

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) December 20, 2012

Revolution Lighting Technologies, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-23590
(Commission
File Number)

59-3046866
(IRS Employer
Identification No.)

124 Floyd Smith Drive, Suite 300, Charlotte, North Carolina
(Address of Principal Executive Offices)

28262
(Zip Code)

(704) 405-0416
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On December 20, 2012, Revolution Lighting Technologies, Inc. (“Revolution” or the “Company”) entered into an Investment Agreement (the “Investment Agreement”) with RVL 1 LLC (the “Investor”), an affiliate of Aston Capital, LLC, and closed the transactions contemplated by the Investment Agreement (the “Investment Closing”). The Company issued to the Investor 10,000 shares of the Company’s newly-created Series C Convertible Preferred Stock, \$.001 par value per share (the “Series C Stock”) in consideration of a cash payment of \$10 million (the “Investment”). The proceeds from the Investment are to be used to fund the Cash Consideration (as defined below), to pay fees and expenses in connection with the Investment Agreement and the Merger Agreement (as defined below), and for working capital purposes.

The Series C Stock shall initially be non-voting and non-convertible. The Series C Stock will become voting and convertible into shares of the Company’s common stock, \$.001 par value per share (the “Common Stock”) after the Company has complied with the requirements of Rule 14c-2 of the Securities Exchange Act of 1934, as amended with respect to the written consent of the stockholder of the Company, dated as of December 20, 2012, approving the issuance of Common Stock upon conversion of the Series C Preferred Stock pursuant to Nasdaq Listing Rule 5635 (the “Trigger Date”). From and after the Trigger Date, the Series C Stock will be convertible into Common Stock at a conversion price per share equal to \$0.6889, subject to certain anti-dilution adjustments (the “Conversion Price”).

From and after the Trigger Date, the Investor will have the right to appoint four members to the Company’s board of directors (the “Board”), with the size of the Board not to exceed seven members. The Investor’s right to appoint four directors will decline proportionately to take into account subsequent material reductions in the Investor’s ownership position in the Company. In addition, for so long as shares of Series C Stock are outstanding, the Company will be prohibited from taking certain actions specified in the Series C Certificate of Designations (as defined below) without the consent of the holders of at least a majority of the then outstanding shares of Series C Stock, including, among other things, authorization of additional shares of capital stock, increases in the size of the Board, declaration of dividends, consummation of certain business combination transactions, and incurrence of indebtedness and liens.

The Series C Stock will have a liquidation preference per share equal to the greater of (i) \$1,000 (subject to customary adjustments with respect to events affecting the Series C Stock) plus accrued but unpaid dividends and (ii) such amount as would have been received had the Series C Stock converted into Common Stock immediately prior to the liquidation.

In the event of a change in control of the Company or a merger or recapitalization in which the Series C Stock is converted into property or securities other than shares of Common Stock, the Series C Stock will be automatically converted into Common Stock at a premium of 150% (if such event occurs prior to December 20, 2017) or 125% (if such event occurs after December 20, 2017) of the Series C Stated Value in place immediately prior to such event. Furthermore, from and after December 20, 2017, if the trading price of a share of Common Stock exceeds 200% of the Conversion Price then in effect for any twenty (20) trading days in the immediately preceding thirty (30) consecutive trading day period, the Company shall have the right to automatically convert the Series C Stock into Common Stock at the Conversion Price.

Each share of Series C Stock shall be entitled to receive cumulative dividends payable at a rate per annum of 10% of the Series C Stated Value on the date of issuance (i.e. \$1,000). Such dividends shall be payable through the issuance of additional shares of Series C Stock on each anniversary of the date of issuance, shall not be paid in cash,

and will accrue and cumulate daily. Additionally, the Series C Stock shall share ratably on an as converted basis with the Common Stock in the payment of all other dividends and distributions.

In connection with the Investment, the Company entered into a Registration Rights Agreement Acknowledgement pursuant to which the Company acknowledged that the Registration Rights Agreement, disclosed in the Company's Current Report on Form 8-K filed with the SEC on September 26, 2012, which is applicable to shares of Common Stock issuable upon conversion of the existing Series B Convertible Preferred Stock, is also applicable to the shares of Common Stock issuable upon conversion of the Series C Stock.

The Investment Agreement was unanimously approved the Audit Committee of the Board.

The foregoing is a summary of the material terms of the Investment Agreement and the Series C Stock. Investors are encouraged to review the entire text of the Investment Agreement and the Series C Certificate of Designations, copies of which are filed as Exhibit 10.1 and Exhibit 3.1 to this Report, respectively and incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets

On December 20, 2012, the Company completed its previously announced acquisition (the "Merger") of Seesmart Technologies, Inc. ("Seesmart") pursuant to the terms of the Agreement and Plan of Merger, dated as of December 1, 2012 (the "Merger Agreement"), by and among Revolution, Seesmart Acquisition Company, Inc., a wholly-owned subsidiary of Revolution ("Merger Sub"), Seesmart Merger Company, LLC, a wholly-owned subsidiary of Revolution ("Merger Sub II"), Seesmart and Ken Ames as stockholder representative. Seesmart, headquartered in Simi Valley, California, is an LED solutions provider serving the commercial, industrial and institutional lighting markets.

The merger consideration consists of approximately (i) \$7.3 million in cash (the "Cash Consideration") and (ii) 5.5 million shares of Common Stock and 12,000 shares of the Company's newly-created Series D Convertible Preferred Stock (the "Series D Stock"), \$.001 par value per share (collectively, the "Stock Consideration"). The Cash Consideration was funded by the sale of Series C Stock to the Investor pursuant to the Investment Agreement. The disclosures under Item 1.01 are incorporated by reference in their entirety in this Item 2.01.

The Series D Stock is non-voting and shall initially be non-convertible. The Series D Stock will be automatically converted into Common Stock on the Trigger Date at a conversion price per share equal to the Series D Conversion Price (which is currently \$0.6959).

The foregoing is a summary of the material terms of the Merger, the Merger Agreement and the Series D Stock. Investors are encouraged to review the entire text of the Merger

Agreement and the Series D Certificate of Designations, copies of which are filed as Exhibit 2.1 to the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on December 6, 2012 and as Exhibit 3.2 to this Report, respectively and are incorporated herein by reference.

On December 20, 2012, Revolution issued a press release announcing the closing of the Merger Agreement and the Investment Agreement. A copy of the press release is furnished herewith as Exhibit 99.1

Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement

The disclosures under Item 2.01 are incorporated by reference in their entirety in this Item 2.04.

Pursuant to the Merger, Merger Sub II assumed a liability of approximately \$2,891,732 of principal and accumulated interest under unsecured convertible promissory notes issued by Seesmart (the "Convertible Notes"). Pursuant to the terms of the Convertible Notes, the Merger triggered the requirement to repay the Convertible Notes at a 120% premium to the principal amounts then outstanding, plus any outstanding interest. The Company has sufficient cash on hand to satisfy all obligations due under the Convertible Notes but will offer to exchange the Convertible Notes held by "accredited investors" within the meaning of Rule 506 of Regulation D for up to approximately 4,916,787 shares of Common Stock in a private placement transaction as contemplated by the Merger Agreement (the "Note Exchange").

Item 3.02 Unregistered Sales of Equity Securities

Reference is made to the disclosure set forth in Items 1.01, 2.01 and 2.04 above as to the Series C Stock issued to the Investor, the Stock Consideration issuable to the Seesmart Stockholders and the shares of Common Stock to be offered and issued to holders of the Convertible Notes. All shares to be issued pursuant to the Investment Agreement, the Merger Agreement and the Note Exchange will be issued in a private placement and without registration under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(2) of the Securities Act and Regulation D promulgated pursuant thereto ("Regulation D"). The exemption from registration pursuant to Regulation D will be based on, among other things, the receipt of certifications from each securityholder of Seesmart and each holder of Convertible Notes to receive Common Stock to the effect that such person is an "accredited investor" within the meaning of Rule 506 of Regulation D.

Item 3.03 Material Modification to Rights of Security Holders.

The disclosures under Items 1.01 and 2.01 are incorporated by reference in their entirety in this Item 3.03.

Pursuant to the Investment Agreement, the Company issued 10,000 shares of Series C Stock, the terms of which are more fully described in the Certificate of Designations with respect to the Series C Stock (the "Series C Certificate of Designations").

Pursuant to the Merger Agreement, the Company shall issue approximately 12,000 shares of Series D Stock, the terms of which are more fully described in the Certificate of Designations with respect to the Series D Stock (the "Series D Certificate of Designations")

The foregoing is a summary of the material terms of the Series C Stock and the Series D Stock. Investors are encouraged to review the entire text of the Series C Certificate of Designations and the Series D Certificate of Designations, copies of which are filed as Exhibit 3.1 and Exhibit 3.2 to this Report, respectively and are incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The disclosure under Item 3.03 is incorporated by reference in its entirety in this Item 5.03. On December 20, 2012, the Company filed the Series C Certificate of Designations and Series D Certificate of Designations with the Secretary of State of the State of Delaware establishing the rights, preferences, privileges and restrictions applicable to the Series C Stock and Series D Stock. Each of the Certificate of Designations became effective upon filing.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired. The Company intends to file the financial statements required by this Item by an amendment to this Report no later than 71 days after the date this initial report on Form 8-K must be filed.

(b) Pro Forma Financial Information. The Company intends to file the financial statements required by this Item by an amendment to this Report no later than 71 days after the date this initial report on Form 8-K must be filed.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
2.1	Agreement and Plan of Merger, dated as of December 1, 2012, by and among Revolution Lighting Technologies, Inc., Seesmart Acquisition Company, Inc., Seesmart Merger Company, LLC, Seesmart Technologies, Inc. and Ken Ames as stockholder representative (incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on December 6, 2012).
3.1	Certificate of Designations, Preferences and Rights of the Series C Convertible Preferred Stock of Revolution Lighting Technologies, Inc.
3.2	Certificate of Designations, Preferences and Rights of the Series D Convertible Preferred Stock of Revolution Lighting Technologies, Inc.
10.1	Investment Agreement, dated December 20, 2012, by and among Revolution Lighting Technologies, Inc. and RVL 1 LLC (incorporated by reference to Exhibit 1 to Schedule 13D, as filed by RVL 1 LLC with the Securities and Exchange Commission on December 26, 2012).
99.1	Press Release, dated December 20, 2012, regarding the Seesmart Merger and Investment Agreement.

SIGNATURES

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

December 27, 2012

REVOLUTION LIGHTING TECHNOLOGIES, INC.

/s/ Gary R. Langford

Name: Gary R. Langford

Title: Chief Financial Officer

EXHIBIT INDEX

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99.1	Press Release, dated December 20, 2012, regarding the Seesmart Merger and Investment Agreement.

**CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RIGHTS OF THE
SERIES C SENIOR CONVERTIBLE PREFERRED STOCK
OF
REVOLUTION LIGHTING TECHNOLOGIES, INC.**

Pursuant to Section 151 of the
Delaware General Corporation Law

Revolution Lighting Technologies, Inc. (the “**Corporation**”), a corporation organized and existing under the laws of the State of Delaware, hereby certifies that pursuant to the provisions of Section 151 of the Delaware General Corporation Law, its Board of Directors adopted the following resolutions, which resolutions remain in full force and effect as of the date hereof:

WHEREAS, the Board of Directors of the Corporation is authorized to fix by resolution the designation of preferred stock and the powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereof; and

WHEREAS, it is the desire of the Board of Directors of the Corporation, pursuant to its authority as aforesaid, to authorize and fix the terms of the preferred stock to be designated the Series C Convertible Preferred Stock of the Corporation and the number of shares constituting such preferred stock;

NOW, THEREFORE, BE IT RESOLVED, that the Corporation be, and hereby is, authorized to issue a new series of its preferred stock, par value \$0.001 per share, on the following terms and with the following designations, power, preferences and rights:

1. **CERTAIN DEFINITIONS.** Unless the context otherwise requires, when used herein the following terms shall have the meaning indicated.

“**Affiliate**” shall mean, in respect of any Person, any other Person that is directly or indirectly controlling, controlled by, or under common control with such Person or any of its Subsidiaries, and the term “**control**” (including the terms “controlled by” and “under common control with”) means having, directly or indirectly, the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities or by contract or otherwise.

“**Board**” shall mean the Board of Directors of the Corporation.

“**Business Combination**” shall mean (i) any reorganization, consolidation, merger, share exchange, business combination, recapitalization or similar transaction involving the Corporation (or any Subsidiary) with any Person or (ii) the sale, assignment, conveyance, transfer, lease or other disposition by the Corporation (or any Subsidiary) of all or substantially all of its assets (tangible or intangible).

“Business Day” shall mean any day other than a Saturday, Sunday or a day on which the banks in New York, New York are authorized by law or executive order to be closed.

“Common Stock” shall mean shares of common stock, par value \$0.001, of the Corporation.

“Common Stock Event” shall mean at any time after the date of the original issuance of shares of Series C Preferred Stock, (i) the issue by the Corporation of additional shares of Common Stock as a dividend or other distribution on outstanding Common Stock, (ii) a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) a combination of the outstanding shares of Common Stock into a smaller number of shares of Common Stock.

“Conversion Date” shall mean any Optional Conversion Date, Automatic Conversion Date or Liquidity Event Conversion Date.

“Dividend Payment Date” has the meaning set forth in Section 4 hereof.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Fair Market Value” shall mean an amount equal to the per share closing price of the Common Stock on the NASDAQ (or if the Common Stock is not then traded on the NASDAQ, on a similar national securities exchange or national quotation system) for the relevant determination date or, if the relevant determination date is not a Trading Day, on the Trading Day immediately prior to the relevant determination date (as reported on the website of the NASDAQ, or, if not reported thereby, any other authoritative source).

“Junior Securities” has the meaning set forth in Section 3 hereof.

“Liquidation Preference” has the meaning set forth in Section 5 hereof.

“Liquidity Event” shall mean any of the following events, unless in connection with any such transaction the holders of at least a majority of the then outstanding shares of Series C Preferred Stock vote as a class to not treat such event as a Liquidity Event:

(i) Any reorganization, consolidation, merger, share exchange, business combination, recapitalization or similar transaction or series of transactions, whether or not the Corporation is the surviving or continuing corporation in such transaction; provided that such transaction or series of related transactions shall not be a Liquidity Event if the stockholders of the Corporation immediately prior to such transaction or transactions will, immediately after such transaction or transactions (by virtue of securities issued as consideration for the transaction or otherwise) hold at least fifty percent (50%) of the voting power of the surviving, continuing or purchasing entity in substantially the same relative proportions as existed prior to such transaction or series of transactions;

(ii) Any merger, reorganization, consolidation or recapitalization transaction or series of transactions in which any shares of Series C Preferred Stock are converted into any other property or security other than shares of Common Stock;

(iii) Any Person or group (as defined in Rules 13d-3 and 13d-5 of the Securities Exchange Act of 1934, as amended) (other than RVL 1 LLC, a Delaware limited liability company, or any Affiliate thereof) shall become the beneficial owner (as so defined), directly or indirectly, of shares representing more than fifty percent (50%) of the aggregate voting power represented by the issued and outstanding capital stock of the Corporation; or

(iv) Any sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the assets (tangible or intangible) of the Corporation.

“**Liquidity Event Date**” shall mean the date on which a Liquidity Event occurs, is scheduled to occur or is reasonably expected to occur.

“**Liquidity Event Value**” shall mean, with respect to a Liquidity Event Date (i) before December 20, 2017, an amount equal to one hundred and fifty percent (150%) of the Series C Stated Value, and (ii) on or after December 20, 2017, an amount equal to one hundred and twenty-five percent (125%) of the Series C Stated Value.

“**NASDAQ**” shall mean the NASDAQ Stock Market.

“**Original Issue Date**” shall mean the date of the original issuance of shares of Series C Preferred Stock.

“**Parity Securities**” has the meaning set forth in Section 3 hereof.

“**Person**” shall mean an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

“**Rights or Options**” shall mean Convertible Securities, warrants, options or other rights to purchase or acquire shares of Common Stock or Convertible Securities.

“**Series C Conversion Price**” has the meaning set forth in Section 7 hereof.

“**Series C Dividend**” has the meaning set forth in Section 4 hereof.

“**Series C Stated Value**” shall mean, with respect to each share of Series C Preferred Stock, One Thousand Dollars (\$1000.00), which Series C Stated Value shall be subject to appropriate adjustment from time to time in the event of any stock dividend, stock split, reverse stock split, reclassification, stock combination or other recapitalization affecting the Series C Preferred Stock.

“**Series B Preferred Stock**” shall mean shares of Series B Preferred Stock, par value \$0.001, of the Corporation.

“**Share Threshold Conversion Date**” shall mean any day following December 20, 2017 on which the closing price of the Corporation’s shares of Common Stock that are then listed on the NASDAQ (or a similar national securities exchange or national quotation system) is in excess of the Threshold Price for any twenty (20) Trading Days in the immediately preceding thirty (30) consecutive Trading Day-period.

“**Subsidiary**” of a Person shall mean (i) a corporation, a majority of whose stock with voting power, under ordinary circumstances, to elect directors is at the time of determination, directly or indirectly, owned by such Person or by one or more Subsidiaries of such Person, or (ii) any other entity (other than a corporation) in which such Person or one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has at least a majority ownership interest.

“**Threshold Price**” means two hundred percent (200%) of the Series C Conversion Price then in effect.

“**Trading Day**” shall mean a day on which the NASDAQ, or if the Corporation’s shares of Common Stock cease to be quoted on the NASDAQ, the principal national securities exchange or national quotation system on which the Corporation’s securities are listed, is open for trading, and only includes those days that have a scheduled closing time of 4:00 p.m. (New York City time) or the then standard closing time for regular trading on the relevant exchange or quotation system.

“**Trigger Date**” has the meaning set forth in Section 6(b) hereof.

2. **NUMBER OF SHARES AND DESIGNATION.** Twenty-Five Thousand (25,000) shares of preferred stock of the Corporation shall constitute a series of preferred stock, par value \$0.001 per share, of the Corporation designated as Series C Convertible Preferred Stock (the “**Series C Preferred Stock**”). Each share of Series C Preferred Stock shall rank equally in all respects and shall be subject to the following provisions of this Certificate.

3. **RANK.** The Series C Preferred Stock shall, with respect to payment of dividends and rights (including as to the distribution of assets) upon liquidation, dissolution or winding up of the affairs of the Corporation rank (i) senior to all classes of Common Stock and to each other class of capital stock of the Corporation or series of preferred stock of the Corporation existing or hereafter created (including the Series B Preferred Stock), the terms of which do not expressly provide that it ranks senior to, or on a parity with, the Series C Preferred Stock as to dividend distributions and rights upon liquidation, winding-up and dissolution of the Corporation (collectively referred to herein as the “**Junior Securities**”), and (ii) on a parity with any class of capital stock of the Corporation or series of preferred stock of the Corporation hereafter created the terms of which expressly provide that such class or series will rank on a parity with the Series C Preferred Stock as to dividend distributions and rights upon liquidation, winding-up and dissolution (collectively referred to as “**Parity Securities**”). The respective definitions of Junior Securities and Parity Securities shall also include any rights or options exercisable or exchangeable for or convertible into any of the Junior Securities or Parity Securities, as the case may be.

4. **DIVIDENDS.**

Holders of shares of Series C Preferred Stock, in preference to the holders of shares of Series B Preferred Stock, Common Stock and any other capital stock of the Corporation ranking junior to the Series C Preferred Stock as to payment of dividends, shall be entitled to receive cumulative dividends on each outstanding share of Series C Preferred Stock (the “**Series C Dividend**”), payable at a rate per annum of ten percent (10%) of the Series C Stated Value on the Original Issue Date of each such share of Series C Preferred Stock. The Series C Dividend shall not be paid in cash, and will accrue and cumulate daily and be paid in kind through the issuance of such number of

shares of Series C Preferred Stock (rounded down to the nearest whole share with any fractional shares being issued in cash in an amount equal to the Series C Stated Value of such fractional share of Series C Preferred Stock) as would be convertible at the then applicable Series C Conversion Price into the number of shares of Common Stock determined by dividing the amount of the total accrued but unpaid dividends then outstanding on each such share of Series C Preferred Stock by the Average Closing Price. The Series C Dividend shall be payable from and including the Original Issue Date on each annual anniversary of the Original Issue Date (each such date, a “**Dividend Payment Date**”). Accrued but unpaid Series C Dividends shall not bear interest, or any sum of money in lieu of interest. “**Average Closing Price**” means an amount equal to the volume-weighted average (rounded to the nearest 1/10,000 or if there shall not be a nearest 1/10,000, to the next highest 1/10,000) of the daily volume-weighted average price of a share of Common Stock on any national securities exchange on which Common Stock is listed (as reported by Bloomberg Financial Markets) for the twenty (20) trading days ending with the trading day preceding the Dividend Payment Date.

(a) The amount of Series C Dividends payable for any period less than a full dividend period shall be determined on the basis of a 360-day year. Series C Dividends shall be paid to the holders of record of shares of Series C Preferred Stock as each appears in the stock register of the Corporation on the close of business on the Dividend Payment Date.

(b) Holders of shares of Series C Preferred Stock shall be entitled to participate equally and ratably with the holders of shares of Common Stock in all dividends and distributions paid (whether in the form of cash, securities, evidences of indebtedness, assets or otherwise, of the Corporation, any of its Subsidiaries or any other Person (or rights, options or warrants to subscribe for or acquire any of the foregoing)) on the shares of Common Stock as if immediately prior to each record date for the payment of dividends to the holders of shares of Common Stock, the shares of Series C Preferred Stock then outstanding were converted into shares of Common Stock (in the manner described in Section 7 below, but without regard to the limitations on conversion set forth in the last sentence of Section 7(a) below). Dividends or distributions payable pursuant to the preceding sentence shall be payable on the same date that such dividends or distributions are payable to holders of shares of Common Stock. Each such dividend or distribution shall be payable to the holders of record of shares of Series C Preferred Stock as they appear on the stock records of the Corporation at the close of business on the applicable record date, which shall be not more than sixty (60) days nor less than ten (10) days preceding the related dividend or distribution payment date, as shall be fixed by the Board.

(c) If there shall be any dividend or distribution in which holders of Series C Preferred Stock shall be entitled to participate pursuant to this Certificate, which is in the form of Common Stock or rights, options or warrants to subscribe for or acquire Common Stock, then such dividend or distribution shall instead be made to such holder in the form of Series C Preferred Stock with the number of shares of Series C Preferred Stock issuable in such dividend or distribution being equal to the number of shares of Series C Preferred Stock that would be convertible under Section 7 (but without regard to the limitations on conversion set forth in the last sentence of Section 7(a) below) into the number of shares of Common Stock that such holder would have received in such dividend or distribution, and, in the case of any such dividend or distribution that is in the form of rights, options or warrants to subscribe for or acquire Common Stock, a number of rights, options or warrants to subscribe for or acquire shares of Series C Preferred Stock (with (i)

such number of shares of Series C Preferred Stock being equal to the number of shares of Series C Preferred Stock that would be convertible under Section 7 (but without regard to the limitations on conversion set forth in the last sentence of Section 7(a) below) into the number of shares of Common Stock that such rights, options or warrants would have covered had such rights, options or warrants been to subscribe for or acquire Common Stock and (ii) such other terms of the rights, options or warrants (including exercise price and other terms) being such that such rights, option or warrants have equivalent economic and other terms as the rights, options or warrants to subscribe for or acquire Common Stock).

5. LIQUIDATION PREFERENCE.

(a) Liquidation Preference. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series C Preferred Stock then outstanding shall, with respect to each share of Series C Preferred Stock, be entitled to be paid in redemption of such share out of the assets of the Corporation available for distribution to its stockholders (“**Available Funds and Assets**”) an amount equal to the greater of (i) \$1000.00 per share of Series C Preferred Stock (which shall be subject to appropriate adjustment from time to time in the event of any stock dividend, stock split, reverse stock split, reclassification, stock combination or other recapitalization affecting the Series C Preferred Stock), before any distribution is made to holders of shares of Common Stock plus an amount equal to all dividends (whether or not earned or declared) accrued and unpaid thereon to the date of final distributions to such holders (the “**Liquidation Preference**”), and (ii) the amount that would have been received pursuant to Section 5(b) if such share of Series C Preferred Stock had been converted into Common Stock immediately prior to the date on which holders of Common Stock shall become entitled to such payment or distribution, without giving effect to the prior payment of any Liquidation Preference pursuant to this Section 5(a). If upon any liquidation, dissolution or winding up of the Corporation, the Available Funds and Assets shall be insufficient to permit the payment to holders of Series C Preferred Stock of the aggregate Liquidation Preference described in this Section 5(a), then the entire Available Funds and Assets shall be distributed among the holders of the then outstanding Series C Preferred Stock pro rata, according to the number of outstanding shares of Series C Preferred Stock held by each holder thereof.

(b) Remaining Assets. If there are any Available Funds and Assets remaining after the payment or distribution (or the setting aside for payment or distribution) to the holders of the Series C Preferred Stock of the Liquidation Preference described above in Section 5(a), then all such remaining Available Funds and Assets shall be distributed to the holders of Junior Securities (other than Common Stock) pursuant to their respective terms; and finally, pro rata among the holders of Common Stock according to the number of shares of Common Stock held by each holder thereof.

(c) Non-Cash Consideration. If any assets of the Corporation distributed to stockholders in connection with any liquidation, dissolution or winding up of the Corporation are in a form other than cash, then the value of such assets shall be their fair market value as determined by the Board in good faith, except that any securities to be distributed to stockholders in a liquidation, dissolution or winding up of the Corporation shall be valued as follows:

(i) The method of valuation of securities not subject to investment letter or other similar restrictions on free marketability shall be as follows:

(1) if the securities are then listed on NASDAQ or traded on a national securities exchange (or any national stock exchange or national quotation system), then the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the twenty (20) day period ending three (3) days prior to the distribution; and

(2) if (i) above does not apply but the securities are actively traded over-the-counter, then, unless otherwise specified in a definitive agreement for the acquisition of the Corporation, the value shall be deemed to be the average of the closing bid prices over the twenty (20) calendar day period ending three (3) trading days prior to the distribution; and

(3) if there is no active public market, then the value shall be the fair market value thereof, as determined in good faith by the Board.

(ii) The method of valuation of securities subject to investment letter or other restrictions on free marketability shall be to make an appropriate discount from the market value determined as above in subparagraphs (i)(1), (2) or (3) of this subsection to reflect the approximate fair market value thereof, as determined in good faith by the Board.

6. VOTING RIGHTS.

(a) Election of Directors. From and after the Trigger Date (as defined in Section 6(b) below), for so long as any holder of Series C Preferred Stock (the “**Series C Holder**”) (and/or any Affiliate thereof) holds outstanding shares of Series C Preferred Stock, Series B Preferred Stock and/or preferred stock convertible or exchangeable for shares of Common Stock, that, on an as-converted basis, together with any shares of Common Stock held by the Series C Holder (and/or any Affiliate thereof) represent the percentage (the “**Series C Preferred Stock Percentage**”) of the outstanding shares of Common Stock set forth below, after giving effect to the conversion into Common Stock of all outstanding shares of Series C Preferred Stock, Series B Preferred Stock and such preferred stock, such Series C Holder, exclusively and as a separate class, shall be entitled to elect the number of directors of the Corporation (the “**Series C Directors**”) opposite such percentage.

<u>Series C Preferred Stock Percentage</u>	<u>Series C Director(s)</u>
Fifty percent (50%) or more	4
Thirty percent (30%) or more, but less than fifty percent (50%)	3
Twenty percent (20%) or more, but less than thirty percent (30%)	2
Five percent (5%) or more, but less than twenty percent (20%)	1

In the event that the size of the board of directors is increased in accordance with Section 6(c)(iii) below, the Corporation and the holders of record of the shares of Series C Preferred Stock shall adjust the Series C Preferred Stock Percentages and the corresponding number of Series C Directors

as such parties shall determine to be appropriate. Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the Series C Holder, exclusively and as a separate class, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the Series C Holder fails to elect a sufficient number of directors to fill all directorships for which it is entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Section 6(a), then any directorship not so filled shall remain vacant until such time as the Series C Holder elects a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the Series C Holder, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Series C Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Section 6(a), a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Section 6(a).

(b) Protective Provisions. Except as otherwise provided herein or as required by applicable law, the holders of Series C Preferred Stock shall be entitled to vote on all matters on which the holders of Common Stock shall be entitled to vote, in the same manner and with the same effect as the holders of Common Stock, voting together with the holders of Common Stock as a single class. For purposes of this Section 6, the holders of Series C Preferred Stock shall be given notice of any meeting of stockholders as to which the holders of Common Stock are given notice in accordance with the by-laws of the Corporation. As to any matter on which the holders of Series C Preferred Stock shall be entitled to vote in accordance with the first sentence of this Section 6(b), each holder of Series C Preferred Stock shall have a number of votes per share of Series C Preferred Stock held of record by such holder on the record date for the meeting of stockholders, if such matter is subject to a vote at a meeting of stockholders, or on the effective date of any written consent, if such matter is subject to a written consent of the stockholders without a meeting of stockholders, equal to the number of shares of Common Stock into which such share of Series C Preferred Stock is then convertible on such record date or effective date, as the case may be, in accordance with Section 7 hereof; provided, however, that any holder of Series C Preferred Stock shall not be entitled to cast votes for the number of shares of Common Stock issuable upon conversion of such shares of Series C Preferred Stock held by such holder that exceeds the quotient of (x) the aggregate purchase price paid by such holder of Series C Preferred Stock for its shares of Series C Preferred Stock divided by (y) \$0.65 (i.e., the closing bid price of the Common Stock on the Trading Day immediately prior to the Original Issue Date). Notwithstanding the foregoing proviso, nothing herein shall restrict (i) any holder of Series C Preferred Stock from being entitled to vote at any meeting of stockholders of the Corporation or in any action by written consent of stockholders, any shares of Series C Preferred Stock on any matter on which the holders of Series C Preferred Stock are entitled to vote as a separate class or (ii) the right of any holder of Series C Preferred Stock to vote any outstanding shares of Common Stock, whether acquired upon conversion of the Series C Preferred Stock or otherwise. Notwithstanding anything in this Section 6(b) to the contrary, a holder of Series C Preferred Stock shall not be entitled to cast a vote for the

number of shares of Common Stock into which the shares of Series C Preferred Stock held by such holder is then convertible until (i) the issuance of such shares of Common Stock pursuant to Section 7 hereof has been approved by the stockholders of the Corporation in accordance with NASDAQ Listing Rule 5635 and (ii) the Corporation has complied with Rule 14c-2 of the Securities Exchange Act of 1934, as amended, in respect of such stockholder approval (such date, the “**Trigger Date**”).

(c) As long as shares of Series C Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote or written consent of at least a majority of the then outstanding shares of Series C Preferred Stock, directly or indirectly, take (and shall not permit any Subsidiary to take) any of the following actions or agree to take any of the following actions:

(i) amend, alter or repeal any of the provisions of the Corporation’s Restated Certificate of Incorporation or Bylaws or this Certificate of Designations, Preferences and Rights, or in any way change the preferences, privileges, rights or powers with respect to the Series C Preferred Stock or reclassify any class of stock, including, without limitation, by way of merger or consolidation;

(ii) authorize, create, designate, issue or sell any (A) class or series of capital stock (including shares of treasury stock), (B) rights, options, warrants or other securities convertible into or exercisable or exchangeable for capital stock or (C) any debt security which by its terms is convertible into or exchangeable for any capital stock or has any other equity feature or any security that is a combination of debt and equity, which capital stock, in each case, is senior to or pari passu with the Series C Preferred Stock;

(iii) increase the size of the board of directors to greater than seven (7) members;

(iv) increase or decrease the number of authorized shares of any class of capital stock of the Corporation;

(v) agree to any restriction on the Corporation’s ability to satisfy its obligations hereunder to holders of Series C Preferred Stock or the Corporation’s ability to honor the exercise of any rights of the holders of the Series C Preferred Stock;

(vi) directly or indirectly declare or pay any dividend or make any distribution (whether in cash, shares of capital stock of the Corporation, or other property) on shares of capital stock of the Corporation, or redeem, purchase or otherwise acquire for value (including through an exchange), or set apart money or other property for any mandatory purchase or analogous fund for the redemption, purchase or acquisition of any shares of capital stock of the Corporation (except with respect to the repurchase of shares of Common Stock held by employees, officers or directors of the Corporation, which has been approved by the Board);

(vii) consummate (A) a Business Combination which results in the stockholders of the Corporation (or any Subsidiary) owning less than fifty percent (50%) of the outstanding capital stock of the surviving entity; (B) the issuance and/or sale by the Corporation (or any Subsidiary) in one or a series of related transactions of shares of its common stock (or securities convertible or exchangeable into or exercisable for shares of its common stock) constituting a majority of the shares of common stock outstanding immediately following such issuance (treating

all securities convertible or exchangeable into or exercisable for shares of common stock as having been fully converted, exchanged and exercised); (C) any sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the assets (tangible or intangible) of the Corporation (or any Subsidiary) and (D) any other form of acquisition or business combination where the Corporation (or any Subsidiary) is the target of such acquisition and where a change in control occurs such that the Person(s) seeking to acquire the Corporation (or any Subsidiary) has the power to elect a majority of its board of directors as a result of the transaction (each such event an “**Acquisition**”) or enter into an agreement with respect to an Acquisition;

(viii) materially change the nature or scope of the business of the Corporation (or any Subsidiary);

(ix) consummate or agree to make any sale, transfer, assignment, pledge, lease, license or similar transaction by which the Corporation (or any Subsidiary) grants on an exclusive basis any rights to any of the Corporation’s (or any Subsidiary’s) intellectual property;

(x) create, incur, assume or suffer to exist, any lien, charge or other encumbrance on any of its (or any Subsidiary’s) properties or assets, other than liens of carriers, warehousemen, artisans, bailees, mechanics and materialmen incurred in the ordinary course of business securing sums not overdue;

(xi) approve the annual budget of the Corporation and/or any Subsidiary or any changes thereto;

(xii) incur any indebtedness for borrowed money (whether directly or indirectly through an Affiliate or otherwise) in excess of twenty-five thousand dollars (\$25,000) in one or a series of related transactions other than trade payables incurred in the ordinary course of business or indebtedness provided for in and consistent with the approved current annual budget;

(xiii) increase the compensation or benefits payable or to become payable to its directors or executive officers other than pursuant to the terms of any agreement as in effect prior to the date hereof;

(xiv) make any loans to its directors, officers or shareholders;

(xv) assume, endorse or become liable for or guaranty the obligations of any Person; or

(xvi) cancel any liability or debt owed to it, except for consideration equal to or exceeding the outstanding balance of such liability or debt, and in any event, in the ordinary course of business.

As to any of the matters set forth in clauses (i) - (xvi) above, each holder of Series C Preferred Stock shall have one vote for each share of Series C Preferred Stock held of record by such holder on the record date for the meeting of stockholders, if such matter is subject to a vote at a meeting of stockholders, or on the effective date of any written consent, if such matter is subject to a written consent of the stockholders without a meeting of stockholders.

7. CONVERSION.

(a) Optional Conversion. Subject to the terms and conditions of this Section 7 (including without limitation the last sentence of this Section 7(a)), the holder of any share or shares of Series C Preferred Stock shall have the right, at its option at any time, to convert any such shares of Series C Preferred Stock into such number of fully paid and nonassessable shares of Common Stock as is obtained by:

(i) multiplying the number of shares of Series C Preferred Stock to be converted by the Series C Stated Value; and (ii) dividing the result obtained pursuant to clause (i) above by the Series C Conversion Price then in effect. The date of such conversion (the “**Optional Conversion Date**”) shall be the date that such holder delivers written notice to the transfer agent for the Series C Preferred Stock (or at the principal offices of the Corporation if the Corporation serves as its own transfer agent), that such holder elects to convert such number of shares as is set forth in such notice. The “**Series C Conversion Price**” shall initially be \$0.6889, and shall be subject to adjustment as described in Section 7(d) hereof. Notwithstanding anything in this Section 7(a) to the contrary, a holder of Series C Preferred Stock shall not be entitled to convert its shares of Series C Preferred Stock into the number of shares of Common Stock into which such shares of Series C Preferred Stock held by such holder is then convertible until the Trigger Date.

(b) Automatic Conversion.

(i) Subject to the terms and conditions of this Section 7 (including without limitation the last sentence of this Section 7(b)(i)), from and after the Share Threshold Condition Date, the Corporation shall have the right, in accordance with the Conversion Notice delivered by the Corporation to all of the holders of Series C Preferred Stock, to convert all such shares of Series C Preferred Stock into such number of fully paid and nonassessable shares of Common Stock as is obtained by: (A) multiplying the number of shares of Series C Preferred Stock to be converted by the Series C Stated Value; and (B) dividing the result obtained pursuant to clause (A) above by the Series C Conversion Price then in effect; provided that the Corporation may exercise such right only by majority vote of the members of the Board not affiliated with the Series C Holder. The Corporation shall deliver written notice (the “**Conversion Notice**”) to the holders of Series C Preferred Stock at their addresses appearing on the books of the Corporation specifying the date of such automatic conversion (any such date, an “**Automatic Conversion Date**”), the applicable Series C Conversion Price and a calculation of the number of shares of Common Stock issuable upon such conversion. Notwithstanding anything in this Section 7(b)(i) to the contrary, the Corporation shall not be entitled to convert shares of Series C Preferred Stock into the number of shares of Common Stock into which such shares of Series C Preferred Stock are then convertible until the Trigger Date.

(ii) Subject to the terms and conditions of this Section 7 (including without limitation the last sentence of this Section 7(b)(ii)), on the date (or, to the extent applicable, the record date declared by the Board) (such date, the “**Liquidity Event Conversion Date**”) immediately prior to a Liquidity Event Date, all shares of Series C Preferred Stock shall automatically be converted into such number of fully paid and nonassessable shares of Common Stock as is obtained by: (A) multiplying the number of shares of Series C Preferred Stock to be converted by the applicable Liquidity Event Value; and (B) dividing the result obtained pursuant to clause (A) above by the Series C Conversion Price then in effect. Notwithstanding anything in this Section 7(b)(ii) to the contrary, the shares of Series C Preferred Stock shall not automatically convert into the number of shares of Common Stock into which such shares of Series C Preferred Stock are then convertible until the Trigger Date.

(c) Mechanics of Conversion.

(i) On the applicable Conversion Date: (A) the Person in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon conversion shall be deemed to have become the holder of record of the shares of Common Stock represented thereby at such time, and (B) the shares of Series C Preferred Stock so converted shall no longer be deemed to be outstanding, and all rights of a holder with respect to such shares shall immediately terminate except the right to receive the Common Stock and other amounts payable pursuant to this Section 7. All shares of Common Stock delivered upon conversion of the Series C Preferred Stock will, upon delivery, be duly and validly authorized and issued, fully paid and nonassessable, free from all preemptive rights and free from all taxes, liens, security interests and charges (other than liens or charges created by or imposed upon the holder or taxes in respect of any transfer occurring contemporaneously therewith).

(ii) Holders of shares of Series C Preferred Stock at the close of business on the record date for any payment of a dividend in which shares of Series C Preferred Stock are to participate pursuant to Section 4 hereof shall be entitled to receive the dividend payable on such shares on the corresponding dividend payment date notwithstanding the conversion thereof following such dividend payment record date and prior to such dividend payment date, and a holder of shares of Series C Preferred Stock on a dividend payment record date whose shares of Series C Preferred Stock have been converted pursuant to Section 7(a) or Section 7(b) into shares of Common Stock on such dividend payment date will receive the dividend payable by the Corporation on such shares of Series C Preferred Stock if and when paid, and the converting holder need not include payment of the amount of such dividend upon conversion of shares of Series C Preferred Stock pursuant to Section 7(a) or Section 7(b).

(iii) The Corporation will at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, solely for the purpose of effecting conversions of the Series C Preferred Stock, the aggregate number of shares of Common Stock issuable upon conversion of the Series C Preferred Stock (as if all shares of Series C Preferred Stock are so convertible). The Corporation will use its best efforts to procure, at its sole expense, the listing of all shares of Common Stock issuable upon conversion of Series C Preferred Stock, subject to issuance or notice of issuance, on the principal domestic stock exchange on which the Common Stock is then listed or traded; provided, that in no event shall the Corporation be required to redeem such shares or make any cash payments in respect of such shares or the conversion thereof if it is unable to procure such listing. The Corporation will take all action as may be necessary to ensure that all shares of Common Stock issuable upon conversion of Series C Preferred Stock will be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the shares of Common Stock are listed or traded.

(iv) Issuances of certificates for shares of Common Stock upon conversion of the Series C Preferred Stock shall be made without charge to the holder of shares of Series C Preferred Stock or any of its transferees for any issue or transfer tax or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Corporation.

(v) In connection with the conversion of any shares of Series C Preferred Stock, no fractions of shares of Common Stock shall be issued, but in lieu thereof the Corporation shall pay cash in respect of such fractional interest in an amount equal to such fractional interest multiplied by the Fair Market Value per share of Common Stock on the applicable Conversion Date.

(vi) The Corporation shall procure that each share of Common Stock issued as a result of conversion of Series C Preferred Stock shall be accompanied by any rights associated generally with each other share of Common Stock outstanding as of the applicable Conversion Date.

(d) Adjustments to Conversion Price. From and after the date of this Certificate, the Series C Conversion Price shall be adjusted from time to time as follows:

(i) Common Stock Event. Upon the occurrence of a Common Stock Event, the Series C Conversion Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by multiplying the Series C Conversion Price theretofore in effect by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action, and the denominator of which shall be the number of shares of Common Stock outstanding immediately following such action.

(ii) Adjustments for Other Dividends and Distributions. If at any time or from time to time after the date of the original issuance of shares of Series C Preferred Stock, the Corporation pays a dividend or makes another distribution to the holders of the Common Stock payable in securities of the Corporation, other than an event constituting a Common Stock Event then, in each such event, provision shall be made so that the holders of the Series C Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable upon conversion thereof, the amount of securities of the Corporation which they would have received had their Series C Preferred Stock been converted into Common Stock on the date of such event (or such record date, as applicable) and had they thereafter, during the period from the date of such event (or such record date, as applicable) to and including the conversion date, retained such securities receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this Section 7 with respect to the rights of the holders of the Series C Preferred Stock or with respect to such other securities by their terms.

(iii) Adjustment for Reclassification, Exchange and Substitution. If at any time or from time to time after the date of the original issuance of shares of Series C Preferred Stock, the Common Stock issuable upon the conversion of the Series C Preferred Stock is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than by a Common Stock Event or a Business Combination covered by Sections 7(d)(i) or 7(d)(iv) hereof), then in any such event each holder of Series C Preferred Stock shall have the right thereafter to receive the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the number of shares of Common Stock into which such shares of Series C Preferred Stock could have been converted (but without regard to the limitations on conversion set forth in the last sentence of Section 7(a) or Section 7(b) above) immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof.

(iv) Business Combinations. In case of any Business Combination or reclassification of Common Stock (other than a reclassification of Common Stock covered by Section 7(d)(iii) hereof), lawful provision shall be made as part of the terms of such Business Combination or reclassification whereby the holder of each share of Series C Preferred Stock then outstanding shall have the right to convert into the kind and amount of securities, cash and other property receivable upon the Business Combination or reclassification by a holder of the number of shares of Common Stock of the Corporation into which a share of Series C Preferred Stock would have been convertible at the conversion rate described under this Section 7 immediately prior to the Business Combination or reclassification (but without regard to the limitations on conversion set forth in the last sentence of Section 7(a) or Section 7(b) above).

(e) Anti-Dilution Protection.

(i) No Adjustment of Conversion Price. No adjustment in the number of shares of Common Stock into which the shares of any Series C Preferred Stock is convertible shall be made with respect to such series, by adjustment in the applicable Series C Conversion Price thereof, or by reason of issuance or deemed issuance of Additional Shares of Common Stock (as defined in Section 7(e)(iii)(A)): (A) unless the Effective Price of such Additional Shares (determined pursuant to Section 7(e)(iii)(E)) is less than the applicable Series C Conversion Price in effect on the date of, and immediately prior to, the issue of such Additional Shares of Common Stock, or (B) if, prior to such issuance, the Corporation receives written consent from the holders of at least a majority of the then outstanding shares of such series agreeing that no such adjustment shall be made as the result of the issuance of Additional Shares of Common Stock.

(ii) Adjustment Formula. If at any time or from time to time after the date of the original issuance of shares of Series C Preferred Stock, the Corporation issues or sells, or is deemed by the provisions of this Section 7(e) to have issued or sold, Additional Shares of Common Stock, other than a Common Stock Event as provided in Section 7(d)(i), a dividend or distribution as provided in Section 7(d)(ii), a recapitalization, reclassification or other change as provided in Section 7(d)(iii), or a reorganization, merger or consolidation as provided in Section 7(d)(iv), for an Effective Price that is less than the Series C Conversion Price in effect immediately prior to such issue or sale (or deemed issue or sale), then, and in each such case, the Series C Conversion Price shall be reduced, as of the close of business on the date of such issue or sale to the price obtained by multiplying such Series C Conversion Price by a fraction:

(A) The numerator of which shall be the sum of (1) the number of Common Stock Equivalents Outstanding (as defined in Section 7(e)(iii)(C)) immediately prior to such issue or sale of Additional Shares of Common Stock plus (2) the quotient obtained by dividing: (x) the Aggregate Consideration Received (as defined in Section 7(e)(iii)(B)) by the Corporation for the total number of Additional Shares of Common Stock so issued or sold (or deemed so issued and sold) by (y) the Series C Conversion Price in effect immediately prior to such issue or sale; and

(B) The denominator of which shall be the sum of (1) the number of Common Stock Equivalents Outstanding immediately prior to such issue or sale plus (2) the number of Additional Shares of Common Stock so issued or sold (or deemed so issued and sold).

(iii) Certain Definitions. For the purpose of making any adjustment required under this Section 7(e):

(A) “**Additional Shares of Common Stock**” shall mean all shares of Common Stock issued by the Corporation, whether or not subsequently reacquired or retired by the Corporation, other than:

(1) shares of Common Stock issued or issuable upon conversion of the outstanding shares of the Series C Preferred Stock or as a dividend or distribution on the Series C Preferred Stock;

(2) any shares of Common Stock, or Rights or Options (as defined in clause (F) granted or issued hereafter to employees, officers or directors of, or contractors, consultants or advisers to, the Corporation or any Subsidiary pursuant to incentive agreements, stock purchase or stock option plans, stock bonuses or awards, warrants, contracts or other arrangements that are approved by the Board;

(3) any shares of the Corporation’s Common Stock or Preferred Stock, or Rights or Options issued, or issuable to parties that are (i) strategic partners investing in connection with a commercial relationship with the Corporation or (ii) providing the Corporation with equipment leases, real property leases, loans, credit lines, guaranties of indebtedness, cash price reductions or similar transactions, under arrangements, in each case, approved by the Board;

(4) shares of Common Stock or Preferred Stock issued pursuant to the acquisition of another corporation or entity by the Corporation by consolidation, merger, purchase of all or substantially all of the assets, or other reorganization in which the Corporation acquires, in a single transaction or series of related transactions, all or substantially all of the assets of such other corporation or entity or fifty percent (50%) or more of the voting power of such other corporation or entity or fifty percent (50%) or more of the equity ownership of such other entity;

(5) shares of Common Stock or Preferred Stock issuable upon exercise of any options, warrants or rights to purchase any securities of the Corporation outstanding as of the date of filing of this Certificate of Designations, Preferences and Rights and any securities issuable upon the conversion thereof; or

(6) any shares of Common Stock or Preferred Stock, or Rights or Options, issued or issuable hereafter that are (i) approved by the Board, and (ii) approved by the vote or written consent of the holders of a majority of the Series C Preferred Stock, as being excluded from the definition of “Additional Shares of Common Stock” under this Section 7(e)(iii)(A).

(B) The “**Aggregate Consideration Received**” by the Corporation for any issue or sale, or deemed issue or sale, of securities shall (1) to the extent it consists of cash, be computed at the gross amount of cash received by the Corporation before deduction of any underwriting or similar commissions, compensation or concessions paid or allowed by the Corporation in connection with such issue or sale and without deduction of any

expenses payable by the Corporation; (2) to the extent it consists of property other than cash, be computed at the fair value of that property as determined in good faith by the Board; and (3) if Additional Shares of Common Stock, Convertible Securities or Rights or Options to purchase either Additional Shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Corporation for a consideration which covers both, be computed as the portion of the consideration so received that may be reasonably determined in good faith by the Board to be allocable to such Additional Shares of Common Stock, Convertible Securities or Rights or Options.

(C) The “**Common Stock Equivalents Outstanding**” shall mean the number of shares of Common Stock that is equal to the sum of (1) all shares of Common Stock of the Corporation that are issued and outstanding at the time in question, plus (2) all shares of Common Stock of the Corporation issuable upon conversion of all shares of Preferred Stock or other Convertible Securities that are issued and outstanding and may be converted at the time in question, plus (3) all shares of Common Stock of the Corporation that are issuable upon the exercise of Rights or Options that are outstanding and may be exercised at the time in question assuming the full conversion or exchange into Common Stock of all such Rights or Options that are Rights or Options to purchase or acquire Convertible Securities.

(D) The “**Convertible Securities**” shall mean stock or other securities convertible into or exchangeable for shares of Common Stock.

(E) The “**Effective Price**” of Additional Shares of Common Stock shall mean the quotient determined by dividing the total number of Additional Shares of Common Stock issued or sold, or deemed to have been issued or sold under this Section 7(e), by the Corporation into the Aggregate Consideration Received, or deemed to have been received, by the Corporation under this Section 7(e), for the issue of such Additional Shares of Common Stock; and

(F) The “**Rights or Options**” shall mean warrants, options or other rights to purchase or acquire shares of Common Stock or Convertible Securities.

(iv) Deemed Issuances. For the purpose of making any adjustment to the Series C Conversion Price of Series C Preferred Stock required under this Section 7(e), if the Corporation issues or sells any Rights or Options or Convertible Securities and if the Effective Price of the shares of Common Stock issuable upon exercise of such Rights or Options or the conversion or exchange of Convertible Securities (computed without reference to any additional or similar protective or antidilution clauses) is less than the Series C Conversion Price then in effect for Series C Preferred Stock, then the Corporation shall be deemed to have issued, at the time of the issuance of such Rights, Options or Convertible Securities, that number of Additional Shares of Common Stock that is equal to the maximum number of shares of Common Stock issuable upon exercise or conversion of such Rights, Options or Convertible Securities upon their issuance and to have received, as the Aggregate Consideration Received for the issuance of such shares, an amount equal to the total amount of the consideration, if any, received by the Corporation for the issuance of such Rights or Options or Convertible Securities, plus, in the case of such Rights or Options, the minimum amounts of consideration, if any, payable to the Corporation upon the exercise in full of such Rights or Options, plus, in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Corporation (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) upon the conversion or exchange thereof; provided that:

(A) if the minimum amounts of such consideration cannot be ascertained, but are a function of antidilution or similar protective clauses, then the Corporation shall be deemed to have received the minimum amounts of consideration without reference to such clauses;

(B) if the minimum amount of consideration payable to the Corporation upon the exercise of Rights or Options or the conversion or exchange of Convertible Securities is reduced over time or upon the occurrence or non-occurrence of specified events other than by reason of antidilution or similar protective adjustments, then the Effective Price shall be recalculated upon the occurrence or non-occurrence of such specified events using the figure to which such minimum amount of consideration is reduced; and

(C) if the minimum amount of consideration payable to the Corporation upon the exercise of such Rights or Options or the conversion or exchange of Convertible Securities is subsequently increased, then the Effective Price shall again be recalculated using the increased minimum amount of consideration payable to the Corporation upon the exercise of such Rights or Options or the conversion or exchange of such Convertible Securities.

No further adjustment of the Series C Conversion Price, adjusted upon the issuance of such Rights or Options or Convertible Securities, shall be made as a result of the actual issuance of shares of Common Stock on the exercise of any such Rights or Options or the conversion or exchange of any such Convertible Securities. If any such Rights or Options or the conversion rights represented by any such Convertible Securities shall expire without having been fully exercised, then the Series C Conversion Price as adjusted upon the issuance of such Rights or Options or Convertible Securities shall be readjusted to the Series C Conversion Price which would have been in effect had an adjustment been made on the basis that the only shares of Common Stock so issued were the shares of Common Stock, if any, that were actually issued or sold on the exercise of such Rights or Options or rights of conversion or exchange of such Convertible Securities, and such shares of Common Stock, if any, were issued or sold for the consideration actually received by the Corporation upon such exercise, plus the consideration, if any, actually received by the Corporation for the granting of all such Rights or Options, whether or not exercised, plus the consideration received for issuing or selling all such Convertible Securities actually converted or exchanged, plus the consideration, if any, actually received by the Corporation (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) on the conversion or exchange of such Convertible Securities, provided that such readjustment shall not apply to prior conversions of Series C Preferred Stock.

(f) Successive Adjustments. Successive adjustments in the Series C Conversion Price shall be made, without duplication, whenever any event specified in Sections 7(d)(i), 7(d)(ii), 7(d)(iii), 7(d)(iv) or 7(e) hereof shall occur.

(g) Rounding of Calculations; Minimum Adjustments. All calculations under Section 7(d) or Section 7(e) shall be made to the nearest one-tenth (1/10th) of a cent. No adjustment in the Series C Conversion Price is required if the amount of such adjustment would be less than \$0.01; provided, however, that any adjustments which by reason of this Section 7(i) are not required to be made will be carried forward and given effect in any subsequent adjustment.

(h) Adjustment for Unspecified Actions. If the Corporation takes any action affecting the Common Stock, other than an action described in Section 7(d) or Section 7(e), which in the opinion of the Board would materially adversely affect the conversion rights of the holders of shares of Series C Preferred Stock, the Series C Conversion Price may be adjusted, to the extent permitted by law, in such manner and at such time, as the Board may determine in good faith to be equitable in the circumstances.

(i) Statement Regarding Adjustments. Whenever the Series C Conversion Price shall be adjusted as provided in Section 7(d) or Section 7(e), the Corporation shall forthwith file, at the principal office of the Corporation, a statement showing in reasonable detail the facts requiring such adjustment and the Series C Conversion Price that shall be in effect after such adjustment and the Corporation shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each holder of shares of Series C Preferred Stock at the address appearing in the Corporation's records.

(j) Notices. In the event that the Corporation shall give notice or make a public announcement to the holders of Common Stock of any action of the type described in Section 7(d) or Section 7(e) or in Section 4 or Section 5 hereof, the Corporation shall, at the time of such notice or announcement, and in the case of any action which would require the fixing of a record date, at least ten (10) days prior to such record date, give notice to the holders of shares of Series C Preferred Stock, in the manner set forth in Section 7(h), which notice shall specify the record date, if any, with respect to any such action and the approximate date on which such action is to take place. Such notice shall also set forth the facts with respect thereto as shall be reasonably necessary to indicate the effect on the Series C Conversion Price and the number, kind or class of shares or other securities or property which shall be deliverable upon conversion of the Series C Preferred Stock. All notices to the Corporation permitted hereunder shall be personally delivered or sent by first class mail, postage prepaid, addressed to its principal office located at 124 Floyd Smith Drive, Suite 300, Charlotte, North Carolina 28262, or to such other address at which its principal office is located and as to which notice thereof is similarly given to the holders of the Series C Preferred Stock at their addresses appearing on the books of the Corporation.

8. AMENDMENT. This Certificate of Designations, Preferences and Rights may only be amended with the prior written consent of at least a majority of the then outstanding shares of Series C Preferred Stock.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate on this 20th day of December, 2012.

REVOLUTION LIGHTING TECHNOLOGIES, INC.

By: /s/ Michael Bauer

Name: Michael Bauer

Title: Chief Executive Officer

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**CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RIGHTS OF THE
SERIES D CONVERTIBLE PREFERRED STOCK
OF
REVOLUTION LIGHTING TECHNOLOGIES, INC.**

Pursuant to Section 151 of the
Delaware General Corporation Law

Revolution Lighting Technologies, Inc. (the “**Corporation**”), a corporation organized and existing under the laws of the State of Delaware, hereby certifies that pursuant to the provisions of Section 151 of the Delaware General Corporation Law, its Board of Directors adopted the following resolutions, which resolutions remain in full force and effect as of the date hereof:

WHEREAS, the Board of Directors of the Corporation is authorized to fix by resolution the designation of preferred stock and the powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereof; and

WHEREAS, it is the desire of the Board of Directors of the Corporation, pursuant to its authority as aforesaid, to authorize and fix the terms of the preferred stock to be designated the Series D Convertible Preferred Stock of the Corporation and the number of shares constituting such preferred stock;

NOW, THEREFORE, BE IT RESOLVED, that the Corporation be, and hereby is, authorized to issue a new series of its preferred stock, par value \$0.001 per share, on the following terms and with the following designations, power, preferences and rights:

1. **CERTAIN DEFINITIONS.** Unless the context otherwise requires, when used herein the following terms shall have the meaning indicated.

“**Affiliate**” shall mean, in respect of any Person, any other Person that is directly or indirectly controlling, controlled by, or under common control with such Person or any of its Subsidiaries, and the term “**control**” (including the terms “controlled by” and “under common control with”) means having, directly or indirectly, the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities or by contract or otherwise.

“**Board**” shall mean the Board of Directors of the Corporation.

“**Business Combination**” shall mean (i) any reorganization, consolidation, merger, share exchange or similar business combination transaction involving the Corporation (or any Subsidiary) with any Person or (ii) the sale, assignment, conveyance, transfer, lease or other disposition by the Corporation (or any Subsidiary) of all or substantially all of its assets.

“**Business Day**” shall mean any day other than a Saturday, Sunday or a day on which the banks in New York, New York are authorized by law or executive order to be closed.

“Common Stock” shall mean shares of common stock, par value \$0.001, of the Corporation.

“Common Stock Event” shall mean at any time after the date of the original issuance of shares of Series D Preferred Stock, (i) the issue by the Corporation of additional shares of Common Stock as a dividend or other distribution on outstanding Common Stock, (ii) a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) a combination of the outstanding shares of Common Stock into a smaller number of shares of Common Stock.

“Conversion Date” has the meaning set forth in Section 7 hereof.

“Conversion Price” has the meaning set forth in Section 7 hereof.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Fair Market Value” shall mean an amount equal to the per share closing price of the Common Stock on the NASDAQ (or if the Common Stock is not then traded on the NASDAQ, on a similar national securities exchange or national quotation system) for the relevant determination date or, if the relevant determination date is not a Trading Day, on the Trading Day immediately prior to the relevant determination date (as reported on the website of the NASDAQ, or, if not reported thereby, any other authoritative source).

“Liquidation Preference” has the meaning set forth in Section 5 hereof.

“NASDAQ” shall mean the NASDAQ Stock Market.

“Person” shall mean an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

“Senior Securities” has the meaning set forth in Section 3 hereof.

“Series B Preferred Stock” shall mean shares of Series B Preferred Stock, par value \$0.001, of the Corporation.

“Series C Preferred Stock” shall mean shares of Series C Preferred Stock, par value \$0.001, of the Corporation.

“Series D Stated Value” shall mean, with respect to each share of Series D Preferred Stock, One Hundred Dollars (\$100.00), which Series D Stated Value shall be subject to appropriate adjustment from time to time in the event of any stock dividend, stock split, reverse stock split, reclassification, stock combination or other recapitalization affecting the Series D Preferred Stock.

“Subsidiary” of a Person shall mean (i) a corporation, a majority of whose stock with voting power, under ordinary circumstances, to elect directors is at the time of determination, directly or indirectly, owned by such Person or by one or more Subsidiaries of such Person, or (ii)

any other entity (other than a corporation) in which such Person or one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has at least a majority ownership interest.

“**Trading Day**” shall mean a day on which the NASDAQ, or if the Corporation’s shares of Common Stock cease to be quoted on the NASDAQ, the principal national securities exchange on which the Corporation’s securities are listed, is open for trading, and only includes those days that have a scheduled closing time of 4:00 p.m. (New York City time) or the then standard closing time for regular trading on the relevant exchange or trading system.

2. **NUMBER OF SHARES AND DESIGNATION.** Thirteen Thousand (13,000) shares of preferred stock of the Corporation shall constitute a series of preferred stock, par value \$0.001 per share, of the Corporation designated as Series D Convertible Preferred Stock (the “**Series D Preferred Stock**”). Each share of Series D Preferred Stock shall rank equally in all respects and shall be subject to the following provisions of this Certificate.

3. **RANK.** The Series D Preferred Stock shall, with respect to payment of dividends and rights (including as to the distribution of assets) upon liquidation, dissolution or winding up of the affairs of the Corporation (i) rank on a parity with the Common Stock, (ii) rank junior to the Series B Preferred Stock and Series C Preferred Stock, and (iii) rank junior to each other class or series of equity securities of the Corporation, whether currently issued or issued in the future without violation of this Certificate, that by its terms ranks senior to the Series D Preferred Stock as to payment of dividends or rights upon liquidation, dissolution or winding up of the affairs of the Corporation (all of such equity securities are collectively referred to herein as the “**Senior Securities**”). The definition of Senior Securities shall also include any rights or options exercisable or exchangeable for or convertible into any of the Senior Securities.

4. **DIVIDENDS.**

(a) Holders of shares of Series D Preferred Stock shall be entitled to participate equally and ratably with the holders of shares of Common Stock in all dividends and distributions paid (whether in the form of cash, securities, evidences of indebtedness, assets or otherwise, of the Corporation, any of its Subsidiaries or any other Person (or rights, options or warrants to subscribe for or acquire any of the foregoing)) on the shares of Common Stock as if immediately prior to each record date for the payment of dividends to the holders of shares of Common Stock, the shares of Series D Preferred Stock then outstanding were converted into shares of Common Stock (in the manner described in Section 7 below). Dividends or distributions payable pursuant to the preceding sentence shall be payable on the same date that such dividends or distributions are payable to holders of shares of Common Stock. Each such dividend or distribution shall be payable to the holders of record of shares of Series D Preferred Stock as they appear on the stock records of the Corporation at the close of business on the applicable record date, which shall be not more than sixty (60) days nor less than ten (10) days preceding the related dividend or distribution payment date, as shall be fixed by the Board.

(b) If there shall be any dividend or distribution, in which holders of Series D Preferred Stock shall be entitled to participate pursuant to this Certificate, which is in the form of Common Stock or rights, options or warrants to subscribe for or acquire Common Stock, then such dividend or distribution shall instead be made to such holder in the form of Series D Preferred Stock

(with the number of shares of Series D Preferred Stock issuable in such dividend or distribution being equal to the number of shares of Series D Preferred Stock that would be convertible under Section 7 into the number of shares of Common Stock that such holder would have received in such dividend or distribution, and, in the case of any such dividend or distribution that is in the form of rights, options or warrants to subscribe for or acquire Common Stock, a number of rights, options or warrants to subscribe for or acquire shares of Series D Preferred Stock (with (i) such number of shares of Series D Preferred Stock being equal to the number of shares of Series D Preferred Stock that would be convertible under Section 7 (but without regard to the limitations on conversion set forth in the third sentence of Section 7(b)(iii) below) into the number of shares of Common Stock that such rights, options or warrants would have covered had such rights, options or warrants been to subscribe for or acquire Common Stock and (ii) such other terms of the rights, options or warrants (including exercise price and other terms) being such that such rights, option or warrants have equivalent economic and other terms as the rights, options or warrants to subscribe for or acquire Common Stock).

5. LIQUIDATION PREFERENCE. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment of all preferential amounts required to be paid to the holders of shares of Senior Securities, the holders of shares of Series D Preferred Stock then outstanding shall, with respect to each share of Series D Preferred Stock, be entitled to participate equally and ratably with the holders of shares of Common Stock in the distribution of any remaining assets of the Corporation available for distribution to its stockholders. Neither a consolidation, merger, share exchange or similar transaction involving the Corporation and any other entity, nor a sale or transfer of all or any part of the Corporation's assets for cash, securities or other property, shall be considered a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 5.

6. VOTING RIGHTS.

(a) Except as otherwise provided herein or as required by applicable law, the holders of Series D Preferred Stock shall not be entitled to vote on any matters, including any matters on which the holders of Common Stock shall be entitled to vote. Notwithstanding the foregoing, the holders of Series D Preferred Stock shall be given notice of any meeting of stockholders as to which the holders of Common Stock are given notice in accordance with the by-laws of the Corporation. As to any matter on which the holders of Series D Preferred Stock shall be entitled to vote in accordance with the first sentence of this Section 6(a), each holder of Series D Preferred Stock shall have a number of votes per share of Series D Preferred Stock held of record by such holder on the record date for the meeting of stockholders, if such matter is subject to a vote at a meeting of stockholders, or on the effective date of any written consent, if such matter is subject to a written consent of the stockholders without a meeting of stockholders, equal to the number of shares of Common Stock into which such share of Series D Preferred Stock is then convertible on such record date or effective date, as the case may be, in accordance with Section 7 hereof.

7. AUTOMATIC CONVERSION.

(a) Conversion. On the date immediately following the Trigger Date, all shares of Series D Preferred Stock shall automatically be converted into such number of fully paid and nonassessable shares of Common Stock as is obtained by: (i) multiplying the number of shares of Series D Preferred Stock to be converted by the Series D Stated Value; and (ii) dividing the result

obtained pursuant to clause (i) above by the Series D Conversion Price then in effect. The date of such conversion (the “**Conversion Date**”) shall be the date immediately following the Trigger Date. The “**Trigger Date**” shall be date that (i) the issuance of such shares of Common Stock pursuant to Section 7 hereof has been approved by the stockholders of the Corporation in accordance with NASDAQ Listing Rule 5635 and (ii) the Corporation has complied with Rule 14c-2 of the Securities Exchange Act of 1934, as amended, in respect of such stockholder approval. The “**Series D Conversion Price**” shall initially be \$0.6959, and shall be subject to adjustment as described in Section 7(c) hereof.

(b) Mechanics of Conversion.

(i) On the Conversion Date: (A) the Person in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon conversion shall be deemed to have become the holder of record of the shares of Common Stock represented thereby at such time, and (B) the shares of Series D Preferred Stock so converted shall no longer be deemed to be outstanding, and all rights of a holder with respect to such shares shall immediately terminate except the right to receive the Common Stock and other amounts payable pursuant to this Section 7. All shares of Common Stock delivered upon conversion of the Series D Preferred Stock will, upon delivery, be duly and validly authorized and issued, fully paid and nonassessable, free from all preemptive rights and free from all taxes, liens, security interests and charges (other than liens or charges created by or imposed upon the holder or taxes in respect of any transfer occurring contemporaneously therewith).

(ii) Holders of shares of Series D Preferred Stock at the close of business on the record date for any payment of a dividend in which shares of Series D Preferred Stock are to participate pursuant to Section 4 hereof shall be entitled to receive the dividend payable on such shares on the corresponding dividend payment date notwithstanding the conversion thereof following such dividend payment record date and prior to such dividend payment date, and a holder of shares of Series D Preferred Stock on a dividend payment record date whose shares of Series D Preferred Stock have been converted pursuant to Section 7(a) into shares of Common Stock on such dividend payment date will receive the dividend payable by the Corporation on such shares of Series D Preferred Stock if and when paid, and the converting holder need not include payment of the amount of such dividend upon conversion of shares of Series D Preferred Stock pursuant to Section 7(a).

(iii) From and after the date of this Certificate, the Corporation will at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, solely for the purpose of effecting conversions of the Series D Preferred Stock, the aggregate number of shares of Common Stock issuable upon conversion of the Series D Preferred Stock (as if all shares of Series D Preferred Stock are so convertible). The Corporation will take all action as may be necessary to ensure that all shares of Common Stock issuable upon conversion of Series D Preferred Stock will be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the shares of Common Stock are listed or traded.

(iv) Issuances of certificates for shares of Common Stock upon conversion of the Series D Preferred Stock shall be made without charge to the holder of shares of Series D Preferred Stock or any of its transferees for any issue or transfer tax or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Corporation.

(v) In connection with the conversion of any shares of Series D Preferred Stock, no fractions of shares of Common Stock shall be issued, but in lieu thereof the Corporation shall pay cash in respect of such fractional interest in an amount equal to such fractional interest multiplied by the Fair Market Value per share of Common Stock on the applicable Conversion Date.

(vi) The Corporation shall procure that each share of Common Stock issued as a result of conversion of Series D Preferred Stock shall be accompanied by any rights associated generally with each other share of Common Stock outstanding as of the applicable Conversion Date.

(c) Adjustments to Conversion Price. From and after the date of this Certificate, the Conversion Price shall be adjusted from time to time as follows:

(i) Common Stock Event. Upon the occurrence of a Common Stock Event, the Conversion Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by multiplying the Conversion Price theretofore in effect by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action, and the denominator of which shall be the number of shares of Common Stock outstanding immediately following such action.

(ii) Adjustments for Other Dividends and Distributions. If at any time or from time to time after the date of the original issuance of shares of Series D Preferred Stock, the Corporation pays a dividend or makes another distribution to the holders of the Common Stock payable in securities of the Corporation, other than an event constituting a Common Stock Event then, in each such event, provision shall be made so that the holders of the Series D Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable upon conversion thereof, the amount of securities of the Corporation which they would have received had their Series D Preferred Stock been converted into Common Stock on the date of such event (or such record date, as applicable) and had they thereafter, during the period from the date of such event (or such record date, as applicable) to and including the conversion date, retained such securities receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this Section 7 with respect to the rights of the holders of the Series D Preferred Stock or with respect to such other securities by their terms.

(iii) Adjustment for Reclassification, Exchange and Substitution. If at any time or from time to time after the date of the original issuance of shares of Series D Preferred Stock, the Common Stock issuable upon the conversion of the Series D Preferred Stock is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than by a Common Stock Event or a Business Combination covered by Sections 7(c)(i) or 7(c)(iv) hereof), then in any such event each holder of Series D Preferred Stock shall have the right thereafter to receive the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the number of shares of Common Stock into which such shares of Series D Preferred

Stock could have been converted (but without regard to the limitations on conversion set forth in the third sentence of Section 7(b)(iii) above) immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof.

(iv) Business Combinations. In case of any Business Combination or reclassification of Common Stock (other than a reclassification of Common Stock covered by Section 7(c)(iii) hereof), lawful provision shall be made as part of the terms of such Business Combination or reclassification whereby the holder of each share of Series D Preferred Stock then outstanding shall have the right to convert into the kind and amount of securities, cash and other property receivable upon the Business Combination or reclassification by a holder of the number of shares of Common Stock of the Corporation into which a share of Series D Preferred Stock would have been convertible at the conversion rate described under this Section 7 immediately prior to the Business Combination or reclassification (but without regard to the limitations on conversion set forth in the third sentence of Section 7(b)(iii) above).

(d) Successive Adjustments. Successive adjustments in the Conversion Price shall be made, without duplication, whenever any event specified in Sections 7(c)(i), 7(c)(ii), 7(c)(iii) or 7(c)(iv) hereof shall occur.

(e) Rounding of Calculations; Minimum Adjustments. All calculations under Section 7(c) shall be made to the nearest one-tenth (1/10th) of a cent. No adjustment in the Conversion Price is required if the amount of such adjustment would be less than \$0.01; provided, however, that any adjustments which by reason of this Section 7(e) are not required to be made will be carried forward and given effect in any subsequent adjustment.

(f) Adjustment for Unspecified Actions. If the Corporation takes any action affecting the Common Stock, other than an action described in Section 7(c), which in the opinion of the Board would materially adversely affect the conversion rights of the holders of shares of Series D Preferred Stock, the Conversion Price may be adjusted, to the extent permitted by law, in such manner and at such time, as the Board may determine in good faith to be equitable in the circumstances.

(g) Statement Regarding Adjustments. Whenever the Conversion Price shall be adjusted as provided in Section 7(c), the Corporation shall forthwith file, at the principal office of the Corporation, a statement showing in reasonable detail the facts requiring such adjustment and the Conversion Price that shall be in effect after such adjustment and the Corporation shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each holder of shares of Series D Preferred Stock at the address appearing in the Corporation's records.

(h) Notices. In the event that the Corporation shall give notice or make a public announcement to the holders of Common Stock of any action of the type described in Section 7(c) or in Section 4 or Section 5 hereof, the Corporation shall, at the time of such notice or announcement, and in the case of any action which would require the fixing of a record date, at least ten (10) days prior to such record date, give notice to the holders of shares of Series D Preferred Stock, in the manner set forth in Section 7(g), which notice shall specify the record date, if any, with respect to any such action and the approximate date on which such action is to take place. Such notice shall also set forth the facts with respect thereto as shall be reasonably necessary to

indicate the effect on the Conversion Price and the number, kind or class of shares or other securities or property which shall be deliverable upon conversion of the Series D Preferred Stock. All notices to the Corporation permitted hereunder shall be personally delivered or sent by first class mail, postage prepaid, addressed to its principal office located at 124 Floyd Smith Drive, Suite 300, Charlotte, North Carolina 28262, or to such other address at which its principal office is located and as to which notice thereof is similarly given to the holders of the Series D Preferred Stock at their addresses appearing on the books of the Corporation.

8. AMENDMENT. This Certificate of Designations, Preferences and Rights may only be amended with the prior written consent of at least a majority of the then outstanding shares of Series D Preferred Stock.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate on this 20th day of December, 2012.

REVOLUTION LIGHTING TECHNOLOGIES, INC.

By: /s/ Michael Bauer

Name: Michael Bauer

Title: Chief Executive Officer

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FOR IMMEDIATE RELEASE

For more information:
Revolution Lighting Technologies, Inc.
Gary Langford, Chief Financial Officer
Tel: 704-405-0416

**REVOLUTION LIGHTING TECHNOLOGIES CLOSES ACQUISITION
OF SEESMART TECHNOLOGIES, INC.**

Creates dynamic platform for accelerated growth across multiple vertical markets

CHARLOTTE, NC – Dec 20, 2012 — Revolution Lighting Technologies, Inc. (RVLT), a leader in advanced LED lighting technology, today announced that it has closed its acquisition of Seesmart Technologies, Inc.

Seesmart, based in Simi Valley, California, is a leading LED solutions provider with a broad range of products serving the commercial, industrial, and institutional lighting markets. Seesmart's exclusive network of over 50 distributors has completed hundreds of LED projects in both retrofit and new construction applications. Seesmart has become a leader by combining a full line of high-quality lamps and fixtures with an exclusive network of trained distributors who educate end-users on the proper selection and installation of LED products. We believe this combination makes Seesmart's value proposition unique in the LED lighting market. Seesmart's pipeline of potential projects currently exceed \$1 billion and include large school districts, commercial office and retail buildings, industrial facilities, and government buildings. Seesmart's customers, which include SL Green, Memorial Sloan-Kettering Cancer Center, the City of Los Angeles, Idealease, and the Cerebral Palsy Associations of New York, enjoy the benefits of significant energy savings, reduced maintenance, a rapid payback, and a more sustainable facility.

"We are very pleased to have Seesmart become a Revolution Lighting Technologies company. With their superior service, their unique and extensive distributor network, and their large pipeline of business prospects, we expect Seesmart to grow rapidly and be profitable in 2013 and beyond," said Robert V. LaPenta, Chairman of Revolution.

"Seesmart is excited to have a team of dedicated, successful professionals working with us to assist our company in reaching its full potential. With the track record of the Revolution team, we look forward to being a power player in the LED lighting industry," said Ken Ames, Chief Executive Officer of Seesmart.

Under the terms of the agreement, Revolution paid approximately \$20 million, with 50 percent of the consideration in shares of Revolution stock and 50 percent in cash. Revolution has reserved approximately 14 million shares of common stock for issuance to holders of Seesmart common stock and convertible notes pursuant to the transaction. The approximately \$10 million of cash consideration paid pursuant to the agreement was funded from the sale of new Revolution convertible preferred stock to RVL Holdings, an entity managed by Aston Capital, LLC and controlled by Robert V. LaPenta. The preferred stock will be convertible into approximately 14 million shares of Revolution common stock following the effectiveness of stockholder approval consistent with the rules of the Nasdaq Stock Market and will bear an annual payment in kind dividend at a rate per annum of 10% of the original issuance price. The company will provide a more detailed description of the terms and conditions of the transaction in a Current Report on Form 8-K to be filed with the SEC.

For more information, please visit the Revolution Lighting Technologies, Inc. web site at www.rvlti.com.

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Certain of the above statements contained in this press release are forward-looking statements that involve a number of risks and uncertainties, including the satisfaction of closing conditions prior to the

consummation of the acquisition of Seesmart and the anticipated benefits of such acquisition. Such forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Reference is made to Revolution Lighting's filings under the Securities Exchange Act for additional factors that could cause actual results to differ materially. Revolution Lighting Technologies, Inc. undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those indicated in the forward-looking statements as a result of various factors. Readers are cautioned not to place undue reliance on these forward-looking statements.