive. When net sales decrease from one period to the next, that change is shown as a negative in both columns.

Three Months Ended September 30, 2015 Compared to Three Months Ended September 30, 2014

(In thousands)	Three Months Ended					
	Sept. 30, 2015	% of total sales	Sept. 30, 2014	% of total sales	\$ Increase (Decrease)	% Increase (Decrease)
Sales	3,369	100%	4,420	100%	(1,051)	-23.8%
Cost of sales	1,858	55.1%	3,100	70.1%	(1,242)	-40.1%
Gross profit (exclusive of depreciation and amortization shown separately below)	1,511		1,320			
Sales and marketing expenses	247	7.3%	411	9.3%	(164)	-39.9%
Research and development expenses	25	0.7%	121	2.7%	(96)	-79.3%
General and administrative expenses	1,479	43.9%	2,013	45.5%	(534)	-26.5%
Depreciation and amortization expense	439	13.0%	206	4.7%	233	113.1%
Loss on lease termination	638	18.9%	-		638	
Total operating expenses	2,828	83.9%	2,751	62.2%	77	2.8%
Operating loss						
Other income (expenses):						
Interest expense	(302)	-9.0%	(26)	-0.6%	(-276)	NM
Change in fair value of warrant liability	(15)	-0.4%	593	13.4%	608	NM
Other income	(60)	-1.8%	-	-	(60)	NM
Total other expense	(377)	-11.2%	567	12.8%	(944)	-166.5%
Net loss	(1,694)	-50.3%	(864)	-19.5%	(830)	96.1%

Sales

Sales decreased by \$1,051 or 24% in the third quarter of 2015 compared to the third quarter of 2014, primarily due to a decrease of \$877 in hardware sales and a decrease of \$174 in software/services sales. This change is a result of the shifting sales mix following the August 2014 merger. We plan to continue to prioritize sales in software servicing.

Gross Profit

Gross profit margin on a percentage basis increased from 30% to 45% in the third quarter of 2015 compared to the third quarter of 2014, and it increased by an estimated \$191 in absolute dollars during the same period. The increase is primarily due to the shift in revenues toward software/services which has higher margins.

Sales and Marketing Expenses

Sales and marketing expenses decreased by \$164 in the third quarter of 2015 compared to the third quarter of 2014. The decrease is mainly due to a decrease in payroll related expenses.

Research and Development Expenses

Research and development expenses decreased by \$96 in the third quarter of 2015 compared to the third quarter of 2014. The decrease is due to our capitalizing certain internal development costs for its client based software in the second quarter.

General and Administrative Expenses

General and administrative expenses have decreased by \$534 in the third quarter of 2015 compared to the third quarter of 2014. The decrease is mainly the result of a \$650 decrease in payroll related expenses. In 2014 the Company accrued \$585 in severance costs related to the merger with Wireless Ronin. The decrease is partially offset by a write-off of \$230 as the Company negotiated a settlement with one of its former customers.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased by \$233 in the third quarter of 2015 compared to the third quarter of 2014 primarily as a result of the merger with Wireless Ronin took place on August 20, 2014 and only approximately ½ of the quarter's expense was recognized last year.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

The tables presented below compare our results of operations from one period to another, and present the results for each period and the change in those results from one period to another in both dollars and percentage change.

Our consolidated comparisons include certain historical data, transaction entries, journal entries, and chart of account classifications that are not uniformly consistent across Creative Realities, LLC, Wireless Ronin Technologies, Inc. and Broadcast International, Inc. As a result, certain assessments and qualitative descriptions related to our consolidated results cannot be compared directly, and may not fully or accurately reflect actual changes in the specific statement of operations line-item category or subcategory at this time.

Creative Realities, LLC was the "accounting acquirer" in the merger transaction, while Wireless Ronin Technologies, Inc. ("WRT") (the registrant) was the "legal acquirer," and therefore the merger was accounted for as a reverse acquisition. In accordance with reverse acquisition accounting, the historical financial statements of the registrant will become those of Creative Realities, with the financial results of WRT included only beginning with the merger date. Each of the comparisons below incorporate the financial results of WRT beginning from the merger date of August 20, 2014 through the year ended December 31, 2014.

The columns present the following:

- The first two data columns in each table show the dollar results for each period presented.
- The columns entitled "\$ Increase (Decrease)" show the change in results, in dollars. For example when net sales increase from one period to the next that change is shown as a positive period to the next, that change is shown as a negative in both columns.

	For the Years Ended December 31,	
	(in thousands)	
	2014	2013
Sales	\$ 13,418	\$ 11,572
Cost of sales	10,052	10,561
Gross profit (exclusive of depreciation and amortization shown separately below)	3,366	1,011
Sales and marketing expenses	1,179	906
Research and development expenses	492	-
General and administrative expenses	5,765	2,624
Depreciation and amortization expense	817	295
Total operating expenses	8,253	3,825
Operating loss	(4,886)	(2,814)
Other income (expenses):		
Interest expense	(32)	(33)
Other income	(8)	-
Change in fair value of warrant liability	1,127	-
Total other expense	1,087	(33)
Net loss	\$ (3,799)	\$ (2,848)

	For the Years Ended December 31,	
	2014	
	2014	2013
Sales	100.0%	100.0%
Cost of sales (exclusive of depreciation and amortization shown separately below)	74.9%	91.3%
Gross profit	25.1%	8.7%
Sales and marketing expenses	8.8%	7.8%
Research and development expenses	3.7%	0.0%
General and administrative expenses	43.0%	22.7%
Depreciation and amortization expense	6.1%	2.6%
Total operating expenses	61.5%	33.1%
Operating loss	(36.4)%	(24.3)%
Other income (expenses):		
Interest expense	(0.2)%	0.0%
Other income	(0.0)%	0.0%
Change in fair value of warrant liability	8.4%	-
Total other expense	8.1%	(0.3)%
Net loss	(28.3)%	(24.6)%

Sales

Sales increased by \$1,846 or 16% in 2014 compared to 2013, primarily reflecting the increase associated with incorporating the sales results of WRT beginning from the merger date of August 20, 2014.

Gross Profit

Gross profit margin on a percentage basis increased to 25% in 2014 from 9% in 2013, and increased by an estimated \$2,355 in absolute dollars during the same period. Both the increase in gross profit margin and increase in absolute dollars are generally the result of the increase in sales overall, the improved mix of higher margin services and lower estimated hardware sales overall.

Sales and Marketing Expenses

Sales and marketing expenses generally include the salaries, taxes, and benefits of our sales and marketing personnel, as well as trade show activities, travel, and other related sales and marketing costs. Total sales and marketing expenses increased 30% to \$1,178 in 2014 from \$906 in 2013. The increase is primarily due to an increase of \$238 in total marketing related expenses across the combined company.

Research and Development Expenses

Research and development expenses increased to \$492 in 2014 compared to \$0 in 2013. The increase is attributable to the payroll related expenses of our software development personnel and consultants responsible for maintaining, supporting and enhancing our proprietary content management system platforms acquired in connection with the merger transactions described herein.

General and Administrative Expenses

Total general and administrative expenses increased 120% to \$5,765 in 2014 from \$2,624 in 2013. The increase is mainly the result of an increase of \$1,554 in payroll related expenses related to the acquisitions, some of which are nonrecurring, as it includes approximately \$585 of one-time severance costs. We performed a comprehensive review of our aged outstanding accounts receivables across the consolidated company, and increased our allowance for doubtful accounts by \$417, resulting in a one-time increase in bad debt expense. The increase in general and administrative expenses is also attributable to increases of approximately \$253, \$154 and \$403 in legal, accounting and consulting professional fees, respectively, as well as an increase of \$65 in commercial insurance expenses, and various other increases in other general and administrative expenses associated with the consolidated company.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased 177% to \$817 in 2014 from \$295 in 2013 primarily as a result of \$506 associated with the amortization of intangible assets acquired in the WRT merger transaction.

Business Realignment, Integration, and Restructuring

We believe Creative Realities, Inc. is uniquely positioned to achieve the following objectives: (i) become a global leader in helping our clients manage their digital assets and improve their shopping experiences; (ii) achieve, maintain and subsequently increase operating profitability given the ongoing business realignment, integration and restructuring summarized herein; and (iii) serve as a platform for industry consolidation by selectively acquiring, realigning and integrating other companies in our industry sector.

The following information is provided to permit investors and other stakeholders to more fully understand how management measures and evaluates our ongoing operating performance and progress towards achieving our objectives. We believe this information, the non-GAAP financial measure presented below, and the future reporting of such non-GAAP financial measure in our quarterly Form 10-Q Reports are important in evaluating the cumulative progress and financial impacts of the realignment, integration and restructuring *Actions* summarized below; our operating performance on a consistent basis, independent from our consolidated GAAP financial results which contain a series of non-cash and other amounts and adjustments not directly applicable to the operating performance of our core business, and the effectiveness of our budgeting and planning processes, personnel and other investments, resource allocation and management, and other matters.

Background

In late June 2014, we began the planning process for the anticipated closing of the August 2014 merger transactions described herein. Over approximately the past 18 months this planning process has included reviews of some or all of our: existing client relationships and agreements; sales and account management practices; software, service and product pricing; portfolio of product and solution offerings; technology platforms; operating processes, practices and procedures; information systems; management reporting; leadership and management teams; personnel; contractors and vendors; facilities; and other matters. These reviews have resulted in our initiating the actions listed below.

Our primary objective in undertaking these actions was to realign, integrate and restructure our operations on an ongoing basis to achieve non-GAAP operating profitability, and ultimately achieve and maintain positive cash flows from operations as soon as practicable.

Actions

Since late June 2014 we have initiated each of the actions set forth below, among others. Each action is designed to improve the efficiency of our operations, increase our revenues, and reduce our cost structure. Each action is ongoing and subject to continuous review and improvement.

- Realigning and reorganizing our sales, account management, and business development personnel, priorities, and operating practices;
- Reviewing the project and service profitability of existing client relationships (e.g., pricing, agreements, service commitments, resources consumed) and winding down, terminating or renewing certain client relationships with modified business terms;
- Terminating, replacing, and/or insourcing, certain vendors, contractors and consultants;
- Relocating, consolidating, and then making our network operations center geographically redundant, while improving role definition and changing service and installation practices and procedures;
- Implementing an initiative at the management level designed to identify and execute upon a series of tasks and activities targeting operational improvements, cost reductions, and revenue enhancements;
- Overhauling certain of the Company's client-facing master agreements to become more client-centric; support the Company's comprehensive and unique offering of services, software and products; and strengthen certain protections and rights of the Company;
- Implementing and enforcing certain unified practices across the consolidated Company, including: project management; service dispatch; help desk and Level 2-3 support; proposal development; billing; accounting; client-facing service agreement; and various administrative matters;
- Consolidating and optimizing our facilities footprint, and related personnel and operations, including subletting portions of certain facilities, and subletting or terminating leases for entire locations;
- Restructuring our workforce and reducing our monthly payroll expense;
- Optimizing the size, roles and responsibilities, reporting structures, total payroll and incentive compensation related to our leadership team across the realigned, integrated and restructured Company;
- Enhancing the features, capabilities, functionality, service and presentation layers, tools, and performance of our existing content and network management systems to support the evolving needs and requirements of our clients;
- Upgrading or discontinuing certain versions our content and network management systems and system components in production, reducing overall development and future support costs;
- Improving the training, documentation, operational expertise and knowledgebase of our employees responsible for client implementations and solutions involving third party content and network management software provided by our channel partners or required by our clients;
- Upgrading, modifying and adapting our enterprise resource planning/customer relationship management (ERP/CRM) information system to our new organization, processes, service model, and management reporting needs;

- Upgrading and improving the integration of our accounting system with our ERP/CRM system, and related processes; and
- Transforming the culture and personnel from that of the stand-alone predecessor companies to one focused much more on being client-centric, profitable, and accountable to our clients, our co-workers, and ultimately our shareholders.

We plan to continue to execute upon the actions summarized above, and initiate additional actions in connection with our existing operations, the acquisitions referenced in this Report, and potential additional acquisitions in the future.

Impact of Actions

The aggregate cumulative effect of the foregoing actions has established a new fixed cost base and level of operating efficiency at the consolidated Company. During the period from June 2014 through the date of this report we have reduced our average recurring monthly cost structure (i.e., excluding non-cash expenses, one-time severance and restructuring costs, transaction costs, and other one-time adjustments) by approximately 49% or approximately \$6.2 million annually (non-GAAP disclosure).

We believe the consolidated Creative Realities, Inc. is positioned to be the global leader helping retailers and brands use the latest technology to improve their shopping experiences. We also believe that the combination of the foregoing actions, excluding significant transaction and other one-time costs related to our ongoing restructuring efforts and organizational realignment, will result in greater sales, margin, scale and operating efficiencies, all of which will ultimately lead to operating profitability and positive cash flows from operations.

Our cash and cash equivalents balances as of the date of this report and potential financing needs in 2016 reflect a number of factors, including: the completed and ongoing realignment, integration and restructuring actions above, among others; a series of one-time transaction costs associated with the Creative Realities, LLC and Broadcast International merger transactions; effectively managing and converting our sales pipeline to increase nonrecurring and recurring revenue as well as mitigate the risk and tendency for the timing of certain converted business opportunities to shift throughout the year and subsequently affect our forecasting; and our ongoing ability to continue to effectively manage and optimize our expenses, fixed cost base and working capital needs associated with funding a growing business delivering and supporting several large projects in a rapidly evolving industry.

Liquidity and Capital Resources

We incurred net losses and negative cash flows from operating activities for the three and nine months ended September 30, 2015 and 2014. At September 30, 2015, we had cash and cash equivalents of \$264 and working capital of \$(5,604). Cash used in operating activities for the nine months ended September 30, 2015 was \$(1,953).

Management believes that, despite its losses to date and while we can provide no assurance that our ongoing integration efforts will be successful, the operations of the combined Company resulting from the completed acquisitions and related restructuring actions will provide greater sales, margins, scale and operating efficiencies, all of which we believe will ultimately lead to operating profitability and positive cash flows from operations. We have certain payment plans and settlements setup with certain vendors. We expect that our future available capital resources will consist primarily of cash on hand, any cash generated from our business operations and future equity and/or debt financings or support, if any, to support our growth objectives, ongoing working capital needs, and 2016 business plan. As of the date of this report, management believes that its existing working capital resource, together with projected cash flows, are sufficient to fund its operations through at least June 30, 2016. Our capital requirements depend on many factors, including our ability to successfully address our short-term liquidity and capital resource needs, market and sell our products and services, develop new products and services and establish and leverage our strategic partnerships. Any additional equity financings may be dilutive to shareholders and may be completed at a discount to market price. Public or private debt financing, if available, would likely involve restrictive covenants similar to or more restrictive than those contained in the Series A Convertible Preferred Stock Offering. There can be no assurance we will successfully complete any future equity or debt financing.

Disruptions in the economy and constraints in the credit markets have caused companies to reduce or delay capital investment. Some of our prospective customers may cancel or delay spending on the development or rollout of capital and technology projects with us due to continuing economic uncertainty. Difficult economic conditions have adversely affected certain industries in particular, including the retail, automotive, and restaurant industries, in which we have major customers. We could also experience lower than anticipated order levels from current customers, cancellations of existing but unfulfilled orders, and extended payment or delivery terms. Economic conditions could also materially impact us through insolvency of our suppliers or current customers.

Our capital requirements depend on many factors, including our ability to successfully address our short-term liquidity and capital resource needs, market and sell our products and services, develop new products and services and establish and leverage our strategic partnerships. In order to meet our needs, we will likely be required to raise additional funding through public or private financings, including equity financings. Any additional equity financings may be dilutive to shareholders and may be completed at a discount to market price. Debt financing, if available, would likely involve restrictive covenants similar to or more restrictive than those contained in the Series A Convertible Preferred Stock Offering. There can be no assurance we will successfully complete any future equity or debt financing.

Management continues to seek financing on favorable terms. Nevertheless, there can be no assurance that any such financing can be obtained on favorable terms, if at all.

Our future depends upon our ability to create profitable business operations and obtain additional financing as required. If we are unable to generate sufficient revenue, adjust our operating expenses so as to maintain positive working capital, or find financing, then we will be forced to cease operations and investors will lose their entire investment.

Operating Activities

We do not currently generate positive cash flow. Our operational costs have been greater than sales generated to date. As of September 30, 2015, we had an accumulated deficit of \$(12,562). The cash flow (used in) operating activities was \$(1,953) and \$(2,857) for the nine months ended September 30, 2015 and 2014, respectively. The majority of the cash consumed by operations for both periods was attributed to our net losses of \$(5,915) and \$(2,410) for the nine months ended September 30, 2015 and 2014, respectively.

Investing Activities

Net cash used in investing activities during the nine months ended September 30, 2015 was \$(585) compared to \$(1,178) during 2014.

Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2015 was \$2,229 compared to \$6,300 in 2014 due to additional convertible debt and convertible stock financing completed in 2014.

Contractual Obligations

We have no material commitments for capital expenditures, and we do not anticipate any significant capital expenditures for the remainder of 2016.

Off-Balance Sheet Arrangements

During the nine months ended September 30, 2015, we did not engage in any off-balance sheet arrangements set forth in Item 303(a)(4) of Regulation S-K.

BUSINESS

General

Creative Realities, Inc. is a Minnesota corporation that provides innovative digital marketing technology solutions to retailers, brand marketers, venue-operators, enterprises, non-profits and other organizations throughout the United States and a growing number of international markets. Our technology and solutions include: digital merchandising systems, interactive digital shopping assistants and kiosks, mobile digital marketing platforms, digital wayfinding platforms, digital menu board systems, dynamic signage, and other digital marketing technologies. We enable our clients' engagement with consumers by using combinations of our technology and solutions that interact with mobile, social media, point-of-sale, wireless networks and web-based platforms. We have expertise in a broad range of existing and emerging digital marketing technologies, as well as the following related aspects of our business: content, network management, and connected device software and firmware platforms; customized software service layers; hardware platforms; digital media workflows; and proprietary processes and automation tools. We believe we are one of the world's leading digital marketing technology companies focused on helping retailers and brands use the latest technologies to create better shopping experiences.

Our main operations are conducted directly through Creative Realities, Inc. (f/k/a Wireless Ronin Technologies, Inc.), and under our wholly owned subsidiaries Creative Realities, LLC, a Delaware limited liability company, Broadcast International, Inc., a Utah corporation, Wireless Ronin Technologies Canada, Inc., a Canadian corporation, and ConeXus World Global, LLC, a Kentucky limited liability company.

We generate revenue in this business by:

- consulting with our customers to determine the technologies and solutions required to achieve their specific goals, strategies and objectives;

- designing our customers’ digital marketing experiences, content and interfaces;
- engineering the systems architecture delivering the digital marketing experiences we design – both software and hardware – and integrating those systems into a customized, reliable and effective digital marketing experience;
- managing the efficient, timely and cost-effective deployment of our digital marketing technology solutions for our customers;
- delivering and updating the content of our digital marketing technology solutions using a suite of advanced media, content and network management software products; and
- maintaining our customers’ digital marketing technology solutions by: providing content production and related services; creating additional software-based features and functionality; hosting the solutions; monitoring solution service levels; and responding to and/or managing remote or onsite field service maintenance, troubleshooting and support calls.

These activities generate revenue through: bundled-solution sales; service fees for consulting, experience design, content development and production, software development, engineering, implementation, and field services; software license fees; and maintenance and support services related to our software, managed systems and solutions.

The tables below summarize our financial results and condition as of the nine and three months ended September 30, 2015 (unaudited) and as of the years ended December 31, 2014 and 2013 (audited).

	September 30, 2015 (3 Months Ended)	September 30, 2015 (9 Months Ended)
Revenues	\$ 3,369,000	\$ 8,197,000
Net loss to common shareholders	\$ (1,175,000)	\$ (6,192,000)
Current assets	\$ 2,861,000	\$ 2,861,000
Current liabilities	\$ 8,465,000	\$ 8,465,000
Total assets	\$ 18,032,000	\$ 18,032,000
Total liabilities	\$ 10,383,000	\$ 10,383,000
Shareholders’ equity	\$ 5,924,000	\$ 5,924,000

	December 31, 2014	December 31, 2013
Revenues	\$ 13,418,000	\$ 11,571,698
Net loss to common shareholders	\$ (5,014,000)	\$ (2,847,679)
Current assets	\$ 5,489,000	\$ 3,330,727
Current liabilities	\$ 6,633,000	\$ 4,619,537
Total assets	\$ 21,876,000	\$ 5,117,281
Total liabilities	\$ 9,090,000	\$ 4,644,506
Shareholders’ equity	\$ 11,254,000	\$ 472,775

Industry Background

Over approximately the past 18-24 months, certain digital marketing technology industry trends are creating the opportunity for retailers, brands, venue-operators, enterprises, non-profits and other organizations to create innovative shopping, marketing, and informational experiences for their customers and other stakeholders in various venues worldwide. These trends include: (i) the expectations of technology-savvy consumers (ii) addressing on-line competitors by improving physical experiences (iii) accelerating decline in the cost of hardware configurations (primarily flat panel displays) and software media players; (ii) the continued evolution of mobile, social, software and hardware technologies, applications and tools; (iii) the increasing sophistication of social networking platforms; (iv) increasingly complex customer requirements related to their specific digital marketing technology and solution objectives; and (v) customers challenging service providers with the delivery of a satisfactory consumer experience with the traditional pressure on reducing overall operating costs.

As a result, a growing number of retailers, brands, venue-operators and other organizations have identified the need and opportunity to implement increasingly cost-effective and “sales-lifting” digital marketing, and interactive experiences to market to their customers. These include: creating unique and customized experiences for targeted, timely offerings and relevant promotions; improving engagement resulting in increased sales; and increasing shopping basket size. Our clients believe that capitalizing on these industry trends is increasingly critical to any successful “store of the future” retail and brand sales environment, especially where sales staff turnover is high, training outcomes are inconsistent and product knowledge is low.

Companies are accomplishing their strategies by implementing various digital marketing technology solutions, which: are implemented in multiple forms and types of configurations and locations; attempt to achieve any of a broad range of individual or combination of objectives; contain various levels of targeting; have the ability to instantly manage single or multiple locations remotely from a customer's desktop or other connected device at each location; and are built to deliver or contain a standard or customized experience unique to and within the customer's environment. Examples of such solutions include:

- Digital Merchandising Systems, which aim to inform and interact with customers through various types of content in an integrated experience, improve in-store customer experiences and increase overall sales, upsells, and/or cross-sales;
- Digital Sales Assistants, which aim to replace or augment existing sales resources and the level of interactive and informational sales assistance inside the store;
- Digital Way-Finders, which aim to help customers navigate their way around individual retail stores and multi-store locations or venues, or within individual brand categories;
- Digital Kiosks, which aim to provide data, specialized and customized broadcasts, promotional information and coupons, train, and other forms of information and interaction with customers in a variety of deployment forms, types, configurations and experiences;
- Digital Menu-Board Systems, which aim to enable various types of restaurant operators the ability to remotely and on a scheduled basis, update and modify menu information, promotions, and other forms of content dynamically;
- Dynamic Digital Signage which aims to deliver and manage in-store marketing and advertising campaigns, specialized and customized broadcasts, and various other forms of messaging targeting customers in a particular experience or environment.

Marketing and Market Information

We currently market and sell our marketing technology solutions through our direct sales force and word-of-mouth referrals from existing customers. Select strategic partnerships and lead generation programs also drive business to the Company through targeted business development initiatives. We market to companies that seek digital marketing solutions across multiple connected devices and who specifically seek or could benefit from enhancements to the customer experience offered in their stores, venues, brands or organizations.

Our digital marketing technology solutions have application in a wide variety of industries. The industries in which we sell our solutions are established and include of hospitality, branded retail, automotive, food service and retail healthcare, but the planning, development, implementation and maintenance of technology-enabled experiences is relatively new and evolving. Moreover, a number of participants in these industries have only recently started considering or expanding the adoption of these types of technologies, solutions and experiences as part of their overall marketing strategies.

Market Strategy

We believe that our existing business model is highly scalable and can be expanded successfully as we continue to grow organically and integrate our recent merger transactions, strengthen our operational practices and procedures, further streamline our administrative office functions, and continue to capitalize on various marketing programs and activities.

Another key component of our business and market strategy, especially given the evolving industry dynamics in which we operate, is also to acquire and integrate other operating companies in the industry in conjunction with pursuing our organic growth objectives. We believe that the selective acquisition and successful integration of certain companies will: accelerate our growth; enable us to aggregate multiple customer bases onto a single business and technology platform; provide us with greater operating scale; enable us to leverage a common set of processes and tools, and cost efficiencies; and ultimately result in higher operating profitability and cash flow from operations. Our management team is actively pursuing and evaluating alternative acquisition opportunities on an ongoing basis. Our management team and Board of Directors have broad experience with the execution, integration and financing of acquisitions. We believe that, based on the foregoing and other factors, the Company can successfully serve as a consolidator of multiple business and technology platforms serving similar markets.

Seasonality

A portion of our customer activity is influenced by seasonal effects related to traditional end of calendar year peak retail sales periods and other factors that arise from our target customer base. Nevertheless, our revenues can be materially affected by the launch of new markets, the timing of production rollouts, and other factors, any of which have the ability to reduce or outweigh certain seasonal effects.

Effect of General Economic Conditions on our Business

We believe that demand for our services is increasing in part as a result of recovering retail-related real estate investments and new construction since the economic crash beginning in the fall of 2008; and the recent economic recovery in general. These general economic improvements generally make it easier for our customers to justify decisions to invest in digital marketing technology solutions.

Regulation

We are subject to regulation by various federal and state governmental agencies. Such regulation includes radio frequency emission regulatory activities of the U.S. Federal Communications Commission, the consumer protection laws of the U.S. Federal Trade Commission, product safety regulatory activities of the U.S. Consumer Product Safety Commission, and environmental regulation in areas in which we conduct business. Some of the hardware components that we supply to customers may contain hazardous or regulated substances, such as lead. A number of U.S. states have adopted or are considering “takeback” bills addressing the disposal of electronic waste, including CRT style and flat panel monitors and computers. Electronic waste legislation is developing. Some of the bills passed or under consideration may impose on us, or on our customers or suppliers, requirements for disposal of systems we sell and the payment of additional fees to pay costs of disposal and recycling. Presently, we do not believe that any such legislation or proposed legislation will have a materially adverse impact on our business.

Competition

While we believe there is presently no direct competitor with the comprehensive offering of technologies, solutions and services we provide to our customers, there are individual competitors who offer pieces of our solution stack. These include digital signage software companies such as Stratacache, Four Winds Interactive, or ComQi; marketing services companies such as Sapient Nitro or digital signage systems integrators such as Convergent. Some of these competitors may have significantly greater financial, technical and marketing resources than we do and may be able to respond more rapidly than we can to new or emerging technologies or changes in customer requirements. We believe that our sales and business development capabilities, network operations center capabilities, our comprehensive offering of digital marketing technology solutions, brand awareness, focus, and proprietary processes are the primary factors affecting our competitive position.

Territories

We sell products and services primarily throughout North America.

Employees

We have approximately 62 employees. We believe our relationship with our employees is good, and we have not suffered any work stoppages or labor disputes. We do not have any employees that operate under collective-bargaining agreements.

Legal Proceedings

We are involved in a variety of legal claims and proceedings incidental to our business, including customer bankruptcy and employment-related matters from time to time, and other legal matters that arise in the normal course of business. We believe these claims and proceedings are not out of the ordinary course for a business of the type and size in which we are engaged. While we are unable to predict the ultimate outcome of these claims and proceedings, management believes there is not a reasonable possibility that the costs and liabilities of such matters, individually or in the aggregate, will have a material adverse effect on our financial condition or results of operations.

In November 2014, we initiated a breach-of-contract lawsuit against a customer and certain parties related to that customer for failure to pay. The defendants have answered and asserted counterclaims. In the event we are unable to reach a negotiated settlement with the defendants, we intend to vigorously litigate our claims and contest the defendants’ counterclaims. At this time, we do not believe the litigation matter is likely to have a material and adverse impact on the Company.

In November 2014, a former vendor alleging our failure to pay outstanding invoices initiated a breach-of-contract lawsuit against us. We are in the process of preparing an answer and asserting certain counterclaims. In the event we are unable to reach a negotiated settlement with the vendor, we intend to vigorously litigate our counterclaims and contest those claims made against us. At this time, we do not believe the litigation matter is likely to have a material and adverse impact on the Company.

Properties

Our headquarters is located at 22 Audrey Place, Fairfield, New Jersey 07004. The corporate phone number is (973) 244-9911. At that location, we have approximately 18,000 square-feet of space, which we also believe is sufficient for our projected near-term future growth. The monthly lease amount is currently \$19,743 and escalates to \$22,974 by the end of the lease term on September 2020. We also sublet approximately 10,000 additional square feet for \$12.50 per square foot. Additionally, we have an operations center in Minnetonka, Minnesota 55345. At this location, we have approximately 19,000 square feet of office and warehouse space under a lease that extends through January 2018. The monthly lease amount is \$15,223 and escalates to \$16,639 by the end of the lease term. Effective November 2014, we are subletting approximately 9,000 square feet of the Minnetonka space at an annual rate of \$11 per square foot subject to annual increases of 2.5%. We also lease office space of approximately 10,000 square feet to support its Canadian operations at a facility located at 4510 Rhodes Drive, Suite 800, Windsor, Ontario under a lease that goes through June 30, 2016 with a monthly rental payment of \$3,802 CAD per month. During 2015, the Company’s subsidiary ConeXus World Global, LLC entered into operating lease agreements for various office and warehouse space at locations in California, Texas, New York and Kentucky. The leases have terms ranging from one to six years.

MANAGEMENT

General

Our Board of Directors consists of Alec Machiels (Chairman), David Bell, and Donald Harris. The following table sets forth the name and position of each of our current directors and executive officers.

Name	Age	Positions
Alec Machiels	41	Director (Chairman)
David Bell	71	Director
Donald Harris	62	Director
Richard Mills	60	Director, Chief Executive Officer
John Walpuck	54	Chief Financial Officer and Chief Operating Officer
Patrick O'Brien	69	Director

The biographies of the above-identified individuals are set forth below:

Alec Machiels is a Partner at Pegasus Capital Advisors, L.P., a private equity fund manager, and joined our Board of Directors in August 2014 in connection with the Creative Realities merger. Mr. Machiels is a member of the Executive and Investment Committees at Pegasus Capital Advisors. He has over 15 years of private equity investing and investment banking experience. Mr. Machiels is a current director serving on the Board of Directors of Molycorp, Inc. Previously, Mr. Machiels was a Financial Analyst in the Financial Services Group at Goldman Sachs International in London and in the Private Equity Group at Goldman Sachs and Co. in New York. Investments in which he has been highly involved in include Pure Biofuels, Molycorp Minerals, Traxys, Slipstream Communications, Coffeyville Resources and Merisant Company. He also served as a member of the Board of Trustees of the American Federation of Arts where he chaired the endowment committee. Mr. Machiels is a graduate of Harvard Business School, KU Leuven Law School in Belgium and Konstanz University in Germany.

David Bell joined our Board of Directors in August 2014 in connection with the Creative Realities merger. Mr. Bell brings over 40 years of advertising and marketing industry experience to the board, including serving as CEO of three of the largest companies in the industry—Bozell Worldwide, True North Communications and The Interpublic Group of Companies, Inc. Since 2007, Mr. Bell has led Slipstream Communications, which is an international company providing strategic branding, digital marketing, and public relations services and served as a Senior Advisor to Google Inc. from 2006 to 2009. He is currently a Senior Advisor to AOL and has been an Operating Advisor at Pegasus Capital Advisors since 2004. He has also served on the boards of multiple publicly traded companies, including Lighting Science Group Corporation and Point Blank Solutions, Inc., and Primedia, Inc., and served as President and CEO of The Interpublic Group of Companies Inc. from 2003 to 2005. Mr. Bell currently serves on the Board of Directors of Time, Inc.

Donald A. Harris was appointed to our Board of Directors in August 2014 in connection with the Broadcast International merger. He has been President of 1162 Management, the General Partner of 5 Star Partnership, a private equity firm, since June 2006. Mr. Harris has been President and Chief Executive Officer of UbiquiTel Inc., a telecommunications company organized by Mr. Harris and other investors, since its inception in September 1999 and also its Chairman since May 2000. Mr. Harris served as the President of Comcast Cellular Communications Inc. from March 1992 to March 1997. Mr. Harris received a Bachelor of Science degree from the United States Military Academy and an MBA from Columbia University. Mr. Harris's experience in the telecommunications industry and his association with private equity funding will be valuable to us.

Richard Mills is currently our Chief Executive Officer. Mr. Mills possesses over 31 years of industry experience. He was previously Chief Executive Officer of ConeXus World Global, a leading digital media services company, which he founded in 2010, and which was acquired by Creative Realities as reported herein. Prior to founding ConeXus, Mr. Mills was President and Director at Beacon Enterprise Solutions Group, Inc., a public telecom and technology infrastructure services provider. Previous to that, he joined publicly traded Pomeroy Computer Resources, Inc. in 1993 and served as Chief Operating Officer and a member of the Board of Directors from 1995 until 1999. Mr. Mills helped grow sales at Pomeroy during his time there from \$100 million to \$700 million. Mr. Mills was also a founder of Strategic Communications LLC.

John Walpuck has served as our Chief Operating Officer and Chief Financial Officer since April 2014. Mr. Walpuck brings over 25 years of experience in financial and general management to Creative Realities, and over 20 years of experience in a broad range of digital media services, software, Internet services, online businesses, and other technology industry sectors. Prior to Creative Realities, Mr. Walpuck served as the Chief Operating Officer and Chief Financial Officer of AllDigital, Inc. a digital broadcasting solutions company for the period from 2010 through 2013. Mr. Walpuck also served as the President and CEO of Disaboom, Inc., an online business and social network dedicated to people with disabilities, where he worked from 2007 to 2010. Prior to Disaboom, from 2005 to 2007, he served as the Senior Vice President and Chief Financial Officer of Nine Systems Corporation, a digital media services company. Mr. Walpuck has an MBA from the University of Chicago. He is a CMA, CPA and holds other professional certifications.

Patrick O'Brien has been a member of our Board of Directors since November 2015. Mr. O'Brien is the Managing Director & Principal of Granville Wolcott Advisors, which he formed in 2009 to provide consulting, due diligence and asset management services. Mr. O'Brien is a seasoned executive and business advisor, with 40 years of multi-unit international management experience with an emphasis in financial analysis and strategic business development. During the past five years, Mr. O'Brien has served on the boards of Merriman Holdings, Inc., Ironclad Performance Wear Corporation, Cinedigm, Inc., and is Chairman and CEO of LVI Liquidation Corp. (formerly Livevol, Inc.) He is a graduate of the Eli Broad School of Business of Michigan State University with BA in Hotel Management

Under our corporate bylaws, all of our directors serve for indefinite terms expiring upon the next annual meeting of our shareholders. The holders of a majority of our outstanding Series A Convertible Preferred Stock also have the right, but not the obligation, to designate one person to serve as a director on our board. As of the date of this prospectus, the preferred shareholders have not exercised this right.

When considering whether directors and nominees have the experience, qualifications, attributes and skills to enable the Board of Directors to satisfy its oversight responsibilities effectively in light of our business and structure, the Board of Directors focuses primarily on the industry and transactional experience, and other background, in addition to any unique skills or attributes associated with a director. With regard to Mr. Machiels, the Board of Directors considered his background and experience with the private investing market and his long-standing oversight of the Creative Realities business during such time as it was wholly owned by the Pegasus Capital. With regard to Mr. Bell, the board considered his deep experience within the advertising and marketing industries and his prior management of large enterprises. Finally, with regards to Mr. Harris, the Board of Directors considered his extensive experience in the telecommunications industry and association with private equity investors.

The Company does not have a standing nominating committee, compensation committee or audit committee. Instead, the entire Board of Directors shares the responsibility of identifying potential director-nominees to serve on the Board of Directors, making compensation decisions and performing the functions of an audit committee. The board believes the engagement of all directors in these functions is important at this time in the Company's development in light of the Company's recent acquisition activities.

The Board of Directors has determined that only Mr. Harris is "independent," as such term is defined in Section 5605(a)(2) of the Nasdaq listing rules, and meets the criteria for independence set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934. The preceding disclosure respecting director independence is required under applicable SEC rules. Nevertheless, as a corporation whose shares are listed for trading on the OTC Markets, we presently are not required to have any independent directors at all on our board, or any independent directors serving on any particular committees of the Board of Directors. The Board of Directors has determined that at least one member of the board, Mr. Machiels, is an "audit committee financial expert" as that term is defined in Regulation S-K promulgated under the Securities Exchange Act of 1934. Mr. Machiels's relevant experience in this regard is detailed above, which includes past employment experience in finance and investment banking. Mr. Machiels is not an "independent" member of the board as described above. The Board of Directors has determined that each director is able to read and understand fundamental financial statements.

Recent Changes and New Employment Arrangements

On August 20, 2014, our directors Steve Birke, Scott Koller and Howard Liszt resigned their positions on our Board of Directors, and Messrs. Paul Price, Alec Machiels and David Bell were appointed by the board to fill the vacancies created by those resignations. At the time of their resignations, Messrs. Birke and Liszt each served on the board's audit and compensation committees. On the same date, Mr. Scott Koller resigned his position as our Chief Executive Officer but retained the title of President, and Mr. Paul Price was appointed as our Chief Executive Officer. Mr. John Walpuck retained his titles as our Chief Financial Officer and Chief Operating Officer.

In connection with the appointment of Paul Price as our Chief Executive Officer, we entered into an employment agreement with Mr. Price. The agreement was effective for a one-year term, with one-year automatic renewal periods unless the Company or Mr. Price elected not to extend the employment term. Under the agreement, Mr. Price was eligible to participate in performance-based cash bonus or equity award plans for the Company's senior executives. Mr. Price also participated in employee benefit plans, policies, programs, perquisites and arrangements to the extent he met eligibility and other requirements.

On August 20, 2014, we entered into an agreement with Mr. Scott Koller to amend our employment agreement with him. The amendment provides that Mr. Koller will remain employed by us for a six-month period unless the Company or Mr. Koller delivers a written notice of termination with at least 60 days advance notice. It further provides that upon termination of Mr. Koller's employment without cause, as defined in the original agreement, whether by us or upon Mr. Koller's resignation with a minimum 60-day notice, Mr. Koller is entitled to receive severance payments equal to 12 months of his then-current base salary, payable over 12 months. The amendment also increased Mr. Koller's annual salary to \$325,000 per year. On September 30, 2014, we delivered Mr. Koller a written notice of termination, which termination was effective December 4, 2014.

On May 5, 2015, we entered into a Separation Agreement and Release with Paul Price in connection with our separation with him effective April 13, 2015. In the Separation Agreement and Release, we agreed to pay Mr. Price a cumulative severance amount of \$400,000 on a prescribed basis, to vest one year’s worth of Mr. Price’s then-outstanding options (i.e., options for the purchase of up to 938,357 common shares at a per-share price of \$0.45) and to permit him to exercise such options through October 9, 2024. The Separation Agreement and Release also contained a mutual release of claims, subject, however, to certain enumerated exceptions.

On October 15, 2015, Richard Mills was appointed to our Board of Directors. Mr. Mills also became our Chief Executive Officer. As a result of this appointment, Mr. John Walpuck is no longer our Chief Executive Officer, but retained his titles of Chief Financial Officer and Chief Operating Officer. In connection with the appointment of Richard Mills as the Chief Executive Officer, we entered into an employment agreement with Mr. Mills. Under the employment agreement, Mr. Mills will serve as Chief Executive Officer for a two-year term, which automatically renews for additional one-year periods unless either we or Mr. Mills elects not to extend the term. The agreement provides for provides for an initial annual base salary of \$270,000, subject to annual increases but generally not subject to decreases, and includes provisions for the right to receive up to 4,951,557 performance shares of common stock in connection with a series of performance-based requirements. Under the agreement, Mr. Mills is eligible to participate in performance-based cash bonus or equity award plans for our senior executives. Mr. Mills will participate in our employee benefit plans, policies, programs, perquisites and arrangements to the extent he meets applicable eligibility requirements.

In November, 2015 Patrick O’Brien was appointed to our Board of Directors.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers for 2014 and 2013:

Name and Principal Position (a)	Year	Salary (\$)(b)	Bonus (\$)	Stock Awards (\$)(c)	Option Awards (\$)(c)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Paul Price Chief Executive Officer and Director (d)	2014	145,000	0	0	1,340,739	0	0	1,485,739
John Walpuck Interim Chief Executive Officers, Chief Financial Officer and Chief Executive Officer	2014	180,000	0	0	318,386	0	9,101	507,487
Scott W. Koller President, Chief Executive Officer and Director (e)	2014	301,612	25,000	0	79,632	0	0	406,244
	2013	265,000	0	0	60,742	0	400	326,142
Darin P. McAreavey Senior Vice President and Chief Financial Officer (f)	2014	71,803	500	0	33,192(g)	0	0	105,495
	2013	215,000	0	0	30,371	0	400	245,771

- (a) Messrs Price and Walpuck joined the company effective August, 2014 and May 2014, respectively. On August 20, 2014, Mr. Koller resigned his position as Director and Chief Executive Officer. Mr. Koller terminated his employment with the company effective December 4, 2014. He is entitled to receive severance payments equal to 12 months of his then-current salary payable over 12 months. Mr. McAreavey’s employment with the Company terminated May 2014.
- (b) Represents their prorated annual base salaries of \$400,000 for Mr. Price, \$240,000 for Mr. Walpuck, \$325,000 for Mr. Koller, and \$215,000 for Mr. McAreavey.
- (c) Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions made in the valuation are those set forth in Note 7 to the consolidated financial statements in Wireless Ronin’s Annual Report on Form 10-K for the year ended December 31, 2013.
- (d) Mr. Price separated with the Company effective April 13, 2015.
- (e) Mr. Koller separated with the Company effective December 4, 2014.
- (f) Mr. McAreavey separated with the Company in May 2014.
- (g) Upon termination of McAreavey’s employment with the Company, this stock option was forfeited and cancelled prior to vesting.

The material terms of employment agreements and payments to be made upon a change in control are discussed below, in the narrative following “Potential Payments upon Termination or Change in Control.”

Our named executive officers are eligible for retirement benefits on the same terms as non-executives under the company’s defined contribution 401(k) retirement plan. Employees may contribute pretax compensation to the plan in accordance with current maximum contribution levels proscribed by the Internal Revenue Service. There is currently no plan for an employer contribution match.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information concerning outstanding stock options and restricted stock awards held by our named executive officers as of December 31, 2014:

Name	Option Awards (a)				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Non-Exercisable	Option Exercise Price (\$)	Option Expiration Date	Number of shares or units of stock that has not vested (#)	Market value of shares or units of stock that have not vested (\$)
Paul Price *	0	3,753,427(b)	\$ 0.45	10/9/2024	0	0
John Walpuck	170,000(c) 50,000(c)	480,685(e)	\$ 0.65 \$ 0.62 \$ 0.45	5/29/2024 8/18/2024 10/9/2024	0	0
Scott W. Koller **	34,000(d) 15,000(e) 20,000(c) 20,000(c) 50,000(c)	180,000(c)	\$ 11.00 \$ 12.25 \$ 5.85 \$ 5.35 \$ 1.80 \$ 0.79	4/27/2019 3/17/2020 3/23/2021 2/16/2022 2/13/2023 1/14/2024	0	0

- (a) Unless otherwise indicated, represents shares issuable upon the exercise of stock options granted under our Amended and Restated 2006 Equity Incentive Plan.
- (b) This stock option becomes exercisable to the extent of 12.5 percent of shares purchasable thereunder semiannually over four years beginning on April 9, 2015.
- (c) These stock options became fully exercisable upon the effectiveness of the Company’s merger transaction with Creative Realities, LLC.

- (d) This stock option became exercisable to the extent of 25 percent of the shares purchasable thereunder on April 27, 2009, with additional increments of 25 percent becoming exercisable annually thereafter.
- (e) This stock option became exercisable to the extent of 25 percent of the shares purchasable thereunder on March 17, 2011, with additional increments of 25 percent becoming exercisable annually thereafter.
- * Mr. Price separated with the Company effective April 13, 2015.
- ** Mr. Koller separated with the Company effective December 4, 2014.

Employment Agreements and Potential Payments upon Termination or Change in Control

We employ Richard Mills as our Chief Executive Officers and John Walpuck as our Chief Financial Officer and Chief Operating Officer. Mr. Mills agreement is effective for a two-year term, which automatically renews for additional one-year periods unless either the Company or Mr. Walpuck elects not to extend the employment term. The agreement provides for an initial annual base salary of \$270,000, subject to annual increases but generally not subject to decreases. Mr. Walpuck's employment agreement is effective for a one-year term, which automatically renews for additional one-year periods unless either the Company or Mr. Walpuck elects not to extend the employment term. The agreement provides for an initial annual base salary of \$240,000, subject to annual increases but generally not subject to decreases.

Under their respective agreements, Mr. Mills and Mr. Walpuck are eligible to participate in performance-based cash bonus or equity award plans for the Company's senior executives. In addition, Mr. Mills and Mr. Walpuck will participate in employee benefit plans, policies, programs, perquisites and arrangements to the extent he meets eligibility and other requirements.

Under Mr. Mills' employment agreement, he is entitled to 17 days of paid time off. In addition, upon any termination of employment Mr. Mills will receive his then-earned base salary through the date of termination, payment for the amount of any accrued and unpaid paid time off, and, if such termination was effected by the Company without "cause," or if it was effected by Mr. Mills for "good reason," or if such termination is effected by the Company within 12 months of a "change of control" that occurred during Mr. Mills' tenure with the Company, as such terms are defined in his employment agreement, then (other than in cases involving Mr. Mills' death or disability) Mr. Mills will be entitled to receive severance payments aggregating to an amount equal to six months of his then-current base salary. Mr. Mills would also be entitled to customary benefits regarding health insurance (COBRA) for a one-year period following any such termination.

Under Mr. Walpuck's employment agreement, he is entitled to 17 days of paid time off. In addition, upon any termination of employment Mr. Walpuck will receive his then-earned base salary through the date of termination, payment for the amount of any accrued and unpaid paid time off, and, if such termination was effected by the Company without "cause," or if it was effected by Mr. Walpuck for "good reason," or if such termination is effected by the Company within 12 months of a "change of control" that occurred during Mr. Walpuck's tenure with the Company, as such terms are defined in his employment agreement, then (other than in cases involving Mr. Walpuck's death or disability) Mr. Walpuck will be entitled to receive severance payments aggregating to an amount equal to six months of his then-current base salary. Mr. Walpuck would also be entitled to customary benefits regarding health insurance (COBRA) for a one-year period following any such termination.

Upon the termination of a named executive officer or change in control of the company, a named executive officer may be entitled to payments or the provision of other benefits, depending on the triggering event. The potential payments for each named executive officer who is currently employed with our company were determined as part of the negotiation of each of their employment agreements, and the board believes that the potential payments for the triggering events are in line with current compensation trends.

Non-Employee Director Compensation

Our board periodically reviews and makes policy regarding the components and amount of non-employee director compensation. Directors who are employees of our company receive no fees for their services as director.

In January 2014, our Board of Directors awarded each non-employee director a ten-year option for the purchase of 60,000 shares of common stock under our Amended and Restated 2006 Non-Employee Director Stock Option Plan. Such options become exercisable to the extent of 25 percent of the shares purchasable thereunder on the date of grant with additional increments of 25 percent becoming exercisable annually thereafter. In accordance with the terms of the Amended and Restated 2006 Non-Employee Director Stock Option Plan, the exercise price of each option is \$0.79 per share, representing the closing price of our common stock on the OTC Bulletin Stock Market on January 14, 2014. These options became fully vested upon the effectiveness of the Company's merger with Creative Realities, LLC.

Director Compensation Table

Compensation of our non-employee directors during 2014 appears in the following table.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(a)	Option Awards \$(b)	Total (\$)
Alec Machiels	0	0	0	0
David Bell	0	0	0	0
Don Harris	0	0	0	0
Kent O. Lillemoe	4,500	4,500	25,848	34,848
Howard Liszt (c)	4,500	4,500	25,848	9,000
Steven Birke (c)	11,000	11,000	25,848	22,000

- (a) Represents the grant date fair value of restricted stock granted during the year calculated as the closing price of our common stock on the date of grant, in accordance with ASC Topic 718.
- (b) Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions made in the valuation are those set forth in Note 7 to the consolidated financial statements in Wireless Ronin’s Quarterly Report on Form 10-Q for the period ended March 31, 2014. The Company used a zero percent forfeiture rate assumption for its non-employee director options as it does not expect significant turnover on its board.
- (c) Option awards granted to Messrs Liszt and Birke during 2014 expired and become non-exercisable upon each of their respective resignations from the Board of Directors in August, 2014.

Those who served as non-employee directors during 2014 held the following unexercised stock options at December 31, 2014:

Name	Option Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
	Alec Machiels	0	0	0
David Bell	0	0	0	
Don Harris	0	0	0	
Kent O. Lillemoe	8,000(a)	0	6.25	8/15/2021
	6,542(b)	0	5.35	2/16/2022
	20,000(b)	0	1.80	2/13/2013
	60,000(b)	0	0.79	1/14/2024

- (a) This stock option became exercisable to the extent of 25 percent of the shares purchasable thereunder on August 15, 2011, with additional increments of 25 percent becoming exercisable annually thereafter.
- (b) These stock options became fully exercisable upon the effectiveness of the Company’s merger transaction with Creative Realities, LLC.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the close of business on February 5, 2016, we had outstanding three classes of voting securities—common stock, of which there were 64,686,994 shares issued and outstanding; Series A Convertible Preferred Stock, of which there were 5,903,714 shares issued and outstanding; and Series A-1 Convertible Preferred Stock, of which there were 6,688,637 shares issued and outstanding. Each share of common stock is currently entitled to one vote on all matters put to a vote of our shareholders, and each share of preferred stock votes on an as-converted basis, which means that each preferred share is currently entitled to two and one-half votes on all matters put to a vote of our shareholders. Our preferred stock votes together with our common stock as a single class. The following table sets forth the number of common shares and percentage of outstanding common shares, beneficially owned as of February 5, 2016, by:

- each person known by us to be the beneficial owner of more than five percent of our outstanding common stock
- each current director
- each executive officer of the Company and other persons identified as a named executive in our most recent Annual Report on Form 10-K, and

- all current executive officers and directors as a group.

Unless otherwise indicated, the address of each of the following persons is 22 Audrey Place, Fairfield, New Jersey 07004, and each such person has sole voting and investment power with respect to the shares set forth opposite his, her or its name.

Name and Address	Common Shares Beneficially Owned ^[1]	Percentage of Common Shares ¹
Slipstream Funding, LLC ^[2] c/o Pegasus Capital Advisors, L.P. 99 River Road Cos Cob, CT 06807	30,349,949	45.66%
Slipstream Communications, LLC ^[3] c/o Pegasus Capital Advisors, L.P. 99 River Road Cos Cob, CT 06807	43,265,111	54.58%
RFK Communications, LLC ^[4]	10,002,471	15.25%
Horton Capital Partners Fund, L.P. ^[5]	6,818,679	9.68%
Mill City Ventures III, Ltd. ^[6]	4,732,721	6.91%
John Walpuck ^[7]	320,000	*
Donald A. Harris ^[8]	2,235,123	3.45%
Alec Machiels ^[9]	0	*
David Bell ^[10]	0	*
Richard Mills ^[11]	7,682,936	11.65%
Patrick O'Brien ^[12]	0	*
All current executive officers and directors as a group ^[13]	10,238,059	15.51%

* less than 1%

- Beneficial ownership is determined in accordance with the rules of the SEC, and includes general voting power and/or investment power with respect to securities. Shares of common stock issuable upon exercise of options or warrants that are currently exercisable or exercisable within 60 days of the record date, and shares of common stock issuable upon conversion of other securities currently convertible or convertible within 60 days, are deemed outstanding for computing the beneficial ownership percentage of the person holding such securities but are not deemed outstanding for computing the beneficial ownership percentage of any other person. Under applicable SEC rules, each person's beneficial ownership is calculated by dividing the total number of shares with respect to which they possess beneficial ownership by the total number of outstanding shares of the Company. In any case where an individual has beneficial ownership over securities that are not outstanding, but are issuable upon the exercise of options or warrants or similar rights within the next 60 days, that same number of shares is added to the denominator in the calculation described above. Because the calculation of each person's beneficial ownership set forth in the "Percentage of Common Shares" column of the table may include shares that are not presently outstanding, the sum total of the percentages set forth in such column may exceed 100%.
- Investment and voting power over shares held by Slipstream Funding, LLC is held by Slipstream Communications, LLC, its sole member. See footnote 3 for further information regarding Slipstream Communications, LLC. The share figure includes 1,779,015 shares of common stock issuable upon exercise of an outstanding warrant issued to the shareholder in connection with the Company's merger transaction with Creative Realities, LLC.
- Investment and voting power over shares held by Slipstream Communications, LLC is held by BCOM Holdings, LP, its managing member. Slipstream Communications is the sole member of Slipstream Funding, LLC, and as a result share figure includes the 28,570,934 shares of common stock, and 1,779,015 common shares issuable upon exercise of an outstanding warrant, issued to and held by Slipstream Funding, LLC in connection with the merger transaction with Creative Realities, LLC. Share figure also includes 2,617,580 common shares issued on account of a convertible promissory note, and 1,037,947 common shares purchasable upon exercise of outstanding warrants.
- Includes 648,214 common shares issued on account of a convertible promissory note, and 267,857 common shares purchasable upon exercise of outstanding warrants. The warrants to purchase shares held by RFK Communications, LLC contain "blocker" provisions that limits its ability to exercise such warrants to the extent that such exercise would cause the shareholder's beneficial ownership in the Company to exceed 4.99% of the Company's shares outstanding. The calculation of beneficial ownership does not take into account the effect of such "blocker" provisions.
- Includes 633,111 common shares issued on account of a convertible promissory note, and 267,857 common shares purchasable upon exercise of outstanding warrants. The warrants to purchase shares held by Horton Capital Partners Fund, LP contain "blocker" provisions that limits its ability to exercise such warrants to the extent that such exercise would cause the shareholder's beneficial ownership in the Company to exceed 4.99% of the Company's shares outstanding. The calculation of beneficial ownership does not take into account the effect of such "blocker" provisions.

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- 6 Includes 191,520 common shares issued on account of a convertible promissory note, and 1,071,429 common shares purchasable upon exercise of outstanding warrants. The warrants to purchase shares held by Mill City Ventures III, Ltd. contain “blocker” provisions that limits its ability to exercise such warrants to the extent that such exercise would cause the shareholder’s beneficial ownership in the Company to exceed 4.99% of the Company’s shares outstanding. The calculation of beneficial ownership does not take into account the effect of such “blocker” provisions.
- 7 Mr. Walpuck is our Chief Financial Officer and Chief Operating Officer. Shares reflected in the table are common shares issuable upon exercise of vested options.
- 8 Mr. Harris is a director of the Company. Share figure includes an aggregate of 96,154 shares purchasable upon the exercise of outstanding options, 2,677 shares purchasable upon the exercise of outstanding warrants, and 1,334 outstanding shares over which Mr. Harris holds sole voting power but no investment power. In addition, share figure includes 319,092 common shares issued upon the conversion of an unsecured convertible promissory note offered and sold to Mr. Harris in June 2014 together with a related warrant for the purchase of 156,250 common shares.
- 9 Mr. Machiels is a director of the Company.
- 10 Mr. Bell is a director of the Company.
- 11 Mr. Mills is a director of the Company and Chief Executive Officer. Share figure includes 6,447,142 shares issued as merger consideration in connection with the merger with ConeXus World Global, LLC and 1,235,794 shares of Series A-1 Convertible Stock.
- 12 Mr. O’Brien is a director of the Company.
- 13 Includes Messrs. Walpuck, Harris, Machiels, Bell, Mills and O’Brien.

SELLING SHAREHOLDERS

The following table lists the total number of shares of our common stock beneficially owned by the selling stockholders as of February 5, 2016, based on information furnished or available to us, and after this offering. Except as indicated by the footnotes below, we believe, based on the information furnished or available to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws. A total of 20,268,959 shares are covered for resale under this prospectus and included in this table.

Selling Shareholder	Total Number of Shares Beneficially Owned Before Offering ⁽¹⁾	Number of Common Shares Offered Upon Conversion of Convertible Notes or Exercise of Certain Warrants	Percentage Beneficial Ownership After Offering ⁽¹⁾
Equity Trust Company FBO Leonid Frenkel ⁽²⁾	2,431,311	2,431,311	*
Slipstream Communications, LLC ⁽³⁾	43,265,111	3,552,790	41.88%
KBKR Investments, LLC ⁽⁴⁾	3,053,571	3,053,571	*
Brio Capital Master Fund, Ltd. ⁽⁵⁾	1,832,143	1,832,143	*
RFK Communications, LLC ⁽⁶⁾	10,002,471	916,071	10.68%
Richard Smithline ⁽⁷⁾	3,003,229	3,003,229	*
Mill City Ventures III, Ltd. ⁽⁸⁾	4,732,721	3,603,875	1.32%
Horton Capital Partners Fund, LP ⁽⁹⁾	6,818,679	900,969	6.58%

* less than one percent

- (1) For purposes of the selling shareholder table and consistent with Commission rules, beneficial ownership includes any shares as to which the shareholder has sole or shared voting power or investment power, and also any shares which the shareholder has the right to acquire within 60 days of the date hereof, whether through the exercise or conversion of any stock option, convertible security, warrant or other right. The indication herein that shares are beneficially owned does not constitute an admission on the part of the shareholder that he, she or it is a direct or indirect beneficial owner of those shares. Shares beneficially owned after offering reflect the number of shares that would be beneficially owned by a shareholder after the sale of all shares offered under this prospectus.
- (2) Includes 1,791,311 common shares issuable on account of a convertible promissory note, and 640,000 common shares purchasable upon exercise of outstanding warrants.
- (3) Includes 2,617,580 common shares issuable on account of a convertible promissory note, and 935,210 common shares purchasable upon exercise of outstanding warrants.

- (4) Includes 2,160,714 common shares issuable on account of a convertible promissory note, and 892,857 common shares purchasable upon exercise of outstanding warrants.
- (5) Includes 1,296,428 common shares issuable on account of a convertible promissory note, and 535,714 common shares purchasable upon exercise of outstanding warrants.
- (6) Includes 648,214 common shares issuable on account of a convertible promissory note, and 267,857 common shares purchasable upon exercise of outstanding warrants.
- (7) Includes 2,110,371 common shares issuable on account of a convertible promissory note, and 892,857 common shares purchasable upon exercise of outstanding warrants.
- (8) Includes 2,532,446 common shares issuable on account of a convertible promissory note, and 1,071,429 common shares purchasable upon exercise of outstanding warrants.
- (9) Includes 633,111 common shares issuable on account of a convertible promissory note, and 267,857 common shares purchasable upon exercise of outstanding warrants.

MARKET INFORMATION

Our common stock is listed for trading on the OTC Markets (OTC Pink), under the symbol “CREX.” The transfer agent and registrar for our common stock is Registrar & Transfer, Inc., 10 Commerce Drive, Cranford, New Jersey 07016. The following table sets forth the high and low bid prices for our common stock as reported by the OTC Markets in 2015, 2014 and 2013. These quotations reflect inter-dealer prices, without retail mark-up, markdown, or commission, and may not represent actual transactions. Trading in the Company’s common stock during the period represented was sporadic, exemplified by low trading volume and many days during which no trades occurred. Prior to September 17, 2014, our common stock traded under the symbol “RNIN.”

For the Fiscal Year	Market Price (high/low)		
	2015	2014	2013
First Quarter	\$ 0.40 – 0.20	\$ 1.13 – 0.53	\$ 4.28 – 1.41
Second Quarter	\$ 0.45 – 0.17	\$ 0.89 – 0.60	\$ 1.60 – 0.80
Third Quarter	\$ 0.25 – 0.11	\$ 0.75 – 0.41	\$ 0.98 – 0.64
Fourth Quarter	\$ 0.30 – 0.12	\$ 0.73 – 0.2	\$ 0.83 – 0.37

On February 5, 2016, the last practicable date before the filing of this prospectus, the last reported sales price of our common stock on the OTCQB was \$0.23 per share. As of that date, there were approximately 355 holders of record of our common stock.

Holders of our common stock are entitled to share pro rata in dividends and distributions with respect to the common stock when, as and if declared by our Board of Directors out of funds legally available therefor. We have not paid any dividends on our common stock and intend to retain earnings, if any, to finance the development and expansion of our business. In addition, we must first pay dividends on our Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock as described under the caption “Description of Equity Securities” below. The current dividend payable to the holders of Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock aggregates to up to \$171,360 and \$41,602, respectively, on a semi-annual basis (although under certain circumstances we may be able to satisfy our dividend-payment obligations relating to the Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock through the issuance of additional shares of preferred stock). Other than with respect to shares of Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock, future dividend policy is subject to the sole discretion of our Board of Directors and will depend upon a number of factors, including future earnings, capital requirements and our financial condition.

DESCRIPTION OF EQUITY SECURITIES

The following is a description of the common stock we are registering, our outstanding preferred stock, and certain material provisions of Minnesota law, our Articles of Incorporation, and our corporate bylaws. The following is only a summary and is qualified by applicable law, our Articles of Incorporation, and our corporate bylaws. Copies of our Articles of Incorporation and corporate bylaws are included as exhibits to the registration statements of which this prospectus is a part and are available as set forth under “Where You Can Find More Information.”

General

As of the date of this prospectus, there were 64,686,994 shares of our common stock issued and outstanding, held of record by approximately 355 holders, there were 5,903,714 shares of our Series A Convertible Preferred Stock issued and outstanding, held of record by 58 holders, and there were 6,688,637 shares of our Series A-1 Convertible Preferred Stock issued and outstanding, held of record by four holders. Our authorized capital consists of 250,000,000 shares of capital stock, \$0.01 par value per share, of which 200,000,000 shares are available for issuance as common stock, and 50,000,000 shares are available for issuance as preferred stock. Of the authorized preferred shares, we presently have designated 7,000,000 shares for issuance as our “Series A Convertible Preferred Stock” and 2,500,000 shares for issuance as our “Series A-1 Convertible Preferred Stock.”

Common Stock

Voting . The holders of our common stock are entitled to one vote for each outstanding share of common stock owned by that shareholder on every matter properly submitted to the shareholders for their vote. The holders of our Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock are entitled to vote together with the holders of our common stock on an as-converted basis. Presently, each share of outstanding Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock is convertible into two and one-half shares of our common stock. Shareholders are not entitled to vote cumulatively for the election of directors. Nevertheless, the holders of a majority of our Series A Convertible Preferred Stock are entitled to designate one person for appointment to our Board of Directors. This right of designation is contained in the Securities Purchase Agreement we entered into with the purchasers of Series A Convertible Preferred Stock effective August 18, 2014. As of the date of this prospectus, the holders of preferred stock have not exercised their right to designate a person for appointment to our board.

Dividend Rights . Subject to the dividend rights of the holders of any outstanding series of preferred stock, holders of our common stock are entitled to receive ratably such dividends and other distributions of cash or any other right or property as may be declared by our Board of Directors out of our assets or funds legally available for such dividends or distributions. Nevertheless, we must first pay dividends on our Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock. The current dividend payable to the holders of Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock aggregates to up to \$171,360 and \$41,602, respectively on a semi-annual basis (although under certain circumstances we may be able to satisfy our dividend-payment obligations relating to the Series A Convertible Preferred Stock through the issuance of additional shares of preferred stock).

Liquidation Rights . In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, holders of our common stock would be entitled to share ratably in our assets that are legally available for distribution to shareholders after payment of liabilities and after the satisfaction of the liquidation preference owed to the holders of our Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock. Specifically, the aggregate liquidation preference to which the holders of Series A Convertible Preferred Stock and Series A-1 Convertible Preferred Stock are presently entitled is equal to the sum of (i) the \$7,396,354 aggregate stated value of their shares plus (ii) any accrued but unpaid dividends thereon. If we have any other preferred stock outstanding at such time, holders of that preferred stock may be entitled to distribution or liquidation preferences. In either such case, we must pay the applicable distribution to the holders of our preferred stock before we may pay distributions to the holders of our common stock.

Conversion, Redemption and Preemptive Rights . Holders of our common stock have no conversion, redemption, preemptive, subscription or similar rights.

Preferred Stock

Of our 250 million shares of authorized capital, we have 50,000,000 shares authorized for issuance as preferred stock, of which 7,000,000 have been designated as “Series A Convertible Preferred Stock” and 2,500,000 have been designated as “Series A-1 Convertible Preferred Stock.”

Each share of Series A Convertible Preferred Stock carries a \$1.00 stated value and entitles its holders to:

- a cumulative 6% dividend, payable on a semi-annual basis in cash unless (i) we are unable to pay the dividend in cash under applicable law, or (ii) we have demonstrated positive cashflow during the prior quarter reported on our Form 10-Q, in either of which case we may at our election pay the dividend through the issuance of additional shares of preferred stock;
- in the event of a liquidation or dissolution of the Company, a preference in the amount of all accrued but unpaid dividends plus the stated value of such shares before any payment shall be made or any assets distributed to the holders of any junior securities, including our common stock;
- convert their preferred shares into our common shares at a conversion rate of \$0.255 per share, subject, however, to full-ratchet price protection in the event that we issue common stock below the then-current conversion price, (subject to certain customary exceptions); and
- vote their preferred shares on an as-if-converted basis.

After August 20, 2017, we will have the right to call and redeem some or all of such preferred shares, subject to a 30-day notice period and certain other conditions, at a price equal to \$1.00 per share plus accrued but unpaid dividends thereon.

Each share of Series A-1 Convertible Preferred Stock carries a \$1.00 stated value and entitles its holders to:

- a cumulative 6% dividend, payable on a semi-annual basis in cash unless (i) we are unable to pay the dividend in cash under applicable law, or (ii) we have demonstrated positive cashflow during the prior quarter reported on our Form 10-Q, in either of which case we may at our election pay the dividend through the issuance of additional shares of preferred stock;
- in the event of a liquidation or dissolution of the Company, a preference in the amount of all accrued but unpaid dividends plus the stated value of such shares before any payment shall be made or any assets distributed to the holders of any junior securities, including our common stock;
- convert their preferred shares into our common shares at a conversion rate of \$0.255 per share, subject, however, to full-ratchet price protection in the event that we issue common stock below the then-current conversion price (subject to certain customary exceptions); and
- vote their preferred shares on an as-if-converted basis.

Anti-Takeover Provisions

The following is a description of certain provisions of the Minnesota Business Corporation Act and our corporate bylaws that are likely to discourage any unfriendly attempt to obtain control of the Company. This summary does not purport to be complete and is qualified in its entirety by reference to the Minnesota Business Corporation Act and our corporate bylaws.

Minnesota Business Combination Act

We are subject to the Minnesota Business Combination Act, Section 302A.673 of the Minnesota Business Corporation Act. Subject to certain qualifications and exceptions, the statute prohibits an “interested shareholder” of certain Minnesota corporations that are termed “issuing public corporations” (which definition Creative Realities satisfies) from effecting any “business combination” with the corporation for a period of four years from the date the shareholder becomes an “interested shareholder” unless the corporation’s Board of Directors approved the business combination prior to the shareholder becoming an “interested shareholder” or otherwise approved the shareholder becoming an “interested shareholder.”

An “interested shareholder” is defined to include (i) any beneficial owner of 10% or more of the voting power of the outstanding voting stock of the corporation, or (ii) any affiliate or associate of the corporation, that, within the prior four-year period has at any time directly or indirectly beneficially owned 10% or more of the voting power of the then-outstanding stock of the corporation.

The term “business combination” is defined broadly to include, among other things:

- the merger, consolidation or share exchange of the corporation with the interested shareholder or any corporation that is, or after the merger, consolidation or share exchange would be, an affiliate or associate of the interested shareholder (subject to certain exceptions);
- the sale, lease, exchange, mortgage, pledge, transfer or other disposition to or with an interested shareholder or any affiliate or associate of the interested shareholder, of assets of the corporation or any subsidiary (i) having an aggregate market value of 10% or more of the corporation’s consolidated assets, (ii) having an aggregate market value of 10% or more of the market value of all outstanding shares of the corporation, or (iii) representing 10% or more of the earning power or net income of the corporation determined on a consolidated basis (subject to certain exceptions); or
- the issuance or transfer to an interested shareholder or any affiliate or associate of the interested shareholder of 5% or more of the aggregate market value of the outstanding stock of the corporation (subject to certain exceptions).

The statute is designed to protect minority shareholders by prohibiting transactions in which an acquirer could favor itself at the expense of minority shareholders. The statute’s prohibition on the issuance or transfer to an interested shareholder of 5% or more of the aggregate market value of the outstanding stock of a corporation is subject to an exemption for shares purchased pursuant to the exercise of rights offered on a pro rata basis to all shareholders, such as this rights offering.

Bylaws

Certain provisions of our corporate bylaws could have anti-takeover effects. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our corporate policies formulated by our Board of Directors. In addition, these provisions also are intended to ensure that our Board of Directors will have sufficient time to act in what our Board of Directors believes to be in the best interests of our Company and our shareholders. Nevertheless, these provisions could delay or frustrate the removal of incumbent directors or the assumption of control of us by the holder of a large block of common stock, and could also discourage or make more difficult a merger, tender offer, or proxy contest, even if such event would be favorable to the interest of our shareholders. These provisions are summarized below.

Advance Notice Provisions for Raising Business or Nominating Directors . Sections 2.2 and 3.3 of our bylaws contain advance-notice provisions relating to the ability of shareholders to raise business at a shareholder meeting and make nominations for directors to serve on our Board of Directors. These advance-notice provisions generally require shareholders to raise business within a specified period of time prior to a meeting in order for the business to be properly brought before the meeting. Similarly, our bylaws prescribe the timing of submissions for nominations to our Board of Directors and the certain of factual and background information respecting the nominee and the shareholder making the nomination.

Limited Shareholder Action in Writing . Our bylaws provide that shareholder action can be taken only at an annual or special meeting of shareholders and cannot be taken by written consent in lieu of a meeting by fewer than all shareholders entitled to vote. This provision is consistent with the Minnesota Business Corporation Act, which does not allow for fewer than all shareholders of a public corporation to take action other than at an actual meeting of the shareholders.

Number of Directors and Vacancies . Our bylaws provide that the number of directors shall initially consist of seven persons, with the precise number of directors comprising the board shall be determined from time to time by the board itself. The prescribed number of directors comprising the board may be increased (but not decreased) by a majority of the directors then serving on the board. The bylaws also provide that our board has the right, except as may be provided in the terms of any series of preferred stock created by resolutions of the board, to fill vacancies, including vacancies created by any decision of our board to increase the number of directors comprising the board.

Articles of Incorporation – Blank-Check Preferred Stock Power

Under our Articles of Incorporation, our board has the authority to fix by resolution the terms and conditions of one or more series of preferred stock and provide by resolution for the issuance of shares of such series.

We believe that the availability of our preferred stock, in each case issuable in series, and additional shares of common stock could facilitate certain financings and acquisitions and provide a means for meeting other corporate needs which might arise. The authorized shares of our preferred stock, as well as authorized but unissued shares of common stock, will be available for issuance without further action by our shareholders, unless shareholder action is required by applicable law or the rules of any stock exchange on which any series of our stock may then be listed, or except as may be provided in the terms of any preferred stock created by resolution of our board.

These provisions give our board the power to approve the issuance of a series of preferred stock, or additional shares of common stock, that could, depending on its terms, either impede or facilitate the completion of a merger, tender offer or other takeover attempt. For example, the issuance of new shares of preferred stock might impede a business combination if the terms of those shares include voting rights which would enable a holder to block business combinations or, alternatively, might facilitate a business combination if those shares have general voting rights sufficient to cause an applicable percentage vote requirement to be satisfied.

PLAN OF DISTRIBUTION

We are registering the shares of common stock offered by this prospectus on behalf of the selling shareholders, as described above under the caption “Selling Shareholders.” As used in this prospectus, “selling shareholders” includes donees, pledges, transferees and other successors in interest who are selling shares received from the selling shareholders listed herein after the date of this prospectus (whether as a gift, pledge, partnership distribution or other form of non-sale related transfer), but only after a post-effective amendment or prospectus supplement has been filed by the Company that names such donee, pledge, transferee or other successor in interest as a selling shareholder under this prospectus. All costs, expenses and fees in connection with the registration of the shares of common stock offered hereby will be borne by the Company. Brokerage commissions and similar selling expenses, if any, attributable to the sale of shares of common stock will be borne by the selling shareholders.

The selling shareholders may, from time to time in one or more types of transactions (which may include block transactions), effect resales of shares of common stock offered hereby:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;

- privately negotiated transactions;
- short sales;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- broker-dealers may agree with a selling shareholder to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling shareholders may effect sales of shares of common stock offered hereby at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at privately negotiated prices. Any of these transactions may or may not involve brokers or dealers. Any such broker-dealers may receive compensation in the form of discounts, concessions, or commissions from the selling shareholders and/or the purchaser(s) of shares of common stock for whom those broker-dealers may act as agents or to whom they sell as principal, or both (which compensation as to a particular broker-dealer might be in excess of customary commissions). The selling shareholders have advised us that they have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their securities, nor is there any underwriter or coordinating broker acting in connection with the proposed sale of shares of common stock by the selling shareholders. In the event any selling shareholder engages a broker-dealer or other person to sell the shares offered hereby, the names of such agents and the compensation arrangements will be disclosed in a post-effective amendment to the registration statement to which this prospectus relates, which must be filed prior to any such sales.

The selling shareholders may, from time to time, pledge or grant a security interest in some or all of the shares of common stock owned by him and, if he, she or it defaults in the performance of secured obligations, the pledgees or secured parties may offer and sell the shares of common stock, from time to time, under this prospectus, or under an amendment to this prospectus or other applicable provision of the Securities Act amending the list of selling shareholders to include the pledgee, transferee or other successors in interest as selling shareholders under this prospectus. The selling shareholders also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

In connection with the sale of our common stock or interests therein, the selling shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling shareholders may also sell shares of our common stock short and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The selling shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities, which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The aggregate proceeds to the selling shareholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts or commissions, if any. The selling shareholders reserve the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from this offering, although we may receive up to approximately \$1,572,562 in proceeds from the cash exercise of warrants with respect to which the resale of the underlying common shares are covered by this prospectus.

The selling shareholders may also resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act of 1933, as amended, provided that they meets the criteria and conform to the requirements of that rule.

The selling shareholders and any broker-dealers that act in connection with the sale of securities might be deemed to be “underwriters” within the meaning of Section 2(11) of the Securities Act, and any commissions received by such broker-dealers and any profit on the resale of the securities sold by them while acting as principals might be deemed to be underwriting discounts or commissions under the Securities Act. In addition, each broker-dealer selling for its own account or the account of an affiliate is an “underwriter” under Section 2(11) of the Securities Act.

To the extent required, the shares of our common stock to be sold, the name of the selling shareholders, the respective purchase prices and public offering prices, the names of any agents, dealer or underwriter, any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

In order to comply with the securities laws of some states, if applicable, the common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the common stock may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have advised the selling shareholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling shareholders and his affiliates. In addition, we will make copies of this prospectus (as it may be supplemented or amended from time to time) available to the selling shareholders for the purpose of satisfying the prospectus-delivery requirements of the Securities Act. The selling shareholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

We are unable to predict the effect that sales of the shares of common stock offered by this prospectus might have upon our ability to raise additional capital.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Our Articles of Incorporation and corporate bylaws contain provisions indemnifying our directors and officers to the fullest extent permitted by Minnesota law. In addition, and as permitted by Minnesota law, our Articles of Incorporation provide that no director will be liable to us or our shareholders for monetary damages for breach of certain fiduciary duties as a director. The effect of this provision is to restrict our rights and the rights of our shareholders in derivative suits to recover monetary damages against a director for breach of certain fiduciary duties as a director, except that a director will be personally liable for:

- any breach of his or her duty of loyalty to us or our shareholders;
- acts or omissions not in good faith which involve intentional misconduct or a knowing violation of law;
- the payment of an improper dividend or an improper repurchase of our stock in violation of Minnesota law or in violation of federal or state securities laws; or
- any transaction from which the director derived an improper personal benefit.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings, including the registration statement and exhibits, are available to the public at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for information on the operating rules and procedures for the public reference room.

This prospectus does not contain all of the information included in the registration statement. We have omitted certain parts of the registration statement in accordance with the rules and regulations of the SEC. For further information, we refer you to the registration statement, including its exhibits and schedules, which may be found at the SEC's website referenced above. Statements contained in this prospectus and any accompanying prospectus supplement about the provisions or contents of any contract, agreement or any other document referred to are not necessarily complete. Please refer to the actual exhibit for a more complete description of the matters involved. In addition, we are incorporating by reference into this prospectus and related registration statement information included in our prior filings with the SEC, as permitted under the General Instructions to Registration Statement Form S-1, including the following:

- Our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on May 7, 2015 (including all exhibits thereto);
- Our Quarterly Report on Form 10-Q for the period ended September 30, 2015, filed with the SEC on November 18, 2015 (including all exhibits thereto);
- Our Current Reports on Form 8-K filed with the SEC on the following dates: February 24, 2015, March 13, 2015, April 21, 2015, May 28, 2015, October 21, 2015 and December 28, 2015 (including all exhibits thereto); and
- Our Current Reports on Form 8-K/A filed with the SEC on December 28, 2015 (including all exhibits thereto).

We maintain an Internet site at <http://www.cri.com>. We have not incorporated by reference into this prospectus the information on our website, and you should not consider it to be a part of this prospectus. We will provide each person, including a beneficial owner, to whom a prospectus is delivered, a copy of any or all of the reports or documents that have been incorporated by reference in this prospectus but not delivered with the prospectus. We will provide these reports or documents upon a written or oral request and at no cost to the requester. Persons wishing to make a request should contact Mr. Alan Levy, Vice President and Corporate Controller, at 22 Audrey Place, Fairfield, NJ 07004, telephone: (973) 797-0286. You may also use our Internet website (see above) to access the reports and documents incorporated into this prospectus by reference.

LEGAL MATTERS

The validity of the subscription rights and the shares of common stock offered by this prospectus have been passed upon for us by Maslon LLP of Minneapolis, Minnesota.

EXPERTS

The consolidated financial statements of Creative Realities, Inc. (formerly Creative Realities, LLC) as of and for the years ended December 31, 2014 and 2013, included in this prospectus and in the related registration statement through incorporation by reference, have been audited by Baker Tilly Virchow Krause, LLP, an independent registered public accounting firm. As indicated in their report with respect thereto, these consolidated financial statements are included in this prospectus in reliance upon the authority of such firm as experts in auditing and accounting, with respect to such report.

The consolidated balance sheets of Conexus World Global, LLC and its affiliate as of December 31, 2014 and December 31, 2013, and the related consolidated statements of income, comprehensive income, changes in members' deficit, and cash flows, included in this prospectus and in the related registration statement through incorporation by reference, have been audited by Monroe Shine & Co., Inc., independent public accountants. As indicated in their report with respect thereto, these consolidated financial statements are included in this prospectus in reliance upon the authority of such firm as experts in auditing and accounting, with respect to such report.



CREATIVE REALITIES, INC.

20,268,959 shares of Common Stock

PROSPECTUS

February 11, 2016

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Set forth below are expenses we expect to incur in connection with the issuance and distribution of the securities registered hereby. With the exception of the Securities and Exchange Commission registration fee, the amounts set forth below are estimates and actual expenses may vary considerably from these estimates depending upon how long the notes are offered and other factors:

Securities and Exchange Commission registration fee	\$ 473.21
Accounting fees and expenses	\$ 10,000
Legal fees and expenses	\$ 20,000
Blue sky fees and expenses	\$ 0
Printing and mailing expenses	\$ 0
Subscription agent fees and expenses	\$ 0
Miscellaneous	\$ 0

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The registrant is subject to Minnesota Statutes, Chapter 302A, the Minnesota Business Corporation Act (the "Corporation Act"). Section 302A.521 of the Corporation Act provides in substance that, unless prohibited by its articles of incorporation or bylaws, a Minnesota corporation must indemnify an officer or director who is made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person against judgments, penalties, fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorneys' fees and disbursements, incurred by such person in connection with the proceeding, if certain criteria are met. These criteria, all of which must be met by the person seeking indemnification, are as follows: (a) such person has not been indemnified by another organization or employee benefit plan for the same judgments, penalties, fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorneys' fees and disbursements, incurred by the person in connection with the proceeding with respect to the same acts or omissions; (b) such person must have acted in good faith; (c) no improper personal benefit was obtained by such person and such person satisfied certain statutory conflicts of interest provisions, if applicable; (d) in the case of a criminal proceeding, such person had no reasonable cause to believe that the conduct was unlawful; and (e) in the case of acts or omissions occurring in such person's performance in an official capacity, such person must have acted in a manner such person reasonably believed was in the best interests of the corporation or, in certain limited circumstances, not opposed to the best interests of the corporation. In addition, Section 302A.521, subd. 3, requires payment by the registrant, upon written request, of reasonable expenses in advance of final disposition in certain instances. A decision as to required indemnification is made by a majority of the disinterested board of directors present at a meeting at which a disinterested quorum is present, or by a designated committee of disinterested directors, by special legal counsel, by the disinterested shareholders, or by a court.

The registrant also maintains a director and officer insurance policy to cover the registrant, its directors and its officers against certain liabilities.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

We have financed our operations primarily through sales of common stock and the issuance of notes payable to vendors, shareholders and investors. For the years ended December 31, 2014, 2013 and 2012, we generated a net \$6.1, \$1.0 million, and \$1.6 million from financing activities, respectively.

On January 28, 2015, we issued a \$175,000 short-term demand promissory note to Slipstream Communications, LLC, in exchange for a related loan in such amount, in a private placement exempt from registration under Regulation D/Rule 506 of the Securities Act of 1933 and/or Section 4(a)(2) of the Securities Act of 1933 on the basis that the investor was an accredited investor. This note accrued interest at the per annum rate of 10% and involved a grant by us of collateral security in the accounts receivable of Creative Realities, Inc.

On February 18, 2015, we offered and sold a secured convertible promissory note in the principal amount of \$1.0 million and an immediately exercisable five-year warrant to purchase up to 1,515,152 common shares at a per-share price of \$0.38, in a private placement exempt from registration under Regulation D/Rule 506 of the Securities Act of 1933 and/or Section 4(a)(2) of the Securities Act of 1933 on the basis that the investor was an accredited investor.

Contemporaneously with the February 18, 2015 financing, we also offered and sold an additional 265,000 shares of our Series A Convertible Preferred Stock at \$1.00 per share with detachable five-year warrants to purchase up to 331,250 common shares at a price of \$0.50, subject to adjustment, for \$300,000. These shares were issued to three purchasers, one of whom was a director of the Company, one of whom was then our Chief Executive Officer and a director of the Company, and one of which was Slipstream Communications, LLC. These transactions were effected in a private placement exempt from registration under Section 4(a)(2) of the Securities Act of 1933 and/or Regulation D/Rule 506 of the Securities Act of 1933 on the basis that each investor was an accredited investor.

On May 20, 2015, we issued a \$465,000 subordinated secured promissory note to Slipstream Communications, LLC, in exchange for a related loan in such amount, in a private placement exempt from registration under Section 4(a)(2) of the Securities Act of 1933 and/or Regulation D/Rule 506 of the Securities Act of 1933 on the basis that the investor was an accredited investor. Together with this note issuance, we issued an immediately exercisable five-year warrant to purchase up to 762,295 common shares at a per-share price of \$0.31, which was subsequently reduced to \$0.30 per share.

On June 23, 2015, we issued a 14% secured convertible promissory note in the principal amount of \$400,000 and an immediately exercisable five-year warrant to purchase up to 640,000 common shares at a per-share price of \$0.30, in a private placement exempt from registration under Regulation D/Rule 506 of the Securities Act of 1933 on the basis that the investor was an accredited investor. In connection with this June 23, 2015 debt financing (and as part of that same offering), we effected a conversion of the \$465,000 principal amount subordinated secured promissory note earlier issued on May 20, 2015. This note, together with accrued but unpaid interest thereon and a 25% conversion premium, was converted into a 14% secured convertible promissory note in the principal amount of \$584,506, together with new five-year warrants to purchase up to 935,210 common shares at the per-share price of \$0.30. This transaction was effected in a private placement exempt from registration under Section 4(a)(2) of the Securities Act of 1933 and/or Regulation D/Rule 506 of the Securities Act of 1933 on the basis that the investor was an accredited investor.

On June 30, 2015, we issued 161,530 shares of Series A Convertible Preferred Stock in satisfaction of our dividend-payment obligations on such class of preferred stock. The shares were issued exclusively to accredited investors, on account of preferred shares earlier purchased in a private placement exempt from the registration requirements under the Securities Act of 1933.

On December 28, 2015, we offered and sold to certain accredited investors secured promissory notes in the aggregate principal amount of \$1,250,000 and five-year warrants to purchase up to 2,232,142 shares of Creative Realities' common stock at a per-share price of \$0.28 (subject to adjustment), all pursuant to a securities purchase agreement. The gross proceeds totaled \$1,250,000. Our principal subsidiaries — Creative Realities, LLC, Wireless Ronin Technologies Canada, Inc., and Conexus World Global, LLC — were also parties to the securities purchase agreement and are co-makers of the secured convertible promissory notes. Obligations under the secured convertible promissory notes are secured by a grant of collateral security in all of the tangible assets of the co-makers pursuant to the terms of an amended and restated security agreement. The secured promissory notes bear interest at the annual rate of 14% (12% payable in cash and 2% payable in the form of additional principal) with an initial maturity date of April 15, 2017, which may be extended at the sole discretion of each Investor to October 15, 2017. At any time prior to the maturity date, the Investors may convert the outstanding principal and accrued and unpaid interest into Creative Realities' common stock at a conversion price equal to \$0.28 per-share (subject to adjustment). This transaction was effected in a private placement exempt from registration under Section 4(a)(2) of the Securities Act of 1933 and/or Regulation D/Rule 506 of the Securities Act of 1933 on the basis that the investors were accredited investors.

During 2014, we consummated the sales of common stock and issued notes payable described below in reliance on the statutory exemptions from registration under Section 4(a)(2) of the Securities Act, including Rule 506 promulgated thereunder. We relied on this exemption based on the fact that all the investors were accredited investors.

On June 5, 2014, we entered into a Securities Purchase Agreement with certain investors, pursuant to which we offered and sold unsecured convertible promissory notes yielding aggregate gross proceeds to us of \$390,000, and issued three-year warrants to purchase up to 97 shares of our common stock at a per-share price of \$0.75, in a private placement exempt from registration under the Securities Act of 1933. The promissory notes bore interest at the per annum rate of 10%, and were to mature on December 3, 2015. By their express terms, the promissory notes converted automatically into shares of our common stock immediately prior to our merger transaction with Creative Realities, LLC. Upon the conversion, and in conformity with the conversion terms of the notes, the conversion price of the notes was adjusted downward to \$0.40 per share, so as to equal the price at which sold common shares in connection with the merger transaction.

From April through August 2014, we entered into certain consulting agreements and financial advisory agreements pursuant to which we issued, in private placements, warrants to purchase an aggregate of 527,625 shares of common stock at the per-share price of \$0.50. In addition, in July 2014, we obtained a \$400,000 loan from an accredited investor and in exchange issued, in a private placement, a secured convertible promissory note accruing interest at the per annum rate of 10%, together with a five-year warrant to purchase up to 153,846 shares of our common stock at a per-share price of \$0.70.

On August 18, 2014, we entered into a Securities Purchase Agreement with institutional and accredited investors pursuant to which we offered and sold an aggregate of 5,190,000 shares of our Series A Convertible Preferred Stock at \$1.00 per share, and issued five-year warrants to purchase an aggregate of 6,487,500 shares of common stock at a per-share price of \$0.50 (subject to adjustment).

In connection with the merger contemplated by the Creative Realities Merger Agreement on August 20, 2014, as the sole member of Creative Realities, Slipstream Funding, LLC, a Delaware limited liability company received shares of our common stock equivalent to approximately 59.2% of common stock issued and outstanding after the merger, calculated on a modified fully diluted basis, together with a warrant to purchase an additional number of common shares equal to 1.5% of our common stock outstanding immediately after the merger, again calculated on a modified fully diluted basis.

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On December 31, 2014, we issued 112,448 shares of Series A Convertible Preferred Stock in satisfaction of our dividend-payment obligations on such class of preferred stock. The shares were issued exclusively to accredited investors, on account of preferred shares earlier purchased in a private placement exempt from the registration requirements under the Securities Act of 1933.

In March 2013, we sold a total of 868 units at a price of \$1.80 per unit, each unit consisting of one share of common stock and one –five year warrant to purchase 0.50 of a share of common stock, with exercisability commencing six months and one day after issuance, at an exercise price of \$2.73 per share, pursuant to a registration statement on Form S-3 which was declared effective by the Securities and Exchange Commission in January 2013. We obtained approximately \$1.4 million in net proceeds as a result of this registered direct offering.

In December 2013, we sold an aggregate of \$1.1 million in unsecured convertible promissory notes, along with warrants to purchase 1.1 million shares of our common stock, in a private placement transaction with certain accredited investors. The notes mature two years after issuance, require the payment of interest at the rate of 4% per year (payable on maturity), and are convertible, at the holder’s option, into unregistered shares of our common stock at a conversion price of \$0.50 per share. The warrants are immediately exercisable, expire three years after issuance, have a cashless exercise feature, and may be exercised to purchase unregistered shares of our common stock at an exercise price of \$0.75 per share.

During 2013, we received proceeds of \$21,000 from the issuance of 19,000 shares under our associate (employee) stock purchase plan, which was terminated effective July 2013. Also during 2013, we made a repayment of the line of credit with Silicon Valley Bank of \$0.4 million.

In September 2012, we sold approximately 348,000 shares of our common stock at \$4.05 per share pursuant to a registration statement on Form S-3 which was declared effective by the SEC in September 2009. We obtained approximately \$1.2 million in net proceeds as a result of this registered direct offering. During 2012, we also received \$51,000 from the sale of approximately 12,000 shares of common stock to our associates (employees) through our 2007 Associate Stock Purchase Plan. We also received a \$0.4 million advance on our line of credit with Silicon Valley Bank in 2012.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- (a) Exhibits. The exhibits listed below are filed as a part of this registration statement.

<u>Exhibit No.</u>	<u>Description</u>
3.1	Articles of Incorporation, as amended (incorporated by reference to Exhibit 3.1 to the registrant’s Form S-4 filed with the SEC on August 18, 2014)
3.2	Amended and Restated Bylaws (incorporated by reference to the registrant’s Current Report on Form 8-K filed on November 2, 2011)
4.1	Series A Convertible Preferred Stock Certificate of Designation of Preferences, Rights and Limitations filed August 19, 2014 (incorporated by reference to Exhibit 3.1 to the registrant’s Current Report on Form 8-K filed with the SEC on August 22, 2014)
4.2	Series A-1 Convertible Preferred Stock Certificate of Designation of Preferences, Rights and Limitations filed October 30, 2015 (filed herewith)
5.1	Opinion of Maslon LLP (filed herewith)
10.1	Securities Purchase Agreement dated as of August 18, 2014, by and among Wireless Ronin Technologies, Inc. and certain purchasers (incorporated by reference to Exhibit 10.1 to the registrant’s Current Report on Form 8-K filed with the SEC on August 22, 2014)
10.2	Form of Warrant to Purchase Common Stock of Wireless Ronin Technologies, Inc., issued to purchasers under the Securities Purchase Agreement dated as of August 18, 2014 (incorporated by reference to Exhibit 10.2 to the registrant’s Current Report on Form 8-K filed with the SEC on August 22, 2014)
10.3	Employment Agreement with Paul Price dated as of August 20, 2014 (incorporated by reference to Exhibit 2.1 to the registrant’s Current Report on Form 8-K filed with the SEC on August 22, 2014)
10.4	Securities Purchase Agreement dated February 18, 2015, by and between Creative Realities, Inc. and Mill City Ventures III, Ltd. (incorporated by reference to Exhibit 10.1 to the registrant’s Current Report on Form 8-K filed with the SEC on February 24, 2015)

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10.5	Secured Convertible Promissory Note dated February 18, 2015, issued in favor of Mill City Ventures III, Ltd. (incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed with the SEC on February 24, 2015)
10.6	Warrant dated February 18, 2015, issued in favor of Mill City Ventures III, Ltd. (incorporated by reference to Exhibit 10.3 to the registrant's Current Report on Form 8-K filed with the SEC on February 24, 2015)
10.7	Security Agreement dated February 18, 2015, by and among Creative Realities, Inc. and Broadcast International, Inc., Creative Realities, LLC, and Wireless Ronin Technologies Canada, Inc. (incorporated by reference to Exhibit 10.4 to the registrant's Current Report on Form 8-K filed with the SEC on February 24, 2015)
10.8	Separation Agreement and Release with Paul Price (incorporated by reference to the registrant's Registration Statement on Form S-1/A filed with the SEC on July 9, 2015)
10.9	Subordinated Secured Promissory Note issued on May 20, 2015 to Slipstream Communications, LLC, in the original principal amount of \$465,000
10.10	Form of Securities Purchase Agreement dated June 23, 2015 (incorporated by reference to the registrant's Registration Statement on Form S-1/A filed with the SEC on July 9, 2015)
10.11	Form of Secured Convertible Promissory Note (for use in connection with Form of Securities Purchase Agreement dated June 23, 2015) (incorporated by reference to the registrant's Registration Statement on Form S-1/A filed with the SEC on July 9, 2015)
10.12	Form of Warrant (for use in connection with Form of Securities Purchase Agreement dated June 23, 2015) (incorporated by reference to the registrant's Registration Statement on Form S-1/A filed with the SEC on July 9, 2015)
10.13	Form of Security Agreement (for use in connection with Form of Securities Purchase Agreement dated June 23, 2015) (incorporated by reference to the registrant's Registration Statement on Form S-1/A filed with the SEC on July 9, 2015)
10.14	Employment Agreement with John Walpuck (incorporated by reference to the registrant's Registration Statement on Form S-1/A filed with the SEC on July 9, 2015)
10.15	Form of Amended and Restated Securities Purchase Agreement dated December 28, 2015 (filed herewith)
10.16	Form of Securities Purchase Agreement dated December 28, 2015 (filed herewith)
10.17	Form of Secured Convertible Promissory Note (for use in connection with Form of Securities Purchase Agreement dated December 28, 2015) (filed herewith)
10.18	Form of Warrant (for use in connection with Form of Securities Purchase Agreement dated December 28, 2015) (filed herewith)
10.19	Form of Amended and Restated Security Agreement (for use in connection with Form of Securities Purchase Agreement dated December 28, 2015) (filed herewith)
10.20	Form of Registration Rights Agreement (for use in connection with Form of Securities Purchase Agreement dated December 28, 2015) (filed herewith)
21.1	List of Subsidiaries (filed herewith)
23.1	Consent of Baker Tilly Virchow Krause, LLP (filed herewith)
23.2	Consent of Monroe Shine & Co., Inc. (filed herewith)
23.3	Consent of Maslon LLP (contained within Exhibit 5.1 above)

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
 - (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, an increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
 - (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) [intentionally omitted]
- (5) For the purpose of determining any liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.
- (6) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
 - (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
 - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Creative Realities, Inc.

By: /s/ John Walpuck
Chief Financial Officer and Chief Operating Officer

Dated: February 11, 2016

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Alec Machiels and John Walpuck, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated below.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Alec Machiels *</u> Alec Machiels	Chairman of the Board	February 11, 2016
<u>/s/ Richard Mills *</u> Richard Mills	Director and Chief Executive Officer	February 11, 2016
<u>/s/ John Walpuck</u> John Walpuck	Chief Financial Officer and Chief Operating Officer (principal accounting and financial officer)	February 11, 2016
<u>/s/ Don Harris *</u> Don Harris	Director	February 11, 2016
<u>/s/ David Bell *</u> David Bell	Director	February 11, 2016
<u>/s/ Patrick O'Brien *</u> Patrick O'Brien	Director	February 11, 2016

* Pursuant to power of attorney held by John Walpuck.

CREATIVE REALITIES, INC.

SERIES A-1 6% CONVERTIBLE PREFERRED STOCK

CERTIFICATE OF DESIGNATION
OF PREFERENCES, RIGHTS AND LIMITATIONS

(Pursuant to Minnesota Statutes, Section 302A.401, subdivision 3(b))

THE UNDERSIGNED, the Chief Executive Officer of Creative Realities, Inc., a Minnesota corporation (the "Corporation"), DOES HEREBY CERTIFY that, pursuant to the authority conferred upon the Board of Directors of the Corporation by the Articles of Incorporation of the Corporation and in accordance with the provisions of subdivision 401(3)(b) of the Minnesota Business Corporation Act, the Board of Directors of the Corporation as of October 15, 2015, has adopted the following resolution creating a series of capital stock designated as the Series A-1 Convertible Preferred Stock:

RESOLVED: that, pursuant to the authority vested in the Board of Directors of the Corporation, a series of convertible preferred stock, \$0.01 par value per share, to be entitled "Series A-1 Convertible Preferred Stock" of the Corporation is hereby created and designated. The number of shares of Series A-1 Stock shall be 2,500,000. The voting powers, preferences and relative, participating, optional and other special rights of the Series A-1 Convertible Preferred Stock, and the qualifications, limitations and restrictions thereof, are as follows:

1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

"Alternate Consideration" shall have the meaning set forth in Section 7(b).

"Beneficial Ownership Limitation" has the meaning set forth in Section 6(e).

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Buy-In" has the meaning set forth in Section 6(d)(iii).

"Closing" means the closing of the purchase and sale of the Securities pursuant to any Purchase Agreement.

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

"Common Stock" means the Corporation's common stock, par value \$0.01 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Common Stock Equivalents” means any securities of the Corporation that would entitle the holder thereof to acquire at any time Common Stock, including without limitation any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“Conversion Date” shall have the meaning set forth in Section 6(a).

“Conversion Price” shall have the meaning set forth in Section 6(c).

“Conversion Shares” means, collectively, the shares of Common Stock issued and issuable upon conversion of the shares of Series A-1 Preferred Stock in accordance with the terms hereof.

“Corporation Conversion Conditions” means all of the following conditions: (a) the Corporation shall have duly honored all conversions scheduled to occur or occurring by virtue of one or more Notices of Conversion of the applicable Holder on or prior to the dates so requested or required, if any; (b) either (i) there is an effective Resale Registration Statement pursuant to which the Holders are permitted to utilize the prospectus contained therein to resell all of the Underlying Shares permitted by the Commission to be included thereunder and resold pursuant thereto or (ii) all of the Underlying Shares may be resold pursuant to Rule 144 without volume or manner-of-sale restrictions or current public information requirements as determined by the counsel to the Corporation (the requirements of this clause (b) being determined severally on a Holder-by-Holder basis); (c) the Common Stock is trading on a Trading Market; (d) there is a sufficient number of authorized, but unissued and otherwise unreserved, shares of Common Stock for the issuance of all of the Underlying Shares; and (e) the Common Stock shall have had a closing price on the Trading Market, for a period of at least 20 consecutive Trading Days, a price per share equal to at least two and one-half times the Conversion Price then in effect.

“Dilutive Issuance” has the meaning set forth in Section 7(c).

“Dividend Notice Period” shall have the meaning set forth in Section 3(a)(i).

“Dividend Payment Date” shall have the meaning set forth in Section 3(a).

“Exchange Act” means the Securities Exchange Act of 1934, and the rules and regulations thereunder.

“Exempt Issuance” means the issuance of (i) shares of Common Stock or options to employees, officers, directors or consultants of the Corporation pursuant to any stock or option plan duly adopted by a majority of the non-employee members of the Board of Directors of the Corporation or a majority of the members of a committee of non-employee directors established for such purpose, (ii) any securities upon the exercise or conversion of any securities issued pursuant to any Purchase Agreement, (iii) any Common Stock upon the exercise or conversion of securities that are issued and outstanding as of the date hereof, (iv) securities issued in connection with acquisitions or strategic transactions approved by a majority of the disinterested directors of the Corporation, (v) shares of Common Stock issued in connection with regularly scheduled dividend payments on the Series A-1 Preferred Stock and Series A 6% Convertible Preferred Stock, and (vi) shares of Common Stock issued pursuant to any loan or leasing arrangement, real property leasing arrangement, or debt financing from a bank approved by the Board of Directors of the Corporation.

“Fundamental Transaction” shall have the meaning set forth in Section 7(b).

“Holder” means the Persons who hold the Series A-1 Preferred Stock at any given time.

“Junior Securities” means the Common Stock and all other Common Stock Equivalents of the Corporation other than those securities which are explicitly senior or pari passu to the Series A-1 Preferred Stock in dividend rights or liquidation preference.

“Liquidation” shall have the meaning set forth in Section 5.

“New York Courts” shall have the meaning set forth in Section 10(d).

“Notice of Conversion” shall have the meaning set forth in Section 6(a).

“Original Issue Date” means the date of the first issuance of any shares of the Series A-1 Preferred Stock regardless of the number of transfers of any particular shares of Series A-1 Preferred Stock and regardless of the number of certificates which may be issued to evidence such Series A-1 Preferred Stock (including when such certificates are issued or how they are dated).

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Purchase Agreement” means a securities purchase agreement entered into by and between each Holder and the Corporation, including without limitation the Agreement and Plan of Merger and Reorganization by and among Creative Realities, Inc., CXW Acquisition, Inc., ConeXus World Global, LLC and the Member Representative of ConeXus World Global, LLC, dated as of August 11, 2015, as amended on October 15, 2015.

“Redemption Date” has the meaning specified in Section 8.

“Resale Registration Statement” means one or more registration statements that registers the resale of some or all of the Underlying Shares of the Holders, who shall be named as “selling stockholders” therein, and meets the requirements set forth in the applicable Purchase Agreement.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such rule.

“Securities” means the Series A-1 Preferred Stock and the Underlying Shares.

“Securities Act” means the Securities Act of 1933, and the rules and regulations promulgated thereunder.

“Series A-1 Preferred Stock” means the Series A-1 6% Convertible Preferred Stock of the Corporation.

“Share Delivery Date” shall have the meaning set forth in Section 6(d)(i).

“Stated Value” shall have the meaning set forth in Section 2.

“Subsidiary” means any subsidiary of the Corporation as set forth on Exhibit 21 to the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2014, and shall, where applicable, also include any direct or indirect subsidiary of the Corporation formed or acquired after the date of a Purchase Agreement.

“Trading Day” means a day on which the principal Trading Market is open for trading.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTC Bulletin Board or the tiers of the OTC Markets (e.g., OTCQX or OTCQB), including any successors to any of the foregoing.

“Transaction Documents” means this Certificate of Designation and each Purchase Agreement, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated pursuant to the applicable Purchase Agreement.

“Underlying Shares” means the shares of Common Stock issued and issuable upon conversion of the Series A-1 Preferred Stock, and issued and issuable in lieu of the cash payment of dividends on outstanding Series A-1 Preferred Stock in accordance with the terms of this Certificate of Designation (including Common Stock issuable upon conversion of Series A-1 Preferred Stock issued in lieu of the cash payment of dividends).

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market (other than the OTC Bulletin Board or the OTC Markets), the daily volume-weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the Common Stock is then listed or quoted on the OTC Bulletin Board or the OTC Markets, the most recent bid price per share of the Common Stock so reported, or (c) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Board of Directors of the Corporation.

2. Designation, Amount and Par Value. The series of preferred stock created hereunder shall be designated as its Series A-1 6% Convertible Preferred Stock (the “Series A-1 Preferred Stock”) and the number of shares so designated shall be 2,500,000 (which shall not be subject to increase without the written consent of the Holders of at least a majority of the then-issued and outstanding Series A-1 Preferred Stock). Each share of Series A-1 Preferred Stock shall have a par value of \$0.01 per share and a stated value equal to \$1.00 (the “Stated Value”).

3. Dividends.

(a) Dividends in Cash or in Kind. Holders shall be entitled to receive, and the Corporation shall pay, cumulative dividends at the rate per share (as a percentage of the Stated Value per share) of 6.0% per annum. Such dividends shall be payable semi-annually on June 30 and December 31, beginning on the first such date after the Original Issue Date and on each Conversion Date (with respect only to Series A-1 Preferred Stock being converted) (each such date, a “Dividend Payment Date”) (if any Dividend Payment Date is not a Trading Day, the applicable payment shall be due on the next succeeding Trading Day) (1) in cash out of legally available funds (subject, however, to the final sentence of Section 3(b) below), or (2) at the Corporation’s option (subject, however, to the final sentence of this Section 3(a)), in duly authorized, validly issued, fully paid and non-assessable shares of Series A-1 Preferred Stock through the three-year anniversary of the Original Issue Date, and from and after such three-year anniversary in duly authorized, validly issued, fully paid and non-assessable shares of Common Stock, or (3) a combination of cash and Series A-1 Preferred Stock or Common Stock (as applicable and permitted by this Section 3). Notwithstanding the foregoing, the Corporation shall not elect to pay dividends through the issuance of Series A-1 Preferred Stock or Common Stock in the event that (i) its most recent quarterly report on Form 10-Q filed with the Commission evidences that in the most recent quarterly period the Corporation had positive cash flow, and (ii) funds are legally available for the payment of dividends.

(b) Dividend Share Matters. In the case of payment by the Corporation of dividends in the form of shares of Series A-1 Preferred Stock, such stock shall be valued at its Stated Value. In the case of payment by the Corporation of dividends in the form of shares of Common Stock, the Common Stock shall be valued solely for such purpose at the average of the VWAPs for the 45 consecutive Trading Days ending on the Trading Day that is immediately prior to the applicable Dividend Payment Date or Conversion Date. Dividends paid in cash or through the issuance of Series A-1 Preferred Stock or Common Stock shall be paid to Holders no later than five Business Days after a Dividend Payment Date. Notwithstanding the foregoing, from the Original Issue Date through the three-year anniversary of such date, any Holder may at its option provide the Corporation with written notice, at least 30 days prior to a Dividend Payment Date, specifying that such Holder elects to receive dividends in the form of Series A-1 Preferred Stock, in which case the Corporation shall satisfy its dividend-payment obligations hereunder, with respect to such Holder, only through the issuance of Series A-1 Preferred Stock.

(c) Dividend Calculations. Dividends on the Series A-1 Preferred Stock shall be calculated on the basis of a 360-day year, consisting of twelve 30-calendar-day periods, and shall accrue daily commencing on the Original Issue Date, and shall be deemed to accrue from such date whether or not earned or declared and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends. Payment of dividends in shares of Common Stock shall otherwise occur pursuant to Section 6(d)(i) herein and, solely for purposes of the payment of dividends in shares, the Dividend Payment Date shall be deemed the Conversion Date. Dividends shall cease to accrue with respect to any Series A-1 Preferred Stock converted, provided that the Corporation actually delivers the Conversion Shares within the time period required by Section 6(d)(i) herein, in which case dividends shall cease to accrue with respect to such converted Series A-1 Preferred Stock on the date the Corporation actually delivers the Conversion Shares. Except as otherwise provided herein, if at any time the Corporation pays dividends partially in cash and partially in shares, then such payment shall be distributed ratably among the Holders based upon the number of shares of Series A-1 Preferred Stock held by each Holder on such Dividend Payment Date.

(d) Other Securities. So long as any Series A-1 Preferred Stock shall remain outstanding, neither the Corporation nor any Subsidiary thereof shall directly or indirectly pay or declare any dividend or make any distribution upon (other than a dividend or distribution described in Section 6 or dividends due and paid in the ordinary course on preferred stock of the Corporation at such times when the Corporation is in compliance with its payment and other obligations hereunder), nor shall any distribution be made in respect of, any Junior Securities as long as any dividends due on the Series A-1 Preferred Stock remain unpaid. The Series A-1 Preferred Stock will be pari passu with the Corporation's Series A 6% Convertible Preferred Stock as to dividends.

4. Voting Rights. Each outstanding share of Series A-1 Preferred Stock shall be entitled to a number of votes equal to the number of shares of Common Stock into which such share of Series A-1 Preferred Stock is then convertible pursuant hereto as of the applicable record date for the vote of shareholders. Each holder of outstanding shares of Series A-1 Preferred Stock shall be entitled to notice of any shareholders' meeting in accordance with the bylaws of the Corporation and shall vote with holders of the Common Stock and the Company's Series A 6% Convertible Preferred Stock, voting together as single class, upon all matters submitted to a vote of shareholders, excluding only those matters required to be submitted to a class or series vote pursuant to the terms hereof or by law. The Holders of shares of Series A-1 Preferred Stock shall not be entitled to cumulate their votes in any election of directors in which they are entitled to vote; provided, however, that if the holders of any other class or series of shares shall be entitled to cumulative voting in the election of directors then the Holders of Series A-1 Preferred Stock shall be entitled to the same cumulative voting.

5. Liquidation. Upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary (a "Liquidation"), the Holders shall be entitled to receive out of the assets, whether capital or surplus, of the Corporation an amount equal to the Stated Value, plus any accrued and unpaid dividends thereon and any other fees or liquidated damages then due and owing thereon under this Certificate of Designation, for each share of Series A-1 Preferred Stock, before any distribution or payment shall be made to the holders of any Junior Securities, and shall not participate with the holders of Common Stock or other Junior Securities thereafter. The Series A-1 Preferred Stock will be pari passu with the Corporation's Series A 6% Convertible Preferred Stock with respect to rights to the distribution of the Corporation's assets upon a Liquidation. If the assets of the Corporation shall be insufficient to pay in full such amounts, then the entire assets to be distributed to the Holders shall be ratably distributed among the Holders (including the holders of all pari passu securities upon a Liquidation) in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full. The Corporation shall mail written notice of any such Liquidation, not less than 45 days prior to the payment date stated therein, to each Holder.

6. Conversion.

(a) Conversions at Option of Holder. Each share of Series A-1 Preferred Stock and accrued but unpaid dividends thereon shall be convertible, any time and from time to time at the option of the Holder thereof, into that number of shares of Common Stock determined by dividing the Stated Value of such share of Series A-1 Preferred Stock (plus accrued but unpaid dividends thereon, if being converted) by the Conversion Price. Holders shall effect conversions by providing the Corporation with the form of conversion notice attached hereto as Annex A (a "Notice of Conversion"). Each Notice of Conversion shall specify the number of shares of Series A-1 Preferred Stock to be converted, the number of shares of Series A-1 Preferred Stock owned prior to the conversion at issue, the number of shares of Series A-1 Preferred Stock owned subsequent to the conversion at issue, and the date on which such conversion is to be effected, which date may not be prior to the date the applicable Holder delivers by facsimile such Notice of Conversion to the Corporation (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, then the Conversion Date shall be the date that such Notice of Conversion to the Corporation is deemed given hereunder. To effect conversions of shares of Series A-1 Preferred Stock, a Holder shall not be required to surrender the certificate(s) representing the shares of Series A-1 Preferred Stock to the Corporation unless all of the shares of Series A-1 Preferred Stock represented thereby are so converted, in which case such Holder shall deliver the certificate representing such shares of Series A-1 Preferred Stock promptly following the Conversion Date at issue. Shares of Series A-1 Preferred Stock converted into Common Stock or redeemed in accordance with the terms hereof shall be canceled and shall not be reissued.

(b) Mandatory Conversion.

(i) At the option of the Corporation, after all of the Corporation Conversion Conditions shall have been satisfied, each share of Series A-1 Preferred Stock shall be convertible, at any time, into that number of shares of Common Stock determined by dividing the Stated Value of such share of Series A-1 Preferred Stock by the Conversion Price. The Corporation shall exercise its right to mandatorily convert the Series A-1 Preferred Stock under this Section by providing the Holders with written notice at least ten days prior to the effective date of conversion; or

(ii) Upon the affirmative vote or written consent of the holders of at least 75% of the then-issued and outstanding shares of Series A-1 Preferred Stock, all shares of Series A-1 Preferred Stock will be converted into that number of shares of Common Stock determined by dividing the Stated Value of such share of Series A-1 Preferred Stock by the Conversion Price.

(c) Conversion Price. The conversion price for the Series A-1 Preferred Stock (the "Conversion Price") shall equal the conversion price of the Corporation's Series A 6% Convertible Preferred Stock on the date hereof, as adjusted pursuant to the terms of the Certificate of Designation for the Series A 6% Convertible Preferred Stock. In the event that the Corporation has no shares of Series A 6% Convertible Preferred Stock issued and outstanding or remaining designated, the Conversion Price for the Series A-1 Preferred Stock shall thereafter be adjusted as provided in this Certificate of Designation.

(d) Mechanics of Conversion.

(i) Delivery of Certificate Upon Conversion. Not later than three Trading Days after each Conversion Date (the “Share Delivery Date”), the Corporation shall deliver, or cause to be delivered, to the converting Holder one or more certificate or certificates representing the Conversion Shares. On or after the earlier of the six-month anniversary of the date of issuance the Series A-1 Preferred Stock being converted, such certificates shall not contain a restrictive legend under the Securities Act so long as (i) the Holder shall have delivered a representation letter to the Corporation in form and substance satisfactory to the Corporation (which letter includes a representation by the Holder that the Conversion Shares are being sold pursuant to Rule 144) or (ii) a Resale Registration Statement covering the resale of such Conversion Shares is then effective. On or after the 12-month anniversary of the date of the issuance of the Series A-1 Preferred Stock being converted, the Corporation shall, upon the request of the Holder, use commercially reasonable efforts to deliver any Conversion Shares to be delivered by the Corporation under this Section 6 electronically through the Depository Trust Corporation or another established clearing corporation performing similar functions.

(ii) Failure to Deliver Certificates. If, in the case of any Notice of Conversion, such certificate or certificates are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to the Corporation at any time on or before its receipt of such certificate or certificates, to rescind such Conversion, in which event the Corporation shall promptly return to the Holder any original Series A-1 Preferred Stock certificate delivered to the Corporation, if any, and the Holder shall promptly return to the Corporation the Common Stock certificates issued to such Holder pursuant to the rescinded Conversion Notice.

(iii) Compensation for Buy-In on Failure to Timely Deliver Conversion Shares. In addition to any other rights available to the Holder, if the Corporation fails for any reason to deliver to a Holder the applicable certificate or certificates within three Trading Days after the Share Delivery Date pursuant to Section 6(d)(i), and if after such date such Holder is required by its brokerage firm to purchase (in an open-market transaction or otherwise), or the Holder’s brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by such Holder of the Conversion Shares such Holder was entitled to receive upon the conversion relating to such Share Delivery Date (a “Buy-In”), then the Corporation shall (A) pay in cash to such Holder the amount, if any, by which (x) such Holder’s total purchase price (including any brokerage commissions) for the Common Stock so purchased exceeds (y) the product of (1) the aggregate number of shares of Common Stock that such Holder was entitled to receive from the conversion at issue and that were sold, multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of such Holder, either reissue (if surrendered) the shares of Series A-1 Preferred Stock equal to the number of shares of Series A-1 Preferred Stock submitted for conversion (in which case, such conversion shall be deemed rescinded) or deliver to such Holder the number of shares of Common Stock that would have been issued if the Corporation had timely complied with its delivery requirements under Section 6(c)(i). For example, if a Holder purchases shares of Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted conversion of shares of Series A-1 Preferred Stock with respect to which the actual sale price of the Conversion Shares giving rise to such purchase obligation was a total of \$10,000, under clause (A) of the immediately preceding sentence, the Corporation shall be required to pay such Holder \$1,000. The Holder shall provide the Corporation written notice indicating the amounts payable to such Holder in respect of the Buy-In and, upon request of the Corporation, evidence of the amount of such loss. Nothing herein shall limit a Holder’s right to pursue any other remedies available to it hereunder, at law or in equity, including without limitation a decree of specific performance or other injunctive relief with respect to the Corporation’s failure to timely deliver shares of Common Stock upon conversion of the shares of Series A-1 Preferred Stock as required pursuant to the terms hereof.

(iv) Reservation of Shares Issuable Upon Conversion. The Corporation covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock for the sole purpose of issuance upon conversion of the Series A-1 Preferred Stock and payment of dividends on the Series A-1 Preferred Stock, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Series A-1 Preferred Stock), not less than 110% of such aggregate number of shares of the Common Stock as shall (subject to the terms and conditions set forth in the applicable Purchase Agreement) be issuable (taking into account the adjustments and restrictions of Section 7) upon the conversion of the then-outstanding shares of Series A-1 Preferred. The Corporation covenants that all shares of Common Stock that shall be so issuable shall upon issue be duly authorized, validly issued, fully paid and non-assessable and, if the Resale Registration Statement is then effective under the Securities Act, shall be registered for public resale in accordance with such Resale Registration Statement.

(v) Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of the Series A-1 Preferred Stock. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Corporation shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

(vi) Transfer Taxes and Expenses. The issuance of certificates for shares of the Common Stock on conversion of this Series A-1 Preferred Stock shall be made without charge to any Holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificates, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holders of such shares of Series A-1 Preferred Stock and the Corporation shall not be required to issue or deliver such certificates unless or until the Person or Persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid. The Corporation shall pay all transfer agent fees required for processing of any Notice of Conversion.

(e) Beneficial Ownership Limitations. The Corporation shall not effect any conversion of the Series A-1 Preferred Stock, and a Holder shall not have the right to convert any portion of the Series A-1 Preferred Stock, to the extent that, after giving effect to the conversion set forth on the applicable Notice of Conversion, such Holder (together with such Holder's "affiliates," as such term is defined in Rule 405 under the Securities Act, and any Persons acting as a group together with such Holder or any of such Holder's affiliates) would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by such Holder and its affiliates shall include the number of shares of Common Stock issuable upon conversion of the Series A-1 Preferred Stock with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining unconverted Stated Value of Series A-1 Preferred Stock beneficially owned by such Holder or any of its affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Corporation that are subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by such Holder or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this Section, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. To ensure compliance with this restriction, each Holder will be deemed to represent to the Corporation each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this Section and the Corporation shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act.

For purposes of this Section, in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Corporation's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Corporation or (iii) a more recent written notice by the Corporation or the 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 Trading Days confirm to such 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 the Series A-1 Preferred Stock, by such Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of Conversion Shares upon conversion of Series A-1 Preferred Stock by the applicable Holder. Upon no fewer than 61 days' prior written notice to the Corporation, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this Section applicable to its Series A-1 Preferred Stock, provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of Conversion Shares upon conversion of this Series A-1 Preferred Stock held by such Holder and the provisions of this Section shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Corporation and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor holder of Series A-1 Preferred Stock.

7. Certain Adjustments and Covenants: Notices Required.

(a) Stock Dividends and Stock Splits. If the Corporation, at any time while this Series A-1 Preferred Stock is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any other Common Stock Equivalents (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation upon conversion of, or payment of a dividend on, this Series A-1 Preferred Stock), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Corporation, then in each case the Conversion Price shall be multiplied by a fraction, the numerator of which fraction shall be the number of shares of Common Stock (excluding any treasury shares of the Corporation) outstanding immediately before such event, and the denominator of which fraction shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 7(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

(b) Fundamental Transaction. Subject to the ultimate sentence in this paragraph, if, at any time while this Series A-1 Preferred Stock is outstanding, (i) the Corporation, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Corporation with or into another Person, (ii) the Corporation, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Corporation or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and such offer been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Corporation, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (other than a reclassification under Section 7(a) above), or (v) the Corporation, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including without limitation a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a “Fundamental Transaction”), then, at the option of a Holder:

(i) the Holder may elect, by written notice to the Corporation given prior to the consummation of the Fundamental Transaction, to treat the occurrence of a Fundamental Transaction as if it were a Liquidation under Section 4 above and receive payment of the proceeds payable on account of such Holder’s Series A-1 Preferred Stock as provided therein; or

(ii) absent an election as described under clause (i) above, upon any subsequent conversion of this Series A-1 Preferred Stock, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder, the number of shares of Common Stock of the successor or acquiring corporation or of the Corporation, if it is the surviving corporation, and any additional consideration (collectively, the “Alternate Consideration”) receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Series A-1 Preferred Stock is convertible immediately prior to such Fundamental Transaction. For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Corporation shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Series A-1 Preferred Stock following such Fundamental Transaction.

Notwithstanding anything above to the contrary, the consummation of the contemplated merger transactions with ConeXus World Global, LLC and CXW Acquisition, Inc., substantially as described in the Corporation's current and periodic reports filed with the Commission, shall not be deemed a Fundamental Transaction for purposes of this Section 7(b).

(c) Anti-Dilution Adjustment to Conversion Price. If the Corporation, at any time while any shares of Series A-1 Preferred Stock are outstanding, shall issue any Common Stock or Common Stock Equivalents entitling any Person to acquire shares of Common Stock, at an effective price per share less than the then-current Conversion Price, as adjusted hereunder (any such issuance, other than an issuance of Common Stock or Common Stock Equivalents in respect of an Exempt Issuance, being referred to as a "Dilutive Issuance"), then the Conversion Price shall be adjusted to match the lowest price per share at which such Common Stock was issued or may be acquired pursuant to such Common Stock Equivalents in the Dilutive Issuance.

(d) Calculations. All calculations under this Section 7 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 7, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Corporation) issued and outstanding.

(e) Required Notices to Holders.

(i) Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 7, the Corporation shall promptly deliver to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(ii) Notice to Allow Conversion by Holder. If (A) the Corporation shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Corporation shall declare a special non-recurring cash dividend on the Common Stock, (C) the Corporation shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any shareholders of the Corporation shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Corporation is a party, any sale or transfer of all or substantially all of the assets of the Corporation, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Corporation shall authorize the Liquidation of the Corporation or a Fundamental Transaction, then, in each case, the Corporation shall cause to be filed at each office or agency maintained for the purpose of conversion of this Series A-1 Preferred Stock, and shall cause to be delivered to each Holder at its last address as it shall appear upon the stock books of the Corporation, at least ten calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Corporation or any of the Subsidiaries, the Corporation shall file such notice with the Commission pursuant to a Current Report on Form 8-K within one Trading Day.

8. Redemption. From and after the three-year anniversary of the date of the applicable Purchase Agreement, the Corporation will have the right (but not the obligation), upon at least 30 days prior written notice, to call some or all of the Series A-1 Preferred Stock for redemption at any time after the Common Stock shall have had a closing price on the Trading Market, for a period of at least 15 consecutive days (all of which must be after the three-year anniversary date of the date hereof), equal to at least one and one-half times (i.e., 150%) the then-current Conversion Price. The written notice shall specify the date for the purchase and sale of the Series A-1 Preferred Stock called for redemption (the “Redemption Date”), on which date the Corporation shall pay to the Holder, in immediately available funds, the Stated Value of each share of Series A-1 Preferred Stock being redeemed plus accrued but unpaid dividends thereon. At the closing, the Holder shall execute and deliver a standard stock power or other instrument of conveyance in customary form, assigning title to the shares being redeemed to the Corporation, and the Corporation shall pay the above-described purchase price for such shares. For clarity, a Holder whose shares of Series A-1 Preferred Stock are called for redemption under this Section shall retain, through the date immediately prior to the Redemption Date, all of his, her or its rights with respect to those shares, specifically including the right to convert those shares into Conversion Shares pursuant hereto. The Series A 6% Convertible Preferred Stock will be pari passu to the Corporation’s Series A-1 Preferred Stock as to redemptions by the Corporation. If the Corporation elects to redeem shares of Series A-1 Preferred Stock, it will redeem the Corporation’s Series A 6% Convertible Preferred Stock ratably among all holders of all shares eligible for redemption (i.e. shares of Series A 6% Convertible Preferred Stock issued and outstanding for at least three years).

9. Negative Covenants. So long as any shares of Series A-1 Preferred Stock are outstanding, the Corporation shall not take any of the following corporate actions (whether by merger, consolidation or otherwise), without first obtaining the approval (whether at a meeting called for such purpose or through written action or consent) of the holders of at least 75% of the voting power of the Series A-1 Preferred Stock: (i) alter or change the rights, preferences or privileges of the Series A-1 Preferred Stock, or increase the authorized number of shares of Series A-1 Preferred Stock; (ii) alter or change the rights, preferences or privileges of any then-outstanding shares of capital stock of the Corporation in any manner that materially and adversely affects the Series A-1 Preferred Stock; (iii) authorize or create any class of capital stock ranking as to dividends, redemption or distribution of assets upon a Liquidation senior to, or otherwise pari passu with, the Series A-1 Preferred Stock; (iv) incur any additional debt for borrowed money (other than (1) financing obtained to extend, supplement, renew or replace then-existing credit facilities or (2) borrowing for working capital purposes); or (v) enter into any contract, written or oral, with any directors, officers, or holders of more than 10% of the voting power of the Corporation (calculated in accordance with Section 13(d) of the Exchange Act), or any affiliates of the foregoing; provided, however, that the restriction contained in clause (v) of this section will not apply to compensation agreements and arrangements with officers and directors of the Corporation that are approved by a majority of disinterested directors.

10. General Provisions.

(a) Giving of Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder, including without limitation any Notice of Conversion, shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service, addressed to the Corporation, at 22 Audrey Place, Fairfield, New Jersey 07004, Attention: Chief Financial Officer, facsimile number (973)-244-1535, or such other facsimile number or address as the Corporation may specify for such purposes by notice to the Holders delivered in accordance with this Section 10(a). Any and all notices or other communications or deliveries to be provided by the Corporation hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of such Holder appearing on the books of the Corporation, or if no such facsimile number or address appears on the books of the Corporation, at the principal place of business of such Holder, as set forth in the Holder's Purchase Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the third Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

(b) Lost or Mutilated Series A-1 Preferred Stock Certificate. If a Holder's Series A-1 Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Corporation shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost, stolen or destroyed certificate, a new certificate for the shares of Series A-1 Convertible Preferred Stock so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such certificate, and of the ownership hereof reasonably satisfactory to the Corporation.

(c) Transfers. Shares of Series A-1 Preferred Stock may be transferred on the Corporation's books and records only (i) pursuant to a written assignment or stock power, or other suitable instrument of conveyance, in form and substance satisfactory to the Corporation in its reasonable discretion (a form of which stock power is attached hereto as Annex B), and (ii) after the Corporation's receipt of a legal opinion, in form and substance satisfactory to the Corporation in its reasonable discretion, that such transfer will be conducted either pursuant to an effective registration thereof under the Securities Act or pursuant to an applicable exemption from the such registration requirements (including the registration or qualification requirements of any applicable state securities laws). Absent compliance with the provisions of this Section 10(c), the Corporation shall not be obligated to recognize any transfer of Series A-1 Preferred Stock.

(d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Certificate of Designation shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to conflicts-of-law principles thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents shall be commenced in the state and federal courts sitting in the City of New York, New York (the “New York Courts”). By purchasing or accepting any shares of Series A-1 Preferred Stock, each Holder hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each Holder hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such Person at the address in effect for notices to it as specified herein, and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each Holder hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Certificate of Designation or the transactions contemplated hereby. If any party shall commence an action or proceeding to enforce any provisions of this Certificate of Designation, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys’ fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

(e) Waiver. Other than the restrictions set forth in Section 6(e), which can be waived, as to a particular original purchaser of Series A-1 Preferred Stock and its affiliates, pursuant to a writing signed by the Corporation and such original purchaser of Series A-1 Preferred Stock and delivered prior to the consummation of a purchase of the Series A-1 Preferred Stock, no provision of this Certificate of Designation may be waived, modified, supplemented or amended except in a written instrument signed by the Corporation and approved by the Holders of a majority of the then-outstanding shares of Series A-1 Preferred Stock. Any waiver by the Corporation or a Holder of a breach of any provision of this Certificate of Designation shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Certificate of Designation or a waiver by any other Holders. The failure of the Corporation or a Holder to insist upon strict adherence to any term of this Certificate of Designation on one or more occasions shall not be considered a waiver or deprive that party (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Designation on any other occasion.

(f) Severability. If any provision of this Certificate of Designation is invalid, illegal or unenforceable, the balance of this Certificate of Designation shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances.

(g) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(h) Headings. The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designation and shall not be deemed to limit or affect any of the provisions hereof.

(i) Status of Converted or Redeemed Series A-1 Preferred Stock. Shares of Series A-1 Preferred Stock may only be issued pursuant to a Purchase Agreement. If any shares of Series A-1 Preferred Stock shall be converted, redeemed or reacquired by the Corporation, such shares shall resume the status of authorized but undesignated and unissued shares of preferred stock and shall no longer be designated as Series A-1 Preferred Stock.

* * * * *

IN WITNESS WHEREOF, the undersigned as executed this Certificate of Designation as of this 15th day of October, 2015.

CREATIVE REALITIES, INC.

JOHN WALPUCK ,
Chief Financial Officer

ANNEX A

NOTICE OF CONVERSION

(TO BE EXECUTED BY THE REGISTERED HOLDER
IN ORDER TO CONVERT SHARES OF SERIES A-1 PREFERRED STOCK)

The undersigned hereby irrevocably elects to convert the number of shares of Series A 6% Convertible Preferred Stock indicated below into shares of common stock, par value \$0.01 per share, of Creative Realities, Inc., a Minnesota corporation (the "Corporation"), according to the conditions hereof, as of the date written below. If shares of common stock are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as may be required by the Corporation in accordance with the Purchase Agreement. No fee will be charged to the Holders for any conversion, except for any such transfer taxes.

The undersigned is an "accredited investor" as defined in Regulation D under the Securities Act of 1933.

Conversion calculations: _____

Conversion Date: _____

Number of shares of Series A-1 Preferred Stock owned prior to Conversion: _____

Number of shares of Series A-1 Preferred Stock to be Converted: _____

Stated Value of shares of Series A-1 Preferred Stock to be Converted: _____

Number of Conversion Shares to be Issued: _____

Conversion Price: _____

Number of shares of Series A-1 Preferred Stock owned after Conversion: _____

Address for Delivery: _____

or

DWAC Instructions:

Broker no: _____

Account no: _____

SIGNATURE of HOLDER:

By: _____

Name: _____

Title: _____

ANNEX B

FORM OF STOCK POWER

FOR VALUE RECEIVED, the undersigned does hereby assign, sell and transfer unto _____, a
_____, an aggregate of _____ (_____) shares of Series A-1 6%
Convertible Preferred Stock of Creative Realities, Inc., a Minnesota corporation (the "Corporation"), represented by Certificate No(s). _____ (the "Stock"),
legally and beneficially owned by the undersigned and standing in the name of the undersigned on the Corporation's books and records. The undersigned hereby
irrevocably appoints _____, as his or her true and lawful attorney-in-fact to transfer the Stock on the Corporation's books
and records, with full power of substitution and re-substitution in the premises.

Dated: _____

Signature

Printed Name

MASLON LLP

February 11, 2016

Creative Realities, Inc.
22 Audrey Place
Fairfield, New Jersey 07004

We have acted as corporate counsel for Creative Realities, Inc., a Minnesota corporation (the "Company") in connection with the Registration Statement on Form S-1 (the "Registration Statement") relating to the registration under the Securities Act of 1933 (the "Securities Act") of up to 20,431,400 shares of common stock of the Company (collectively, the "Selling Shareholder Shares"), which includes 13,775,596 common shares issued on account of convertible promissory notes and accrued interest thereon, and 5,680,804 shares issuable upon the exercise of certain warrants currently held by the selling shareholders.

In rendering this opinion, we have examined such matters of fact as we have deemed necessary and have examined copies of the following documents:

- (1) The Company's Articles of Incorporation, as amended through the date hereof;
- (2) The Company's bylaws, as amended through the date hereof;
- (4) Resolutions of the Company's Board of Directors relating to the approval, authorization and/or ratification of (i) the offering of common stock of the Company contemplated by the Registration Statement, and (ii) the agreements and instruments pursuant to which the Selling Shareholder Shares were originally issued or may be issuable.

In our examination of documents for purposes of this opinion, we have assumed, and express no opinion as to, the authenticity and completeness of all documents submitted to us as originals, the conformity to originals and completeness of all documents submitted to us as copies, the legal capacity of all persons or entities executing the same, the genuineness of all signatures, the lack of any undisclosed termination, modification, waiver or amendment to any document reviewed by us, and the due authorization, execution and delivery of all documents by the selling shareholders where due authorization, execution and delivery are prerequisites to the effectiveness thereof.

We are admitted to practice law in the State of Minnesota, and we render this opinion only with respect to, and express no opinion herein concerning the application or effect of the laws of any jurisdiction other than the existing laws of the United States of America, the State of Minnesota, and reported judicial decisions relating thereto.

In connection with our opinions expressed below, we have assumed that, at or prior to the time of the sale or delivery of any Selling Shareholder Shares, the Registration Statement will have been declared effective under the Securities Act, the Selling Shareholder Shares will have been registered under the Securities Act pursuant to the Registration Statement and that such registration will not have been modified or rescinded, and that there will not have occurred any change in law affecting the validity of the issuance of such Selling Shareholder Shares.

Based upon the foregoing and subject to the qualifications and exceptions set forth herein, it is our opinion that:

1. The Company is a corporation validly existing, in good standing, under the laws of the State of Minnesota;
2. The Selling Shareholder Shares to be sold pursuant to the Registration Statement by the selling shareholders, upon the proper conversion of convertible promissory notes and exercise of the warrants, as applicable, and in accordance with the resolutions adopted by the Board of Directors of the Company, will be validly issued, fully paid and non-assessable; and
3. The Selling Shareholder Shares that are presently outstanding (i.e., 13,775,596 common shares issued on account of convertible promissory notes and accrued interest thereon, and 5,680,804 shares issued in exchange for outstanding common stock purchase warrants), are validly issued, fully paid and non-assessable.

We consent to the use of this opinion as an exhibit to the Registration Statement and further consent to all references to us, if any, in the Registration Statement and any amendments thereto. In rendering the opinions set forth above, we are opining only as to the specific legal issues expressly set forth therein, and no opinion shall be inferred as to any other matter or matters.

This opinion is intended solely for use in connection with issuance and sale of shares of common stock subject to the Registration Statement and is not to be relied upon for any other purpose. This opinion is rendered as of the date first written above and based solely on our understanding of facts in existence as of such date after the aforementioned examination. We assume no obligation to advise you of any fact, circumstance, event or change in the law or the facts that may hereafter be brought to our attention whether or not such occurrence would affect or modify any of the opinions expressed herein.

/s/ MASLON LLP

MASLON LLP

AMENDED AND RESTATED SECURITIES PURCHASE AGREEMENT

THIS AMENDED AND RESTATED SECURITIES PURCHASE AGREEMENT (this “Agreement”) is dated as of December [●], 2015, by and among (i) Creative Realities, Inc., a Minnesota corporation (the “Company”), Creative Realities, LLC, a Delaware limited liability company, Wireless Ronin Technologies Canada, Inc., a Canada corporation and Conexus World Global, LLC, a Kentucky limited liability company (such entities, together with the Company, the “Company Parties”) and (ii) those parties signatory hereto and identified on the signature page hereof as “Purchaser” (the “Purchasers”).

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to an exemption from the registration requirements of Section 5 of the Securities Act contained in Section 4(a)(2) thereof and/or Regulation D thereunder, the Company Parties desire to issue and sell to Purchaser, and Purchaser desires to purchase from the Company Parties, securities of the Company and the Company Parties as more fully described 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, the Company Parties and Purchaser hereby agree as follows:

**ARTICLE I.
DEFINITIONS**

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Notes, as defined herein, and (b) the following terms have the meanings set forth in this Section 1.1:

“Action” shall have the meaning ascribed to such term in Section 3.1(j).

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act. For the avoidance of doubt, the following Persons shall be deemed “Affiliates” of the Company for all purposes under the Transaction Documents (including in any cases in the Transaction Documents where the lowercase “affiliate” is used): Slipstream Communications, LLC, Slipstream Funding, LLC, any officer and director of the Company, and any other Person who possesses “beneficial ownership” (as that term is defined under the Exchange Act) of 10% or more the voting securities of the Company.

“Board of Directors” means the Board of Directors of the Company.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States, or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Closing” means any closing of the purchase and sale of the Securities pursuant to Section 2.1.

“Closing Date” means the Trading Day on which all of the Transaction Documents have been executed and delivered by the parties thereto, and all conditions precedent to (i) the Purchaser’s obligations to pay the Purchase Amount and (ii) the obligations of the Company Parties to deliver the Securities, in each case, have been satisfied or waived, but in no event later than the third Trading Day following the date hereof, all as contemplated in Section 2.1.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the common stock of the Company, par value \$0.01 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries, which would entitle the holder thereof to acquire at any time Common Stock.

“Company Counsel” means Maslon LLP, with offices located at 3300 Wells Fargo Center, 90 South Seventh Street, Minneapolis, Minnesota 55402.

“Conversion Price” shall have the meaning ascribed to such term in the Notes.

“Conversion Shares” shall have the meaning ascribed to such term in the Notes.

“Disclosure Schedules” means the Disclosure Schedules of the Company delivered concurrently herewith.

“Exchange Act” means the Securities Exchange Act of 1934, and the rules and regulations thereunder.

“GAAP” shall have the meaning ascribed to such term in Section 3.1(h).

“Indebtedness” shall have the meaning ascribed to such term in Section 3.1(p).

“Laws” shall have the meaning ascribed to such term in Section 3.1(k).

“Lien” means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Material Adverse Effect” means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to: (i) the legality, validity or enforceability of any Transaction Document, (ii) the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) the Company’s ability to perform on a timely basis its obligations under any Transaction Document.

“Notes” means the Secured Convertible Promissory Notes of the Company, either identical or in substantially similar form to this Note, offered and sold pursuant to this Agreement (including Securities Purchase Agreements in substantially similar form), the form of which is attached hereto as Exhibit A, in a maximum aggregate amount equal to \$4.0 million.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or instrumentality of a government).

“Principal Market” means the primary national securities exchange on which the Common Stock is then traded.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Purchase Amount” means the aggregate amount to be paid for the Notes and associated Warrants purchased hereunder as specified below the Purchaser’s name on the signature page of this Agreement and next to the heading “Purchase Amount,” in United States dollars and in immediately available funds.

“Purchaser Party” shall have the meaning ascribed to such term in Section 4.2.

“Registration Rights Agreement” means that certain Registration Rights Agreement by and among the Company and Purchasers, in the form attached hereto as Exhibit E.

“Required Approvals” shall have the meaning ascribed to such term in Section 3.1(e).

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“SEC Reports” shall have the meaning ascribed to such term in Section 3.1(h).

“Securities” means the Notes, the Warrants and the Underlying Shares.

“Securities Act” means the Securities Act of 1933, and the rules and regulations thereunder.

“Security Agreement” means that certain Security Agreement by and among the Company Parties in favor of the Purchasers, and pursuant to which the above-named corporate parties shall grant a security interest in substantially all of their respective assets as collateral security for the obligations of the Company under the Notes. The form of Security Agreement is attached hereto as Exhibit C.

“Short Sales” means all “short sales” as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

“Slipstream Pledge Agreement” means that certain Slipstream Pledge Agreement by and among Slipstream Communications, LLC, a Delaware limited liability company, in favor of the Purchasers, and pursuant to which Slipstream Communications, LLC shall grant a security interest in its ownership of shares of Gyro, LLC, and related proceeds, as collateral security for the obligations of the Company under the Notes. The form of Slipstream Pledge Agreement is attached hereto as Exhibit D.

“Subsidiary” means any subsidiary of the Company as set forth on Schedule 3.1(a)

“Trading Day” means (i) any day on which the Common Stock is listed or quoted and traded on its Principal Market, (ii) if the Common Stock is not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any business day.

“Transaction Documents” means this Agreement, the Notes, the Warrants, the Security Agreement, the Slipstream Pledge Agreement, the Registration Rights Agreement and all exhibits and schedules hereto and thereto and any other documents or agreements executed in connection with the transactions contemplated hereunder and thereunder.

“Underlying Shares” means the Conversion Shares and the Warrant Shares.

“Warrants” means, collectively, the Common Stock purchase warrants delivered to the Purchasers at the Closing in accordance with Section 2.2(a) hereof, which Warrants shall be in the form of Exhibit B attached hereto.

“Warrant Shares” means the shares of Common Stock issuable upon exercise of the Warrants.

ARTICLE II. PURCHASE AND SALE

2.1 Closing.

On the Closing Date, and upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchaser agrees to purchase the Purchase Amount of the principal amount of Notes (at face value), and (ii) a number of Warrants as determined pursuant to Section 2.2(a)(iii). Each Purchaser shall deliver to the Company, via wire transfer of immediately available funds equal to its Initial Purchase Amount as set forth on the signature page hereto executed by such Purchaser, and the Company shall deliver to the Purchaser an executed Note and a Warrant as determined pursuant to Section 2.2(a). In addition, the Company Parties and the Purchaser shall deliver the other items set forth in Section 2.2 at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at the offices of Company Counsel or such other location as the parties shall mutually agree.

2.2 Deliveries.

(a) On or prior to the Closing Date, the Company shall deliver or shall have earlier delivered to the Purchaser the following:

- (i) this Agreement duly executed by the Company Parties;
- (ii) a Note registered in the name of the Purchaser and in the original principal amount equal to the Purchase Amount of such Purchaser (for such Closing);
- (iii) a Warrant registered in the name of such Purchaser to purchase, at any time and from time to time, an aggregate number of shares of Common Stock equal to 50% of the number of Conversion Shares issuable upon any conversion of the Note(s) purchased by such Purchaser, as determined at the time issued to the Purchaser at the Closing and at the initial Conversion Price;

- (iv) at the Closing Date only, the Security Agreement duly executed by each corporate party thereto;
 - (v) at the Closing Date only, the Slipstream Pledge Agreement duly executed by Slipstream Communications, LLC;
 - (vi) at the Closing Date only, a legal opinion from Company Counsel, in customary form and substance for transactions of the nature contemplated by this Agreement (and, as soon as reasonably practicable after the resignation of the Collateral Agent under the Collateral Agency Agreement dated of even date herewith (but no later than ten calendar days after such resignation), a subsequent legal opinion from Company Counsel, but covering only the issues of creation and perfection of “Collateral” and “Proceeds” under the Slipstream Pledge Agreement, in customary form and substance); and
 - (vii) the Registration Rights Agreement duly executed by the Company.
- (b) On or prior to the Closing Date, the Purchaser shall deliver or shall have earlier delivered to the Company the following:
- (i) this Agreement duly executed by such Purchaser; and
 - (ii) Purchaser’s Purchase Amount for such Closing, by wire transfer to the account specified in writing by the Company.

2.3 Closing Conditions.

- (a) The obligations of the Company hereunder in connection with any Closing are subject to the following conditions being met:
- (i) the accuracy on the Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);
 - (ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the Closing Date shall have been performed;
 - (iii) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and
 - (iv) the delivery by the Purchaser of the items set forth in Section 2.2(b) of this Agreement.

- (b) The obligations of the Purchaser hereunder in connection with the Closing are subject to the following conditions being met:
- (i) the accuracy when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein);
 - (ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;
 - (iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement; and
 - (iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof.

**ARTICLE III.
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Company. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to each Purchaser:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a Material Adverse Effect.

(c) Authorization; Enforcement. The Company Parties have the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents, as applicable, and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's shareholders in connection herewith or therewith other than in connection with the Required Approvals. The execution and delivery of the applicable Transaction Documents by the other Company Parties, as applicable, and the consummation by the Subsidiaries of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company or the boards of directors or other governing bodies of such other Company Parties in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and the other Company Parties, as applicable, and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company and such other Company Parties, enforceable against them in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company and the other Company Parties, as applicable, of this Agreement and the other Transaction Documents to which they are a party, the issuance and sale of the Securities and the consummation by the Company and the Subsidiaries, as applicable, of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of any Company Party's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of any Company Party, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company Party debt or otherwise) or other understanding to which the any Company Party is a party or by which any property or asset of any Company Party is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which a Company Party is subject (including federal and state securities laws and regulations), or by which any property or asset of a Company Party is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and the listing of the Shares and Underlying Shares for trading thereon in the time and manner required thereby, if any, and (ii) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws, which filings will be made by the Company within the time period required by such laws (collectively, the "Required Approvals").

(f) Issuance of the Securities. The Notes are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be a duly and validly issued security of the Company, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Underlying Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and non-assessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents.

(g) Capitalization. The capitalization of the Company as of December 17, 2015, is as set forth on Schedule 3.1(g). The Company has not issued any capital stock since that date except as may be disclosed in SEC Reports, other than pursuant to the exercise of employee stock options, or pursuant to the conversion or exercise of Common Stock Equivalents. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents, except as set forth on Schedule 3.1(g). Except with respect to the holders of the warrants issued in association with the Company's Series A Preferred Convertible Stock (and the exercise prices thereof, which will be adjusted as a result of the issuance of the Securities pursuant to this Agreement), the issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Purchaser) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities.

(h) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension, except as set forth on Schedule 3.1(h). As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Company has never been an issuer subject to Rule 144(i) under the Securities Act. The financial statements of the Company included in the SEC Reports have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes: Undisclosed Events, Liabilities or Developments. Since the date of the latest SEC Report, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans. The Company does not have pending before the Commission any request for confidential treatment of information.

(j) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which could reasonably be expected to have a Material Adverse Effect or that adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities. Attached as Schedule 3.1(j) is a summary of currently pending Actions involving the Company and the Subsidiaries. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the Exchange Act or the Securities Act.

(k) Compliance. No Company Party: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters (collectively, "Laws"), except in each case as is set forth on Schedule 3.1(k).

(l) Title to Assets. The Company Parties do not own any real property. The Company and the Subsidiaries have good and marketable title in all personal property owned by them that is material to their respective businesses, in each case free and clear of all Liens, except for (i) Liens as do not materially interfere with the use made and proposed to be made of such property by the Company Parties and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties.

(m) Fees. Other than to Merriman Capital, Inc., no brokerage or finder's fees or commissions are or will be payable by the Company Parties to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents.

(n) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Notes, Warrants and Underlying Shares by the Company to the Purchaser as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(o) Disclosure. The Company acknowledges and agrees that the Purchaser has not made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2.

(p) Indebtedness. Schedule 3.1(p) sets forth, all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments as of December 17, 2015. For the purposes of this Agreement, the term "Indebtedness" means (y) any liabilities for borrowed money or amounts owed in excess of \$50,000 (other than trade accounts payable incurred in the ordinary course of business); (z) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business. Except as set forth on Schedule 3.1(p), neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(q) Tax Status. Except as set forth on Schedule 3.1(q), the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

The Purchasers acknowledge and agree that the representations contained in Section 3.1 shall not affect the Company's right to rely on representations and warranties of the Purchasers contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

3.2 Representations and Warranties of the Purchasers. Each Purchaser hereby represents and warrants with respect to such Purchaser, severally but not jointly, as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization: Authority. The Purchaser is an entity duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation with full right, corporate power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by the Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate action, as applicable, on the part of the Purchaser. Each Transaction Document to which it is a party has been duly executed by the Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Understandings or Arrangements. The Purchaser is acquiring the Securities hereunder in the ordinary course of its business. The Purchaser understands that the Notes, Warrants and Underlying Shares are "restricted securities" and will not have been registered under the Securities Act or any applicable state securities law, and represents that it is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law.

(c) Opportunity to Obtain Information. The Purchaser acknowledges that representatives of the Company have made available to the Purchaser the opportunity to review the books and records of the Company and its Subsidiaries and to ask questions of and receive answers from such representatives concerning the business and affairs of the Company and its Subsidiaries.

(d) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it converts any portion of the Notes or exercises any Warrants, it will be an "accredited investor" as defined in Rule 501 under the Securities Act.

(e) Experience of Such Purchaser. The Purchaser has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. The Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(f) General Solicitation. The Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(g) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, the Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Other than to other Persons party to this Agreement, the Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

The Company acknowledges and agrees that the representations contained in Section 3.2 shall not affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

ARTICLE IV. OTHER AGREEMENTS OF THE PARTIES

4.1 Indemnification. Subject to the provisions of this Section, the Company will indemnify and hold the Purchaser and their directors, officers, employees and agents (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any shareholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such shareholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel, or (iii) in such action there is, in the reasonable opinion of counsel, a conflict between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel in the aggregate (i.e., for all Purchaser Parties). The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed, or (z) to the extent, but only to the extent, that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents.

4.2 Reservation of Securities. The Company shall maintain a reserve from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as may then be required to issue all of the Underlying Shares.

4.3 Certain Transactions and Confidentiality. Each Purchaser covenants that neither it nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales of any of the Company's securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced by the Company. Furthermore, each Purchaser covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company, such Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Transaction Documents and the Disclosure Schedules.

4.4 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of any Securities other than pursuant to an effective registration statement or Rule 144, or to the Company, the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company (the fees and expenses of which shall be paid by such transferor), the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Agreement, of a legend on any of the Notes, Warrants and Underlying Shares in the following form:

[NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE] [CONVERTIBLE]] HAS [NOT] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AND, AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT.

4.5 General Covenants. During any such time as the Note(s) remain outstanding, the Company Parties shall not take any of the following actions without the prior written approval of Purchasers (or its assignees) holding at least a majority in then-outstanding principal amount of the Note(s) who are not held by affiliates of the Company: (a) declare or pay any cash dividends on account of any Common Stock, Preferred Stock or other Common Stock Equivalents; (b) redeem, make any payment in respect of, or otherwise acquire any capital stock of the Company Parties; (c) incur any debt for borrowed money that is senior to or pari passu in respect of the obligations under the Notes in respect of payment or in respect of the “Collateral,” as such term is defined in the Security Agreement and the Slipstream Pledge Agreement (provided, however, that the Company Parties may nevertheless incur debt for borrowed money that is pari passu in respect of the obligations under the Notes in respect of payment or in respect of Collateral (“Pari Passu Debt”) as follows: (i) to refinance the Notes (provided, however, that in the case of a refinancing of the Notes in part, and not in whole, there shall not be incurred more indebtedness for borrowed money than the amount of the Notes so refinanced, or indebtedness secured by more Collateral than the amount of the indebtedness refinanced, or indebtedness that matures before the Notes), (ii) to sell more Notes, up to the maximum amounts set forth in the definition of “Notes” contained in this Agreement (provided, however, that the Company can issue up to an additional \$1.0 million in principal amount of Notes so long as an additional amount of proceeds of the Collateral, as defined in the Slipstream Pledge Agreement, to cover principal, interest and other obligations under such Notes through maturity, shall have been deposited with the escrow agent and covered by an account control agreement to secure such obligations, as contemplated by the Slipstream Pledge Agreement); (d) incur any liens or encumbrances on any of its assets (other than Permitted Liens); (e) enter into a transaction with an affiliate, except for fair consideration and on terms no less favorable to the Company Party than would be obtainable in a comparable arm’s length transaction with a person that is not an affiliate thereof as determined by the disinterested members of the Company’s Board of Directors; (f) amend its charter documents, including its certificate of incorporation or bylaws in any manner materially adverse to the rights of the Holders.

4.6 Right of Board Representation. In the event the Purchaser enters into a Purchase Amount of not less than \$750,000, upon the satisfaction or waiver of the Closing Conditions detailed in Section 2.3 and seven business days following the Closing Date, the Purchaser will have the right to nominate one director to the Company’s board of directors. Any such candidate must be mutually agreed upon between the Purchaser and the Company’s board of directors. The nomination process thereafter will occur annually concurrent with the Company’s existing proxy process. In the event that the Purchaser or its assigns holds less than \$750,000 of the Notes as shown on the books of the Company (as a result of their sale or otherwise), this right will immediately terminate.

4.7 Right of first Refusal. Within 30 calendar days of the repayment or alternative satisfaction of the existing debt of the Company that is secured by a first lien on the accounts receivable of the Company and its subsidiaries, the Purchaser has the right to offer to issue the Company and its Subsidiaries a secured note with principal value of \$1 million, under substantially similar terms and conditions as the Notes (except for the security), which will be secured by a first lien on the accounts receivable of the Company and its subsidiaries.

ARTICLE V. GENERAL PROVISIONS

5.1 Termination. This Agreement may be terminated by the Purchaser by written notice to the Company if the initial Closing has not been consummated on or before 30 days of the date hereof.

5.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all transfer agent fees, stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 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 facsimile at the facsimile number set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York, New York time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York, New York time) on any Trading Day, (c) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment or waiver of rights hereunder, by the Company and the Purchasers (or their assignees) holding at least two-thirds of the then-outstanding principal amount of the Notes not held by affiliates of the Company; provided, however, that any single party may waive rights under this Agreement pursuant to a written instrument signed by such party. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchaser."

5.8 Third-Party Beneficiaries. Other than the provisions of Section 4.1, this Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the conflicts-of-law principles thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in New York, New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in New York, New York, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of the Transaction Documents, then the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

5.10 Execution. This Agreement may be executed in counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. If any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

5.11 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.12 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.13 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.14 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto.

5.15 WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

COMPANY PARTIES

CREATIVE REALITIES, INC.

By: _____
John Walpuck
Chief Financial Officer

CREATIVE REALITIES, LLC

By: _____
John Walpuck
Chief Financial Officer

WIRELESS RONIN TECHNOLOGIES CANADA, INC.

By: _____
John Walpuck
Chief Financial Officer

CONEXUS WORLD GLOBAL, LLC

By: _____
John Walpuck
Chief Financial Officer

Address for Notice to the Company Parties:

22 Audrey Place
Fairfield, NJ 07004
Facsimile: 973-244-1535

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGE TO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned has caused this Securities Purchase Agreement to be duly executed by its respective authorized signatories as of the date first indicated above.

Name of Purchaser: _____

Signature of Authorized Signatory of Purchaser : _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Authorized Signatory: _____

Facsimile Number of Authorized Signatory: _____

Address for Notice to Purchaser: _____

Address for Delivery of Note and Warrants to Purchaser (if not same as address for notice):

Purchase Amount: _____

Total Warrant Shares: _____

EIN Number: _____

Accepted by:

Creative Realities, Inc.

Merriman Capital, Inc.

Exhibit A

Attached is the form of Notes

Exhibit B

Attached is the form of Warrant

Exhibit C

Attached is the form of Security Agreement

Exhibit D

Attached is the form of Slipstream Pledge Agreement

Exhibit E

Attached is the form of Registration Rights Agreement

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this “Agreement”) is dated as of December [●], 2015, by and among (i) Creative Realities, Inc., a Minnesota corporation (the “Company”), Creative Realities, LLC, a Delaware limited liability company, Wireless Ronin Technologies Canada, Inc., a Canada corporation and Conexus World Global, LLC, a Kentucky limited liability company (such entities, together with the Company, the “Company Parties”) and (ii) those parties signatory hereto and identified on the signature page hereof as “Purchaser” (the “Purchasers”).

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to an exemption from the registration requirements of Section 5 of the Securities Act contained in Section 4(a)(2) thereof and/or Regulation D thereunder, the Company Parties desire to issue and sell to Purchaser, and Purchaser desires to purchase from the Company Parties, securities of the Company and the Company Parties as more fully described 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, the Company Parties and Purchaser hereby agree as follows:

**ARTICLE I.
DEFINITIONS**

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Notes, as defined herein, and (b) the following terms have the meanings set forth in this Section 1.1:

“Action” shall have the meaning ascribed to such term in Section 3.1(j).

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act. For the avoidance of doubt, the following Persons shall be deemed “Affiliates” of the Company for all purposes under the Transaction Documents (including in any cases in the Transaction Documents where the lowercase “affiliate” is used): Slipstream Communications, LLC, Slipstream Funding, LLC, any officer and director of the Company, and any other Person who possesses “beneficial ownership” (as that term is defined under the Exchange Act) of 10% or more the voting securities of the Company.

“Board of Directors” means the Board of Directors of the Company.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States, or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Closing” means any closing of the purchase and sale of the Securities pursuant to Section 2.1.

“Closing Date” means the Trading Day on which all of the Transaction Documents have been executed and delivered by the parties thereto, and all conditions precedent to (i) the Purchaser’s obligations to pay the Purchase Amount and (ii) the obligations of the Company Parties to deliver the Securities, in each case, have been satisfied or waived, but in no event later than the third Trading Day following the date hereof, all as contemplated in Section 2.1.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the common stock of the Company, par value \$0.01 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries, which would entitle the holder thereof to acquire at any time Common Stock.

“Company Counsel” means Maslon LLP, with offices located at 3300 Wells Fargo Center, 90 South Seventh Street, Minneapolis, Minnesota 55402.

“Conversion Price” shall have the meaning ascribed to such term in the Notes.

“Conversion Shares” shall have the meaning ascribed to such term in the Notes.

“Disclosure Schedules” means the Disclosure Schedules of the Company delivered concurrently herewith.

“Exchange Act” means the Securities Exchange Act of 1934, and the rules and regulations thereunder.

“GAAP” shall have the meaning ascribed to such term in Section 3.1(h).

“Indebtedness” shall have the meaning ascribed to such term in Section 3.1(p).

“Laws” shall have the meaning ascribed to such term in Section 3.1(k).

“Lien” means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Material Adverse Effect” means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to: (i) the legality, validity or enforceability of any Transaction Document, (ii) the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) the Company’s ability to perform on a timely basis its obligations under any Transaction Document.

“Notes” means the Secured Convertible Promissory Notes of the Company, either identical or in substantially similar form to this Note, offered and sold pursuant to this Agreement (including Securities Purchase Agreements in substantially similar form), the form of which is attached hereto as Exhibit A, in a maximum aggregate amount equal to \$4.0 million.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or instrumentality of a government).

“Principal Market” means the primary national securities exchange on which the Common Stock is then traded.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Purchase Amount” means the aggregate amount to be paid for the Notes and associated Warrants purchased hereunder as specified below the Purchaser’s name on the signature page of this Agreement and next to the heading “Purchase Amount,” in United States dollars and in immediately available funds.

“Purchaser Party” shall have the meaning ascribed to such term in Section 4.2.

“Registration Rights Agreement” means that certain Registration Rights Agreement by and among the Company and Purchasers, in the form attached hereto as Exhibit E.

“Required Approvals” shall have the meaning ascribed to such term in Section 3.1(e).

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“SEC Reports” shall have the meaning ascribed to such term in Section 3.1(h).

“Securities” means the Notes, the Warrants and the Underlying Shares.

“Securities Act” means the Securities Act of 1933, and the rules and regulations thereunder.

“Security Agreement” means that certain Security Agreement by and among the Company Parties in favor of the Purchasers, and pursuant to which the above-named corporate parties shall grant a security interest in substantially all of their respective assets as collateral security for the obligations of the Company under the Notes. The form of Security Agreement is attached hereto as Exhibit C.

“Short Sales” means all “short sales” as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

“Slipstream Pledge Agreement” means that certain Slipstream Pledge Agreement by and among Slipstream Communications, LLC, a Delaware limited liability company, in favor of the Purchasers, and pursuant to which Slipstream Communications, LLC shall grant a security interest in its ownership of shares of Gyro, LLC, and related proceeds, as collateral security for the obligations of the Company under the Notes. The form of Slipstream Pledge Agreement is attached hereto as Exhibit D.

“Subsidiary” means any subsidiary of the Company as set forth on Schedule 3.1(a)

“Trading Day” means (i) any day on which the Common Stock is listed or quoted and traded on its Principal Market, (ii) if the Common Stock is not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any business day.

“Transaction Documents” means this Agreement, the Notes, the Warrants, the Security Agreement, the Slipstream Pledge Agreement, the Registration Rights Agreement and all exhibits and schedules hereto and thereto and any other documents or agreements executed in connection with the transactions contemplated hereunder and thereunder.

“Underlying Shares” means the Conversion Shares and the Warrant Shares.

“Warrants” means, collectively, the Common Stock purchase warrants delivered to the Purchasers at the Closing in accordance with Section 2.2(a) hereof, which Warrants shall be in the form of Exhibit B attached hereto.

“Warrant Shares” means the shares of Common Stock issuable upon exercise of the Warrants.

ARTICLE II. PURCHASE AND SALE

2.1 Closing.

On the Closing Date, and upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchaser agrees to purchase the Purchase Amount of the principal amount of Notes (at face value), and (ii) a number of Warrants as determined pursuant to Section 2.2(a)(iii). Each Purchaser shall deliver to the Company, via wire transfer of immediately available funds equal to its Initial Purchase Amount as set forth on the signature page hereto executed by such Purchaser, and the Company shall deliver to the Purchaser an executed Note and a Warrant as determined pursuant to Section 2.2(a). In addition, the Company Parties and the Purchaser shall deliver the other items set forth in Section 2.2 at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at the offices of Company Counsel or such other location as the parties shall mutually agree.

2.2 Deliveries.

(a) On or prior to the Closing Date, the Company shall deliver or shall have earlier delivered to the Purchaser the following:

(i) this Agreement duly executed by the Company Parties;

(ii) a Note registered in the name of the Purchaser and in the original principal amount equal to the Purchase Amount of such Purchaser (for such Closing);

(iii) a Warrant registered in the name of such Purchaser to purchase, at any time and from time to time, an aggregate number of shares of Common Stock equal to 50% of the number of Conversion Shares issuable upon any conversion of the Note(s) purchased by such Purchaser, as determined at the time issued to the Purchaser at the Closing and at the initial Conversion Price;

- (iv) at the Closing Date only, the Security Agreement duly executed by each corporate party thereto;
 - (v) at the Closing Date only, the Slipstream Pledge Agreement duly executed by Slipstream Communications, LLC;
 - (vi) at the Closing Date only, a legal opinion from Company Counsel, in customary form and substance for transactions of the nature contemplated by this Agreement (and, as soon as reasonably practicable after the resignation of the Collateral Agent under the Collateral Agency Agreement dated of even date herewith (but no later than ten calendar days after such resignation), a subsequent legal opinion from Company Counsel, but covering only the issues of creation and perfection of “Collateral” and “Proceeds” under the Slipstream Pledge Agreement, in customary form and substance); and
 - (vii) the Registration Rights Agreement duly executed by the Company.
- (b) On or prior to the Closing Date, the Purchaser shall deliver or shall have earlier delivered to the Company the following:
- (i) this Agreement duly executed by such Purchaser; and
 - (ii) Purchaser’s Purchase Amount for such Closing, by wire transfer to the account specified in writing by the Company.

2.3 Closing Conditions.

- (a) The obligations of the Company hereunder in connection with any Closing are subject to the following conditions being met:
- (i) the accuracy on the Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);
 - (ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the Closing Date shall have been performed;
 - (iii) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and
 - (iv) the delivery by the Purchaser of the items set forth in Section 2.2(b) of this Agreement.

- (b) The obligations of the Purchaser hereunder in connection with the Closing are subject to the following conditions being met:
- (i) the accuracy when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein);
 - (ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;
 - (iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement; and
 - (iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof.

**ARTICLE III.
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Company. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to each Purchaser:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a Material Adverse Effect.

(c) Authorization; Enforcement. The Company Parties have the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents, as applicable, and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's shareholders in connection herewith or therewith other than in connection with the Required Approvals. The execution and delivery of the applicable Transaction Documents by the other Company Parties, as applicable, and the consummation by the Subsidiaries of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company or the boards of directors or other governing bodies of such other Company Parties in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and the other Company Parties, as applicable, and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company and such other Company Parties, enforceable against them in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company and the other Company Parties, as applicable, of this Agreement and the other Transaction Documents to which they are a party, the issuance and sale of the Securities and the consummation by the Company and the Subsidiaries, as applicable, of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of any Company Party's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of any Company Party, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company Party debt or otherwise) or other understanding to which the any Company Party is a party or by which any property or asset of any Company Party is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which a Company Party is subject (including federal and state securities laws and regulations), or by which any property or asset of a Company Party is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and the listing of the Shares and Underlying Shares for trading thereon in the time and manner required thereby, if any, and (ii) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws, which filings will be made by the Company within the time period required by such laws (collectively, the "Required Approvals").

(f) Issuance of the Securities. The Notes are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be a duly and validly issued security of the Company, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Underlying Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and non-assessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents.

(g) Capitalization. The capitalization of the Company as of December 17, 2015, is as set forth on Schedule 3.1(g). The Company has not issued any capital stock since that date except as may be disclosed in SEC Reports, other than pursuant to the exercise of employee stock options, or pursuant to the conversion or exercise of Common Stock Equivalents. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents, except as set forth on Schedule 3.1(g). Except with respect to the holders of the warrants issued in association with the Company's Series A Preferred Convertible Stock (and the exercise prices thereof, which will be adjusted as a result of the issuance of the Securities pursuant to this Agreement), the issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Purchaser) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities.

(h) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension, except as set forth on Schedule 3.1(h). As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Company has never been an issuer subject to Rule 144(i) under the Securities Act. The financial statements of the Company included in the SEC Reports have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes: Undisclosed Events, Liabilities or Developments. Since the date of the latest SEC Report, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans. The Company does not have pending before the Commission any request for confidential treatment of information.

(j) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which could reasonably be expected to have a Material Adverse Effect or that adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities. Attached as Schedule 3.1(j) is a summary of currently pending Actions involving the Company and the Subsidiaries. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the Exchange Act or the Securities Act.

(k) Compliance. No Company Party: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters (collectively, "Laws"), except in each case as is set forth on Schedule 3.1(k).

(l) Title to Assets. The Company Parties do not own any real property. The Company and the Subsidiaries have good and marketable title in all personal property owned by them that is material to their respective businesses, in each case free and clear of all Liens, except for (i) Liens as do not materially interfere with the use made and proposed to be made of such property by the Company Parties and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties.

(m) Fees. Other than to Merriman Capital, Inc., no brokerage or finder's fees or commissions are or will be payable by the Company Parties to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents.

(n) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Notes, Warrants and Underlying Shares by the Company to the Purchaser as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(o) Disclosure. The Company acknowledges and agrees that the Purchaser has not made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2.

(p) Indebtedness. Schedule 3.1(p) sets forth, all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments as of December 17, 2015. For the purposes of this Agreement, the term "Indebtedness" means (y) any liabilities for borrowed money or amounts owed in excess of \$50,000 (other than trade accounts payable incurred in the ordinary course of business); (z) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business. Except as set forth on Schedule 3.1(p), neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(q) Tax Status. Except as set forth on Schedule 3.1(q), the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

The Purchasers acknowledge and agree that the representations contained in Section 3.1 shall not affect the Company's right to rely on representations and warranties of the Purchasers contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

3.2 Representations and Warranties of the Purchasers. Each Purchaser hereby represents and warrants with respect to such Purchaser, severally but not jointly, as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization: Authority. The Purchaser is an entity duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation with full right, corporate power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by the Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate action, as applicable, on the part of the Purchaser. Each Transaction Document to which it is a party has been duly executed by the Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Understandings or Arrangements. The Purchaser is acquiring the Securities hereunder in the ordinary course of its business. The Purchaser understands that the Notes, Warrants and Underlying Shares are "restricted securities" and will not have been registered under the Securities Act or any applicable state securities law, and represents that it is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law.

(c) Opportunity to Obtain Information. The Purchaser acknowledges that representatives of the Company have made available to the Purchaser the opportunity to review the books and records of the Company and its Subsidiaries and to ask questions of and receive answers from such representatives concerning the business and affairs of the Company and its Subsidiaries.

(d) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it converts any portion of the Notes or exercises any Warrants, it will be an "accredited investor" as defined in Rule 501 under the Securities Act.

(e) Experience of Such Purchaser. The Purchaser has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. The Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(f) General Solicitation. The Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(g) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, the Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Other than to other Persons party to this Agreement, the Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

The Company acknowledges and agrees that the representations contained in Section 3.2 shall not affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

ARTICLE IV. OTHER AGREEMENTS OF THE PARTIES

4.1 Indemnification. Subject to the provisions of this Section, the Company will indemnify and hold the Purchaser and their directors, officers, employees and agents (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any shareholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such shareholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel, or (iii) in such action there is, in the reasonable opinion of counsel, a conflict between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel in the aggregate (i.e., for all Purchaser Parties). The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed, or (z) to the extent, but only to the extent, that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents.

4.2 Reservation of Securities. The Company shall maintain a reserve from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as may then be required to issue all of the Underlying Shares.

4.3 Certain Transactions and Confidentiality. Each Purchaser covenants that neither it nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales of any of the Company's securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced by the Company. Furthermore, each Purchaser covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company, such Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Transaction Documents and the Disclosure Schedules.

4.4 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of any Securities other than pursuant to an effective registration statement or Rule 144, or to the Company, the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company (the fees and expenses of which shall be paid by such transferor), the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Agreement, of a legend on any of the Notes, Warrants and Underlying Shares in the following form:

[NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE] [CONVERTIBLE]] HAS [NOT] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AND, AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT.

4.5 General Covenants. During any such time as the Note(s) remain outstanding, the Company Parties shall not take any of the following actions without the prior written approval of Purchasers (or its assignees) holding at least a majority in then-outstanding principal amount of the Note(s) who are not held by affiliates of the Company: (a) declare or pay any cash dividends on account of any Common Stock, Preferred Stock or other Common Stock Equivalents; (b) redeem, make any payment in respect of, or otherwise acquire any capital stock of the Company Parties; (c) incur any debt for borrowed money that is senior to or pari passu in respect of the obligations under the Notes in respect of payment or in respect of the “Collateral,” as such term is defined in the Security Agreement and the Slipstream Pledge Agreement (provided, however, that the Company Parties may nevertheless incur debt for borrowed money that is pari passu in respect of the obligations under the Notes in respect of payment or in respect of Collateral (“Pari Passu Debt”) as follows: (i) to refinance the Notes (provided, however, that in the case of a refinancing of the Notes in part, and not in whole, there shall not be incurred more indebtedness for borrowed money than the amount of the Notes so refinanced, or indebtedness secured by more Collateral than the amount of the indebtedness refinanced, or indebtedness that matures before the Notes), (ii) to sell more Notes, up to the maximum amounts set forth in the definition of “Notes” contained in this Agreement (provided, however, that the Company can issue up to an additional \$1.0 million in principal amount of Notes so long as an additional amount of proceeds of the Collateral, as defined in the Slipstream Pledge Agreement, to cover principal, interest and other obligations under such Notes through maturity, shall have been deposited with the escrow agent and covered by an account control agreement to secure such obligations, as contemplated by the Slipstream Pledge Agreement); (d) incur any liens or encumbrances on any of its assets (other than Permitted Liens); (e) enter into a transaction with an affiliate, except for fair consideration and on terms no less favorable to the Company Party than would be obtainable in a comparable arm’s length transaction with a person that is not an affiliate thereof as determined by the disinterested members of the Company’s Board of Directors; (f) amend its charter documents, including its certificate of incorporation or bylaws in any manner materially adverse to the rights of the Holders.

4.6 Right of Board Representation. In the event the Purchaser enters into a Purchase Amount of not less than \$750,000, upon the satisfaction or waiver of the Closing Conditions detailed in Section 2.3 and seven business days following the Closing Date, the Purchaser will have the right to nominate one director to the Company’s board of directors. Any such candidate must be mutually agreed upon between the Purchaser and the Company’s board of directors. The nomination process thereafter will occur annually concurrent with the Company’s existing proxy process. In the event that the Purchaser or its assigns holds less than \$750,000 of the Notes as shown on the books of the Company (as a result of their sale or otherwise), this right will immediately terminate.

4.7 Right of first Refusal. Within 30 calendar days of the repayment or alternative satisfaction of the existing debt of the Company that is secured by a first lien on the accounts receivable of the Company and its subsidiaries, the Purchaser has the right to offer to issue the Company and its Subsidiaries a secured note with principal value of \$1 million, under substantially similar terms and conditions as the Notes (except for the security), which will be secured by a first lien on the accounts receivable of the Company and its subsidiaries.

ARTICLE V. GENERAL PROVISIONS

5.1 Termination. This Agreement may be terminated by the Purchaser by written notice to the Company if the initial Closing has not been consummated on or before 30 days of the date hereof.

5.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all transfer agent fees, stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 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 facsimile at the facsimile number set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York, New York time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York, New York time) on any Trading Day, (c) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment or waiver of rights hereunder, by the Company and the Purchasers (or their assignees) holding at least two-thirds of the then-outstanding principal amount of the Notes not held by affiliates of the Company; provided, however, that any single party may waive rights under this Agreement pursuant to a written instrument signed by such party. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchaser."

5.8 Third-Party Beneficiaries. Other than the provisions of Section 4.1, this Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the conflicts-of-law principles thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in New York, New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in New York, New York, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of the Transaction Documents, then the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

5.10 Execution. This Agreement may be executed in counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. If any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

5.11 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.12 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.13 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.14 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto.

5.15 WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

COMPANY PARTIES

CREATIVE REALITIES, INC.

By: _____
John Walpuck
Chief Financial Officer

CREATIVE REALITIES, LLC

By: _____
John Walpuck
Chief Executive Officer

WIRELESS RONIN TECHNOLOGIES CANADA, INC.

By: _____
John Walpuck
Chief Executive Officer

CONEXUS WORLD GLOBAL, LLC

By: _____
John Walpuck
Chief Financial Officer

Address for Notice to the Company Parties:

55 Broadway, 9th Floor
New York, New York 10006
Facsimile: 973-244-1535

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGE TO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned has caused this Securities Purchase Agreement to be duly executed by its respective authorized signatories as of the date first indicated above.

Name of Purchaser: _____

Signature of Authorized Signatory of Purchaser : _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Authorized Signatory: _____

Facsimile Number of Authorized Signatory: _____

Address for Notice to Purchaser: _____

Address for Delivery of Note and Warrants to Purchaser (if not same as address for notice):

Purchase Amount: _____

Total Warrant Shares: _____

EIN Number: _____

Accepted by:

Creative Realities, Inc.

Merriman Capital, Inc.

Exhibit A

Attached is the form of Notes

Exhibit B

Attached is the form of Warrant

Exhibit C

Attached is the form of Security Agreement

Exhibit D

Attached is the form of Slipstream Pledge Agreement

Exhibit E

Attached is the form of Registration Rights Agreement

NEITHER THIS NOTE NOR ANY OF THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. BY ACQUIRING THIS NOTE, THE HOLDER AGREES TO NOT SELL OR OTHERWISE DISPOSE OF THIS NOTE OR ANY SECURITIES INTO WHICH IT MAY BE CONVERTED WITHOUT REGISTRATION OR THE APPLICABILITY OF AN EXEMPTION FROM REGISTRATION UNDER THE AFORESAID ACTS, AND THE RULES AND REGULATIONS THEREUNDER.

SECURED CONVERTIBLE PROMISSORY NOTE

[\$●]

December [●], 2015

FOR VALUE RECEIVED, Creative Realities, Inc., a Minnesota corporation, Creative Realities, LLC, a Delaware limited liability company, Wireless Ronin Technologies Canada, Inc., a Canada corporation, and Conexus World Global, LLC, a Kentucky limited liability company, jointly and severally (each, and together herein referred to as "Maker"), hereby promises to pay to the order of [_____], or its successors, heirs or assigns ("Holder"), in lawful money of the United States of America, the principal sum of \$[●], together with interest on the outstanding principal amount under this Secured Convertible Promissory Note (this "Note") outstanding from time to time. This Note is being issued by Maker in connection with the execution and delivery of certain other documentation pertaining to the loan evidenced by this Note, including (i) a Securities Purchase Agreement by and among Maker and certain purchasers, dated as of December [●], 2015 (or otherwise dated but in substantially similar form, the "Securities Purchase Agreement"), (ii) an Amended and Restated Security Agreement delivered by Maker in favor of Holder and other purchasers under the Securities Purchase Agreement (the "Security Agreement"), (iii) Warrants to Purchase Common Stock delivered by Maker in favor of Holder and other purchasers under the Securities Purchase Agreement (the "Warrants"), (iv) an Amended and Restated Pledge Agreement delivered by Slipstream Communications, LLC, a Delaware limited liability, in favor of the Holder and other purchasers under the Securities Purchase Agreement (the "Slipstream Pledge Agreement"), and (v) a Registration Rights Agreement by and among Maker and certain purchasers, dated as of December [●], 2015 (the "Registration Rights Agreement"). Accordingly, this Note is one of two or more substantially identical Secured Convertible Promissory Notes offered and sold pursuant to the Securities Purchase Agreement (collectively, the "Notes"). Throughout this Note, the Securities Purchase Agreement, Security Agreement, Slipstream Pledge Agreement, the Warrants, Registration Rights Agreement and the Notes are collectively referred to as the "Transaction Documents."

1. Interest. Interest on the principal amount of this Note shall accrue from the date hereof until payment in full of all amounts payable hereunder at an annual rate equal to 14%, of which interest (i) 12% shall be payable in cash and (ii) 2% shall be payable in the form of additional principal hereunder; in each case monthly, in arrears, and upon the Initial Maturity Date or Final Maturity Date, as defined below, or upon repayment or conversion pursuant to Section 4 below. Interest shall be calculated on the basis of a 365-day year, based on the actual number of days elapsed. From and after the occurrence of a Change in Control Transaction, as defined in Section 6 below, and until the Initial Maturity Date or Final Maturity Date or such earlier time as all amounts owing under this Note shall have been paid, or upon occurrence of an Event of Default under Section 5 below, interest on the principal amount of this Note shall accrue at an annual rate equal to 17% interest payable in cash monthly, in arrears.

2. Maturity Date. Unless converted by Holder pursuant to the terms of Section 4, the principal amount of this Note, together with any remaining accrued but unpaid interest thereon, shall be due and payable in full on April 15, 2017 (“Initial Maturity Date”), subject to the right of the Holder, in their sole determination, to extend the maturity date of this Note for an additional six months by providing written notice to the Maker, such written notice to be delivered at least 45 days prior to the Initial Maturity Date (with the Maker sending a written notice to Holder at least 55 days prior to the Initial Maturity Date, for the purpose of reminding the Holder of its right to make an extension election under this Section). In such event, the principal amount of this Note, together with any remaining accrued but unpaid interest thereon, shall be due and payable in full on October 15, 2017 (“Final Maturity Date”).

3. Prepayment. This Note is not subject to any prepayment prior to its Initial Maturity Date (or Final Maturity Date, if so elected), as those terms are defined herein.

4. Conversion; Repayment.

4.1 *Optional Conversion*. Subject to the provisions of Section 4.5 below, the unpaid principal amount of this Note or any accrued but unpaid interest thereon may at any time be converted, in whole or in part from time to time, at the option of the Holder, into shares of the common stock, \$0.01 par value of Creative Realities, Inc. (the “Common Stock”) at a conversion price equal to \$0.28 per share (the “Conversion Price”), subject, however, to adjustment pursuant to Section 4.3 below.

4.2 *Conversion Procedure*.

(a) Upon conversion of any amounts owing under this Note into shares of Common Stock pursuant to Section 4.1, Holder shall surrender this original executed Note (if being converted in full) to Maker accompanied by an executed conversion notice, the form of which is attached hereto as Exhibit A (the “Conversion Notice”). The Conversion Notice shall state the name or names (with address(es)) in which the certificate or certificates for shares of Common Stock issuable upon such conversion (the “Conversion Shares”) shall be issued, and the amount of principal and accrued interest to be converted. As soon as practicable after the receipt of such Conversion Notice and the surrender of this original executed Note (if such surrender is required), Maker shall (i) issue and deliver to the Holder one or more certificates for the Conversion Shares, (ii) provide for payment on account of any fractional shares as contemplated by Section 4.4, and (iii) if such conversion is of less than the entire balance of principal and accrued and unpaid interest hereunder, make record in Maker’s books and records of the balance of this Note not converted. Such conversion shall be deemed to have been effected as of the earliest date (the “Conversion Date”) upon which both (1) the Conversion Notice shall have been received by Maker and (2) this original executed Note shall have been surrendered (if the Note is being converted in full). Upon the Conversion Date, the Holder’s rights under this Note shall cease (to the extent this Note is so converted) and the person or persons in whose name or names any certificates for the Conversion Shares shall be issuable upon such conversion shall be deemed to have become the holder(s) of record of such Conversion Shares.

(b) Not later than three Trading Days after each Conversion Date (the “Share Delivery Date”), Maker shall deliver, or cause to be delivered, to the converting Holder one or more certificates representing the Conversion Shares through the DTC (if eligible) or otherwise. On or after the earlier of (i) the six-month anniversary of the date of issuance the Note or (ii) the effectiveness of a Resale Registration Statement covering the resale of the Conversion Shares, such certificates shall not contain a restrictive legend under the Securities Act of 1933 so long as, in the case of (i) above, the Holder shall have delivered a representation letter to Maker in form and substance satisfactory to Maker (which letter includes a representation by the Holder that the Conversion Shares are being sold pursuant to Rule 144). On or after the six-month anniversary of the date of the issuance of the Note being converted, Maker shall, upon the request of the Holder, use commercially reasonable efforts to deliver any Conversion Shares to be delivered by Maker under this Note electronically through the Depository Trust Corporation or another established clearing corporation performing similar functions. So long as Holder delivers to Maker the above-described representation letters, Maker will pay the cost and expense of an opinion of legal counsel required for the issuance of Conversion Shares in conformity with this paragraph (b).

(c) If, in the case of any Conversion Notice, such certificate or certificates are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to Maker at any time on or before its receipt of such certificate or certificates, to rescind such Conversion, in which event Maker shall promptly return to the Holder the original Note delivered to Maker, if applicable, and the Holder shall promptly return to Maker the certificates issued to such Holder pursuant to the rescinded Conversion Notice.

(d) In addition to any other rights available to the Holder, if Maker fails for any reason to deliver to a Holder the applicable certificate or certificates within one Trading Day after the Share Delivery Date, and if after such date such Holder is required by its brokerage firm to purchase (in an open-market transaction or otherwise), or the Holder’s brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by such Holder of the Conversion Shares such Holder was entitled to receive upon the conversion relating to such Share Delivery Date (a “Buy-In”), then Maker shall (A) pay in cash to such Holder the amount, if any, by which (x) such Holder’s total purchase price (including any brokerage commissions) for the Common Stock so purchased exceeds (y) the product of (1) the aggregate number of shares of Common Stock that such Holder was entitled to receive from the Conversion at issue and that were sold, multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of such Holder, either reissue (if surrendered) the Note delivered to Maker for conversion (in which case, such conversion shall be deemed rescinded) or deliver to such Holder the number of shares of Common Stock that would have been issued if Maker had timely complied with its delivery requirements under this Section 4.2. For example, if a Holder purchases shares of Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted Conversion with respect to which the actual sale price of the Conversion Shares giving rise to such purchase obligation was a total of \$10,000, under clause (A) of the immediately preceding sentence, then Maker shall be required to pay such Holder \$1,000. The Holder shall provide Maker written notice indicating the amounts payable to such Holder in respect of the Buy-In and, upon request of Maker, evidence of the amount of such loss. Nothing herein shall limit a Holder’s right to pursue any other remedies available to it hereunder, at law or in equity, including without limitation a decree of specific performance or other injunctive relief with respect to Maker’s failure to timely deliver shares of Common Stock upon a Conversion as required pursuant to the terms hereof.

4.3 *Equitable Adjustment* . If Maker, at any time while this Note is outstanding, shall (a) pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock, (b) subdivide outstanding shares of Common Stock into a larger number of shares, (c) combine (by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (d) issue shares of capital stock by reclassification, then the Conversion Price shall be equitably adjusted based upon the proportionate increase of outstanding shares resulting from such action (e.g., if shares of capital stock increase by 2.0% as a result of any of the foregoing actions by Maker, the Conversion Price shall be decreased by the same percentage). Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of shareholders entitled to receive such share dividend, distribution, subdivision or combination, or shares upon reclassification, and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification, or the dividend-payment date in the case of a share dividend.

4.4 *Fractional Shares* . No fractional shares of Common Stock shall be issuable upon conversion of this Note, but a payment in cash will be made in respect of any fraction of a share which would otherwise be issuable upon the surrender of this Note, or portion hereof, for conversion.

4.5 *Conversion Limitations* .

(a) Notwithstanding anything to the contrary in this Section 4, Maker shall not effect any conversion of this Note, and a Holder shall not have the right to convert any portion of this Note, to the extent that, after giving effect to the conversion set forth on the applicable Conversion Notice, such Holder (together with such Holder's "affiliates," as such term is defined in Rule 405 under the Securities Act of 1933, and any Persons acting as a group together with such Holder or any of such Holder's affiliates) would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by such Holder and its affiliates shall include the number of shares of Common Stock issuable upon conversion of this Note with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining unconverted balance of this Note beneficially owned by such Holder or any of its affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of Maker that are subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by such Holder or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this Section, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934 (the "Exchange Act"). To ensure compliance with this restriction, each Holder will be deemed to represent to Maker each time it delivers a Conversion Notice that such Conversion Notice has not violated the restrictions set forth in this Section and Maker shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act.

(b) For purposes of this Section, in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) Maker's most recent periodic or annual report filed with the U.S. Securities and Exchange Commission, as the case may be, (ii) a more recent public announcement by Maker, or (iii) a more recent written notice by Maker or the transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, Maker shall within two Trading Days confirm to such 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 Maker, including this Note, by such Holder or its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of Conversion Shares upon conversion of this Note by the Holder. Upon no fewer than 61 days' prior written notice to Maker, the Holder may increase or decrease the Beneficial Ownership Limitation provisions of this Section, provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of Conversion Shares upon conversion of this Note and the provisions of this Section shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to Maker. The limitations contained in this paragraph shall apply to a successor holder of this Note.

5. Defaults.

5.1 *Events of Default*. The occurrence of any one or more of the following events shall constitute an event of default hereunder ("Event of Default"):

- (a) Maker fails to make any payment of principal, interest or both when due under this Note, which failure, in the case of interest continues for a period of five business days;
- (b) Maker fails to observe and perform any other covenant or agreement on the Maker's part to be observed or performed under this Note, which failure continues for a period of ten business days after written notice of such failure has been delivered to Maker;
- (c) Maker fails to observe and perform any of the covenants or agreements on its part to be observed or performed under any Transaction Document and such failure continues for more than ten business days after written notice of such failure has been delivered to Maker;
- (d) any representation or warranty made by Maker in any Transaction Document is untrue in any material respect as of the date of such representation or warranty;
- (e) Maker admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy or a petition to take advantage of any insolvency act, makes an assignment for the benefit of its creditors, consents to the appointment of a receiver of itself or of the whole or any substantial part of its property, on a petition in bankruptcy filed against it be adjudicated a bankrupt, or files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any State thereof;

(f) a court of competent jurisdiction enters an order, judgment or decree appointing, without the consent of Maker, a receiver of Maker or of the whole or any substantial part of its property, or approving a petition filed against Maker seeking reorganization or arrangement of the Maker under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of entry thereof;

(g) any court of competent jurisdiction assumes custody or control of Maker or of the whole or any substantial part of its property under the provisions of any other law for the relief or aid of debtors, and such custody or control is not be terminated or stayed within 60 days from the date of assumption of such custody or control;

(h) the Slipstream Pledge Agreement or the Security Agreement no longer provide the Holder with a perfected lien in the respective Collateral covered thereby in the priorities set forth therein;

(i) there shall have been entered a judgment against the Maker in the amount of \$350,000;

(j) the Maker shall have defaulted on any indebtedness in excess of \$350,000 entitling the holder thereof to accelerate such indebtedness;

(k) the suspension from trading of the Common Stock or the failure of the Common Stock to be listed on an eligible market for trading; or

(l) the Company's failure for any reason after six months following the Closing Date to satisfy the current public information requirements of Rule 144, in the event that the Conversion Shares are not registered for resale at such time.

5.2 *Remedies*. Except as set forth in the final sentence of this Section, upon the occurrence of any Event of Default, the entire unpaid principal balance hereunder, plus all interest accrued and unpaid thereon and all other sums due and payable to Holder under this Note, shall become due and payable immediately without presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor, all of which are hereby expressly waived by Maker. To the extent permitted by law, Maker waives the right to stay of execution and the benefit of all exemption laws now in effect or that may hereafter be adopted. In addition to the foregoing, upon the occurrence of any Event of Default, Holder may forthwith exercise singly, concurrently, successively or otherwise any and all rights and remedies available to Holder at law or in equity. Notwithstanding anything else to the contrary contained in this Section, upon an Event of Default arising under Section 5.1(c) due to the failure of the Company to file or obtain the effectiveness of the resale registration statement contemplated under the Registration Rights Agreement within the time periods provided therein (or, after effectiveness of the resale registration statement, the resale of "Registrable Securities," as defined in the Registration Rights Agreement, are otherwise unable to be made for any reason other than as expressly permitted by the terms of the Registration Rights Agreement), the sole remedy of the Holder under this Note for such Event of Default shall be an increase of one percent (1.0%), per month, in the Interest Rate thereafter accruing on the principal amount of this Note (with such increase being added to the increased Interest Rate contemplated in Section 1 above) until such time as the earlier of the filing or effectiveness of such resale registration statement or the date on which all Registrable Securities of the Holder are otherwise able to be sold. For clarity, any separate remedies available to the Holder under the Registration Rights Agreement shall not be precluded by the prior sentence.

5.3 *Remedies Cumulative, etc.* . No right or remedy conferred upon or reserved to Holder under this Note, or now or hereafter existing at law or in equity or by statute or other legislative enactment, is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and concurrent, and shall be in addition to every other such right or remedy, and may be pursued singly, concurrently, successively or otherwise, at the sole discretion of Holder, and shall not be exhausted by any one exercise thereof but may be exercised as often as occasion therefor shall occur. No act of Holder shall be deemed or construed as an election to proceed under any one such right or remedy to the exclusion of any other such right or remedy; furthermore, each such right or remedy of Holder shall be separate, distinct and cumulative and none shall be given effect to the exclusion of any other.

5.4 *Costs and Expenses.* Maker will pay upon demand all reasonable costs and expenses of Holder, including reasonable attorneys' fees, incurred by Holder in enforcing its rights hereunder. If Holder brings suit (or files any claim in any bankruptcy, reorganization, insolvency or other proceeding of or relating to Maker) to enforce any of its rights hereunder and shall be entitled to judgment (or other recovery) in such action (or other proceeding), then Holder may recover, in addition to all other amounts payable hereunder, its reasonable expenses in connection therewith, including reasonable attorneys' fees, and the amount of such expenses shall be included in such judgment (or other form of award).

6. Definition of Change in Control Transaction. Certain rights and remedies of the Holder shall come into existence under the Slipstream Pledge Agreement, and a higher rate of interest hereunder shall be applied to principal amounts owing hereunder as contemplated in Section 2 above, upon a Change in Control Transaction. For purposes of this Note, a "Change in Control Transaction" will mean the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events: (i) any Exchange Act Person, as defined below, becoming the owner, directly or indirectly, of securities of Maker representing more than 50% of the combined voting power of Maker's then-outstanding securities by virtue of a merger, consolidation or similar transaction involving Maker; or (ii) there is consummated a merger, consolidation or similar transaction involving Maker (specifically including any reverse or forward triangular merger or consolidation) and, immediately after the consummation of such transaction, the shareholders of Maker immediately prior thereto do not own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation or similar transaction, or (iii) the Board of Directors and shareholders of Maker approve a plan of dissolution of Maker and Maker files a notice of dissolution with the Minnesota Secretary of State.

Notwithstanding the foregoing, a Change in Control Transaction will not be deemed to occur (1) on account of the acquisition of securities of Maker by an investor, any affiliate thereof or any other Exchange Act Person acquiring Maker's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for Maker through the issuance of equity securities, or (2) solely because or to the extent that the level of ownership held by any Exchange Act Person exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities of Maker by Maker, thereby reducing the number of shares outstanding. For purposes of this Note, "Exchange Act Person" shall mean any corporation, partnership, incorporated entity, unincorporated entity or association, or trust (each a "Person"), or any individual natural person or "group" within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934; provided, however, that "Exchange Act Person" will not include: (i) Maker or any subsidiary of Maker; (ii) any employee-benefit plan of Maker or any subsidiary of Maker or any trustee or other fiduciary holding securities under an employee-benefit plan of Maker or any subsidiary of Maker; (iii) an underwriter temporarily holding securities pursuant to an offering of such securities; (iv) any Person owned, directly or indirectly, by the shareholders of Maker in substantially the same proportions as their ownership of capital stock of Maker; or (v) any Person, individual natural person or "group" that, together with all of its affiliates, is the direct or indirect owner, as of the original issue date of this Note, of securities of Maker representing more than 50% of the combined voting power of Maker's then-outstanding securities.

7. Exchange or Replacement of Note .

7.1 *Exchange* . At its option, Holder may in person or by duly authorized attorney surrender this Note for exchange at the office of Maker and, at the expense of Maker, receive in exchange therefor a new Note in the same aggregate principal amount as the aggregate unpaid principal amount of the Note so surrendered and bearing interest at the same annual rate as the Note so surrendered, each such new Note to be dated as of the original issue date and to be in such principal amount and payable to such person or persons, or order, as Holder may designate in writing.

7.2 *Replacement* . Upon receipt by Maker of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note and (in case of loss, theft or destruction) of indemnity satisfactory to it in its reasonable discretion, and upon surrender and cancellation of this Note, if mutilated, Maker will make and deliver a new Note of like tenor in lieu of this Note.

8. General Provisions .

8.1 *Amendments, Waivers and Consents* . This Note may be amended, modified or supplemented, and waiver or consents to departures from the provisions of the Note may be given, if Maker and Holder both consent or agree in writing to the amendment, modification, waiver or consent.

8.2 *Severability* . In the event that for any reason one or more of the provisions of this Note or their application to any person or circumstance shall be held to be invalid, illegal or unenforceable in any respect or to any extent, such provision shall nevertheless remain valid, legal and enforceable in all such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

8.3 *Assignment; Binding Effect* . Maker may not delegate its obligations under this Note without the prior written consent of Holder. Any attempted delegation in violation of this Section shall be null and void. This Note inures to the benefit of Holder, its successors and assigns, and binds each of the Maker, and its successors and permitted assigns, and the words “Holder” and “Maker” whenever occurring herein shall be deemed and construed to include such respective successors and assigns. This Note shall be assignable by Holder, subject to applicable securities laws.

8.4 *Notice* . All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable courier service with charges prepaid, or (iv) transmitted by hand delivery or facsimile, addressed as set forth on the signature pages to the Securities Purchase Agreement or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated on the signature page hereto (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.

8.5 *Governing Law* . This Note will be governed by the laws of the State of New York without regard to its conflicts-of-law principles.

8.6 *Waiver of Jury Trial* . TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH MAKER AND HOLDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS NOTE OR ANY OTHER TRANSACTION DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

8.7 *Section Headings, Construction* . The headings of Sections in this Note are provided for convenience only and will not affect its construction or interpretation. All references to “Section” or “Sections” refer to the corresponding Section or Sections of this Note unless otherwise specified. All words used in this Note will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the words “hereof” and “hereunder” and similar references refer to this Note in its entirety and not to any specific section or subsection hereof.

* * * * *

IN WITNESS WHEREOF, Maker has executed and delivered this Secured Convertible Promissory Note as of the date first stated above.

CREATIVE REALITIES, INC.

JOHN WALPUCK
Chief Financial Officer

CREATIVE REALITIES, LLC

JOHN WALPUCK
Chief Executive Officer

**WIRELESS RONIN TECHNOLOGIES
CANADA, INC.**

JOHN WALPUCK
Chief Executive Officer

CONEXUS WORLD GLOBAL, LLC

JOHN WALPUCK
Chief Financial Officer

EXHIBIT A
**FORM OF
CONVERSION NOTICE**

To Whom It May Concern:

The undersigned holder of this Note hereby exercises the option to convert this Note, plus accrued and unpaid interest, in whole or in part as set forth below, into shares of Common Stock of Creative Realities, Inc., a Minnesota corporation, in accordance with the terms of the Unsecured Convertible Promissory Note, dated as of [●], 2015, and directs that the shares issuable and deliverable upon the conversion be issued in the name of and delivered to the undersigned unless a different name has been indicated below. If this conversion involves fractional shares, please issue the related check to the same person entitled to receive the shares.

Dated: _____

Amount of principal to be converted: \$ _____

Amount of accrued but unpaid interest to be converted: \$ _____

If shares are to be issued otherwise than to owner, please provide the Tax Identification Number of Transferee: _____

Signature of Holder

(If applicable, please print name and address of transferee (including zip code))

NEITHER THIS WARRANT NOR ANY OF THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION. BY ACQUIRING THIS WARRANT, HOLDER AGREES TO NOT SELL OR OTHERWISE DISPOSE OF THIS WARRANT OR THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT WITHOUT REGISTRATION OR THE APPLICABILITY OF AN EXEMPTION FROM REGISTRATION UNDER THE AFORESAID ACTS, AND THE RULES AND REGULATIONS THEREUNDER.

WARRANT TO PURCHASE COMMON STOCK

Number of Shares of Common Stock: [●]¹

Date of Issuance: December [●], 2015 (“Issuance Date”)

THIS CERTIFIES THAT, for value received, [●], a [●] (including any permitted and registered assigns, the “Holder”), is entitled to purchase from Creative Realities, Inc., a Minnesota corporation (the “Company”), up to [●] shares of Common Stock of the Company (the “Warrant Shares”) at the Exercise Price hereunder then in effect. This Warrant to Purchase Common Stock (this “Warrant”) is issued by the Company in connection with the Company’s offer and sale to the Holder of a Secured Convertible Promissory Note pursuant to the terms and conditions of a Securities Purchase Agreement by and among the Company, Holder and other purchasers of such notes, dated of even date herewith (the “Securities Purchase Agreement,” and such notes sold thereunder, the “Notes”). For purposes of this Warrant, the term “Exercise Price” shall mean \$0.28 per share, subject to adjustment as provided herein, and the term “Exercise Period” shall mean the period commencing on the Issuance Date and ending on 5:00 p.m. New York time on the five-year anniversary of the date of this Warrant.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, including but not limited to the provisions of Section 1(c) below, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of a written notice, in the form attached hereto as Exhibit A (the “Exercise Notice”), of the Holder’s election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Execution and delivery of the Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original Warrant and issuance of a new Warrant evidencing the right to purchase the remaining number of Warrant Shares. On or before the third Trading Day (the “Warrant Share Delivery Date”) following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of (i) payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which this Warrant is being exercised (the “Aggregate Exercise Price” and together with the Exercise Notice, the “Exercise Delivery Documents”) in cash or by wire transfer of immediately available funds or (ii) notification from the Holder that this Warrant is being exercised pursuant to a Cashless Exercise, as defined below, the Company shall issue and dispatch by overnight courier to the address as specified in the Exercise Notice, a certificate, registered in the Company’s share register in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder is entitled pursuant to such exercise (or credit the Holder’s account through an electronic delivery of Common Stock through the DWAC system of the Depository Trust Company, if requested). Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise pursuant to Section 1(c) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then the Company shall as soon as practicable, and in no event later than three business days after any exercise and at its own expense, issue a new Warrant representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised.

¹ 1,339,286 warrants for each \$750,000 in principal amount of Note purchased.

(b) *No Fractional Shares* . No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then current fair market value of a Warrant Share by such fraction.

(c) *Cashless Exercise* . The Holder may, in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the “Net Number” of shares of Common Stock determined according to the following formula (a “Cashless Exercise”):

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For purposes of the foregoing formula:

A = the total number of shares with respect to which this Warrant is then being exercised.

B = the Weighted Average Price of the shares of Common Stock for the five consecutive Trading Days ending on the date immediately preceding the date of the Exercise Notice.

C = the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

(d) *Compensation for Buy-In on Failure to Timely Deliver Warrant Shares* . In addition to any other rights available to the Holder, if the Company fails to deliver (or cause its transfer agent to deliver) to the Holder the Warrant Shares pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open-market transaction or otherwise), or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue, times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amount payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity, including without limitation a decree of specific performance or other injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

(e) *Beneficial Ownership Restrictions* . Notwithstanding anything to the contrary in this Warrant, the Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that, after giving effect to the exercise set forth on the applicable Exercise Notice, such Holder (together with such Holder's "affiliates," as such term is defined in Rule 405 under the Securities Act of 1933, and any Persons acting as a group together with such Holder or any of such Holder's affiliates) would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by such Holder and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining unexercised portion of this Warrant beneficially owned by such Holder or any of its affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company that are subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by such Holder or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this Section, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934 (the "Exchange Act"). To ensure compliance with this restriction, each Holder will be deemed to represent to the Company each time it delivers an Exercise Notice that such Exercise Notice has not violated the restrictions set forth in this Section 1(e) and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act.

For purposes of this Section 1(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Company's most recent periodic or annual report filed with the U.S. Securities and Exchange Commission, as the case may be, (ii) a more recent public announcement by the Company, or (iii) a more recent written notice by the Company or its transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm to such Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by such Holder or its affiliates. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph, provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Subdivision or Combination of Common Stock*. If the Company at any time on or after the date of the Note subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of Warrant Shares will be proportionately increased. If the Company at any time on or after the date of the Note combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of Warrant Shares will be proportionately decreased. Any adjustment under this Section 2(a) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(b) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including without limitation any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of shares of Common Stock entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction of which (i) the numerator shall be the Closing Sale Price of the shares of Common Stock on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one share of Common Stock, and (ii) the denominator shall be the Closing Sale Price of the shares of Common Stock on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of shares of Common Stock obtainable immediately prior to the close of business on the record date fixed for the determination of holders of shares of Common Stock entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of shares of common stock of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system (“Other Shares of Common Stock”), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of shares of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(c) *Other Events*. If any event occurs of the type contemplated by the provisions of this Section 2(a) or (b) but not expressly provided for by such provisions (including without limitation the granting, on a pro rata basis to the holders of the Common Stock, of stock-appreciation rights, phantom stock units or other shareholder rights with equity features), then the Company’s Board of Directors will make an appropriate adjustment in the Exercise Price and the number of Warrant Shares so as to protect the rights of the Holder. For the avoidance of doubt, the parties agree this Section 2(c) shall not apply to (i) the issuance of Common Stock upon the exercise of options or warrants not granted to the shareholders of the Company as a whole, or (ii) the issuance of Common Stock, stock options, stock-appreciation rights, restricted stock units, or other forms of equity or equity-linked compensation under the Company’s equity incentive or purchase plans duly adopted by a majority of the non-employee members of the Board of Directors of the Company or a committee of non-employee directors established for such purpose.

(d) *Weighted-Average Adjustment to Exercise Price*. If the Company, at any time while this Warrant is outstanding, shall issue any Common Stock or Common Stock Equivalents entitling any person to acquire shares of Common Stock, at an effective price per share less than the then-current Exercise Price, as adjusted hereunder (any such issuance, other than an issuance of Common Stock or Common Stock Equivalents in respect of an Exempt Issuance, being referred to as a “Dilutive Issuance”), then the Exercise Price shall be adjusted in accordance with the following formula:

$$AEP = EP * \frac{[OS + (DIS * DIP)/EP]}{(OS + DIS)}$$

For purposes of the foregoing formula:

AEP = Adjusted Exercise Price

EP = Exercise Price (as in effect immediately prior to adjustment)

OS = Total number of shares of Common Stock and Common Stock Equivalents outstanding immediately prior to the Dilutive (excluding, however, Common Stock and Common Stock Equivalents outstanding on account of Exempt Issuances)

DIS = Total number of shares of Common Stock and Common Stock Equivalents issued in the Dilutive Issuance

DIP = The per-share price at which Common Stock or Common Stock Equivalents were issued in the Dilutive Issuance

Any such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued; provided, however, that (i) if an adjustment is made on account of a Dilutive Issuance of Common Stock Equivalents, then the subsequent issuance of actual Common Stock upon conversion or exercise of such Common Stock Equivalents will not result in a second adjustment, and (ii) notwithstanding anything in this Warrant to the contrary, no adjustments shall be made under this Section 2(d) in respect of an Exempt Issuance. The Company shall notify the Holder in writing, no later than the third Trading Day following any Dilutive Issuance (other than an Exempt Issuance), indicating therein the applicable per-share price at which Common Stock or Common Stock Equivalents were issued.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity, (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares of Common Stock for other securities, cash or property or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of shares of Common Stock covered by Section 2(a) above) (in any such case, a “Fundamental Transaction”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of shares of Common Stock of the successor or acquiring corporation or of the Company and any additional consideration (the “Alternate Consideration”) receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder’s right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that the Company will not, by amendment of its articles of incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock upon the exercise of this Warrant, and (iii) shall, so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE OF WARRANTS.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder, by acceptance hereof, agrees to give written notice to the Company before transferring this Warrant or transferring any Warrant Shares of such Holder's intention to do so, describing briefly the manner of any proposed transfer. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. If the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act of 1933 and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute an Assignment of Warrant in substantially the form attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Note. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the shares of Common Stock, (B) with respect to any grants, issuances or sales of any stock or other securities directly or indirectly convertible into or exercisable or exchangeable for shares of Common Stock or other property, pro rata to the holders of shares of Common Stock or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant and all rights, obligations and liabilities hereunder shall be governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to the conflicts-of-law principles thereof.

11. DISPUTE RESOLUTION. In the case of a dispute as to the determination of the Exercise Price, the Closing Sale Price, or the arithmetic calculation of the Warrant Shares, the Company or the Holder (as the case may be) shall submit the disputed determinations or arithmetic calculations via facsimile (a) within two business days after receipt of the applicable notice giving rise to such dispute to the Company or the Holder, as the case may be, or (b) if no notice gave rise to such dispute, at any time after the Holder learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price, Closing Sale Price or the Warrant Shares within three business days of such disputed determination or arithmetic calculation being submitted to the Company or the Holder, as the case may be, then the Company shall, within two business days thereafter submit via facsimile (x) the disputed determination of the Exercise Price or Closing Sale Price to an independent, reputable investment bank selected by the Company and approved by the Holder or (y) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten business days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent manifest error.

12. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

13. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Bloomberg" means Bloomberg Financial Markets.

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Bloomberg, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Bloomberg, or (iii) if no last trade price is reported for such security by Bloomberg, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

(c) "Common Stock" means (i) the Company's common stock, par value \$0.01 per share, and (ii) any share capital into which such common stock shall have been changed or any share capital resulting from a reclassification of such common stock.

(d) "Common Stock Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Stock, including without limitation any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

(e) “Exempt Issuance” means the issuance of (i) shares of Common Stock or options to employees, officers, directors or unaffiliated consultants of the Company pursuant to any stock or option plan duly adopted by a majority of the non-employee members of the Board of Directors of the Company or a majority of the members of a committee of non-employee directors established for such purpose, (ii) any securities upon the exercise or conversion of any securities issued pursuant to the Securities Purchase Agreement or agreements in substantially similar form pursuant to which Notes and Warrants were or are sold, (iii) any Common Stock upon the exercise or conversion of securities that are issued and outstanding as of the date of the Securities Purchase Agreement, (iv) securities issued pursuant to or in connection with acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, (v) shares of Common Stock issued or issuable in connection with regularly scheduled dividend payments on the Company’s Series A Preferred Stock, and (vi) shares of Common Stock issued pursuant to any loan or leasing arrangement, real property leasing arrangement, or debt financing from a bank approved by the Board of Directors of the Company.

(f) “Principal Market” means the primary national securities exchange on which the Common Stock is then traded.

(g) “SEC” means the U.S. Securities and Exchange Commission.

(h) “Trading Day” means (i) any day on which the Common Stock is listed or quoted and traded on its Principal Market, (ii) if the Common Stock is not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any business day.

(i) “Weighted Average Price” means, for any security as of any date, (i) the dollar-volume weighted-average price for such security on the Principal Market during the period beginning at 9:30 a.m., New York City time, and ending at 4:00 p.m., New York City time, as reported by Bloomberg or (ii) if the foregoing does not apply, the dollar-volume weighted-average price of such security in the over-the-counter market for such security during the period beginning at 9:30 a.m., New York City time, and ending at 4:00 p.m., New York City time, as reported by Bloomberg, or (iii) if no dollar-volume weighted-average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in OTC Markets. If the Weighted Average Price cannot be calculated for such security on such date on any of the foregoing bases, the Weighted Average Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved pursuant to Section 12 with the term “Weighted Average Price” being substituted for the term “Exercise Price.” All such determinations shall be appropriately adjusted for any share dividend, share split or other similar transaction during such period.

* * * * *

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Common Stock to be duly executed as of the date indicated above.

CREATIVE REALITIES, INC.

JOHN WALPUCK
Chief Executive Officer

EXHIBIT A

**FORM OF
EXERCISE NOTICE**

(To be executed by the registered holder to exercise this Warrant to Purchase Common Stock)

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the shares of Common Stock ("Warrant Shares") of Creative Realities, Inc., a Minnesota corporation (the "Company"), evidenced by the attached copy of the Warrant to Purchase Common Stock (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

a cash exercise with respect to _____ Warrant Shares; and/or

a "Cashless Exercise" with respect to _____ Warrant Shares.

2. Payment of Exercise Price. In the event that the holder has elected to exercise some or all of the Warrant Shares to be issued pursuant hereto, the holder shall pay the Aggregate Exercise Price in the sum of \$ _____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Date: _____

(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

**FORM OF
ASSIGNMENT OF WARRANT**

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ shares of common stock of Creative Realities, Inc., to which the within Warrant to Purchase Common Stock relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Creative Realities, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

(Signature) *

(Name)

(Address)

(Social Security or Tax Ident. No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Warrant to Purchase Common Stock in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

AMENDED AND RESTATED SECURITY AGREEMENT

THIS AMENDED AND RESTATED SECURITY AGREEMENT (this "Agreement") is entered into as of December [●], 2015, by and among Creative Realities, Inc., a Minnesota corporation (the "Company"), those subsidiaries of the Company signatory hereto (collectively referred to with the Company as the "Obligors"), and [] as "Purchaser" (each such Purchaser referred to hereinafter as a "Secured Party") under those certain Securities Purchase Agreements by and among each such Purchaser and the Company, dated on or about October 15, 2015 and of even date herewith (or other dates, if in substantially similar form, and collectively referred to as the "Securities Purchase Agreement"). Capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to them in the Securities Purchase Agreement.

NOW, THEREFORE, the Obligors agree with Secured Party as follows:

1. Definitions. All terms defined in the Uniform Commercial Code of the State of Minnesota (the "UCC") and used herein, unless otherwise defined herein, shall have the same definitions herein as specified in the UCC.
2. Security Interest. Each Obligor hereby grants Secured Party a security interest in its accounts receivable, whether now owned or hereafter acquired or arising, including all proceeds of such accounts receivable (collectively, the "Receivables Collateral"), and all property and assets and interest in the property and assets of the Obligors whether now owned or hereafter acquired or existing, and wherever located including but not limited to the following (each of the following terms having the meanings set forth in the UCC): all Accounts, Chattel Paper, Contracts, Goods, Deposit Accounts, Documents, Equipment, Equity Interests, Fixtures, General Intangibles (including, without limitation, any patents and patent applications, copyrights and trademarks), Instruments, Inventory, Investment Property and Proceeds of such Obligor (all such assets being collectively referred to, together with the Receivables Collateral, as the "Collateral").
3. Obligations Secured. The security interest granted in this Agreement shall secure all of the obligations of the Obligors under the Notes offered and sold to the Secured Parties pursuant to the Securities Purchase Agreement, and all extensions, renewals or modifications thereof.
4. Authorization to File Financing Statements. Each Obligor hereby irrevocably authorizes Secured Parties at any time and from time to time to file in such form and in such offices as the Secured Parties reasonably determine appropriate to perfect the security interests granted hereunder any initial financing statements and amendments thereto (and continuations thereof) that (a) indicate the Collateral of the Obligor, and (b) contain any other information required by Article 9 of the UCC or its equivalent in any foreign jurisdiction. The Obligors agree to furnish any such information to Secured Party promptly upon request. Upon the written request of a Secured Party, the Obligors will cause to be filed a UCC-1 financing statement describing the Collateral and naming Secured Party (and all other Secured Parties).

5. Ownership. Each Obligor represents and warrants that it owns and, to the extent that the Collateral is to be acquired after the date hereof, will own, the Collateral free from encumbrance, except any encumbrances shown on Schedule 1 (“Permitted Encumbrances”). The Obligors will defend the Collateral against all claims of all persons at any time claiming the Collateral or any interest in the Collateral, except Secured Parties and the parties whose obligations are secured by the Permitted Encumbrances.

6. Representations, Warranties and Covenants Concerning Collateral. The Obligors represent and warrant that no financing statement covering the Collateral is on file in any public office except those for Permitted Encumbrances. Each Obligor further warrants that (a) its exact legal name is as stated on the signature page of this Agreement, (b) it is an organization duly incorporated and organized in the jurisdiction indicated on the signature page of this Agreement, and (c) its place(s) of business, its chief executive office and its mailing address, are set forth on the signature page of this Agreement. Each Obligor agrees that it will not change its name, any place of business, any location of its collateral, its mailing address or its chief executive office without giving at least ten days prior written notice to each Secured Party. The Collateral is and will remain personal property. Each Obligor hereby appoints the Secured Parties as its attorneys-in-fact to do all acts and things which Secured Party may deem necessary to perfect and to continue perfected the security interest created hereby and to protect and to preserve the Collateral.

7. Other Actions as to Collateral. The Obligors agree to take any other action reasonably requested by the Secured Parties to ensure the attachment, perfection and priority of, and the ability of Secured Party to enforce, Secured Party’s security interest in any and all of the Collateral.

8. Inspection and Taxes. The Obligors will at all reasonable times during normal business hours allow Secured Party and their agents, employees, attorneys or accountants to examine, inspect and make extracts from the Obligors’ books and other records. Each Obligor will pay when due all taxes and assessments on the Collateral that it owns.

9. Costs. The Company agrees to pay all reasonable out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including without limitation, any financing statements pursuant to the UCC or similar laws, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by the Secured Parties. If the Company fails to perform any of its duties hereunder, Secured Parties may, but shall not be required to, do so on the Company’s behalf. If the Obligors default under this Agreement, then the Obligors will pay the costs, including the reasonable actual attorneys’ fees, of Secured Parties incurred in enforcing this Agreement. Any amounts expended by Secured Parties in performing the duties of the Obligors or enforcing this Agreement shall be payable by the Obligors to Secured Parties on demand.

10. Default. The Company will be in default under this Agreement upon the happening of any of the following events (each a “Default”): (a) an Obligor’s failure to perform when due any of the obligations hereunder required to be performed by it (after giving effect to any applicable cure period set forth herein); (b) the occurrence of any “Event of Default” as defined in the Notes; or (c) any representation or warranty made by the Obligors herein or in the Securities Purchase Agreement is false or misleading in any material respect.

11. Remedies. At any time during the continuance of a Default, any Secured Party may declare any or all monetary obligations under the Notes due and payable, and shall have the remedies of a secured party under the Uniform Commercial Code. Secured Parties may take possession of the Collateral with or without judicial process. Secured Parties may require the Obligors to assemble the Collateral and make it available to Secured Parties. Secured Parties will give the Obligors reasonable notice of the time that any intended sale or disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if the notice is mailed, postage prepaid, to the applicable Obligor at least 20 calendar days before the time of the sale or disposition.

12. No Waivers. No waiver by Secured Parties of any Default shall operate as a waiver of any other Default or of the same Default on a future occasion. The acceptance of this Agreement will not waive or impair any other security that a Secured Party may have or hereafter acquire for the obligations secured hereunder, nor will the taking of any additional security waive or impair the rights granted in this Agreement. Secured Parties may resort to any security they may have in any order they deem proper, and may apply any payments made on any part of the obligations secured hereunder to any part of such obligations, despite any directions of any Obligor to the contrary. No delay or omission of the Secured Parties to exercise, and no course of dealing with respect to, any right, power or remedy accruing upon the occurrence and during the continuance of any Default as aforesaid shall impair any such right, power or remedy or shall be construed to be a waiver of any such Default or an acquiescence therein. The Secured Parties may waive the obligation of the Obligors to perform covenants under this Agreement, and may waive Defaults under this Agreement (including approving forbearances).

13. Governing Law; Binding Effect. This Agreement shall be governed by the laws of the State of New York without regard to its conflicts-of-law principles, and shall inure to the benefit of, and bind, Secured Parties and the Obligors and their respective successors and assigns. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in New York, New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in New York, New York, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding, subject however, to the Consent to Jurisdiction provision of section 15 below. No provision of this Agreement shall be amended or modified other than by a written instrument that refers to this Agreement and is signed by or on behalf of Secured Parties.

14. Termination. This Agreement shall terminate upon the indefeasible satisfaction and payment of all obligations owed to Secured Parties by the Company under the Notes in full in cash, but shall automatically be reinstated with no further action by any party hereto, in the event any such payment is or is ordered to be returned by a Secured Party for any reason whatsoever, including without limitation the insolvency, bankruptcy or reorganization of the Company, in which case the Obligors shall sign and deliver to any Secured Party all documents, and shall do such other acts and things, as may be necessary to reinstate and perfect such Secured Party's security interest granted under this Agreement.

15. Consent to Jurisdiction. AT THE OPTION OF SECURED PARTY THIS AGREEMENT MAY BE ENFORCED IN ANY FEDERAL OR STATE COURT SITTING IN NEW YORK, NEW YORK, OR IN ANY OTHER JURISDICTION WHERE THE COLLATERAL IS LOCATED; AND EACH PARTY CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT ANY PARTY COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS AGREEMENT, SECURED PARTY AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES ABOVE DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

16. Intercreditor. Notwithstanding the date, manner, order of grant, attachment or perfection of liens securing the secured obligations described in Section 3 of this Agreement, and notwithstanding any provision of the UCC or any applicable law, or any other circumstances whatsoever, each Secured Party hereby agrees that they shall be *pari passu*, as among each other and in all respects, with respect to the liens granted and documented hereunder and the right to Collateral under this Agreement; and no lien in or against the Collateral in favor of any Secured Party under this Agreement shall have priority over any other lien in or against the Collateral in favor of any other Secured Party under this Agreement. Each Secured Party agrees that they shall not (and hereby waive any right to) contest or support any other person in contesting, in any proceeding, (A) the priority, validity or enforceability of any lien in or against the Collateral held by or on behalf of another Secured Party, or (B) the validity or enforceability of this Agreement.

17. Amendment and Restatement. This Agreement shall amend and supersede that certain Security Agreement dated October 15, 2015 by and between the Obligors and certain of the Secured Parties.

IN WITNESS WHEREOF, the undersigned parties have set their hands to this Amended and Restated Security Agreement to be effective as of the date first set forth above.

CREATIVE REALITIES, INC.

By: _____
John Walpuck
Chief Financial Officer

CREATIVE REALITIES, LLC

By: _____
John Walpuck
Chief Executive Officer

**WIRELESS RONIN TECHNOLOGIES
CANADA, INC.**

By: _____
John Walpuck
Chief Executive Officer

CONEXUS WORLD GLOBAL, LLC

By: _____
John Walpuck
Chief Financial Officer

OBLIGOR INFORMATION:

Obligor	Jurisdiction of Organization; Type of Organization	Address
Creative Realities, Inc.	Minnesota (corporation)	22 Audrey Place, Fairfield, NJ 07004
Creative Realities, LLC	Delaware (limited liability company)	22 Audrey Place, Fairfield, NJ 07004
Wireless Ronin Technologies Canada, Inc.	Canada (corporation)	4510 Rhodes Drive, Suite 800, Windsor, Ontario
Conexus World Global, LLC	Kentucky (limited liability company)	13100 Magisterial Drive, Suite 100, Louisville, KY 40223

**Schedule 1 to Security Agreement
Permitted Encumbrances**

UCC-1 in favor of Allied Affiliated Funding, L.P., perfecting security interest in all assets of the Company and its subsidiaries, securing indebtedness not in excess of \$3.0 million:

- Minnesota Filing No. 843628100353, filed September 24, 2015 (the Company is debtor)
- Delaware Filing No. 20154285580, filed September 24, 2015 (Creative Realities, LLC is debtor)
- Kentucky Filing No. 2015-2790504-75, filed September 24, 2015 (ConeXus World Global, LLC is debtor)

UCC-1 in favor of Dell Financial Services L.L.C. (Minnesota Filing No. 8070012801654, filed January 21, 2015), securing indebtedness of approximately \$45,000. Company is debtor on this UCC-1.

UCC-1 in favor of Slipstream Communications, LLC and Equity Trust Company, custodian FBO Leonid Frenkel IRA (Minnesota Filing No. 832862900029, filed July 10, 2015) (relating to earlier-issued Notes), securing indebtedness of \$981,250 in principal amount. Company is debtor on this UCC-1. Amendments to this UCC-1 are to be filed to add additional Secured Parties and indebtedness aggregating to \$950,000 for earlier issued Notes (the holders of which are Due North Consulting, LLC (\$500,000), Brio Capital Master Fund, LTD. (\$300,000), and RFK Communications, LLC (\$150,000)). Amendments will also be made to add any new Secured Parties purchasing “Notes” under the Securities Purchase Agreement.

UCC-1 in favor of Slipstream Communications, LLC and Equity Trust Company, custodian FBO of Leonid Frenkel IRA (Delaware Filing No. 2015 2985009, filed July 10, 2015) (relating to earlier-issued Notes), securing indebtedness of \$981,250 in principal amount. Creative Realities, LLC is debtor on this UCC-1. Amendments to this UCC-1 are to be filed to add additional Secured Parties and indebtedness aggregating to \$950,000 for earlier issued Notes (the holders of which are Due North Consulting, LLC (\$500,000), Brio Capital Master Fund, LTD. (\$300,000), and RFK Communications, LLC (\$150,000)). Amendments will also be made to add any new Secured Parties purchasing “Notes” under the Securities Purchase Agreement.

The two UCC-1 filings immediately above represent a second lien on all of the accounts receivable, and a first lien on all other assets, of the Company and its Subsidiaries. These liens are subordinated, however, to Allied Affiliated Funding, LP as disclosed above.

Wireless Ronin Technologies (Canada), Inc. (as debtor):

- File No. 664088715, Secured Party: CIT Financial Ltd. Collateral: Copiers and Printers
 - File No. 689111091, Secured Party: CIT Financial Ltd. Collateral: Photocopiers
 - File No. 707935761, Secured Party: Slipstream Communications, LLC and Equity Trust Company as Custodian FBO Leonid Frenkel IRA
Collateral: Accounts Receivable
-

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this “Agreement”) is made and entered into as of December [●], 2015, between Creative Realities, Inc., a Minnesota corporation (the “Company”), and each of the several purchasers signatory hereto (each such purchaser, a “Purchaser” and, collectively, the “Purchasers”). This Agreement is made pursuant to the Securities Purchase Agreement, dated as of the date hereof, between the Company and each Purchaser (collectively referred to, together with all other Securities Purchase Agreements in substantially similar form, as the “Purchase Agreement”). The Company and each Purchaser hereby agrees as follows:

1. Definitions.

Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

“Advice” shall have the meaning set forth in Section 6(d).

“Effectiveness Date” means, with respect to the Initial Registration Statement required to be filed hereunder, the 135th calendar day following the date hereof, and with respect to any additional Registration Statements which may be required pursuant to Section 2(c) or Section 3(c), the 135th calendar day following the date on which an additional Registration Statement is required to be filed hereunder.

“Effectiveness Period” shall have the meaning set forth in Section 2(a).

“Filing Date” means, with respect to the Initial Registration Statement required hereunder, the 45th calendar day following the date hereof, and with respect to any additional Registration Statements which may be required pursuant to Section 2(c) or Section 3(c), a date on which the Company is permitted by SEC Guidance to file such additional Registration Statement related to the Registrable Securities.

“Holder” or “Holders” means the holder or holders, as the case may be, from time to time of Registrable Securities.

“Indemnified Party” shall have the meaning set forth in Section 5(c).

“Indemnifying Party” shall have the meaning set forth in Section 5(c).

“Initial Registration Statement” means the initial Registration Statement filed pursuant to this Agreement.

“Losses” shall have the meaning set forth in Section 5(a).

“Plan of Distribution” shall have the meaning set forth in Section 2(a).

“Prospectus” means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated by the Commission pursuant to the Securities Act of 1933, as amended (the “Securities Act”), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

“Registrable Securities” means, as of any date of determination, (a) all Conversion Shares then issued and issuable upon conversion of the Notes (including additional Notes issued pursuant to the Purchase Agreement), (b) all Warrant Shares then issued and issuable upon exercise of the Warrants, (c) any additional shares of Common Stock issued and issuable in connection with any anti-dilution provisions in the Notes or the Warrants (in each case, without giving effect to any limitations on conversion set forth in the Notes or limitations on exercise set forth in the Warrants) and (d) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such Registrable Securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as (a) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the Commission under the Securities Act and such Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (b) such Registrable Securities have been previously sold in accordance with Rule 144, or (c) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the transfer agent for the Company’s Common Stock and the affected Holders (assuming that such securities and any securities issuable upon exercise, conversion or exchange of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company, and all Warrants are exercised by “cashless exercise” as provided in Section 1(c) of each of the Warrants), as reasonably determined by the Company, upon the advice of counsel to the Company.

“Registration Statement” means any registration statement required to be filed hereunder pursuant to Section 2(a) and any additional registration statements contemplated by Section 2(c) or Section 3(c), including (in each case) the Prospectus, amendments and supplements to any such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

“Rule 415” means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“Rule 424” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“Selling Shareholder Questionnaire” shall have the meaning set forth in Section 3(a).

“SEC Guidance” means (i) any publicly available written or oral guidance of the Commission staff, or any comments, requirements or requests of the Commission staff and (ii) the Securities Act.

2. Initial Registration .

(a) On or prior to the Filing Date, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415. The Registration Statement filed hereunder shall be on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form in accordance herewith, subject to the provisions of Section 2(d) and shall contain (unless otherwise directed by at least 85% in interest of the Holders not otherwise affiliated with the Company) substantially the “Plan of Distribution” attached hereto as Annex A. Subject to the terms of this Agreement, the Company shall use its commercially reasonable efforts to cause a Registration Statement filed under this Agreement (including, without limitation, under Section 3(c)) to be declared effective under the Securities Act as promptly as possible after the filing thereof, but in any event no later than the applicable Effectiveness Date, and shall use its best efforts to keep such Registration Statement continuously effective under the Securities Act until all Registrable Securities covered by such Registration Statement (i) have been sold, thereunder or pursuant to Rule 144, or (ii) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the transfer agent for the Company’s Common Stock and the affected Holders (the “Effectiveness Period”). The Company shall telephonically request effectiveness of a Registration Statement as of 5:00 p.m. Eastern Time on a Trading Day. The Company shall, by 9:30 a.m. Eastern Time on the Trading Day after the effective date of such Registration Statement, file a final Prospectus with the Commission as required by Rule 424.

(b) Notwithstanding the registration obligations set forth in Section 2(a), if the Commission informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the Initial Registration Statement as required by the Commission, covering the maximum number of Registrable Securities permitted to be registered by the Commission, on Form S-3 or such other form available to register for resale the Registrable Securities as a secondary offering, subject to the provisions of Section 2(d) with respect to filing on Form S-3 or other appropriate form.

(c) Notwithstanding any other provision of this Agreement, if the Commission or any SEC Guidance sets forth a limitation on the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the Commission for the registration of all or a greater portion of Registrable Securities), unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on such Registration Statement will be reduced as follows:

- a. First, the Company shall reduce or eliminate any securities to be included by any Person other than a Holder;
- b. Second, the Company shall reduce Registrable Securities represented by Warrant Shares (applied, in the case that some Warrant Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered Warrant Shares held by such Holders); and
- c. Third, the Company shall reduce Registrable Securities represented by Conversion Shares (applied, in the case that some Conversion Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered Conversion Shares held by such Holders).

In the event of a cutback hereunder, the Company shall give the Holder at least five Trading Days prior written notice along with the calculations as to such Holder's allotment. In the event the Company amends the Initial Registration Statement in accordance with the foregoing, the Company will use its commercially reasonable efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form S-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended.

(d) If Form S-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall (i) register the resale of the Registrable Securities on another appropriate form and (ii) undertake to register the Registrable Securities on Form S-3 as soon as such form is available, provided that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form S-3 covering the Registrable Securities has been declared effective by the Commission.

3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not less than five Trading Days prior to the filing of each Registration Statement and not less than one Trading Day prior to the filing of any related Prospectus or any amendment or supplement thereto (including any document that would be incorporated or deemed to be incorporated therein by reference), the Company shall (i) furnish to each Holder copies of all such documents proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the review of such Holders, and (ii) cause its officers and directors, counsel and independent registered public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of respective counsel to each Holder, to conduct a reasonable investigation within the meaning of the Securities Act. Notwithstanding the above, the Company shall not be obligated to provide the Holders advance copies of any universal shelf registration statement registering securities in addition to those required hereunder, or any Prospectus prepared thereto. The Company shall not file a Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Holders of a majority of the Registrable Securities not otherwise affiliated with the Company shall reasonably object in good faith, provided that, the Company is notified of such objection in writing no later than five Trading Days after the Holders have been so furnished copies of a Registration Statement or one Trading Day after the Holders have been so furnished copies of any related Prospectus or amendments or supplements thereto. Each Holder agrees to furnish to the Company a completed questionnaire in the form attached to this Agreement as Annex B (a "Selling Shareholder Questionnaire") on a date that is not less than two Trading Days prior to the Filing Date or by the end of the fourth Trading Day following the date on which such Holder receives draft materials in accordance with this Section.

(b) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to a Registration Statement and the Prospectus used in connection therewith as may be necessary to keep a Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities, (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424, (iii) respond as promptly as reasonably possible to any comments received from the Commission with respect to a Registration Statement or any amendment thereto and provide as promptly as reasonably possible to the Holders true and complete copies of all correspondence from and to the Commission relating to a Registration Statement (provided that, the Company shall excise any information contained therein which would constitute material non-public information regarding the Company or any of its Subsidiaries), and (iv) comply in all material respects with the applicable provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period in accordance (subject to the terms of this Agreement) with the intended methods of disposition by the Holders thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented.

(c) If during the Effectiveness Period, the number of Registrable Securities at any time exceeds 100% of the number of shares of Common Stock then registered in a Registration Statement, then the Company shall file as soon as reasonably practicable an additional Registration Statement covering the resale by the Holders of not less than the number of such Registrable Securities.

(d) Notify the Holders of Registrable Securities to be sold (which notice shall, pursuant to clauses (iii) through (vi) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) as promptly as reasonably possible (and, in the case of (i)(A) below, not less than one Trading Day prior to such filing) and (if requested by any such Person) confirm such notice in writing no later than one Trading Day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed, (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement, and (C) with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information, (iii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose, (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a Registration Statement, Prospectus or other documents so that, in the case of a Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (vi) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus, provided, however, in no event shall any such notice contain any information which would constitute material, non-public information regarding the Company or any of its Subsidiaries.

(e) Use its best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(f) Furnish to each Holder, without charge, at least one conformed copy of each such Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference to the extent requested by such Person, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that any such item which is available on the EDGAR system (or successor thereto) need not be furnished in physical form.

(g) Subject to the terms of this Agreement, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section 3(d).

(h) The Company shall cooperate with any broker-dealer through which a Holder proposes to resell its Registrable Securities in effecting a filing with the FINRA Corporate Financing Department pursuant to FINRA Rule 5110, as requested by any such Holder, and the Company shall pay the filing fee required by such filing within two Business Days of request therefor.

(i) Prior to any resale of Registrable Securities by a Holder, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the Registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or state securities laws (i.e. Blue Sky laws) of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that, the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(j) If requested by a Holder, cooperate with such Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to a Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request.

(k) Upon the occurrence of any event contemplated by Section 3(d), as promptly as reasonably possible under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its shareholders of the premature disclosure of such event, prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither a Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with clauses (iii) through (vi) of Section 3(d) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall suspend use of such Prospectus. The Company will use its best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company shall be entitled to exercise its right under this Section 3(k) to suspend the availability of a Registration Statement and Prospectus for a period not to exceed 60 calendar days (which need not be consecutive days) in any 12-month period.

(l) Comply with all applicable rules and regulations of the Commission.

(m) The Company shall use its commercially reasonable efforts to maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of Registrable Securities, if eligible.

(n) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and, if required by the Commission, the natural persons thereof that have voting and dispositive control over the shares. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of the Registrable Securities solely because any Holder fails to furnish such information within three Trading Days of the Company's request, any liquidated damages that are accruing at such time as to such Holder only shall be tolled and any event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

4. Registration Expenses. All fees and expenses incident to the performance of or compliance with, this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel and independent registered public accountants) (A) with respect to filings made with the Commission, (B) with respect to filings required to be made with any national securities exchange on which the Common Stock is then listed for trading, (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities) and (D) if not previously paid by the Company in connection with an Issuer Filing, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions of any Holder or, except to the extent provided for in the Transaction Documents, any legal fees or other costs of the Holders.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, shareholders, partners, agents and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose) or (ii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in Section 6(d), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified person and shall survive the transfer of any Registrable Securities by any of the Holders in accordance with Section 6(h).

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based solely upon: (x) such Holder's failure to comply with any applicable prospectus delivery requirements of the Securities Act through no fault of the Company or (y) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder to the Company expressly for inclusion in such Registration Statement or such Prospectus or (ii) to the extent, but only to the extent, that such information relates to such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement (it being understood that the Holder has approved Annex A hereto for this purpose), such Prospectus or in any amendment or supplement thereto or (iii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), to the extent, but only to the extent, related to the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in Section 6(d), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. In no event shall the liability of any selling Holder under this Section 5(b) be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an “Indemnified Party”), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the “Indemnifying Party”) in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that, the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have materially and adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses, (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding, or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and counsel to the Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten Trading Days of written notice thereof to the Indemnifying Party; provided, that, the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) not to be entitled to indemnification hereunder.

(d) Contribution. If the indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 5(d), no Holder shall be required to contribute pursuant to this Section 5(d), in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. Each of the Company and each Holder agrees that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(b) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to a Registration Statement.

(c) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(d)(iii) through (vi), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (“Advice”) by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company will use its best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable.

(d) Piggy-Back Registrations. If, at any time during the Effectiveness Period, there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company’s stock option or other employee benefit plans, then the Company shall deliver to each Holder a written notice of such determination and, if within fifteen days after the date of the delivery of such notice, any such Holder shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Holder requests to be registered; provided, however, that the Company shall not be required to register any Registrable Securities pursuant to this Section 6(e) that are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Commission pursuant to the Securities Act or that are the subject of a then effective Registration Statement.

(e) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of at least a majority of the then outstanding Registrable Securities not held by persons otherwise affiliated with the Company (for purposes of clarification, this includes any Registrable Securities issuable upon exercise or conversion of any Security, but shall be understood to exclude all Registrable Securities, if any, held by affiliates of the Company). If a Registration Statement does not register all of the Registrable Securities pursuant to a waiver or amendment done in compliance with the previous sentence, then the number of Registrable Securities to be registered for each Holder shall be reduced pro rata among all Holders and each Holder shall have the right to designate which of its Registrable Securities shall be omitted from such Registration Statement. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder or some Holders and that does not directly or indirectly affect the rights of other Holders may be given only by such Holder or Holders of all of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the first sentence of this Section 6(f). No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

(f) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement.

(g) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign (except by merger) its rights or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under Section 5.7 of the Purchase Agreement.

(h) Execution and Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

(i) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(j) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(k) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(l) Headings. The headings in this Agreement are for convenience only, do not constitute a part of the Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(m) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Holders are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by this Agreement or any other matters, and the Company acknowledges that the Holders are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or transactions. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained was solely in the control of the Company, not the action or decision of any Holder, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Holder. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Holder, solely, and not between the Company and the Holders collectively and not between and among Holders.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

CREATIVE REALTIES, INC.

By: _____
Name:
Title:

[SIGNATURE PAGE OF HOLDERS FOLLOWS]

[SIGNATURE PAGE OF HOLDERS OF
SECURED CONVERTIBLE PROMISSORY NOTES]

Name of Holder: _____

Signature of Authorized Signatory of Holder: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

[SIGNATURE PAGES CONTINUE]

Plan of Distribution

Each Selling Shareholder (the “Selling Shareholders”) of the securities and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the OTC Bulletin Board or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Shareholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- in transactions through broker-dealers that agree with the Selling Shareholders to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Shareholders may also sell securities under Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Shareholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Shareholders (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the Selling Shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Shareholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Shareholders holders and any broker-dealers or agents that are involved in selling the securities may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Shareholders has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities.

The Company is required to pay certain fees and expenses incurred by the Company incident to the registration of the securities. The Company has agreed to indemnify the Selling Shareholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Because Selling Shareholders may be deemed to be “underwriters” within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. The Selling Shareholders have advised us that there is no underwriter or coordinating broker acting in connection with the proposed sale of the resale securities by the Selling Shareholders.

We agreed to keep this prospectus effective until the earlier of (i) all securities covered by this prospectus have been sold, thereunder or pursuant to Rule 144, or (ii) all securities covered by this prospectus may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter to such effect. The resale securities will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale securities covered hereby may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Shareholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of securities of the common stock by the Selling Shareholders or any other person. We will make copies of this prospectus available to the Selling Shareholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

CREATIVE REALITIES, INC.

Selling Shareholder Notice and Questionnaire

The undersigned beneficial owner of common shares issuable upon conversion of Secured Convertible Promissory Notes and common shares issuable upon the exercise of related warrants issued simultaneously with the Secured Convertible Promissory Notes (the “Registrable Securities”) of Creative Realities, Inc., a Minnesota corporation (the “Company”), understands that the Company has filed or intends to file with the Securities and Exchange Commission (the “Commission”) a registration statement (the “Registration Statement”) for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the “Securities Act”), of the Registrable Securities, in accordance with the terms of the Registration Rights Agreement (the “Registration Rights Agreement”) to which this document is annexed. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

Certain legal consequences arise from being named as a selling shareholder in the Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling shareholder in the Registration Statement and the related prospectus.

NOTICE

The undersigned beneficial owner (the “Selling Shareholder”) of Registrable Securities hereby elects to include the Registrable Securities owned by it in the Registration Statement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate:

QUESTIONNAIRE

1. Name.

(a) Full Legal Name of Selling Shareholder

(b) Full Legal Name of Registered Holder (if not the same as (a) above) through which Registrable Securities are held:

(c) Full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by this Questionnaire):

2. Address for Notices to Selling Shareholder:

Telephone: _____

Fax: _____

Contact Person: _____

3. Broker-Dealer Status:

(a) Are you a broker-dealer?

Yes No

(b) If "yes" to Section 3(a), did you receive your Registrable Securities as compensation for investment banking services to the Company?

Yes No

Note: If "no" to Section 3(b), the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

(c) Are you an affiliate of a broker-dealer?

Yes No

(d) If you are an affiliate of a broker-dealer, do you certify that you purchased the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes No

Note: If "no" to Section 3(d), the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

4. Beneficial Ownership of Securities of the Company Owned by the Selling Shareholder.

Except as set forth below in this Item 4, the undersigned is not the beneficial or registered owner of any securities of the Company other than the securities issuable pursuant to the Purchase Agreement.

(a) Type and Amount of other securities beneficially owned by the Selling Shareholders:

5. Relationships with the Company:

Except as set forth below, neither the undersigned nor any of its affiliates, officers, directors or principal equity holders (owners of 5% or more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

The undersigned agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Registration Statement remains effective.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 5 and the inclusion of such information in the Registration Statement and the related prospectus and any amendments or supplements thereto. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement and the related prospectus and any amendments or supplements thereto.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Date: _____

Beneficial Owner: _____

By: _____

Name:

Title:

PLEASE FAX A COPY (OR EMAIL A .PDF COPY) OF THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE, AND RETURN THE ORIGINAL BY OVERNIGHT MAIL, TO:

**c/o Creative Realities, Inc.
22 Audrey Place
Fairfield NJ 07004**

Email: alevy@cri.com and jwalpuck@cri.com

Our corporate structure, including our principal operating subsidiaries, is as follows:

Name of subsidiary	Jurisdiction of incorporation or organization
Creative Realities, LLC	Delaware
Wireless Ronin Technologies Canada, Inc.	Canada
Broadcast International, Inc.	Utah
ConeXus World Global, LLC	Kentucky

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-1 of Creative Realities, Inc. (formerly Creative Realities, LLC) (The Company) of our report dated May 7, 2015, relating to the consolidated financial statements included in the Company's annual report on Form 10-K for the years ended December 31, 2014 and 2013, and to the consent to the reference to our firm under the caption "Experts" in the Registration Statement on Form S-1.

/s/ Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota
February 11, 2016

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Registration Statement on Form S-1 of our report dated September 22, 2015, with respect to the Consolidated Balance Sheets of Conexus World Global, LLC and Affiliate as of December 31, 2014 and December 31, 2013, and the related Consolidated Statements of Income, Comprehensive Income, Changes in Members' Deficit, and Cash Flows. We also consent to the reference to us under the caption "Experts" in this Registration Statement.

/s/ Monroe Shine & Co., Inc.

New Albany, Indiana

February 11, 2016