FORM 8-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **April 25, 2018**

WestMountain Alternative Energy, Inc

(Exact Name of Business Issuer as specified in its charter)

Colorado	**0-53029**	**26-1315585**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6035 South Loop East, Houston, TX 77033
(Address of principal executive offices including zip code)

(832) -649-5658
(Registrant's telephone number, including area code)

(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:

[ ]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 CFR240.14d-2(b))

[ ]Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR240.13e-4(c))
Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

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

EXPLANATORY NOTE

WestMountain Alternative Energy, Inc. (the "Company") was incorporated in the state of Colorado on November 13, 2007 and on this date approved its business plan and commenced operations.

On April 25, 2018, our wholly-owned subsidiary, WETM Acquisition Corp., a corporation formed in the State of Colorado on April 18, 2018, (the "Acquisition Sub"), merged with and into C-Bond Systems, LLC, a privately held Texas limited liability company ("C-Bond"). Pursuant to this transaction (the "Merger"), C-Bond was the surviving corporation and became our wholly-owned subsidiary. All of the outstanding membership interests of C-Bond were converted into shares of our common stock, as described in more detail below. We plan to change the name of the Company to C-Bond Systems, Inc. or something similar containing the C-Bond name in the near future, subject to shareholder approval. The Merger was effective as of April 26, 2018, upon the filing of a Certificate of Merger with the Secretary of State of the State of Texas.

As a result of the Merger, we acquired the business of C-Bond and will continue the existing business operations of C-Bond as a publicly-traded company under the name WestMountain Alternative Energy, Inc., until such time as that name is changed. Contemporaneously with the closing of the Merger, we sold 3,100,000 shares of our common stock pursuant a private placement at a purchase price of $0.40 per share. Additional information concerning the private placement offering is presented below under Item 2.01, "Merger and Related Transactions—the Offering" and under Item 3.02, "Unregistered Sales of Equity Securities."

In accordance with "reverse merger" or "reverse acquisition" accounting treatment, our historical financial statements as of period ends, and for periods ended, prior to the Merger will be replaced with the historical financial statements of C-Bond prior to the Merger, in all future filings with the U.S. Securities and Exchange Commission, or SEC.

As henceforward used in this Current Report on Form 8-K, or Report, unless otherwise stated or the context clearly indicates otherwise, the terms the "Company," the "Registrant," "we," "us" and "our" refer to WestMountain Alternative Energy, Inc., incorporated in Colorado, and the business of C-Bond after giving effect to the Merger.

This Report contains summaries of the material terms of various agreements executed in connection with the transactions described herein. The summaries of these agreements are subject to, and are qualified in their entirety by, reference to these agreements, or forms of agreements, which are filed as exhibits hereto and incorporated herein by reference.

This Report is being filed in connection with a series of transactions consummated by us and certain related events and actions taken by us.

This Report responds to the following Items in Form 8-K:

Item 1.01	Entry into a Material Definitive Agreement
Item 2.01	Completion of Acquisition or Disposition of Assets
Item 3.02	Unregistered Sales of Equity Securities
Item 4.01	Changes in Registrant's Certifying Accountant
Item 5.01	Changes in Control of Registrant
Item 5.02	Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers
Item 5.06	Change in Shell Company Status
Item 9.01	Financial Statements and Exhibits

FORWARD-LOOKING STATEMENTS

This Report, including the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Business," contains express or implied forward-looking statements that are based on our management's belief and assumptions and on information currently available to our management. All statements other than statements of historical fact contained in this Report are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "could," "will," "would," "should," "expect," "plan,", "anticipate," "believe," "estimate," "intend," "predict," "seek," "contemplate," "project," "continue," "potential," "ongoing" or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- our ability to obtain additional funds for our operations;
- our ability to obtain and maintain intellectual property protection for our products and our ability to operate our business without infringing the intellectual property rights of others;
- our reliance on third party distributors;
- the initiation, timing, progress and results of our research and development programs;
- our dependence on current and future collaborators for developing new products;
- the rate and degree of market acceptance of our commercial products;
- the implementation of our business model and strategic plans for our business;
- our estimates of our expenses, losses, future revenue and capital requirements, including our needs for additional financing;
- our reliance on third party suppliers to supply the materials and components for our products;
- our ability to attract and retain qualified key management and technical personnel;
- our financial performance;
- the impact of government regulation and developments relating to our competitors or our industry; and
- other risks and uncertainties, including those listed under the caption "Risk Factors."

These statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the section titled "Risk Factors" and elsewhere in this Report.

Any forward-looking statement in this Report reflects our current view with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our business, results of operations, industry and future growth. Given these uncertainties, you should not place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this Report and the documents that we reference in this Report and have filed with the SEC as exhibits hereto completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

This Report also contains estimates, projections and other information concerning our industry, our business and the markets for certain glass strengthening solutions, hydrophobic products, and window film mounting solutions, including data regarding the estimated size of those markets and their projected growth rates. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained these industry, business, market and other data from reports, research surveys, studies and similar data prepared by third parties, industry, and general publications, government data and similar sources. In some cases, we do not expressly refer to the sources from which these data are derived.

Item 1.01 Entry into a Material Definitive Agreement.

The information contained in Item 2.01 below relating to the various agreements described therein is incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

THE MERGER AND RELATED TRANSACTIONS

Merger Agreement

On April 25, 2018, WestMountain Alternative Energy, Inc., Acquisition Sub and C-Bond entered into an Agreement and Plan of Merger and Reorganization, or the Merger Agreement. Pursuant to the terms of the Merger Agreement, on April 25, 2018, or the Closing Date, the Acquisition Sub merged with and into C-Bond, which was the surviving corporation and thus became our wholly-owned subsidiary. The Merger was effective as of April 26, 2018, upon the filing of a Certificate of Merger with the Secretary of State of the State of Texas.

Pursuant to the Merger, we acquired the business of C-Bond. C-Bond is engaged in the implementation of proprietary nanotechnology applications and processes to enhance properties of strength, functionality and sustainability within brittle material systems with a strong focus in the glass industry. See "Description of Business" below. At the time a certificate of merger reflecting the Merger was filed with the Secretary of State of Texas, or the Effective Time, all of the outstanding common units of C-Bond ("Common Units") that were issued and outstanding immediately prior to the closing of the Merger were converted into an aggregate of 63,505,787 shares of our common stock. As a result, each common unit of C-Bond was converted into approximately 3.23 shares of our common stock (the "Conversion Ratio").

In addition, pursuant to the Merger Agreement, each option to purchase Common Units, issued and outstanding immediately prior to the closing of the Merger was assumed and converted into an option to purchase an equivalent number of shares of our common stock and the exercise price of each such option was divided by the Conversion Ratio. As a result, a total of 14,494,213 options were issued. See "Description of Securities—Options" below for more information. The issuance of shares of our common stock, or options to purchase our common stock, to holders of C-Bond's Common Units and options, are collectively referred to as the Unit Conversion.

The Merger Agreement contained customary representations and warranties and pre- and post-closing covenants of each party and customary closing conditions.

The Merger was treated as a reverse merger and recapitalization of C-Bond for financial reporting purposes. C-Bond is considered the acquirer for accounting purposes, and our historical financial statements before the Merger will be replaced with the historical financial statements of C-Bond before the Merger in future filings with the SEC. The Merger is intended to be treated as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended.

The issuance of shares of our common stock, and options to purchase our common stock, to holders of C-Bond's Common Units and options in connection with the Merger was not registered under the Securities Act, in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act, which exempts transactions by an issuer not involving any public offering, and Rule 506(b) of Regulation D promulgated by the SEC. These securities may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement and are subject to further contractual restrictions on transfer as described below.

The Offering

Contemporaneously with the closing of the Merger, we sold 3,100,000 shares of our common stock pursuant to a private placement at a purchase price of $0.40 per share, or the Offering Price to BOCO Investments, LLC, Mark Cline, Jeff Badders, John Rudisill and Koshy Alexander, pursuant to subscription agreements. The private placement is referred to herein as the Offering.

The aggregate gross proceeds from the Offering were $1.24 million. No material expenses were incurred in connection with the Offering. The Offering was exempt from registration under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated by the SEC. The common stock in the Offering was sold only to "accredited investors," as defined in Regulation D. The closing of the Offering was conditioned on the closing of the Merger.

Lock-up Agreements

In connection with and contemporaneously with the Merger, our officers, Scott Silverman and Vince Pugliese entered into lock-up agreements with the Company, pursuant to which they have agreed not to sell any of their shares of our common stock for one year after completion of the Merger.

OTC Quotation

Our common stock is currently not listed on a national securities exchange or any other exchange. However, it is currently quoted on the OTC Pink marketplace on a limited basis under the trading symbol "WETM". However, we cannot assure you that our common stock will continue to be quoted on the OTC Markets or quoted or listed on any other market or exchange or that an active trading market for our common stock will develop. See "Risk Factors—Our common stock may not be eligible for listing or quotation on any securities exchange."

DESCRIPTION OF BUSINESS

C-Bond is a Texas-based limited liability company that was formed in 2013, headquartered in Houston, Texas and the sole owner of the patented, proprietary, nanotechnology, which we call our C-Bond™ technology. C-Bond currently sells its technology primarily to the glass industry. C-Bond's product, called C-Bond™, is a patented nanotechnology designed to significantly increase the strength of glass, enhance glass flexibility and improve the structural integrity of glass. The product is scalable across various target segments and industry verticals. To date, C-Bond has focused on automotive glass and windshields and architectural glass. In the future, other glass segments such as electronics, including display glass, and glass packaging, including bottles, may be targeted, but we have not entered these markets yet.

Technology Overview

C-Bond is a materials development company. The C-Bond™ technology provides strength and improved functional performance to brittle materials. Currently focused on the glass industry, the C-Bond™ technology enables ordinary glass to dissipate energy by permeating the glass surface and detecting microscopic flaws and defects that are randomly distributed all over the glass surface. C-Bond's unique qualities then work to locate and repair the identified surface imperfections that weaken the glass composite structure and ultimately act as failure initiators. The C-Bond™ formula is engineered to maintain original glass design integrity while increasing the mechanical performance of the glass.

Product and Service Offerings

C-Bond™ current products are patented, low-cost technologies that significantly increase the mechanical performance of glass. We have implemented the following product structure integrating a "new strategic product platform" that has enhanced performance capabilities and market reach with a legacy product platform that is still generating incremental revenue and earnings.

New Products Platform

C-Bond Transportation Windshield Performance Solution.

C-Bond NanoShield is a patented nanotechnology windshield glass strengthening and hydrophobic (water repellant) all in one performance system. It is designed to improve windshield safety and performance by increasing windshield chip and crack resistance and improving windshield visibility in wet weather conditions providing extended driver reaction time.

C-Bond NanoShield is unique in the market. The product has no direct competitors. It is creating new markets and channels in the aftermarket automotive windshield segment.

Legacy Product Platform

C-Bond I Glass Strengthening Primer and Window Film Mounting Solution.

C-Bond I, is a patented non-toxic, water-based nanotechnology solution designed to significantly increase the strength of glass and improve the performance properties of window film-to-glass products. C-Bond improves the performance of window film-to-glass products by reducing glass breakage from impact and stress environments and also fills the capillary voids on the glass surface preventing the trapping of moisture and impurities that impede cure time and adhesion between the glass and any succeeding window film product. This is important when glass does break, no large shards/pieces will escape the immediate area of the glass surface resulting in serious laceration and/or personal injury. C-Bond I has been tested against untreated glass by third party laboratories and shown to outperform untreated glass.

C-Bond I faces market competition from basic soap and water products (such as baby shampoo and dishwashing soap) as the recognized industry standard window film application solution, which we believe provides no structural benefits and is designed to wash hair and dishes. C-Bond I increases overall glass strength and improves window film product performance and can be used in conjunction with any manufacturer's film product.

C-Bond II Ballistic Resistant Film System

C-Bond II, is a patented nanotechnology Ballistic Resistant Film System that increases the structural integrity of glass and has been validated by third party laboratories to provide National Institute of Justice (NIJ) Level I, Level II and Underwriter Laboratories (UL) 752 ballistic resistant protection. The system is a combination glass thickness, the C-Bond solution that reinforces the structural integrity of the glass and a private label film product to provide ballistic resistance.

This product is targeted to police, fire, emergency services, schools, airports, mass transit and government buildings due to the utility of ballistic resistant glass protection in their respective fields. The C-Bond II system seeks to combine simplicity and affordability with a unique one way capability (the ability to shoot-out but prevent shooting in) ballistic protection as compared to other more costly ballistic resistant material (polycarbonate and glass laminate) products.

Commercial Market Strategy

C-Bond utilizes a distributor model to reach potential customers. This approach takes advantage of existing resources and facilitates relationships between C-Bond and its enterprise partner in order to leverage their collective strengths. C-Bond requires industry partners to generate economic growth, support commercialization activities, provide more developed business networks, knowledge of and access to supply and demand channels, and supplement limited financial resources. We and our industrial partners work together to determine scalability, adaptability, affordability, usability and intellectual property. From a business perspective, the long term scope and strategic benefits of our plug and play business strategy is to be able to carry out business on a global basis at a lower cost and becoming better informed and more adaptive to changing market conditions, which is dependent on securing these relationship.

C-Bond Authorized Distributor Network

On April 1, 2016, C-Bond officially launched its Authorized Distributor Program focused on channeling distribution agreements with industry specific business-to-business and original equipment manufacturing customers to develop a global distribution network. This program aims to partner with high quality distributors that can grow revenues and margins. Our present distribution channels span the United States from Florida to Hawaii and consists of 56 distribution channels including international sales in Brazil, Columbia, United Kingdom, Netherlands and Canada.

Suppliers

Currently, C-Bond relies on one main supplier for our window film and one main supplier for our chemicals. However, we believe that, if necessary, alternate suppliers could be found without material disruption to our business.

Intellectual Property

To date, C-Bond has filed, licensed and/or acquired a total of 22 individual patents and patent applications spanning core and strategic nano-technology applications and processes. We intend to continue to expand our patent coverage. Our focus on remains building a patent portfolio that protects our core intellectual property and delivers shareholder value.

C-Bond owns five provisional United States patents and licenses five United States patents and 12 foreign patents on a non-exclusive basis from William Marsh Rice University ("Rice University") with claims directed toward various aspects of our current products and products under development including the use of nanotechnology for glass strengthening and the processes and composition of our products.

Pursuant to an agreement dated April 8, 2016, between C-Bond and Rice University, Rice University has granted a non-exclusive license to C-Bond, in nanotube-based surface treatment for strengthening glass and related materials under Rice's intellectual property rights, to use, make, distribute, offer and sell the licensed products specified in the agreement. In consideration for which, C-Bond had to pay a one-time non-refundable license fee of $10,000 and royalty payments of 5% of net sales of the licensed products during the term of the agreement and a sell-off period of 180 days from termination. In addition, C-Bond is required to pay for the maintenance of the patents. This agreement will continue until the expiration of the last to expire of the licensed property rights, unless terminated earlier in accordance with the terms of the agreement.

The "C-Bond™" names and logos are registered trademarks issued by the U.S. Patent and Trademark Office.

Research and Development

C-Bond incurred research and development costs of $220,517 in calendar year 2016 and $214,112 in calendar year 2017. These costs were incurred to continue to upgrade C-Bond products.

Competition

C-Bond Nanoshield Windshield Performance System

C-Bond believes it has no direct competition in the windshield glass strengthening space.

C-Bond NanoShield also provides a complimentary hydrophobic or water repellant quality. There are competitors in this space, including Rain-X, AquaPel, and Diamond Fusion. We believe these products do not provide chip or crack resistance and have hydrophobic properties that degrade sooner than C-Bond NanoShield. Accordingly, management believes there is no product that is truly comparable to C-Bond NanoShield currently on the market. We had the performance of C-Bond NanoShield verified at our request, based on a modified chip test for paint on metal parts, SAEJ 400, to provide windshield glass chip protection when compared to untreated glass.

C-Bond I Glass Strengthening Primer and Window Film Mounting Solution

C-Bond I faces competition from alternative window film mounting products in the market; however, all these products have similar ingredients to mix with soap and water, which we believe provides no structural benefit. These solutions are used to provide a window film installer the ability to slip or move the film on the surface to which it is applied. The industry standard solution most commonly used to apply window film products to glass is a mixture containing commonly available baby shampoo or dishwashing soap and water that we believe has the following negative attributes: provides no structural benefits, often bubbles or yellows and scatters light, can only be applied within a limited temperature range, and may require 30 to 120 days of "dry" time to set completely depending on the film thickness. C-Bond-I provides the same slip properties while also strengthening the glass and improving film adhesion.

C-Bond II Ballistic Resistant Film System

C-Bond II faces competition from alternative bullet proof glass products in the market. Alternative bullet proof solutions use a polycarbonate or glass laminate material that are expensive, thick, heavy, often require reframing in retrofit of existing structure, which often requiring revised building codes, and that yellow and discolor over time. These alternative solutions are often cost prohibitive to cost sensitive customers such as educational and municipal facilities. The C-Bond Ballistic Resistant Systems allows for increased safety and security at affordable costs. Most importantly, it provides a deterrent to an intruder and valuable time to secure the facility.

Employees

We currently have a total of 8 full time employees.

Facilities

C-Bond's corporate headquarters and manufacturing facility is located in a 8,200 square foot facility in Houston, Texas at 6035 South Loop East, Houston. The lease on the Houston facility expires November 30, 2018.

RISK FACTORS

Investing in our common stock involves a high degree of risk. In addition to the other information set forth in this Current Report on Form 8-K, you should carefully consider the factors discussed below when considering an investment in our Common Stock. If any of the events contemplated by the following discussion of risks should occur, our business, results of operations and financial condition could suffer significantly. As a result, you could lose some or all of your investment in our Common Stock. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business.

C-Bond has incurred substantial losses to date, may continue to incur losses in the future, and we may never achieve or sustain profitability.

Our operating company, C-Bond has incurred substantial net losses since its inception, including net losses of $5,872,268 and $8,299,692 for the years ended December 31, 2016 and 2017, respectively, and these losses may continue. As of December 31, 2017, we had an accumulated deficit of $22,854,556. We expect to incur additional costs and expenses related to the continued development and expansion of our business, including research and development operations and the commercialization of our C-Bond technologies. Our ability to achieve profitability depends on our success in increasing industry acceptance of our technologies and products. We may never achieve profitability.

Our ability to continue as a going concern will require us to obtain additional financing to fund our current operations, which may be unavailable on attractive terms, if at all.

As of December 31, 2017, our recurring operating losses, cash used in operations and our current operating plans raise substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern will require us to obtain additional financing to fund our current operating plans. We believe that the net proceeds from the Offering and our existing cash and cash equivalents will be sufficient to fund our current operating plans for the next twelve months. We have based these estimates, however, on assumptions that may prove to be wrong, and we could spend our available financial resources much faster than we currently expect and need to raise additional funds sooner than we anticipate. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and therapeutic candidate development programs or commercialization efforts.

Our future revenues are very difficult to predict with any accuracy.

We are an early stage company. That makes predicting the timing or the amount of revenues that we will receive from the sale, or license, of our products very difficult. Any delay in the development and acceptance of one or more of our products, could result in significant delays in the realization of revenues, the need to raise additional capital through the issuance of additional equity or debt securities sooner than we intend, and may allow competitors to reach certain of such markets with products before we do. In view of the emerging nature of the technology involved in certain of these markets, and the attendant uncertainty as to whether our products will achieve meaningful commercial acceptance, if at all, there can be no assurance that we will realize revenues sufficient to achieve profitability.

Our intellectual property is subject to patents and exclusive license agreements that may expire or change.

We rely on U.S. patents to protect our propriety products that form the core of our revenue potential. These patents are subject to standard patent expiration terms. Upon expiration of our patents we will no longer be able to prevent our competitors from developing similar products to ours. Additionally we rely on exclusive license agreements to use certain technologies. The terms of the exclusive license agreements may change upon expiration of their current terms. We may not be able to renew or extend our current licenses, or they may become non-exclusive licensees. The inability to maintain our exclusive licenses agreements would have a significant impact on our potential future revenues.

If we are unable to adequately protect our intellectual property, our competitive position and results of operations may be adversely impacted.

Protecting our intellectual property is critical to our innovation efforts. We own patents, trade secrets, copyrights, trademarks and/or other intellectual property rights related to many of our products, and also have exclusive and non-exclusive license rights under intellectual property owned by others. Our intellectual property rights may be challenged or infringed upon by third parties, particularly in countries where property rights are not highly developed or protected, or we may be unable to maintain, renew or enter into new license agreements with third-party owners of intellectual property on reasonable terms. Unauthorized use of our intellectual property rights or inability to preserve existing intellectual property rights could adversely impact our competitive position and results of operations.

We are dependent on key personnel, and our ability to grow and compete in our industry will be harmed if we do not retain the continued services of our key personnel, or we fail to identify, hire, and retain additional qualified personnel.

Our success depends on the efforts of our senior management team and other key personnel. The loss of services of members of our senior management team could have an adverse effect on our business. In addition, if we expect to grow our operations, it will be necessary for us to attract and retain additional qualified personnel. If we are unable to attract or retain qualified personnel as needed, the growth of our operations could be slowed or hampered.

Potential adverse outcomes in legal proceedings may adversely affect results.

Our business exposes us to product liability claims that are inherent in the design, manufacture and sale of our products and the products of suppliers. We may not be able to obtain insurance on acceptable terms or our insurance may not provide adequate protection against actual losses. In addition, we are subject to the risk that one or more of our insurers may become insolvent and become unable to pay claims that may be made in the future. Even if we maintain adequate insurance, claims could have a material adverse effect on our financial condition, liquidity and results of operations and on our ability to obtain suitable, adequate or cost-effective insurance in the future.

If we are unable to successfully introduce new products, our future growth may be adversely affected.

Our ability to develop new products based on innovation can affect our competitive position and requires the investment of significant time and resources. Difficulties or delays in research, development, production or commercialization of new products and services may reduce future revenues and adversely affect our competitive position. If we are unable to create sustainable product differentiation, our organic growth may be adversely affected.

Research and development for continued growth of our IP portfolio and product offering is expensive, and we may not have sufficient funds to continue research and develop activities and may not be able to acquire additional funding.

Our ability to continue our research and development activities to improve and expand our products and service offerings requires extensive amounts of funding. We may not be able to obtain the necessary funding on attractive terms and in a timely basis to continue our research and development activities, which would cause our research and development activities to be delayed, reduced or terminated. Delaying, reducing or terminating our research activities would impede our estimated growth and results of operations.

We rely heavily on collaborative partners such as distributors, manufacturers and vendors and our relationships with such parties may restrict or limit our business operations.

We are currently working with several third party entities in the validation, optimization, and distribution of our products. Our current and future collaborations and joint ventures are important as they allow greater access to funds, to research, development and testing resources, validation, and to manufacturing, sales and distribution resources that we would otherwise not have. We intend to continue to significantly rely on such collaborative and joint venture arrangements. Some of the risks and uncertainties related to the reliance on such collaborations and joint ventures include the fact that such relationships could actually serve to limit or restrict us, while our partners are free to pursue other products either on their own or with others. Further, our partners may terminate a collaborative technology relationship and such termination may require us to seek other partners, or expend substantial resources to pursue these activities independently.

We rely primarily on a third-party distribution model for our products and the number and quality of distributors can vary and may impact our revenues.

We rely on numerous third-party distributors for the distribution of our products. While we believe that alternative suppliers could be located if required, our product sales could be affected if any of these distributors do not continue to distribute our products in required quantities or at all, or with the required levels of quality. In addition, difficulties encountered by these distributors, such as fire, accident, natural disasters, or political unrest, could halt or disrupt distributions, resulting in delay or cancellation of orders. Any of these events could result in delayed deliveries by us of our products, causing reduced sales and harm to our reputation and brand name.

We only have one manufacturing facility.

We manufacture all of our products at our Houston, Texas facility. In the event of a fire, flood, tornado, hurricane or other form of a catastrophic event, we may be unable to fulfill any then-existing demand for our products, possibly for a prolonged period, depending upon the severity of the event. As a result, should a catastrophic event occur, our financial condition and results of operation would be materially adversely affected.

Additionally, our lease on our Houston, Texas facility expires on November 30, 2018. There is no guarantee that we will be able to negotiate a favorable lease renewal or extension. If we are not able to renew or extend our lease on the Houston, Texas facility we may have to move our corporate headquarters and manufacturing facility. Doing so could cause us to incur significant expenses and could delay or reduce our ability to manufacture our products for some time. Our financial condition and results of operation could be materially adversely affected by any such move.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified members of the board of directors.

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of the OTC and other applicable securities rules and regulations. Compliance with these rules and regulations requires significant legal and financial compliance costs, makes some activities more difficult, time-consuming or costly and increases demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business and operating results. We may need to hire more employees in the future to comply with these regulatory requirements, which will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

We also expect that being a public company with these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members for our board of directors, particularly to serve any committees, and qualified executive officers.

As a result of disclosure of information in filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results.

We may not reach sufficient size to justify our public reporting status. If we were forced to become a private company following the Merger, then our stockholders may lose their ability to sell their shares and there would be substantial costs associated with becoming a private company.

We will be obligated to develop and maintain proper and effective internal controls over financial reporting.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting annually. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, or if our auditors are unable to express an opinion on the effectiveness of our internal controls, when required, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline.

Risks Related to the Glass Strengthening and Water Repellant Industries

We may face competition from companies that have substantially greater capital resources, research and development, manufacturing and marketing resources.

While we believe that we have significant competitive benefits offered by our proprietary products, there are competitors with much longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical and marketing resources than we do. As we grow and become successful with our products, we expect these competitors to increase the resources they dedicate to our market. Such competition could materially adversely affect our business, operating results or financial condition.

We may face increased pricing pressures from current and future competitors and, accordingly, there can be no assurance that competitive pressures will not require us to reduce our prices.

It is likely that we will experience significant competitive pressure over time. Accordingly, the use and pricing of our products may decline as the market becomes more competitive. Any material reduction in the price of our products will negatively affect our gross margin and results of operations.

Risks Related to our Common Stock

Penny stock regulations may impose certain restrictions on marketability of our securities.

Our common stock is subject to penny stock rules, which may discourage broker-dealers from effecting transactions in our common stock or affect their ability to sell our securities. As a result, purchasers and current holders of our securities could find it more difficult to sell their securities. Our stock is traded on the Over-the-Counter Markets, specifically the OTC Pink (the "OTC Pink"). Trading volume of OTC Pink stocks have been historically lower and more volatile then stocks traded on an exchange or the Nasdaq Stock Market. In addition, we may be subject to rules of the SEC that impose additional requirements on broker-dealers when selling penny stocks to persons other than established customers and accredited investors. In general, an accredited investor is a person with net worth in excess of $1,000,000 or annual income exceeding $200,000 individually, or $300,000 together with his or her spouse. The relevant SEC regulations generally define penny stocks to include any equity security not traded on an exchange or the Nasdaq Stock Market with a market price (as defined in the regulations) of less than $5 per share. Under the penny stock regulations, a broker-dealer must make a special suitability determination as to the purchaser and must have the purchaser's prior written consent to the transaction. Prior to any transaction in a penny stock covered by these rules, a broker-dealer must deliver a disclosure schedule about the penny stock market prepared by the SEC. Broker-dealers must also make disclosure concerning commissions payable to both the broker-dealer and any registered representative and provide current quotations for the securities. Finally, broker-dealers are required to send monthly statements disclosing recent price information for the penny stock held in an account and information on the limited market in penny stocks.

If the SEC deems us to be a "shell company" our stock will be subject to additional restrictions on transfer.

Rule 144(i)(1) prohibits the use of the rule for sales of restricted stock and stock held by affiliates into the public market if the issuing company is now or ever has been a "shell company", unless the requirements of Rule 144(i)(2) are satisfied. Rule 144(i)(1) defines a shell company as a company that is now or at any time previously has been an issuer, that has: (A) no or nominal operations; and (B) either: (1) no or nominal assets; (2) assets consisting solely of cash and cash equivalents; or (3) assets consisting of any amount of cash and cash equivalents and nominal other assets. Rule 144(i)(2) does permit the use of Rule 144 by stockholders of an issuing company that has previously been but is not now a shell company if the issuing company that has been filing reports with the SEC for one year that contain information about its current operating business activities (not including shell company activities) and it is current in its reporting obligations at the time of the proposed sale in reliance on Rule 144. That means that if the SEC deems the Company to have been a shell company, then one year after the date of this Report, if we are then still current in our SEC filings, our stockholders may begin to rely on Rule 144 for resales of their shares of our common stock. If the SEC does not deem the Company to have been a shell company, then our stockholders will be able to rely on Rule 144 for resales of their shares of our common stock six months after the date of this Report if we continue to make all of our required SEC filings.

You may find it difficult to sell our common stock.

As mentioned above, there has been a limited trading market in our common stock. We cannot assure you that an active trading market for our common stock will develop or be sustained. Regardless of whether an active and liquid public market exists, negative fluctuations in our actual or anticipated operating results will likely cause the market price of our common stock to fall, making it more difficult for you to sell our common stock at a favorable price, or at all.

We intend to issue additional equity and stock options to employees and consultants as compensation in the future, which will result in dilution to existing and new investors.

In the future, we will provide additional equity based compensation to our employees, officers, directors, consultants and independent contractors through an equity incentive plan. Our equity incentive plan will likely permit the award of options to purchase shares of common stock and the issuance of restricted shares of our common stock. Because stock options granted under the plan will generally only be exercised when the exercise price for such option is below the then market value of the common stock, the exercise of such options or the issuance of shares will cause dilution to the book value per share of our common stock and to existing and new investors.

Sales of a substantial number of shares of our common stock in the public market by our existing stockholders could cause our stock price to fall.

We have not entered into lock-up agreements with many of our existing shareholders. As a result, sales of a substantial number of shares of our common stock in the public market could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales may have on the prevailing market price of our common stock.

Our stock price is likely to be volatile.

There is generally significant volatility in the market prices and limited liquidity of securities of companies at our stage. Contributing to this volatility are various events that can affect our stock price in a positive or negative manner. These events include, but are not limited to: governmental regulations or actions; market acceptance and sales growth of our products; litigation involving our industry; developments or disputes concerning our patents or other proprietary rights; departure of key personnel; future sales of our securities; fluctuations in our financial results or those of companies that are perceived to be similar to us; investors' general perception of us; announcements by us of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments, and general economic, industry and market conditions. If any of these events occur, it could cause our stock price to fall.

The price of our common stock may be adversely affected by the future issuance and sale of shares of our common stock or other equity securities.

We cannot predict the size of future issuances or sales of our common stock or other equity securities future acquisitions or capital raising activities, or the effect, if any, that such issuances or sales may have on the market price of our common stock. The issuance and sale of substantial amounts of common stock or other equity securities or announcement that such issuances and sales may occur, could adversely affect the market price of our common stock. Any decline in the price of our common stock may encourage short sales, which could place further downward pressure on the price of our common stock and may impair our ability to raise additional capital through the sale of equity securities.

Our reduced stock price may adversely affect our liquidity.

Our common stock has limited trading history. Many market makers are reluctant to make a market in stock with a trading price of less than $5.00 per share, as well as shares quoted on the OTC Pink. To the extent that we have fewer market makers for our common stock, our volume and liquidity will likely decline, which could further depress our stock price.

We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of your stock.

We have never paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future and any return on investment may be limited to the value of your stock. We plan to retain any future earnings to finance growth.

Colorado law and our Articles of Incorporation protect our directors from certain types of lawsuits, which could make it difficult for us to recover damages from them in the event of a lawsuit.

Colorado law provides that our directors will not be liable to our company or to our stockholders for monetary damages for all but certain types of conduct as directors. Our Articles of Incorporation require us to indemnify our directors and officers against all damages incurred in connection with our business to the fullest extent provided or allowed by law. The exculpation provisions may have the effect of preventing stockholders from recovering damages against our directors caused by their negligence, poor judgment or other circumstances. The indemnification provisions may require our company to use our assets to defend our directors and officers against claims, including claims arising out of their negligence, poor judgment or other circumstances.

Additional risks may exist since we became public through a "reverse merger."

Because we became public by means of a "reverse merger," we may not be able to attract the attention of major brokerage firms. Securities analysts of major brokerage firms may not provide coverage of us since there is little incentive to brokerage firms to recommend the purchase of our common stock. We cannot assure you that brokerage firms will want to conduct any secondary offerings on our behalf in the future.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included in this Current Report on Form 8-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Current Report on Form 8-K, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties as described under the heading "Forward-Looking Statements" elsewhere in this Current Report on Form 8-K. You should review the disclosure under the heading "Risk Factors" in this Current Report on Form 8-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

On April 25, 2018, our wholly-owned subsidiary, WETM Acquisition Corp., a corporation formed in the State of Colorado on April 18, 2018, (the "Acquisition Sub"), merged with and into C-Bond Systems, LLC, a privately held Texas limited liability company ("C-Bond"). Pursuant to this transaction (the "Merger"), C-Bond was the surviving corporation and became our wholly-owned subsidiary. All of the outstanding membership interests of C-Bond were converted into shares of our common stock, as described in more detail below. We plan to change the name of the Company to C-Bond Systems, Inc. or something similar containing the C-Bond name in the near future, subject to shareholder approval.

As a result of the Merger, we acquired the business of C-Bond and will continue the existing business operations of C-Bond as a publicly-traded company under the name WestMountain Alternative Energy, Inc., until such time as that name is changed. In accordance with "reverse merger" or "reverse acquisition" accounting treatment, our historical financial statements as of period ends, and for periods ended, prior to the Merger will be replaced with the historical financial statements of C-Bond prior to the Merger, in all future filings with the SEC. As the result of the Merger and the change in our business and operations, a discussion of the past financial results of WestMountain Alternative Energy, Inc., is not pertinent, and under applicable accounting principles the historical financial results of C-Bond, the accounting acquirer, prior to the Merger are considered the historical financial results of our company.

Recent Developments

Reverse Merger

On April 25, 2018, pursuant to the Merger Agreement, Acquisition Sub merged with and into C-Bond, with C-Bond remaining as the surviving entity and a wholly-owned operating subsidiary of our Company. The Merger was effective as of April 26, 2018, upon the filing of a Certificate of Merger with the Secretary of State of the State of Texas.

At the time a certificate of merger reflecting the Merger was filed with the Secretary of State of Texas, or the Effective Time, all of the outstanding Common Units of C-Bond that were issued and outstanding immediately prior to the closing of the Merger were converted into an aggregate of 63,505,787 shares of our common stock. As a result, each common unit of C-Bond was converted into approximately 3.23 shares of our common stock.

In addition, pursuant to the Merger Agreement, each option to purchase Common Units issued and outstanding immediately prior to the closing of the Merger was assumed and converted into an option to purchase an equivalent number of shares of our common stock and the exercise price of each such option was divided by the Conversion Ratio of 3.23. As a result, a total of 14,494,213 options were issued.

C-Bond is considered the accounting acquirer in the Merger and will account for the transaction as a recapitalization transaction because C-Bond's former stockholders received substantially all of the voting rights in the combined entity and C-Bond's senior management represents all of the senior management of the combined entity.

The following discussion highlights C-Bond's results of operations and the principal factors that have affected our financial condition as well as our liquidity and capital resources for the periods described, and provides information that management believes is relevant for an assessment and understanding of the statements of financial condition and results of operations presented herein. The following discussion and analysis are based on C-Bond's audited financial statements contained in this Current Report on Form 8-K, which we have prepared in accordance with United States generally accepted accounting principles. You should read the discussion and analysis together with such financial statements and the related notes thereto.

Private Placement

Concurrently with the closing of the Merger, we sold 3,100,000 shares of our common stock pursuant to a private placement for a purchase price of $0.40 per share, or the Offering Price.

Operating Overview

C-Bond is a limited liability company incorporated in Texas on August 7, 2013 and is a nanotechnology company and sole owner, developer and manufacturer of the patented C-Bond technology. C-Bond is engaged in the implementation of proprietary nanotechnology applications and processes to enhance properties of strength, functionality and sustainability of brittle material systems. C-Bond presently has a primary focus in the multi-billion dollar glass and window film industry with target markets in the United States and internationally. The C-Bond technology enables ordinary glass to dissipate energy by permeating the glass surface and detecting microscopic flaws and defects that are randomly distributed all over the glass surface. C-Bond's unique qualities then work to locate and repair the identified surface imperfections that weaken the glass composite structure and ultimately act as failure initiators. The C-Bond formula is engineered to maintain original glass design integrity while increasing the mechanical performance properties of the glass unit.

Revenue is generated by the sale of products through distributors and directly to authorized dealers. C-Bond NanoShield sales are generated through large distribution channels. Sales of C-Bond I are made to authorized window film dealers who offer the product as an upsell during installation. The C-Bond II ballistic resistant system is sold on a project basis. The C-Bond II system is specified into project plans providing authorized dealers a competitive advantage.

Product sales are recognized when the product is shipped to the customer and title is transferred and are recorded net of any discounts or allowances.

C-Bond anticipates continued loses requiring either revenue generation to achieve sustained profitability or obtaining additional financial resources to maintain operations as well as research and development into product performance and new product verticals.

Critical Accounting Policies

The following discussion and analysis of our financial condition and results of operations are based upon our audited financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Management continually evaluates such estimates, including those related to estimates for allowance for doubtful accounts on accounts receivable, the estimates for obsolete inventory, the useful life of property and equipment, assumptions used in assessing impairment of long-term assets, the fair value of a beneficial conversion feature, and the fair value of non-cash equity transactions. Management bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Any future changes to these estimates and assumptions could cause a material change to our reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management believes the following critical accounting policies affect our more significant judgments and estimates used in the preparation of the financial statements.

Accounts receivable

The Company recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The expense associated with the allowance for doubtful accounts is recognized as general and administrative expense.

Inventory

Inventory, consisting of raw materials and finished goods, are stated at the lower of cost and net realizable value utilizing the first-in, first-out (FIFO) method. A reserve is established when management determines that certain inventories may not be saleable. If inventory costs exceed expected net realizable value due to obsolescence or quantities in excess of expected demand, the Company will record reserves for the difference between the cost and the net realizable value. These reserves are recorded based on estimates and included in cost of sales.

Revenue recognition

The Company sells its products primarily to distributors and authorized dealers. Pursuant to the guidance of ASC Topic 605, the Company recognizes sales when persuasive evidence of an arrangement exists, delivery has occurred or services have been provided, the purchase price is fixed or determinable and collectability is reasonably assured. Product sales are recognized when the product is shipped to the customer and title is transferred and are recorded net of any discounts or allowances.

Stock-based compensation

Stock-based compensation is accounted for based on the requirements of ASC 718 – "Compensation –Stock Compensation", which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award. The Company utilizes the Black-Sholes option pricing model and uses the simplified method to determine expected term because of lack of sufficient exercise history. Additionally, effective January 1, 2017, the Company adopted the Accounting Standards Update No. 2016-09 ("ASU 2016-09"), Improvements to Employee Share-Based Payment Accounting. ASU 2016-09 permits the election of an accounting policy for forfeitures of share-based payment awards, either to recognize forfeitures as they occur or estimate forfeitures over the vesting period of the award. The Company has elected to recognize forfeitures as they occur and the cumulative impact of this change did not have any effect on the Company's consolidated financial statements and related disclosures.

Pursuant to ASC 505-50 – "Equity-Based Payments to Non-Employees", all share-based payments to non-employees, including grants of stock options, are recognized in the consolidated financial statements as compensation expense over the service period of the consulting arrangement or until performance conditions are expected to be met. Using a Black-Scholes valuation model, the Company periodically reassessed the fair value of non-employee options until service conditions are met, which generally aligns with the vesting period of the options, and the Company adjusted the expense recognized in the consolidated financial statements accordingly.

Upon exercise of the stock options by the holder using the exercise methods delineated in the option contract, the Company issues new units from its unissued authorized units.

Results of Operations

The following comparative analysis on results of operations was based primarily on the comparative consolidated financial statements, footnotes and related information for the periods identified below and should be read in conjunction with the audited consolidated financial statements and the notes to those statements for the years ended December 31, 2017 and 2016, which are included elsewhere in this Form 8-K. The results discussed below are for the years ended December 31, 2017 and 2016.

Comparison of Results of Operations for the Years ended December 31, 2017 and 2016

Sales

For the year ended December 31, 2017, sales amounted to $405,417 as compared to $723,612 for the year ended December 31, 2016, a decrease of $318,195, or 44.0%. The decrease in sales was attributable to a shift in focus to the automotive product line and a reduction in ballistic system projects. Historically, C-Bond has generated revenue from product sales. Beginning in January 2017, C-Bond implemented a multiple product structure consisting of the glass strengthening technology platform with enhancements to address specific product verticals. This methodology produced the launch of C-Bond NanoShield in the fourth quarter of 2017 with the continued revenues from C-Bond I for window film and C-Bond II Ballistic Resistant products. The Company use multiple sales channels, including distributors and direct to authorized dealers to generate revenues.

Cost of Goods Sold

Cost of goods sold is comprised primarily of inventory sold, packaging costs, and warranty costs. For the year ended December 31, 2017, cost of sales amounted to $70,048 as compared to $246,232 for the year ended December 31, 2016, a decrease of $176,184, or 71.6%, which was primarily due to the reduction in sales mentioned above.

Gross Profit

For the year ended December 31, 2017, gross profit amounted to $335,369, or 82.7% of revenue, as compared to $477,380, or 66.0% of revenue, for the year ended December 31, 2016, a decrease of $142,011, or 29.7%. The decrease in gross profit percentage was attributable to reduced inventory film cost due to the reduction in ballistic system projects.

Operating Expenses

For the year ended December 31, 2017, operating expenses amounted to $8,627,052 as compared to $6,349,648 for the year ended December 31, 2016, an increase of $2,277,404, or 35.9%. For the years ended December 31, 2017 and 2016, operating expenses consisted of the following:

	Years ended December 31,	
	2017	**2016**
Compensation and related benefits, including stock based compensation charges	$ 7,852,965	$ 5,426,568
Research and development	214,112	220,517
Professional fees	131,022	132,779
General and administrative expenses	428,953	569,784
Total	**$ 8,627,052**	**$ 6,349,648**

Compensation and related benefits

For the year ended December 31, 2017, compensation and related benefits increased by $2,426,397, or 44.7%, as compared to the year ended December 31, 2016. The increase was due to an increase in stock-based compensation expense. During the years ended December 31, 2017 and 2016, stock-based compensation related to the accretion of stock-option expense and other stock-based compensation amounted to $6,772,752 and $4,365,964, respectively, an increase of $2,406,788.

Research and Development

Research and development expenses consist primarily of contracted development services, third party testing laboratories and allocated overhead expenses. We believe continued investment is important to attaining our strategic objectives and expect research and development expenses to increase in absolute dollars for the foreseeable future. For the year ended December 31, 2017, research and development expense decreased by $6,405, or 2.9%, as compared to the year ended December 31, 2016.

Professional Fees

For the year ended December 31, 2017, professional fees decreased by $1,757, or 1.3%, as compared to the year ended December 31, 2016.

General and Administrative

General and administrative expenses consist primarily of rent, insurance, depreciation expense, sale and marketing, delivery and freight, travel and entertainment, and other office expenses. For the year ended December 31, 2017, general and administrative expenses decreased by $140,831, or 24.7%, as compared to the year ended December 31, 2016. The decrease was a primarily attributable to a decrease in bad debt expense of approximately $54,700, a decrease in advertising expense of approximately $78,900. We expect our general and administrative expenses to increase due to the anticipated growth of our business.

Other Expense

For the year ended December 31, 2017, we incurred interest expense of $8,009 as compared to $0 for the year ended December 321, 216.

Net Loss

For the year ended December 31, 2017, net loss amounted to $8,299,692, or $0.59 per member unit (basic and diluted), as compared to $5,872,268, or $0.43 per member unit (basic and diluted), for the year ended December 31, 2016. The increase in net loss was primarily attributable to the decrease in sales due to the shift in product line focus.

Liquidity and Capital Resources

Liquidity is the ability of an enterprise to generate adequate amounts of cash to meet its needs for cash requirements. We had cash of $46,448 and $596,910 of cash as of December 31, 2017 and 2016, respectively.

Our primary uses of cash have been for salaries, fees paid to third parties for professional services, research and development expense, and general and administrative expenses. All funds received have been expended in the furtherance of growing the business. We have received funds from the sales of products and from various financing activities such as from the sale of our member units and from debt financings. The following trends are reasonably likely to result in changes in our liquidity over the near to long term:

- An increase in working capital requirements to finance our current business,
- Research and development fees;
- Addition of administrative and sales personnel as the business grows, and
- The cost of being a public company.

From inception in 2013 through December 31, 2017 C-Bond has raised a total of $5.9 million from proceeds from the sale of common units to fund its operations and research and development initiatives. Fund sources have come from individual investment vehicles. No institutional investment has been made in the Company to date.

In 2013 and 2014, we received $1,475,000 in gross proceeds from initial seed capital and other investments.

During 2015, C-Bond issued 1,200,000 member units for collected cash proceeds of $2,050,000, or $2.50 per member unit and an outstanding subscription receivable.

During 2016, C-Bond received proceeds of $950,000 from the collection of subscription receivables from the sale of member units in 2015.

During 2016, C-Bond issued 363,636 member units for cash proceeds of $1,000,000, or $2.75 per member unit.

In June 2016, C-Bond issued 500,000 member units upon the exercise of 500,000 member unit options at $0.10 per shares. In connection with this option exercise, C-Bond received proceeds of $50,000.

During 2017, C-Bond issued 159,090 member units for cash proceeds of $437,500, or $2.75 per member unit.

On June 1, 2017, C-Bond received $100,000 from a third party pursuant to the terms of a convertible promissory note (the "Convertible Note"). The Convertible Note accrued interest at 7% per annum and all principal and interest is payable on the maturity date of June 1, 2019. The Holder may, at any time, upon written notice, convert all amounts then outstanding under this Convertible Note into a number of common units of C-Bond Systems LLC equal to the amount then owed under this Note divided by $2.50. Upon the maturity date, the principal and accrued interest under this note will automatically be converted into the number of common units of C-Bond Systems LLC equal to the amount then owed under this Convertible Note divided by $2.50. C-Bond Systems LLC may prepay this Convertible Note at any time upon thirty days' prior written notice to the Holder and shall prepay this Convertible Note in full upon the thirty days' prior written notice of a change of control event. On April 1, 2018, the note was converted into 42,333 common units. As a result no long term debt will exist at the time of the transaction closure.

On April 26, 2018, C-Bond paid off the Esousa First Note, described below, for $270,000 and the parties terminated all of the related agreements, including the notes, the warrants and the registrations rights agreement.

On January 22, 2018 (the "Issuance Date"), C-Bond entered into a securities purchase agreement (the "SPA") with Esousa Holdings, LLC ("Esousa"), whereby Esousa agreed to invest up to $750,000 (the "Purchase Price") in C-Bond in exchange for senior secured convertible notes and five-year warrants, upon the terms and subject to the conditions thereof. Pursuant to the SPA, C-Bond issued (i) a senior secured convertible note to Esousa on January 22, 2018, in the original principal amount of $260,000, which bears interest at 10% per annum (the "First Note") and (ii) 293,123 five-year warrants to purchase shares of C-Bond common stock at a purchase price of $0.87 per share. On January 22, 2018, C-Bond received cash proceeds of $260,000 under this convertible note. Each convertible note issued pursuant to the SPA was due and payable two years from the issuance date of the respective convertible note, and any accrued and unpaid interest relating to each convertible note, was due and payable semi-annually. Any amount of principal or interest that was due under each convertible note, which if not paid by the respective maturity date, would bear interest at the rate of 12% per annum until it was satisfied in full. The First Note was secured by a lien on all assets of C-Bond (including, without limitation, the intellectual property rights and all other intellectual property assets).

Esousa was entitled to, at any time or from time to time, convert each convertible note issued under the SPA into shares of C-Bond's common stock, at a conversion price per share (the "Conversion Price") equal to $0.87 (subject to adjustment as provided in the First Note). The First Note contained various covenants, such as rights of first refusal, restrictions on the incurrence of indebtedness, creation of liens, payment of restricted payments, redemptions, payment of cash dividends and the transfer of assets. C-Bond also entered into a registrations rights agreement with Esousa which has been terminated.

In 2018, C-Bond issued 400,000 member units upon exercise of 400,000 member unit options at $0.10 per unit. In connection with these options, C-Bond received proceeds of $40,000. C-Bond also issued 10,000 member units for cash proceeds of $27,500 or $2.75 per member unit.

Additional cash liquidity is generated from product sales. C-Bond has not incurred any debt financing resulting in an extended liability.

To date, C-Bond Systems is not profitable, and we cannot provide any assurances that we will be profitable. We believe our cash and cash equivalents in addition to the proceeds received from closing the merger agreement will provide sufficient capital to satisfy anticipated operational and research expense through April 2019.

Cash Flows

For the Years Ended December 31, 2017 and 2016

The following table shows a summary of our cash flows for the years ended December 2017 and 2016.

	Year Ended December 31,	
	2017	**2016**
Net cash used in operating activities	$ (1,084,508)	$ (1,633,631)
Net cash used in investing activities	$ (3,454)	$ (31,327)
Net cash provided by financing activities	$ 537,500	$ 2,000,000
Net (decrease) increase in cash	$ (550,462)	$ 335,042
Cash - beginning of the year	$ 596,910	$ 261,868
Cash - end of the year	$ 46,448	$ 596,910

Net cash flow used in operating activities was $1,084,508 for the year ended December 31, 2017 as compared net cash flow used in operating activities to $1,633,631 for the year ended December 31, 2016, a decrease of $549,123.

Net cash flow used operating activities for the year ended December 31, 2017 primarily reflected a net loss of $8,299,692 adjusted for the add-back of non-cash items consisting of depreciation and amortization of $38,295, stock-based compensation expense of $6,772,752, bad debt expense of $16,894, and the amortization of debt discount to interest expense of $2,917, and changes in operating assets and liabilities consisting of an increase in accounts receivable of $37,757, an increase in accounts payable of $99,542, an increase in accrued expenses of $79,153, and an increase in accrued compensation of $243,701.

Net cash flow used operating activities for the year ended December 31, 2016 primarily reflected a net loss of $5,872,268 adjusted for the add-back of non-cash items consisting of depreciation and amortization of $34,545, stock-based compensation expense of $4,365,964 and bad debt expense of $71,582, and changed in operating assets and liabilities consisting of an increase in accounts receivable of $49,851, a decrease in inventory of $25,252, a decrease in accounts payable of $94,119, and a decrease in accrued compensation of $109,057.

For the year ended December 31, 2017 and 2016, net cash flow used in investing activities amounted to $3,454 and $31,327 and consisted of the purchase of property and equipment.

Net cash provided by financing activities was $537,500 for the year ended December 31, 2017 as compared to $2,000,000 for the year ended December 31, 2016. During the year ended December 31, 2017, we received net proceeds from convertible notes of $100,000 and proceeds from the sale of member units of $437,500. During the year ended December 31, 2016, we received proceeds from the sale of member units of $1,950,000 and proceeds from the exercise of stock options of $50,000.

Funding Requirements

We expect the primary use of capital to continue to be salaries, third party outside research and testing services, product and research supplies, legal and regulatory expenses and general overhead costs. Additional uses of capital will include additional headcount, tools and equipment, capacity expansion and operational control software. We believe the estimated net proceeds from the merger with current cash and cash equivalents will be sufficient to meet anticipated cash requirements not including potential product sales. However additional capital may be required to further research new product verticals and enhancements to current product offerings based on customer requirements.

As of December 31, 2017, C-Bond determined that there was substantial doubt about its ability to maintain operations as a going concern. C-Bond's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. We will seek to raise capital through additional debt and/or equity financings to fund operations in the future. Although C-Bond has historically raised capital from sales of member units and from the issuance of convertible promissory notes, there is no assurance that it will be able to continue to do so. If the Company is unable to raise additional capital or secure additional lending in the near future, management expects that the company will need to curtail its operations. C-Bond's consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the company be unable to continue as a going concern.

Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially as a result of a number of factors. We have based this estimate on assumptions that may prove to be wrong and could utilize our available capital resources sooner than we currently expect. Our capital requirements are difficult to forecast. Please see the section titled "Risk Factors" elsewhere in this form 8-k for additional risks associated with our capital requirements.

Until such time as we generate substantial product revenue to offset operational expenses, we expect to finance our cash needs through a combination of public and private equity offerings, debt financing, collaborative research and licensing agreements. We may be unable to raise capital or enter into such other arrangements when needed or on favorable terms or at all. Our failure to raise capital or enter into such other arrangements as and when needed would have a negative impact on our financial condition.

Contractual Obligations and Commitments

We have no long term debt obligations as of the date of this Report. We do maintain financing on two test equipment assets totaling a monthly expense of $3,220 that expire at the end of 2018. The current facility lease of $5,765 a month expires at the end of 2018. We expect to enter into an additional lease at that time.

We enter into agreements in the normal course of business with contracted research and testing organization, product distribution and material vendors which are payable or cancelable at any time with 30 day prior written approval.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements during the period presented as defined in the rules and regulations of the SEC.

Quantitative and Qualitative Disclosures About Market Risk

The primary objectives of our investment activities are to ensure liquidity and to preserve principal while at the same time maximizing the income we receive from our marketable securities without significantly increasing risk. Some of the securities that we invest in may have market risk related to changes in interest rates. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. We do not have any debt outstanding at the current time with floating interest rates. Due to the short-term maturities of our cash equivalents and the low risk profile of our investments, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our cash equivalents. To minimize the risk in the future, we intend to maintain our portfolio of cash equivalents and short-term investments in a variety of securities, including commercial paper, money market funds, government and non-government debt securities and corporate obligations.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information relating to the beneficial ownership of our common stock as of April 26, 2018, the day we completed the Merger, by:

- each person, or group of affiliated persons, known by us to beneficially own more than five percent of the outstanding shares of our common stock;
- each of our directors;
- each of our named executive officers; and
- all directors and executive officers as a group.

The number of shares beneficially owned by each entity, person, director or executive officer is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or dispositive power as well as any shares that the individual has the right to acquire within 60 days of April 26, 2018 through the exercise of any stock option, warrants or other rights. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and dispositive power with respect to all shares of common stock held by that person.

The percentage of shares beneficially owned is computed on the basis of 75,712,037 shares of our common stock outstanding as of April 26, 2018, after giving effect to (i) the Merger, and (ii) the issuance of 3,100,000 shares of our common stock in the Offering. One or more persons in the table below may purchase shares of common stock in the Offering or decline to do so, resulting in changes to the percentage of common stock that they beneficially own immediately following the Offering. In addition, other third parties not listed in the table below may acquire shares of common stock that may result in beneficial ownership of more than 5% of the outstanding shares of common stock prior to or after the Offering.

Shares of common stock that a person has the right to acquire within 60 days of April 26, 2018, are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. Unless otherwise noted below, the address of the persons listed on the table is c/o C-Bond Systems, LLC 6035 South Loop East, Houston, TX 77033.

Name of Beneficial Owner	Common Stock Beneficially Owned	Percentage of Common Stock Beneficially Owned
Greater Than 5% Stockholders:		
BOCO Investments, LLC[1]	10,150,000	13.4%
Evergreen Venture Holdings, LLC[2]	6,337,972	8.4%
SMS Moreira Ventures, LLC[3]	5,496,260	7.3%
Fournace LLC[4]	5,215,666	6.9%
Horus Holdings International, Inc.[5]	3,880,480	5.1%
Named Executive Officers and Directors:		
Scott Silverman[6]	1,663,271	2.2%
Vince Pugliese[7]	,2,503,773	3.3%
Bruce Rich[8]	8,215,666	10.4%
Barry M. Edelstein†	—	—%
Scott V. Thomsen†	—	—%
Brian L. Klemsz[9]	—	—%
All directors and executive officers as a group (6 persons)[11]	12,382,710	16.3%

* Indicates beneficial ownership of less than 1% of the total outstanding common stock.

† Barry M. Edelstein and Scott Thomsen will be appointed to our board of directors effective ten days after the date of filing the Schedule 14F-1.

(1) Pat Stryker has sole voting and dispositive power with respect to these shares. Includes 8,050,000 shares owned by WestMountain Green, LLC, which is controlled by BOCO Investments, LLC. BOCO Investments, LLC's address is 1001-A E. Harmony Road, #366, Fort Collins, Colorado 80525.

(2) Mark Rich, brother of Bruce Rich has sole voting and dispositive power with respect to these shares. Evergreen Venture Holdings, LLC's address is 4222 Winbrook Lane, Orlando, Florida 32817.

(3) Sergio Moreira has sole voting and dispositive power with respect to these shares. SMS Moreira Ventures, LLC's address is 232 Bostwick Street, Nacogodoches, Texas 75965.

(4) Bruce Rich has sole voting and dispositive power with respect to these shares. Fournace LLC's address is 3333 Allen Parkway, Unit Number 305, Houston, Texas 77019.

(5) Dr. Victor Mena has sole voting and dispositive power with respect to these shares. Horus Holdings International, Inc.'s address is Dessarollos res. Turisticos, s.a. De C.V., Cipresses No. 100, Col. Ampliacion Jurica, 76100 Queretaro, Qro., C.P., Queretaro, Mexico.

(6) Includes (i) 970,120 shares outstanding pursuant to restricted stock awards, and (ii) 693,151 shares issuable upon the exercise of stock options within 60 days of April 26, 2018 and those already vested.

(7) Includes (i) 517,397 shares held by Mr. Pugliese, (ii) 808,433 shares outstanding pursuant to restricted stock awards, and (iii) 1,177,943 shares issuable upon the exercise of stock options within 60 days of April 26, 2018 and those already vested.

(8) Includes (i) 3,000,000 shares issuable upon exercise of stock options that have vested and (iii) 5,215,666 shares held by Fournace, LLC of which Mr. Rich is the sole member and manager.

(9) Mr. Klemsz holds a 16.8% beneficial interest in WestMountain Green, LLC. Mr. Klemsz' address is 1001-A E. Harmony Road, #366, Fort Collins, Colorado 80525.

(10) Includes (i) 5,733,063 shares held by the directors and executive officers, (ii) 1,778,553 shares outstanding pursuant to restricted stock awards and (iii) 4,871,094 shares issuable upon exercise of stock options that have vested.

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

Set forth below is the name and positions of the Company's sole director as of the closing of the Merger.

Name	Age	Position
Brian L. Klemsz	58	Director

Brian L. Klemsz. Prior to the Merger, Mr. Klemsz was the Company's President, Treasurer, and has since its inception and is currently the sole Director. Since March 2007, he has been the Chief Investment Officer of BOCO Investments, LLC prior to the merger. He was President and Chief Investment Officer for GDBA Investments, LLLP, a private investment partnership from May 2000 until February 2007. He is currently also the President, Treasurer, and sole Director of WestMountain Distressed Debt, Inc., and Chairman, Treasurer and sole Director of WestMountain Company, both of which are public companies, and he is a director on the board for WestMountain Gold, Inc. Mr. Klemsz received a Master's of Science in Accounting and Taxation in 1993 and a Master's of Science in Finance in 1990 from Colorado State University. He received his Bachelor of Science degree from the University of Colorado in 1981.

We will file a Schedule 14F-1 reporting that Mr. Klemsz will resign as director and Scott R. Silverman, Barry M. Edelstein and Scott Thomsen will be appointed to our board of directors effective ten days after the date of filing the Schedule 14F-1. All directors will hold office until the next annual general meeting or until their successors have been elected and qualified or appointed, unless sooner displaced. Our executive management team was however reconstituted immediately following the closing of the Merger by the appointment of Scott Silverman and Vince Pugliese to the positions listed below, and the resignation of Brian Klemsz and Joni Troska from all of their positions as officers. The following table sets forth the name and positions of each of the directors to be appointed and the executive officers already appointed.

Name	Age	Position
Scott R. Silverman	54	Chief Executive Officer, President, Chairman of the Board and Director
Vince Pugliese	56	Chief Operating Officer, Interim Chief Financial Officer, and Treasurer
Barry M. Edelstein	54	Director
Scott V. Thomsen	58	Director

Executive Officers

Scott R. Silverman, has served as Chief Executive Officer of C-Bond since December 2018. From 2003 to 2011, Mr. Silverman served as Executive Chairman of VeriChip Corporation which completed an initial public offering on the NASDAQ in 2007 raising more than $30 million. VeriChip Corporation subsequently sold to Stanley Works in 2008. From 2011 to 2016, Mr. Silverman founded and served as Chairman and Chief Executive Officer of Veriteq Corporation, a leader in RFID technology for medical devices which went public in 2013 and was subsequently sold to a leading breast implant manufacturer. Mr. Silverman is a graduate from the University of Pennsylvania and Villanova University School of Law. We believe that Mr. Silverman's knowledge of our company, industry and business makes him well-suited to serve on the board of directors.

Vince Pugliese, has served as Chief Operating Officer and interim Chief Financial Officer for C-Bond since October 2015 and has held these positions with the Company since the Merger. Mr. Pugliese has also assumed the title of Treasurer since the completion of the Merger. From 2012 to present, Mr. Pugliese, has served as Chief Executive Officer of the Pugliese Group, providing operations and supply chain management, technology development, strategic planning, project management and organizational planning to drive company value through operational efficiency, innovation and cost management by breaking down complex problems into manageable and simple strategies. From 2007 to 2012, Mr. Pugliese was with Blackberry Limited (formerly Research in Motion Limited), a global leader in mobile communications, serving as a consultant from 2007 to 2010 and as Director of North American Operations from 2010 to 2012. Mr. Pugliese has an MBA from the University of Baltimore and a Bachelor of Science in Applied Mathematics and Management Science from Carnegie Mellon University in Pittsburgh, Pennsylvania.

Barry M. Edelstein will become a director of the Company effective ten days after the date of filing the Schedule 14F-1. Since June 2008, Mr. Edelstein has served as a Managing Partner of Structured Growth Capital, Inc., which provides monetization financing to non-investment grade entities. Since January 2002, Mr. Edelstein has also served as President and CEO of ScentSational Technologies, LLC, a leader in developing, patenting and licensing Olfaction Packaging technologies to food, beverage and other consumer products companies. Mr. Edelstein has a JD from the Widener University School of Law and a Bachelor of Science in Business Administration, Marketing from Drexel University's LeBow College of Business. Mr. Edelstein brings a wealth of operational and financial experience to our board as well as a deep knowledge of the packaging industry.

Scott V. Thomsen , will become a director of the Company effective ten days after the date of filing the Schedule 14F-1. Since January 2014, Mr. Thomsen has served as Managing Partner of Innoscovery, Inc., a consulting firm that helps technology entrepreneurs scale companies. From 1994 until January 2014, Mr. Thomsen was with Guardian Industries. He served as Vice President of R&D and Engineering, Optical Imaging Systems, from 1994 to 1996, Vice President of Operations and Engineering, Optical Imaging Systems, from 1996 to 1999, Director of Science and Technology from April 1999 to March 2002, Chief Technology Officer from March 2002 to September 2009, Group Vice President – North America from October 2009 to April 2011, and President of the Global Glass Group from April 2011 to January 2014. Guardian Industries is the largest glass manufacturer in North America. The Guardian Glass Group offers value-added glass products and services to customers in the commercial, residential, automotive, electronics and energy market segments in over 110 countries. As President of the Global Glass Group, Mr. Thomsen was responsible for overseeing a multi-billion dollar business with facilities in 27 countries on 5 continents and 11,000 employees. Mr. Thomsen has a Bachelor of Science in Electrical and Electronics Engineering from the University of North Dakota and a Master of Science in Systems Engineering from West Coast University. Mr. Thomsen brings a wealth of industry knowledge and knowledge of start-up organizations to our Board.

Indemnification of Directors and Officers

Section 7-108-402 of the Colorado Business Corporation Act provides that the articles of incorporation of a Colorado corporation may contain a provision eliminating or limiting the personal liability of a director to the corporation or to its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 7-108-403 of the Colorado Business Corporation Act (regarding liability of directors for unlawful distributions), or (iv) for any transaction from which the director directly or indirectly derived an improper personal benefit. Such a provision in the articles of incorporation shall not eliminate or limit the liability of a director to the corporation or to its shareholders for monetary damages for any act or omission occurring before the date on which the provision becomes effective. Section 7-108-402 further provides that no director or officer shall be personally liable for any injury to persons or property arising out of a tort committed by any employee unless such director or officer (i) was personally involved in the situation giving rise to the litigation or (ii) committed a criminal offense in connection with such situation. Our amended and restated articles of incorporation and amended and restated bylaws provide for indemnification by us of our directors, officers, employees, and agents to the fullest extent permitted by law.

Section 7-109-103 of the Colorado Business Corporation Act provides that, unless limited by its articles of incorporation, a Colorado corporation must indemnify a person who was wholly successful, on the merits or otherwise, in the defense of any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal (a "Proceeding"), to which that person was a party because the person is or was a director of the corporation or an individual who, while a director of the corporation, is or was serving at the corporation's request as a director, officer, agent, business associate, employee, fiduciary, manager, member, partner, promoter, trustee of, or any similar position with, another domestic or foreign entity or of an employee benefit plan (a "Director"), against reasonable expenses incurred by the Director in connection with the Proceeding. Our amended and restated articles of incorporation do not contain any such limitation.

Section 7-109-102 of the Colorado Business Corporation Act provides, generally, that a Colorado corporation may indemnify a person made a party to a Proceeding because the person is or was a Director against any obligation incurred with respect to a Proceeding to pay a judgment, settlement, penalty, fine (including an excise
tax assessed with respect to an employee benefit plan), or reasonable expenses incurred in the Proceeding if (i) the Director's conduct was in good faith and (ii) the Director reasonably believed, (a) in the case of conduct in an official capacity with the corporation, that the Director's conduct was in the corporation's best interests and, (b) in all other cases, that the Director's conduct was at least not opposed to the corporation's best interests and, (iii) with respect to any criminal proceeding, the Director had no reasonable cause to believe that his or her conduct was unlawful. Section 7-109-102 further provides that a corporation may not indemnify a Director in connection with any Proceeding charging that the Director derived an improper personal benefit, whether or not involving actions in an official capacity, in which Proceeding the Director was adjudged liable on the basis that the Director derived an improper personal benefit.

Section 7-109-106 provides that the determination that indemnification of a Director is permissible shall be made (i) by the board of directors by a majority vote of those present at a meeting at which a quorum is present, and only those directors not parties to the Proceeding shall be counted in satisfying the quorum; (ii) if a quorum cannot be obtained, by a majority vote of a committee of the board of directors designated by the board of directors, which committee shall consist of two or more directors not parties to the Proceeding (except that Directors who are parties to the Proceeding may participate in the designation of directors for the committee); or (iii) if a quorum cannot be obtained and a committee cannot be established, or if a majority of the directors constituting such quorum or such committee so directs, by independent legal counsel (pursuant to the voting requirements under Section 7-109-106) or by the shareholders.

Under Section 7-109-105 of the Colorado Business Corporation Act, unless otherwise provided in the articles of incorporation, a Director may apply for indemnification to a court of competent jurisdiction. After giving any notice the court considers necessary, the court may order indemnification in the following manner: (i) if the court determines that the Director is entitled to mandatory indemnification under Section 7-109-103, the court shall order (a) indemnification and (b) payment by the corporation of the Director's reasonable expenses incurred to obtain court-ordered indemnification; and (ii) if the court determines that the Director is fairly and reasonably entitled to indemnification in view of all of the relevant circumstances, whether or not the Director met the standard of conduct under Section 7-109-102 or was adjudged liable (a) in an action by or in the right of the corporation or (b) on the basis that he or she derived an improper personal benefit, the court may order indemnification as it deems proper (except that the indemnification in these circumstances is limited to the reasonable expenses incurred in connection with the Proceeding and reasonable expenses incurred to obtain court-ordered indemnification).

Under Section 7-109-107 of the Colorado Business Corporation Act, unless otherwise provided in the articles of incorporation, an officer is entitled to mandatory indemnification under Section 7-109-103, and to apply for court-ordered indemnification under Section 7-109-105, in each case to the same extent as a Director. A Colorado corporation may indemnify and advance expenses to (i) an officer, employee, fiduciary, or agent of the corporation to the same extent as to a Director and (ii) an officer, employee, fiduciary, or agent who is not a Director to a greater extent, if not inconsistent with public policy and if provided for by its bylaws, general or specific action of its board of directors or shareholders, or contract. Section 7-109-104 of the Colorado Business Corporation Act authorizes a Colorado corporation to pay for or reimburse the reasonable expenses incurred by a Director in defending a Proceeding in advance of final disposition of the Proceeding if (i) the Director furnishes a written affirmation of the Director's good-faith belief that the Director has met the standard of conduct under Section 7-109-102, (ii) the Director furnishes a written undertaking to repay the advance if it is ultimately determined that the Director did not meet the standard of conduct, and (iii) a determination is made that the facts then known to those making the determination would not preclude indemnification under the Colorado Business Corporation Act.

Further, our amended articles of incorporation and bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by law. We may also purchase insurance on behalf of an existing or former officer, employee, director or agent against any liability asserted against and incurred by that person in such capacity, or arising out of that person's status in such capacity. We believe that these indemnification provisions and the directors' and officers' insurance are useful to attract and retain qualified directors and executive officers.

In addition to the indemnification obligations required by our amended articles of incorporation, we also entered into an Indemnification Agreement with Mr. Klemz, pursuant to which we agreed to indemnify him for actions taken in his official capacity on and after the closing of the Merger until his resignation which will be effective upon the filing of a Schedule 14F-1.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us under any of the foregoing provisions, in the opinion of the SEC, that indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

EXECUTIVE AND DIRECTOR COMPENSATION

From our inception to the date of this Current Report on Form 8-K, no compensation was earned by or paid to our executive officers by the Company. C-Bond became our wholly owned subsidiary upon the closing of the Merger. The following summarizes the compensation earned by C-Bond's executive officers named in the "Summary Compensation Table" below (referred to herein as our "named executive officers") in C-Bond's fiscal years ending December 31, 2017 and 2016.

This section also discusses the material elements of C-Bond's executive compensation policies and decisions and important factors relevant to an analysis of these policies and decisions. It provides qualitative information regarding the manner and context in which compensation is awarded to and earned by our named executive officers and is intended to place in perspective the information presented in the following tables and the corresponding narrative.

Overview

C-Bond's named executive officers for the year ended December 31, 2017, which consists of our Chief Executive Officer and its one other most highly compensated executive officers who were serving as its executive officers as of December 31, 2017, are as follows:

- ***Scott R. Silverman*** – Chief Executive Officer and President;
- ***Vince Pugliese*** – Chief Operating Officer, Interim Chief Financial Officer and Treasurer.

Additionally, this section also provides a discussion of the compensation paid or awarded to Bruce Rich, who served as the Chief Executive Officer of C-Bond until December 18, 2017 and as a consultant to C-Bond thereafter. C-Bond is a small company and had no other executive officers during 2017.

Summary Compensation Table

The following table sets forth information regarding compensation awarded to, earned by or paid to each of the named executive officers for the years ending December 31, 2017 and 2016.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)[1]	All Other Compensation ($)	Total ($)
Scott R. Silverman	2017	71,500[2]	—	6,912,300	2,421	6,986,221
Chief Executive Officer and President	2016	—[3]	—	—	—	—
Vincent Pugliese	2017	180,000[4]	—	542,522[5]	3,011	725,533
Chief Operating Officer, Interim Chief Financial Officer and Treasurer	2016	180,000	—	1,391,673	—	1,571,673
Bruce Rich	2017	300,000[6]	21,875[7]	—	43,032[8]	364,907
Former Chief Executive Officer	2016	300,000	97,500[7]	—	—	397,500

(1) As required by SEC rules, the amounts in this column reflect the grant date or modification date fair value of the C-Bond option awards as required by FASB ASC Topic 718. A discussion of the assumptions and methodologies used to calculate these amounts, are contained in the notes to C-Bond's financial statements, included as Exhibit 99.1 to this Report, "Note 7 – Members' Equity (Deficit)".

(2) Includes $30,000 of deferred compensation.

(3) Mr. Silverman joined C-Bond on October 18, 2017 as a consultant and became chief executive officer on December 18, 2017, and therefore did not earn any compensation for the year ended December 31, 2016.

(4) Includes $31,500 of deferred compensation.

(5) In December 2017, Mr. Pugliese's stock options were modified and the exercise price of all stock options granted to Mr. Pugliese in 2016 and earlier was reduced to $1.00 per share. As required by SEC rules, the amounts in this column reflect the incremental fair value, computed as of the repricing or modification date in accordance with FASB ASC Topic 718. A discussion of the assumptions and methodologies used to calculate these amounts, are contained in the notes to C-Bond's financial statements, included as Exhibit 99.1 to this Report, under "Note 7 – Members' Equity (Deficit)".
(6) Mr. Rich resigned as chief executive officer of C-Bond on December 18, 2017 and therefore the amount in the table reflects his salary received until such date.
(7) Bonus earned based on a percentage of capital raises pursuant to his then existing employment agreement.
(8) This amount includes $21,706 for health insurance, $6,000 for auto allowance and $15,326 for other commission based fees.

Elements of Executive Compensation

Base Salaries. Base salaries for the named executive officers during 2017 and 2016 was determined by the C-Bond managers based on the scope of each officer's responsibilities along with his respective experience and contributions during the prior year. When reviewing base salaries, the managers took factors into account such as each officer's experience and individual performance, company performance as a whole, and general industry conditions, but did not assign any specific weighting to any factor.

Equity Awards. The named executive officers have historically participated in C-Bond's Common Unit Option Plan. Mr. Silverman was granted an option to acquire 3,000,000 common units of C-Bond in connection with the commencement of his employment in 2017. Mr. Pugliese was granted options to acquire 800,000 common units of C-Bond in 2016 and 499,998 common units of C-Bond in years prior to 2016. In December 2017, Mr. Pugliese's stock options were modified and the exercise price of all stock options granted to Mr. Pugliese in 2016 and earlier was reduced to $1.00 per share.

Other Benefits. At the current time, C-Bond does not offer any additional benefit packages to employees.

Employment Agreements with Executive Officers

C-Bond entered into employment agreements with each of our names executive officers prior to the Merger which will continue in effect.

Employment Agreement with Scott R. Silverman

C-Bond entered into an employment agreement with Mr. Silverman on October 18, 2017, pursuant to which he serves as the Chief Executive Officer of C-Bond for an initial term of three years that extends for successive one-year renewal terms unless either party gives 30-days' advance notice of non-renewal. As consideration for these services, the employment agreement provides Mr. Silverman with the following compensation and benefits:

- An annual base salary of $300,000, with a 10% increase on each anniversary date contingent upon achieving certain performance objectives as set by the Board. Until C-Bond raises $1,000,000 in debt or equity financing after entering into this agreement, Mr. Silverman will receive ½ of the base salary on a monthly basis with the other ½ being deferred. Upon the financing being raised, Mr. Silverman will receive the deferred portion of his compensation and his base salary will be paid in full moving forward.

- When the first $500,000 of equity investments is raised by C-Bond after entering into this employment agreement, Mr. Silverman will receive a capital raise success bonus of 5% of all equity capital raised from investors/lenders introduced by him to C-Bond.

- Annual cash performance bonus opportunity as determined by the Board.

- An option to acquire 3,000,000 common units of C-Bond, with a strike price of $1.00 per unit. These options will vest pro rata on a monthly basis for the term of the employment agreement. On each anniversary, Mr. Silverman will be eligible to be granted a minimum of 500,000 stock options of C-Bond at a strike price of $2.75 per common unit contingent upon the achievement of certain performance objectives.

- Certain other employee benefits and perquisites, including reimbursement of necessary and reasonable travel and participation in retirement and welfare benefits.

Mr. Silverman's employment agreement provides that, in the event that his employment is terminated by C-Bond without "cause" (as defined in his new employment agreement), or if Mr. Silverman resigned for "good reasons" (as defined in his new employment agreement), subject to a complete release of claims, he will be entitled to (i) retain all stock options previously granted; and (ii) receive any benefits then owed or accrued along with one year of base salary and any unreimbursed expenses incurred by him. All amounts shall be paid on the termination date. In the event that Mr. Silverman's employment is terminated by C-Bond for "cause" (as defined in his employment agreement), or if Mr. Silverman resigned without "good reasons" (as defined in his new employment agreement), subject to a complete release of claims, he will be entitled to receive any unpaid base salary and benefits then owed or accrued and any unreimbursed expenses incurred by him. Additionally, if a change of control (as defined in his employment agreement) occurs during the term of this agreement, all unvested stock options will vest in full and if the valuation of C-Bond in the change of control transaction is greater than $2.75 per common unit, then Mr. Silverman shall be paid a bonus equal to two times his minimum base salary and minimum target bonus.

Pursuant to the employment agreement, Mr. Silverman will be subject to a confidentiality covenant, a two-year post-termination non-competition covenant and a two-year post-termination non-solicitation covenant.

Employment Agreement with Vincent Pugliese

C-Bond entered into an employment agreement with Mr. Pugliese on October 12, 2015, which was amended on February 11, 2016 and December 20, 2016. Pursuant to this amended employment agreement, he serves as the Chief Operating Officer of C-Bond for an initial term until December 20, 2018. He will also assume the title of President and interim Chief Financial Officer upon the closing of the Merger. Either party may terminate the employment by giving 30-days' advance notice of termination. As consideration for these services, the employment agreement provides Mr. Pugliese with the following compensation and benefits:

- An annual base salary of $180,000.

- Annual cash performance bonus opportunity as determined by the Board.

- Certain other employee benefits and perquisites, including reimbursement of necessary and reasonable travel.

In the event of a change of control (as defined in his employment agreement), and within one year thereafter termination of employment for good "cause" (as defined in his employment agreement), by C-Bond or for "good reason" (as defined in his employment agreement) by Mr. Pugliese, Mr. Pugliese will be entitled to receive, subject to a complete release of all claims, a lump sum payment equal to his current annual base salary within 30 days after termination date. Further, in the event Mr. Pugliese's employment is terminated by C-Bond for a reason other than for cause then C-Bond shall continue to pay his regular base salary for one year following the termination date.

Pursuant to the employment agreement, Mr. Pugliese will be subject to a confidentiality covenant, a two-year post-termination non-competition covenant and a two-year post-termination non-solicitation covenant.

Consulting Agreement with Bruce Rich

C-Bond entered into a consulting agreement with Mr. Rich on January 1, 2018, pursuant to which Mr. Rich agreed to consult as and when requested by C-Bond, for a period of three years or until the aggregate cash payments total $300,000. As consideration for these services, Mr. Rich is entitled to a monthly fee equal to half of the base salary paid to Mr. Silverman, subject to a minimum of $8,333.33. Neither party may terminate this agreement prior to the end of the term. Pursuant to this consulting agreement, Mr. Rich will be subject to a confidentiality covenant, a three-year non-competition covenant and a three-year non-solicitation covenant.

Outstanding Equity Awards at Fiscal Year-End

The following are the outstanding equity awards for the named executive officers as of December 31, 2017, which have been adjusted to give effect to the Merger:

	Option Awards				
Name	**Number of Securities Underlying Unexercised Options (Exercisable)**	**Number of Securities Underlying Unexercised Options (Unexercisable)**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options**	**Option Exercise Price ($)**	**Option Expiration Date**
Scott R. Silverman	208,219	2,791,781(1)	0	$ 1.00	10/18/2027
Vincent Pugliese	1,024,382	275,616(2)	0	$ 1.00	12/23/2026
Bruce Rich	3,000,000(3)	0	0	$ 0.10	8/9/2023

(1) These shares vest in tranches of 83,333 shares on the 18th of each month for 36 months from October 16, 2017.
(2) These shares vest as follows: 150,000 shall vest on December 20, 2018 and 125,616 shares vest in tranches of 13,889 shares each month through October 2018.
(3) These shares are fully vested.

C-Bond Common Unit Option Plan

C-Bond had a Common Unit Option Plan until the closure of the Merger. This option plan was terminated upon the Merger. A new option plan will be put in place by the Company as soon as possible. C-Bond had no other employee benefit plans.

Director Compensation

C-Bond did not pay any of its directors for their board service in 2016 or 2017.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

SEC rules require us to disclose any transaction or currently proposed transaction in which we were a participant and in which any related person has or will have a direct or indirect material interest involving the lesser of $120,000 or 1% of the average of our total assets as of the end of last two completed fiscal years. A related person is any executive officer, director, nominee for director, or holder of 5% or more of our Common Stock, or an immediate family member of any of those persons. The descriptions set forth above under the captions "The Merger and Related Transactions—Merger Agreement," "—the Offering," "—Sale of Restricted Shares Registration Rights," "—Lock-up Agreements" and "Executive Compensation—Employment Agreements with Executive Officers" and below under "Description of Securities—Options" are incorporated herein by reference.

The following is a description of transactions since January 1, 2015 to which we have been a party, in which the amount involved exceeded or will exceed $120,000, and in which any of our directors, executive officers or holders of more than 5% of the Company's pre-Merger capital stock (or pre-Merger C-Bond's Common Units), or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest, other than compensation and other arrangements that are described in the section titled "Executive Compensation." The following description is historical and has not been adjusted to give effect to the Merger or the share conversion ratio pursuant to the Merger Agreement.

Related Party Transactions of C-Bond

Issuances of Options for Common Units

Prior to the Merger, from 2013 through 2017, C-Bond issued and sold an aggregate of 15,394,213 options to purchase Common Units, 14,494,213 of which remained outstanding as of immediately prior to the Merger. The following table sets forth the number of options to purchase Common Units issued to C-Bond's directors, executive officers and holders of more than five percent of its Common Units, or an affiliate or immediate family member thereof since January 1, 2015:

Date	Name	Number of Shares Underlying Option	Exercise Price
2/11/2016	Vince Pugliese	500,000	$ 2.50
12/20/2016	Vince Pugliese	300,000	$ 2.75
10/16/2017	Scott Silverman	3,000,000	$ 1.00
12/29/2017	Sergio Moreira	1,000,000	$ 0.10

During 2016, Paul Brogan, former director of C-Bond, exercised options for 500,000 common units at $0.10 per unit. During 2018, Mr. Brogan exercised options for 400,000 common units at $0.10 per unit.

During 2016 Vince Pugliese was issued options to acquire 800,000 common units of C-Bond. Prior to 2016, Mr. Pugliese was issued options to acquire 499,998 common units of C-Bond. In December 2017, all such options were repriced to an exercise price of $1.00 per share in connection with his employment.

On October 16, 2017, Scott Silverman was issued an option to purchase 3,000,000 common units of C-Bond for $1.00 per share in connection with his hiring.

For information regarding the number of shares of stock issued to, or options held by, C-Bond's managers, executive officers and holders of more than five percent of our Common Units, or an affiliate or immediate family member thereof, see "Security Ownership of Certain Beneficial Owners and Management" and "Executive and Director Compensation."

Issuance of Common Units

On January 2, 2018, C-Bond converted the accrued compensation and other amounts owed to Bruce Rich into 3,925,770 member units.

Restricted Stock Awards

In April 2018, C-Bond made restricted unit grants to the following officers and directors, among others: Paul Brogan - 100,000 common units, Sergio Moreira - 100,000 common units, Scott Silverman - 300,000 common units, and Vince Pugliese - 250,000 common units.

Employment Agreements

C-Bond executed an offer of employment with each of its executives. For a description of the basic terms of the executive's employment, including his or her start date, starting salary, bonus target and any equity awards. See "Executive and Director Compensation—Employment Arrangements with Executive Officers" for more information.

Related Party Transactions of the Company

Prior to the closing of the Merger, WestMountain had entered into the several related party transactions. These include:

Bohemian Companies, LLC and BOCO Investments, LLC are two companies under common control. Mr. Klemsz, our President prior to the Merger, has been the Chief Investment Officer of BOCO Investments, LLC since March 2007. Since there is common control between the two companies and a relationship with our Company President, we are considering all transactions with Bohemian Companies, LLC related party transactions. The Company did not have any related party transactions with Bohemian Companies, LLC or BOCO Investments, LLC during the years ended December 31, 2017 and 2016.

The Company entered into an agreement with SP Business Solutions ("SP") to provide accounting and related services for the Company. The owner, Joni Troska, was appointed Secretary of the Company on March 19, 2010, and is considered to be a related party. Total expenses incurred with SP were $2,300 and $2,300 for the fiscal years ended December 31, 2017 and 2016, respectively. As of December 31, 2017 and 2016, an accrual of $800 has been recorded for unpaid services.

As of December 31, 2017 and 2016, the Company recorded an amount due of $1,000 from WestMountain Company, a related party. The funds were deposited in our cash account January 2018.

Contemporaneously with the closing of the Merger, C-Bond entered into subscription agreements with investors, including BOCO Investments, LLC, pursuant to which we sold 3,100,000 shares of our common stock at a purchase price of $0.40 per share, or the Offering Price.

Policies and Procedures for Related Party Transactions

Our board of directors intends to adopt a written related person transaction policy, to set forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K promulgated under the Exchange Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds or will exceed the lesser of $120,000 or 1% of the average of C-Bond's total assets as of the end of the last two completed fiscal years and a related person had, has or will have a direct or indirect material interest, including purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person.

MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

A limited public market currently exists for shares of our common stock. We began trading on the Over-the-Counter Bulletin Board under the trading symbol 'WETM' in January, 2009.

The table below sets forth, for the periods indicated, the per share high and low closing bid prices. Please note that OTC market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. In addition, the sales volume of our shares was extremely low or nonexistent during these periods, so the prices do not reflect an active market price for our shares.

	Closing Bid Price	
	High (in US$)	**Low (in US$)**
Fiscal 2017		
First Quarter	0.21	0.21
Second Quarter	0.21	0.21
Third Quarter	0.21	0.21
Fourth Quarter	0.21	0.21
Fiscal 2016		
First Quarter	0.21	0.21
Second Quarter	0.26	0.21
Third Quarter	0.26	0.21
Fourth Quarter	0.26	0.21

On April 26, 2018, the closing bid price of our common stock on the OTC Bulletin Board was $0.87. on April 25, 2018, the day before the Merger was announced, the closing bid price of our common stock on the OTC Bulletin Board was $0.22.

The Securities Enforcement and Penny Stock Reform Act of 1990

The SEC has also adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than $5.00 (other than securities registered on certain national securities exchanges or quoted on the Nasdaq system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system).

A purchaser is purchasing penny stock which limits the ability to sell the stock. Our shares will remain penny stocks for the foreseeable future. The classification of penny stock makes it more difficult for a broker-dealer to sell the stock into a secondary market, which makes it more difficult for a purchaser to liquidate his/her investment. Any broker-dealer engaged by the purchaser for the purpose of selling his or her shares in us will be subject to Rules 15g-1 through 15g-10 of the Exchange Act. Rather than creating a need to comply with those rules, some broker-dealers will refuse to attempt to sell penny stock.

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document prepared by the SEC, which contains:

- a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements of the Securities Act of 1934, as amended;
- a brief, clear, narrative description of a dealer market, including "bid" and "ask" prices for penny stocks and the significance of the spread between the bid and ask price;
- a toll-free telephone number for inquiries on disciplinary actions;
- defines significant terms in the disclosure document or in the conduct of trading penny stocks; and
- contains such other information and is in such form (including language, type, size and format) as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to affecting any transaction in a penny stock, to the customer:

- the bid and offer quotations for the penny stock;
- the compensation of the broker-dealer and its salesperson in the transaction;
- the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and
- monthly account statements showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements will have the effect of reducing the trading activity in the secondary market for our stock because it will be subject to these penny stock rules. Therefore, stockholders may have difficulty selling their securities.

Dividend Policy

We have not previously declared or paid any dividends on our common stock and do not anticipate declaring any dividends in the foreseeable future. The payment of dividends on our common stock is within the discretion of our board of directors. We intend to retain any earnings for use in our operations and the expansion of our business. Payment of dividends in the future will depend on our future earnings, future capital needs and our operating and financial condition, among other factors that our board of directors may deem relevant. We are not under any contractual restriction as to our present or future ability to pay dividends.

Shares Eligible for Future Sale

Prior to the Merger, there has been a limited public market for our common stock. As described below, only a limited number of shares of our common stock will be available for sale in the public market for a period of several months after consummation of the Merger due to contractual and legal restrictions on resale described below. Future sales of our common stock in the public market either before (to the extent permitted) or after restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing price of our common stock at such time and our ability to raise equity capital at a time and price we deem appropriate.

As of April 26, 2018, there were approximately 170 record holders of our common stock and there were 75,712,037 shares of our common stock outstanding. Of those outstanding shares, no shares of our common stock that were not issued in a public offering are freely tradable, without restriction, as of the date of this Current Report on Form 8-K. No shares issued in connection with the Merger or the Offering can be publicly sold under Rule 144 promulgated under the Securities Act until 12 months after the date of filing this Current Report on Form 8-K, unless the offer or sale of such shares is registered pursuant to an effective registration statement under the Securities Act.

Sale of Restricted Shares and Registration Rights

Of the approximately 75,712,037 shares of common stock outstanding upon completion of the Merger and the Offering, all of such shares will be "restricted securities" as such term is defined in Rule 144 except for 1,056,250 shares that were held of non-affiliates of the Company prior to the Merger. All of the shares of the Company acquired by former equity holders of C-Bond will be restricted securities. These restricted securities were issued and sold by us, or will be issued and sold by us, in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144, are summarized below.

Our officers, Scott Silverman and Vince Pugliese have agreed not to sell any of their shares of our common stock for one year after completion of the Merger.

The stockholders listed below have agreed not to sell any of their shares of our common stock until a resale or shelf registration statement is filed. We have agreed to file such a registration statement as soon as practicable and to cause that registration statement to be declared effective as soon as reasonably possible. After that registration statement becomes effective, they have each agreed to limit their sale of shares included in that shelf registration statement on any trading day to no more than 15% of the average trading volume of our common stock after the preceding five trading days.

Name	Shares to be included in the Registration Statement
BOCO Investments, LLC	2,100,000
Fourance LLC	1,000,000
Mark Cline	500,000
Jeff Badders	250,000
John Richard Rudisill	187,500
Koshy Alexander	62,500

Rule 144

If the SEC deems us to have been a "shell company":

Rule 144(i)(1) prohibits the use of the rule for sales of restricted stock and stock held by affiliates into the public market if the issuing company is now or ever has been a "shell company", unless the requirements of Rule 144(i)(2) are satisfied. Rule 144(i)(1) defines a shell company as a company that is now or at any time previously has been an issuer, that has: (A) no or nominal operations; and (B) either: (1) no or nominal assets; (2) assets consisting solely of cash and cash equivalents; or (3) assets consisting of any amount of cash and cash equivalents and nominal other assets. Rule 144(i)(2) does permit the use of Rule 144 by stockholders of an issuing company that has previously been but is not now a shell company if the issuing company that has been filing reports with the SEC for one year that contain information about its current operating business activities (not including shell company activities) and it is current in its reporting obligations at the time of the proposed sale in reliance on Rule 144. As a result, unless we register such shares for sale under the Securities Act, most of our stockholders will be forced to hold their shares of our common stock for at least that 12-month period before they are eligible to sell those shares, and even after that 12-month period, sales may not be made under Rule 144 unless we and the selling stockholders are in compliance with other requirements of Rule 144.

In general, Rule 144 provides that (i) any of our non-affiliates that has held restricted common stock for at least 12 months is thereafter entitled to sell its restricted stock freely and without restriction, provided that we remain compliant and current with our SEC reporting obligations, and (ii) any of our affiliates, which includes our directors, executive officers and other person in control of us, that has held restricted common stock for at least 12 months is thereafter entitled to sell its restricted stock subject to the following restrictions: (a) we are compliant and current with our SEC reporting obligations, (b) certain manner of sale provisions are satisfied, (c) a Form 144 is filed with the SEC, and (d) certain volume limitations are satisfied, which limit the sale of shares within any three-month period to a number of shares that does not exceed 1% of the total number of outstanding shares or, if our common stock is then listed or quoted for trading on a national securities exchange, then the greater of 1% of the total number of outstanding shares and the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of the Form 144 with respect to the sale. A person who has ceased to be an affiliate at least three months immediately preceding the sale and who has owned such shares of common stock for at least one year is entitled to sell the shares under Rule 144 without regard to any of the limitations described above.

If the SEC does not deem us to have been a "shell company":

If the SEC does not deem us to have been a "shell company", then non-affiliates could sell their shares pursuant to Rule 144 six months after the Merger so long as the other requirements of Rule 144 were satisfied. However, affiliates, can only sell up to one percent of the outstanding shares of the same class being sold during any three-month period pursuant to Rule 144.

DESCRIPTION OF SECURITIES

We have authorized capital stock consisting of 100,000,000 shares of common stock and 1,000,000 shares of preferred stock. As of the date of this Report, we had 75,712,037 shares of common stock issued and outstanding, and no shares of preferred stock issued and outstanding. Unless stated otherwise, the following discussion summarizes the term and provisions of our amended and restated certificate of incorporation and our amended and restated bylaws. This description is summarized from, and qualified in its entirety by reference to, our amended and restated certificate of incorporation, which has been publicly filed with the SEC.

Common Stock

The holders of shares of our common stock are entitled to one vote per share on all matters to be voted upon by our stockholders and there are no cumulative rights. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of shares of our common stock are entitled to receive ratably any dividends that may be declared from time to time by our board of directors out of funds legally available for that purpose. In the event of our liquidation, dissolution or winding up, the holders of shares of our common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock then outstanding. Our common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to our common stock. The outstanding shares of our common stock are fully paid and non-assessable, and any shares of our common stock to be issued upon an offering pursuant to this Report will be fully paid and nonassessable upon issuance.

We have never paid cash dividends on our common stock. Moreover, we do not anticipate paying periodic cash dividends on our common stock for the foreseeable future. Any future determination about the payment of dividends will be made at the discretion of our board of directors and will depend upon our earnings, if any, capital requirements, operating and financial conditions and on such other factors as our board of directors deems relevant.

Preferred Stock

The following description of our preferred stock and the description of the terms of any particular series of our preferred stock that we choose to issue hereunder are not complete. These descriptions are qualified in their entirety by reference to our amended and restated certificate of incorporation and the certificate of designation, if and when adopted by our board of directors, relating to that series. The rights, preferences, privileges and restrictions of the preferred stock of each series will be fixed by the certificate of designation relating to that series.

We currently have no shares of preferred stock outstanding. Our board of directors has the authority, without further action by the stockholders, to issue up to 1,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions granted to or imposed upon the preferred stock. Any or all of these rights may be greater than the rights of our common stock.

Our board of directors, without stockholder approval, can issue preferred stock with voting, conversion or other rights that could negatively affect the voting power and other rights of the holders of our common stock. Preferred stock could thus be issued quickly with terms calculated to delay or prevent a change in control of us or make it more difficult to remove our management. Additionally, the issuance of preferred stock may have the effect of decreasing the market price of our common stock. Our board of directors may specify the characteristics of any preferred stock.

Any preferred stock issued will be fully paid and nonassessable upon issuance.

Options

Options to purchase common units of C-Bond that were originally granted to certain C-Bond employees, officers, directors and other service providers were converted into options to purchase an equal number of shares of our common stock and the exercise price of such options was reduced by the Conversion Ratio when they were assumed by us in connection with the Merger.

Limitations of Liability and Indemnification Matters

For a discussion of liability and indemnification, please see the section titled "Directors and Executive Officers—Limitation on Liability and Indemnification."

Transfer Agent

The stock transfer agent for our securities is Corporate Stock Transfer of Denver, Colorado. Their address is 3200 Cherry Creek Drive South, Suite 430, Denver, Colorado 80209. Their phone number is (303) 282-4800.

LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business.

Prior to the Closing of the Merger, C-Bond received a letter from counsel to Arnold Jay Boisdrenghein/Equity Capital Holding Group, Inc. claiming that such parties were entitled to $25,000 and 1,000,000 post-Merger shares of common stock of WestMountain pursuant to the terms of a consulting agreement with C-Bond. The Company intends to vigorously defend this claim. We cannot predict the timing and ultimate outcome of this matter, however we believe the range of possible loss is immaterial to our financial statements.

Other than the above discussed items, we are currently not aware of any pending legal proceedings to which we are a party or of which any of our property is the subject, nor are we aware of any such proceedings that are contemplated by any governmental authority.

Item 3.02 Unregistered Sales of Equity Securities.

The Offering

The information regarding the Offering set forth in Item 2.01, "Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions—The Offering" and "Description of Securities" is incorporated herein by reference. Contemporaneously with the closing of the Merger, we issued an aggregate of 3,100,000 shares of Common Stock at a price of $0.40 per share for aggregate gross consideration of approximately $1.24 million to six accredited investors.

Securities Issued in Connection with the Merger

In connection with the completion of the Merger, pursuant to the terms of the Merger Agreement, all of the membership interests of C-Bond, were converted into an aggregate of 63,505,787 shares of our Common Stock. In addition, we assumed all outstanding options to purchase C-Bond membership interests that remained outstanding, whether vested or unvested, and converted them into options to purchase an aggregate of 14,494,213 shares of our Common Stock. These transactions were exempt from registration under Section 4(a)(2) of the Securities Act as not involving any public offering. None of the securities were sold through an underwriter and, accordingly, there were no underwriting discounts or commissions involved.

Sales of Unregistered Securities of C-Bond

The following list sets forth information as to all securities C-Bond sold from January 1, 2015 through immediately prior to the consummation of the Merger, which were not registered under the Securities Act. The following description is historical and has not been adjusted to give effect to the Merger or the share conversion ratio pursuant to the Merger Agreement.

In 2015, 1,200,000 common units were sold in a private placement for gross proceeds of $3,000,000.

In 2016, 363,636 common units were sold in a private placement for gross proceeds of $1,000,000. An additional $50,000 was raised from the exercise of 500,000 unit options.

In 2017, 159,090 common units were sold in a private placement for gross proceeds of $437,500.

On June 1, 2017 the company received a $100,000 convertible note from a third party. On April 1, 2018, the note was converted into 42,333 common units. As a result no long term debt will exist at the time of the transaction closure.

On March 7, 2018, C-Bond entered into a 90-day consulting agreement for business development and lobbying services related to C-Bond's ballistic resistant technologies. In connection with this consulting agreement, the C-Bond issued 25,000 member units to the consultant which were valued at $68,750, or $2.75 per member unit, based on contemporaneous common units sales which will be amortized over the term of the agreement.

In April 2018, C-Bond issued 10,000 member units to an investor for cash proceeds of $27,500, or $2.75 per member unit.

In April 2018, C-Bond issued 1,000,000 restricted member units to key employees, officers and directors of C-Bond.

Contingent on and immediately prior to the Merger, C-Bond issued 97,707 common units to a vendor to settle an account payable.

Contingent on and contemporaneously with the closing of the Merger, we issued an aggregate of 3,100,000 shares of Common Stock at a price of $0.40 per share for aggregate gross consideration of $1.24 million to five accredited investors.

C-Bond granted stock options to employees and managers covering an aggregate of 9,559,957 common units, at a weighted-average price of $1.75 per common unit. C-Bond sold an aggregate of 900,000 common units to employees and managers for cash consideration at $0.10 per unit upon the exercise of stock options.

Item 4.01 Changes in Registrant's Certifying Accountant.

On April 30, 2018, EKS&H LLLP, was dismissed as the independent registered public accounting firm that audits the financial statements of our Company. Effective as of the Effective Time, our board of directors engaged Salberg & Company, P.A., as the independent registered public accounting firm to audit the Company's financial statements for the fiscal year ending December 31, 2018. Salberg & Company, P.A. audited the financial statements of C-Bond for the years ending December 31, 2016 and 2017.

EKS&H LLLP's audit report on our financial statements for the years ended December 31, 2016 and 2017 did not contain an adverse opinion or a disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles.

During the years ended December 31, 2016 and 2017 and the subsequent interim period through the date of EKS&H LLLP's dismissal, there were no disagreements with EKS&H LLLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of EKS&H LLLP would have caused it to make reference to the subject matter thereof in connection with its report.

During the years ended December 31, 2016 and 2017 and the subsequent interim period through the date of EKS&H LLLP's dismissal, neither the Company nor anyone acting on its behalf consulted Salberg & Company, P.A. regarding the application of accounting principles to a specified transaction, either completed or proposed or the type of audit opinion that might be rendered on the Company's financial statements.

We have provided EKS&H LLLP with a copy of this report prior to the filing hereof and have requested that EKS&H LLLP furnish to us a letter addressed to the SEC stating whether it agrees with the statements made by us in this report. EKS&H LLLP has furnished such letter, which letter is filed as Exhibit 16.1 hereto, as required by Item 304(a)(3) of Regulation S-K.

Item 5.01 Changes in Control of Registrant.

The information regarding change of control of WestMountain Alternative Energy, Inc. in connection with the Merger set forth in Item 2.01, "Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions" is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information regarding change in officers and directors of WestMountain Alternative Energy, Inc. in connection with the Merger set forth in Item 2.01, "Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions" is incorporated herein by reference.

Item 5.06 Change in Shell Company Status.

If it is determined that we were a "shell company" (as such term is defined in Rule 12b-2 under the Exchange Act) prior to the Merger, certain restrictions will apply to the use by our shareholders of Rule 144 under the Exchange Act pertaining to the transfer of restricted shares in the Company, among other restrictions. In any case, as a result of the Merger described in Item 2.01 of this Report, we are not now a shell company. The information contained in this Report constitute the current "Form 10 information" necessary to satisfy the conditions contained in Rule 144(i)(2) under the Securities Act.

Item 9.01 Financial Statements and Exhibits.

(a) As a result of its acquisition of C-Bond as described in Item 2.01, the registrant is filing herewith C-Bond System's audited consolidated financial statements as of and for the fiscal years ended December 31, 2017 and 2016 as Exhibit 99.1 to this Report.

(b) Unaudited pro forma combined financial information for the fiscal year ended December 31, 2017 is attached as Exhibit 99.2 to this Report.

(d) Exhibits.

EXHIBIT INDEX

Exhibit Number	Exhibit Description
2.1	Agreement and Plan of Merger and Reorganization dated as of April 25, 2018, among WestMountain Alternative Energy, Inc., WETM Acquisition Corp. and C-Bond Systems, LLC
3.1	Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the SB-2 Registration Statement of WestMountain Alternative Energy, Inc., filed with SEC on January 2, 2008, File No. 333-148440)
3.2	Bylaws (incorporated by reference to Exhibit 3.2 to the SB-2 Registration Statement of WestMountain Alternative Energy, Inc., filed with SEC on January 2, 2008, File No. 333-148440)
3.3	Amendment to Articles of Incorporation (incorporated by reference to Exhibit 3.3 to the Quarterly Report on Form 10-Q of WestMountain Alternative Energy, Inc., filed with SEC on August 11, 2014, File No. 000-53029)
10.1	License Agreement between William Marsh Rice University and C-Bond Systems, Inc. dated April 8, 2016
10.2	Employment Agreement between C-Bond Systems, LLC and Scott Silverman dated October 18, 2017
10.3	Employment Agreement between C-Bond Systems, LLC and Vince Pugliese dated October 12, 2015, as amended on February 11, 2016 and December 20, 2016
10.4	Employment Agreement between C-Bond Systems, LLC and Bruce Rich dated August 10, 2013, along with an addendum, as amended on December 31, 2017
10.5	Consulting Agreement between C-Bond Systems, LLC and Bruce Rich dated January 1, 2018
10.6	Form of Option Award Agreement under the C-Bond Systems, LLC Common Unit Option Plan
10.7	Form of Restricted Stock Award Agreement
10.8	Form of Subscription Agreement related to the Offering
10.9	Form of Lock-up Agreement related to the Offering
16.1	Letter from EKS&H LLLP to the Securities and Exchange Commission dated as of May 1, 2018
99.1	Audited financial statements of C-Bond Systems, LLC, as of and for fiscal years ended December 31, 2017 and 2016
99.2	Unaudited Pro Forma Combined Financial Statements as of and for the fiscal year ended December 31, 2017

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.

WESTMOUNTAIN ALTERNATIVE ENERGY, INC.,

Date: May 1, 2018

By /s/ Scott Silverman
Name: Scott Silverman
Title: Chief Executive Officer and Presidenta

Exhibit 2.1

AGREEMENT OF MERGER AND

PLAN OF REORGANIZATION

among

WESTMOUNTAIN ALTERNATIVE ENERGY, INC.

WETM ACQUISITION CORP. and

C-BOND SYSTEMS, LLC

April 25, 2018

AGREEMENT OF MERGER AND PLAN OF REORGANIZATION

THIS AGREEMENT OF MERGER AND PLAN OF REORGANIZATION is made and entered into on April 25, 2018, by and among WESTMOUNTAIN ALTERNATIVE ENERGY, INC., a Colorado corporation (" Parent"), WETM ACQUISITION CORP., a Colorado corporation ("Acquisition Corp."), which is a wholly-owned subsidiary of Parent, and C-BOND SYSTEMS, LLC, a limited liability company formed in the State of Texas (the "Company").

W I T N E S S E T H :

WHEREAS, the Members, Managers, Managing Members or Board of Directors of each of Acquisition Corp., Parent and the Company have each determined that it is fair to and in the best interests of their respective corporations and shareholders for Acquisition Corp. to be merged with and into the Company (the "Merger") upon the terms and subject to the conditions set forth herein;

WHEREAS, the Board of Directors of Acquisition Corp. and the Managers, Managing Members or Board of Directors of the Company have approved the Merger in accordance with the Colorado Business Corporation Act (the "BCA") and the Texas Business Organization Code ("TBOC"), and upon the terms and subject to the conditions set forth herein and in the Statement of Merger (the "Statement of Merger") attached as Exhibit A hereto; and the Board of Directors of Parent has also approved this Agreement and the Statement of Merger;

WHEREAS, the Managers, Managing Members or Board of Directors of the Company have recommended to the Stockholders that they should approve, by written consent pursuant to the TBOC, this Agreement and the Statement of Merger and the transactions contemplated hereby and thereby, including without limitation, the Merger, and Parent, as the sole stockholder of Acquisition Corp., has approved this Agreement, the Statement of Merger and the transactions contemplated and described hereby and thereby, including without limitation, the Merger; and

NOW, THEREFORE, in consideration of the mutual agreements and covenants hereinafter set forth, the parties hereto agree as follows:

1. The Merger.

1 . 1 Merger Subject to the terms and conditions of this Agreement and the Statement of Merger, Acquisition Corp. shall be merged with and into the Company in accordance with the BCA and the TBOC. At the Effective Time (as hereinafter defined), the separate legal existence of Acquisition Corp. shall cease, and the Company shall be the Surviving Entity in the Merger (sometimes hereinafter referred to as the "Surviving Entity") and shall continue its corporate existence under the laws of the State of Texas under the name of C-Bond Systems, Inc., or some derivation thereof. The Parent and the Company shall cooperate and use good faith, commercially reasonable efforts to cause the Merger to be treated as a tax-free reorganization pursuant to Section 368 of the Code.

1 . 2 Effective Time The Merger shall become effective on the date and at the time the Articles of Merger are filed with the Secretary of State of the State of Colorado in accordance with the BCA and the Certificate of Merger is filed with the Secretary of State of the State of Texas in accordance with the TBOC, if applicable. The time at which the Merger shall become effective as aforesaid is referred to hereinafter as the "Effective Time."

1.3 Certificate of Formation, Operating Agreement, By-laws, Directors and Officers.

(a) The Certificate of Formation of the Company, as in effect immediately prior to the Effective Time, attached as Exhibit B hereto, shall be the Certificate of Formation of the Surviving Entity from and after the Effective Time until further amended in accordance with applicable law.

(b) The Limited Liability Company Agreement of the Company, as in effect immediately prior to the Effective Time, attached as Exhibit C hereto, shall be the Limited Liability Company Agreement of the Surviving Entity from and after the Effective Time until amended in accordance with applicable law, the Certificate of Formation of the Surviving Entity and such Limited Liability Company Agreement.

(c) The directors and officers listed in Exhibit D hereto shall be the directors and officers of the Surviving Entity, and each shall hold his respective office or offices from and after the Effective Time (except, in the case of directors, as described in Section 5.4) until his successor shall have been elected and shall have qualified in accordance with applicable law, or as otherwise provided in the Limited Liability Company Agreement of the Surviving Entity.

1 . 4 Assets and Liabilities At the Effective Time, the Surviving Entity shall possess all the rights, privileges, powers and franchises of a public as well as of a private nature, and be subject to all the restrictions, disabilities and duties of each of Acquisition Corp. and the Company (collectively, the "Constituent Entities"); and all the rights, privileges, powers and franchises of each of the Constituent Entities, and all property, real, personal and mixed, and all debts due to any of the Constituent Entities on whatever account, as well for stock subscriptions as all other things in action or belonging to each of the Constituent Entities, shall be vested in the Surviving Entity; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectively the property of the Surviving Entity as they were of the several and respective Constituent Entities, and the title to any real estate vested by deed or otherwise in either of the such Constituent Entities shall not revert or be in any way impaired by the Merger; but all rights of creditors and all liens upon any property of any of the Constituent Entities shall be preserved unimpaired, and all debts, liabilities and duties of the Constituent Entities shall thenceforth attach to the Surviving Entity, and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

1.5 Manner and Basis of Converting Shares.

(a) At the Effective Time:

(i) each share of common stock, par value $0.001 per share, of Acquisition Corp. that shall be outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive such proportionate number of units of the Surviving Entity, so that at the Effective Time, Parent shall be the holder of all of the issued and outstanding equity units of the Surviving Entity;

(ii) the Common Units of the Company (the "Company Common Units"), which units at the Closing will constitute all of the issued and outstanding Common Units of equity of the Company, beneficially owned by the Stockholders listed in Schedule 2.4 (other than Company Common Units as to which appraisal rights are perfected pursuant to the applicable provisions of the TBOC and not withdrawn or otherwise forfeited), shall, by virtue of the Merger and without any action on the part of the holders thereof, be converted into the right to receive the number of shares of Parent Common Stock specified in Schedule 1.5 for each of the Stockholders, which shall be equal to 63,505,787 shares of Parent Common Stock in aggregate (based on a total of 9,106,250 shares of Parent Common Stock pre-Merger and 90,206,250 shares of Parent Common Stock on a fully diluted basis (including the 3,100,000 shares of Parent Common Stock to be issued in the Offering (defined below)) allocated to the Stockholders of Parent (and former stockholders of Company) post-Merger). As a result, each individual Common Unit of the Company shall be converted into the right to receive approximately 3.23 shares of Common Stock of the Parent (the "Conversion Ratio"). Each of the pre-merger officers and directors of the Company, each of the pre-merger officers, directors and 10% or greater shareholders of Parent, and each participant in the Offering shall enter into customary lock-up agreements, attached as Exhibit E hereto; and

(iii) each option to purchase a Common Unit of the Company outstanding at the Closing (the "Company Options"), beneficially owned by the option holders listed on Schedule 2.4 shall, by virtue of the Merger and without any action on the part of the holders thereof, be converted into the right to receive an option to purchase an equivalent number of shares of Parent Common Stock as specified in Schedule 1.5 for each of the option holders and the exercise price of each such option shall be equal to the exercise price of the applicable Company option divided by the Conversion Ratio as specified in Schedule 1.5.

(iii) each Company Common Unit held in the treasury of the Company immediately prior to the Effective Time shall be cancelled in the Merger and cease to exist.

(b) After the Effective Time, there shall be no further registration of transfers on the stock transfer books of the Surviving Entity of the Company Common Units that were outstanding immediately prior to the Effective Time.

1.6 Surrender and Exchange of Certificates Promptly after the Effective Time and upon (i) surrender of a certificate or certificates representing shares of Company Common Units that were outstanding immediately prior to the Effective Time or an affidavit and indemnification in form reasonably acceptable to counsel for the Parent stating that such Stockholder has lost its certificate or certificates or that such have been destroyed, Parent shall issue to each record holder of the Company Common Units surrendering such certificate or certificates, a certificate or certificates registered in the name of such Stockholder representing the number of shares of Parent Common Stock that such Stockholder shall be entitled to receive as set forth in Section 1.5(a)(ii) hereof. Until the certificate, certificates or affidavit is or are surrendered as contemplated by this Section 1.6 and Section 4 hereof, each certificate or affidavit that immediately prior to the Effective Time represented any outstanding shares of Company Common Units shall be deemed at and after the Effective Time to represent only the right to receive upon surrender as aforesaid the Parent Common Stock specified in Schedule 1.5 hereof for the holder thereof or to perfect any rights of appraisal which such holder may have pursuant to the applicable provisions of the TBOC.

1 . 7 Surrender and Exchange of Options Promptly after the Effective Time and upon (i) surrender of an option award agreement(s) representing unexpired options to purchase shares of Company Common Units that were outstanding immediately prior to the Effective Time or an affidavit and indemnification in form reasonably acceptable to counsel for the Parent stating that such option holder has lost its award agreement(s) or that such have been destroyed, Parent shall issue to each record holder of the Company Options surrendering such award agreement(s), a new award agreement registered in the name of such option holder representing the right to purchase such number of shares of Parent Common Stock that such Stockholder shall be entitled to receive as set forth in Section 1.5(a)(iii) hereof. Until the option award agreement(s) or affidavit is or are surrendered as contemplated by this Section 1.7 and Section 4 hereof, each option award agreement(s) that immediately prior to the Effective Time represented a right to purchase any Company Common Units shall be deemed at and after the Effective Time to represent only the right to receive upon surrender as aforesaid the option to purchase Parent Common Stock specified in Schedule 1.5 hereof for the holder thereof.

1.8 Warrants None of the parties have warrants which are issued and outstanding.

1.9 Parent Common Stock Parent agrees that it will cause the Parent Common Stock into which the Company Common Units are converted at the Effective Time pursuant to Section 1.5(a)(ii) to be available for such purpose. Parent further covenants that immediately prior to the Effective Time there will be no more than 9,106,250 shares of Parent Common Stock issued and outstanding (which excludes the 3,100,000 shares to be sold in the Offering) and no other common or preferred stock or equity securities or any options, warrants, rights or other agreements or instruments convertible, exchangeable or exercisable into common or preferred stock or other equity securities shall be issued or outstanding.

2. Representations and Warranties of the Company The Company hereby represents and warrants to Parent and Acquisition Corp. as follows as of the date hereof and as of the Closing:

2.1 Organization, Standing, Subsidiaries, Etc.

(a) The Company is a limited liability company duly organized and existing in good standing under the laws of the State of Texas, and has all requisite power and authority (corporate and other) to carry on its business, to own or lease its properties and assets, to enter into this Agreement and the Statement of Merger and to carry out the terms hereof and thereof. Copies of the Certificate of Formation and Limited Liability Company Agreement of the Company that have been delivered to Parent and Acquisition Corp. prior to the execution of this Agreement are true and complete and have not since been amended or repealed.

(b) Except as described in Schedule 2.1, the Company has no subsidiaries or direct or indirect interest (by way of stock ownership or otherwise) in any firm, corporation, limited liability company, partnership, association or business. The Company owns all of the issued and outstanding capital stock or membership interests of the Subsidiaries free and clear of all Liens, and the Subsidiaries have no outstanding options, warrants or rights to purchase capital stock or other equity securities of such Subsidiaries, other than the capital stock or membership interests owned by the Company. Unless the context otherwise requires, all references in this Section 2 to the "Company" shall be treated as being a reference to the Company and the Subsidiaries taken together as one enterprise.

2.2 Qualification The Company is duly qualified to conduct business as a limited liability company and is in good standing with the State of Texas and in each other jurisdiction wherein the nature of its activities or its properties owned or leased makes such qualification necessary, except where the failure to be so qualified would not have a material adverse effect on the condition (financial or otherwise), properties, assets, liabilities, business operations, results of operations of the Company taken as a whole (the "Condition of the Company").

2.3 Capitalization of the Company There are 19,638,536 Company Common Units (including 1,000,000 shares of restricted common units) and no other classes of units issued and outstanding, and such units are duly authorized, validly issued, fully paid and nonassessable. There are options to purchase 14,494,213 Company Common Units issued and outstanding. Except as disclosed in this Section 2.3 and the commitments to sell shares of Parent Common Stock in the Offering, the Company has no outstanding warrants, equity options, rights or commitments to issue Company Common Units or other Equity Securities of the Company, and there are no outstanding securities convertible or exercisable into or exchangeable for Company Common Units or other Equity Securities of the Company. All of the issued and outstanding Company Equity Securities were issued in compliance with applicable federal and state securities laws.

2.4 Company Equity Holders Schedule 2.4 hereto contains a true and complete list of the names and addresses of the record owner of all of the outstanding shares of Company Common Units and other Equity Securities of the Company, together with the number and percentage (on a fully-diluted basis) of securities held. To the knowledge of the Company, is no voting trust, agreement or arrangement among any of the beneficial holders of Company Common Units affecting the exercise of the voting rights of Company Common Units. The Company Equityholders have full right, power, and authority to transfer, assign, convey, and deliver their respective Company Equity; and delivery of such Company Equity at the Effective Time will convey good and marketable title to such Company Equity free and clear of any claims, charges, equities, liens, security interests, and encumbrances.

2.5 Corporate Acts and Proceedings The execution, delivery and performance of this Agreement, the Statement of Merger and the Certificate of Merger (together, the "Merger Documents") have been duly authorized by the Board of Managers of the Company and have been approved by the requisite vote of the Company Equityholders, and all of the corporate acts and other proceedings required for the due and valid authorization, execution, delivery and performance of the Merger Documents and the consummation of the Merger have been validly and appropriately taken, except for the filing of the Statement of Merger and Certificate of Merger referred to in Section 1.2.

2.6 Compliance with Laws and Instruments To the knowledge of the Company, the business, products and operations of the Company have been and are being conducted in compliance in all material respects with all applicable laws, rules and regulations, except for such violations thereof for which the penalties, in the aggregate, would not have a material adverse effect on the Condition of the Company. The execution, delivery and performance by the Company of the Merger Documents and the consummation by the Company of the transactions contemplated by this Agreement: (a) will not require any authorization, consent or approval of, or filing or registration with, any court or governmental agency or instrumentality, except such as shall have been obtained prior to the Closing, (b) will not cause the Company to violate or contravene in any material respect (i) any provision of law, (ii) any rule or regulation of any agency or government, (iii) any order, judgment or decree of any court, or (iv) any provision of the Certificate of Formation or Limited Liability Company Agreement of the Company, (c) will not violate or be in conflict with, result in a breach of or constitute (with or without notice or lapse of time, or both) a default under, any indenture, loan or credit agreement, deed of trust, mortgage, security agreement or other contract, agreement or instrument to which the Company is a party or by which the Company or any of its properties is bound or affected, except as would not have a material adverse effect on the Condition of the Company, and (d) will not result in the creation or imposition of any material Lien upon any property or asset of the Company.

2.7 Binding Obligations The Merger Documents constitute the legal, valid and binding obligations of the Company and are enforceable against the Company in accordance with their respective terms, except as such enforcement is limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

2.8 Broker's and Finder's Fees Except as set forth on Schedule 2.8, No Person has, or as a result of the transactions contemplated herein will have, any right or valid claim against the Company, Parent, Acquisition Corp. or any Stockholder for any commission, fee or other compensation as a finder or broker, or in any similar capacity.

2.9 Financial Statements Attached hereto as Schedule 2.9 are the Company's audited Consolidated Balance Sheet (the December 31, 2017 balance sheet, being the "Balance Sheet"), Consolidated Statement of Operations, Consolidated Statement of Changes in Shareholders' Equity and Consolidated Statement of Cash Flows as of and for the years ended December 31, 2017 and 2016 (December 31, 2017 being the "Balance Sheet Date"). Such financial statements (i) are in accordance with the books and records of the Company, (ii) present fairly in all material respects the financial condition of the Company at the dates therein specified and the results of its operations and changes in financial position for the periods therein specified and (iii) have been prepared in accordance with generally accepted accounting principles ("GAAP") applied on a basis consistent with prior accounting periods.

2.10 Absence of Undisclosed Liabilities The Company has no material obligation or liability (whether accrued, absolute, contingent, liquidated or otherwise, whether due or to become due), arising out of any transaction entered into at or prior to the Closing, except (a) as disclosed in Schedule 2.10 and/or Schedule 2.11 hereto, (b) to the extent set forth on or reserved against in the Balance Sheet, (c) current liabilities incurred and obligations under agreements entered into in the usual and ordinary course of business since the Balance Sheet Date, none of which (individually or in the aggregate) has had or will have a material adverse effect on the Condition of the Company and (d) by the specific terms of any written agreement, document or arrangement identified in the Schedules or provided to Parent prior to closing.

2.11 Changes/Indebtedness Since the Balance Sheet Date, except as disclosed in Schedule 2.11 hereto, the Company has not (a) incurred any debts, obligations or liabilities, absolute, accrued, contingent or otherwise, whether due or to become due, except for fees, expenses and liabilities incurred in connection with the Merger and related transactions and current liabilities incurred in the usual and ordinary course of business, (b) discharged or satisfied any Liens other than those securing, or paid any obligation or liability other than, current liabilities shown on the Balance Sheet and current liabilities incurred since the Balance Sheet Date, in each case in the usual and ordinary course of business, (c) mortgaged, pledged or subjected to Lien any of its assets, tangible or intangible, other than in the usual and ordinary course of business, (d) sold, transferred or leased any of its assets, except in the usual and ordinary course of business, (e) cancelled or compromised any debt or claim, or waived or released any right, of material value, (f) suffered any physical damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the Condition of the Company, or (g) entered into any transaction other than in the usual and ordinary course of business.

2.12 Employee Benefit Plans; ERISASchedule 2.12 lists all: (i) "employee benefit plans" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), maintained or contributed to by the Company and covering employees of the Company, including (i) any such plans that are "employee welfare benefit plans" as defined in Section 3(1) of ERISA and (ii) any such plans that are "employee pension benefit plans" as defined in Section 3(2) of ERISA (collectively, the " Company Benefit Plans"); and (ii) life and health insurance, hospitalization, savings, bonus, deferred compensation, incentive compensation, holiday, vacation, severance pay, sick pay, sick leave, disability, tuition refund, service award, company car, scholarship, relocation, patent award, fringe benefit and other employee benefit plans, contracts (other than individual employment, consultancy or severance contracts), policies or practices of the Company providing employee or executive compensation or benefits to its employees, other than the Company Benefit Plans (collectively, the "Benefit Arrangements"). Each Company Benefit Plan and Benefit Arrangement has been maintained and administered in all material respects in accordance with applicable law.

2.13 Title to Property and Encumbrances Except as disclosed in Schedule 2.13 hereto, the Company has good, valid and indefeasible marketable title to all properties and assets used in the conduct of its business (except for property held under valid and subsisting leases which are in full force and effect and which are not in default) free of all Liens and other encumbrances, except Permitted Liens and such ordinary and customary imperfections of title, restrictions and encumbrances as do not, individually or in the aggregate, materially detract from the value of the property or assets or materially impair the use made thereof by the Company in its business. Without limiting the generality of the foregoing, the Company has good and indefeasible title to all of its properties and assets reflected in the Balance Sheet, except for property disposed of in the usual and ordinary course of business since the Balance Sheet Date and for property held under valid and subsisting leases which are in full force and effect and which are not in default.

2.14 Litigation Except as set forth on Schedule 2.14, there is no legal action, suit, arbitration or other legal, administrative or other governmental proceeding pending or, to the best knowledge of the Company, threatened against or affecting the Company or its properties, assets or business, and after reasonable investigation, the Company is not aware of any incident, transaction, occurrence or circumstance that is reasonably likely to result in or form the basis for any such action, suit, arbitration or other proceeding. To the knowledge of the Company, the Company is not in default with respect to any order, writ, judgment, injunction, decree, determination or award of any court or any governmental agency or instrumentality or arbitration authority. No legal proceeding arising under or pursuant to Environmental Laws is pending, or to the knowledge of the Company, threatened, against the Company.

2.15 Disclosure There is no fact relating to the Company that the Company has not disclosed to Parent that materially and adversely affects or, insofar as the Company can now foresee, will materially and adversely affect, the condition (financial or otherwise), properties, assets, liabilities, business operations or results of operations of the Company. No representation or warranty by the Company herein and no information disclosed in the schedules or exhibits hereto by the Company contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading.

2.17 Contracts. The Company has provided, or will provide the Parent, copies of all material contracts, agreements, franchises, license agreements, or other commitments to which the Company is a party or by which it or any of its assets, products, technology, or properties are bound.

2.18 Intellectual Property. The Company owns or has the right to use all Intellectual Property (as hereinafter defined) necessary (a) to use, manufacture, market and distribute the products manufactured, marketed, sold or licensed, and to provide the services provided, by the Company to other parties (together, the "**Customer Deliverables**") and (b) to operate the internal systems of the Company that are material to its business or operations, including, without limitation, computer hardware systems, software applications and embedded systems (the "**Internal Systems**"). The Intellectual Property owned by or licensed to the Company and incorporated in or underlying the Customer Deliverables or the Internal Systems is referred to herein as the "**the Company Intellectual Property**"). Each item of the Company Intellectual Property will be owned or available for use by the Company immediately following the Closing on substantially identical terms and conditions as it was immediately prior to the Closing. The Company has taken reasonable measures to protect the proprietary nature of each item of the Company Intellectual Property. To the knowledge of the Company, (i) no other person or entity has any rights to any of the Company Intellectual Property owned by the Company except pursuant to agreements or licenses entered into by the Company and such person in the ordinary course, and (ii) no other person or entity is infringing, violating or misappropriating any of the Company Intellectual Property. For purposes of this Agreement, "**Intellectual Property**" means all patents and patent applications, copyrights and registrations thereof, computer software, data and documentation, trade secrets and confidential business information, whether patentable or unpatentable and whether or not reduced to practice, know-how, manufacturing and production processes and techniques, research and development information, copyrightable works, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, trademarks, service marks, trade names, domain names and applications and registrations therefor, and other proprietary rights relating to any of the foregoing.

2.19 Certain Business Relationships With Affiliates. Except as set forth in Schedule 2.19 hereto, or as contemplated by employment agreements, consulting agreements and the agreements contemplated by the transactions contemplated by this Agreement, no affiliate of the Company (a) owns any property or right, tangible or intangible, which is used in the business of the Company, (b) has any claim or cause of action against the Company, or (c) owes any money to, or is owed any money by, the Company.

3 . Representations and Warranties of Parent and Acquisition Corp . Parent and Acquisition Corp. jointly and severally represent and warrant to the Company, as follows as of the date hereof and as of the Closing:

3 . 1 Organization and Standing Parent is a corporation duly organized and existing in good standing under the laws of the State of Colorado. Acquisition Corp. is a corporation duly organized and existing in good standing under the laws of the State of Colorado. Parent and Acquisition Corp. have heretofore delivered to the Company complete and correct copies of their respective Articles or Certificates of Incorporation and By-laws as now in effect. Parent and Acquisition Corp. have full corporate power and authority to carry on their respective businesses as they are now being conducted and as now proposed to be conducted and to own or lease their respective properties and assets. Except as disclosed in Schedule 3.1 hereto, neither Parent nor Acquisition Corp. has any subsidiaries (except Parent as the sole stockholder of Acquisition Corp.) or direct or indirect interest (by way of stock ownership or otherwise) in any firm, corporation, limited liability company, partnership, association or business. Parent owns all of the issued and outstanding capital stock of Acquisition Corp. free and clear of all Liens, and Acquisition Corp. has no outstanding options, warrants or rights to purchase capital stock or other equity securities of Acquisition Corp., other than the capital stock owned by Parent. Unless the context otherwise requires, all references in this Section 3 to the "Parent" shall be treated as being a reference to the Parent and Acquisition Corp. taken together as one enterprise.

3 . 2 Corporate Authority Each of Parent and/or Acquisition Corp. (as the case may be) has full corporate power and authority to enter into the Merger Documents and the other agreements to be made pursuant to the Merger Documents, and to carry out the transactions contemplated hereby and thereby. All corporate acts and proceedings required for the authorization, execution, delivery and performance of the Merger Documents and such other agreements and documents by Parent and/or Acquisition Corp. (as the case may be) have been duly and validly taken or will have been so taken prior to the Closing. Each of the Merger Documents constitutes a legal, valid and binding obligation of Parent and/or Acquisition Corp. (as the case may be), each enforceable against them in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general principles of equity.

3 . 3 Broker's and Finder's Fees No person, firm, corporation or other entity is entitled by reason of any act or omission of Parent or Acquisition Corp. to any broker's or finder's fees, commission or other similar compensation with respect to the execution and delivery of this Agreement or the Statement of Merger, or with respect to the consummation of the transactions contemplated hereby or thereby. Parent and Acquisition Corp. jointly and severally indemnify and hold Company harmless from and against any and all loss, claim or liability arising out of any such claim from any other Person who claims he, she or it introduced Parent or Acquisition Corp. to, or assisted them with, the transactions contemplated by or described herein.

3 . 4 Capitalization of Parent At the Effective Date, the authorized capital stock of Parent will consist of (a) 100,000,000 shares of common stock, par value $0.001 per share (the "Parent Common Stock"), of which not more than 9,106,250 shares will be, prior to the Effective Time, issued and outstanding (excluding the 3,100,000 shares to be issued as part of the Offering), and (b) 1,000,000 shares of preferred stock, par value $0.10 per share (the "Parent Preferred Stock"), of which no shares are issued or outstanding. Parent has no outstanding options, rights or commitments to issue shares of Parent Common Stock or any other Equity Security of Parent or Acquisition Corp., and there are no outstanding securities convertible or exercisable into or exchangeable for shares of Parent Common Stock or any other Equity Security of Parent or Acquisition Corp. There is no voting trust, agreement or arrangement among any of the beneficial holders of Parent Common Stock affecting the nomination or election of directors or the exercise of the voting rights of Parent Common Stock. All outstanding shares of the capital stock of Parent are validly issued and outstanding, fully paid and nonassessable, and none of such shares have been issued in violation of the preemptive rights of any person.

3.5 Acquisition Corp. Acquisition Corp. is a wholly-owned subsidiary of Parent that was formed specifically for the purpose of the Merger and that has not conducted any business or acquired any property, and will not conduct any business or acquire any property prior to the Closing Date, except in preparation for and otherwise in connection with the transactions contemplated by this Agreement, the Statement of Merger and the other agreements to be made pursuant to or in connection with this Agreement and the Statement of Merger.

3.6 Validity of Shares The shares of Parent Common Stock to be issued at the Closing pursuant to Section 1.5(a)(ii) hereof, when issued and delivered in accordance with the terms hereof and of the Statement of Merger, shall be duly and validly issued, fully paid and nonassessable. Based in part on the representations and warranties of the Stockholders as contemplated by Section 4 hereof and assuming the accuracy thereof, the issuance of the Parent Common Stock upon the Merger pursuant to Section 1.5(a)(ii) will be exempt from the registration and prospectus delivery requirements of the Securities Act and from the qualification or registration requirements of any applicable state blue sky or securities laws.

3.7 SEC Reporting and Compliance(a) Parent filed a registration statement on Form SB-2 under the Securities Act which became effective on January 17, 2008. Parent has timely filed with the Commission all reports required to be filed by companies registered pursuant to Section 12(g) of the Exchange Act. All such reports were true and correct in all material respects when filed and did not omit any material information required to be set forth therein.

(b) Parent has timely filed all required annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other statements reports and filings required to be filed under applicable rules and regulations (collectively, the "Parent SEC Documents") by the Parent with the Commission. All such reports were true and correct in all material respects when filed and did not omit any material information required to be set forth therein.

(c) Parent has not filed, and nothing has occurred with respect to which Parent would be required to file, any report on Form 8-K since April 24, 2018. Prior to and until the Closing, Parent will provide to the Company copies of any and all amendments or supplements to the Parent SEC Documents filed with the Commission since April 24, 2018, and any and all subsequent statements, reports and filings filed by the Parent with the Commission or delivered to the stockholders of Parent.

(d) The shares of Parent Common Stock are quoted on the OTCPink marketplace.

(e) Between the date hereof and the Closing Date, Parent shall continue to satisfy the filing requirements of the Exchange Act.

3.8 Financial Statements The balance sheets, and statements of operations, statements of changes in shareholders' equity and statements of cash flows contained in the Parent SEC Documents (the "Parent Financial Statements") (i) have been prepared in accordance with GAAP applied on a basis consistent with prior periods (and, in the case of unaudited financial information, on a basis consistent with year-end audits), (ii) are in accordance with the books and records of the Parent, and (iii) present fairly in all material respects the financial condition of the Parent at the dates therein specified and the results of its operations and changes in financial position for the periods therein specified. The financial statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2017, are audited by, and include the related report of EKS&H, LLLP, Parent's independent certified public accountants.

3.9 Governmental Consents All consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with any federal or state governmental authority on the part of Parent or Acquisition Corp. required in connection with the consummation of the Merger shall have been obtained prior to, and be effective as of, the Closing.

3.10 Compliance with Laws and Instruments The execution, delivery and performance by Parent and/or Acquisition Corp. of this Agreement, the Statement of Merger and the other agreements to be made by Parent or Acquisition Corp. pursuant to or in connection with this Agreement or the Statement of Merger and the consummation by Parent and/or Acquisition Corp. of the transactions contemplated by the Merger Documents will not cause Parent and/or Acquisition Corp. to violate or contravene (i) any provision of law, (ii) any rule or regulation of any agency or government, (iii) any order, judgment or decree of any court, or (v) any provision of their respective articles or Articles of incorporation or by-laws as amended and in effect on and as of the Closing Date and will not violate or be in conflict with, result in a breach of or constitute (with or without notice or lapse of time, or both) a default under any indenture, loan or credit agreement, deed of trust, mortgage, security agreement or other agreement or contract to which Parent or Acquisition Corp. is a party or by which Parent and/or Acquisition Corp. or any of their respective properties is bound.

3.11 No General Solicitation In issuing Parent Common Stock in the Merger hereunder, neither Parent nor anyone acting on its behalf has offered to sell the Parent Common Stock by any form of general solicitation or advertising.

3.12 Binding Obligations The Merger Documents constitute the legal, valid and binding obligations of the Parent and Acquisition Corp., and are enforceable against the Parent and Acquisition Corp., in accordance with their respective terms, except as such enforcement is limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

3.13 Absence of Undisclosed Liabilities Neither Parent nor Acquisition Corp. has any obligation or liability (whether accrued, absolute, contingent, liquidated or otherwise, whether due or to become due), arising out of any transaction entered into at or prior to the Closing, except (a) as disclosed in the Parent SEC Documents, (b) to the extent set forth on or reserved against in the balance sheet of Parent as of March 31, 2018 (the "Parent Balance Sheet") or the Notes to the Parent Financial Statements, (c) current liabilities incurred and obligations under agreements entered into in the usual and ordinary course of business since March 31, 2018 (the "Parent Balance Sheet Date"), none of which (individually or in the aggregate) materially and adversely affects the condition (financial or otherwise), properties, assets, liabilities, business operations, results of operations or prospects of the Parent or Acquisition Corp., taken as a whole (the "Condition of the Parent"), and (d) by the specific terms of any written agreement, document or arrangement attached as an exhibit to the Parent SEC Documents.

3.14 Changes Since the Parent Balance Sheet Date, except as disclosed in the Parent SEC Documents, the Parent has not (a) incurred any debts, obligations or liabilities, absolute, accrued or, to the Parent's knowledge, contingent, whether due or to become due except for current liabilities of less than $5,000 in the aggregate incurred in the usual and ordinary course of business, (b) discharged or satisfied any Liens, or paid any obligation or liability, other than current liabilities shown on the Parent Balance Sheet and current liabilities of less than $5,000 in the aggregate incurred since the Parent Balance Sheet Date, in each case in the usual and ordinary course of business, (c) mortgaged, pledged or subjected to Lien any of its assets, tangible or intangible, (d) sold, transferred or leased any of its assets, (e) cancelled or compromised any debt or claim, or waived or released any right of material value, (f) suffered any physical damage, destruction or loss (whether or not covered by insurance) which could reasonably be expected to have a material adverse effect on the Condition of the Parent, (g) entered into any transaction other than in the usual and ordinary course of business, (h) encountered any labor union difficulties, (i) made or granted any wage or salary increase or made any increase in the amounts payable under any profit sharing, bonus, deferred compensation, severance

pay, insurance, pension, retirement or other employee benefit plan, agreement or arrangement, or entered into any employment agreement, (j) issued or sold any shares of capital stock, bonds, notes, debentures or other securities or granted any options (including employee stock options), warrants or other rights with respect thereto, (k) declared or paid any dividends on or made any other distributions with respect to, or purchased or redeemed, any of its outstanding capital stock, (l) suffered or experienced any change in, or condition affecting, the financial condition of the Parent other than changes, events or conditions in the usual and ordinary course of its business of less than $5,000 in the aggregate, none of which (either by itself or in conjunction with all such other changes, events and conditions) could reasonably be expected to have a material adverse effect on the Condition of the Parent, (m) made any change in the accounting principles, methods or practices followed by it or depreciation or amortization policies or rates theretofore adopted, (n) made or permitted any amendment or termination of any material contract, agreement or license to which it is a party, (o) suffered any material loss not reflected in the Parent Balance Sheet or its statement of income for the year ended on the parent Balance Sheet Date, (p) paid, or made any accrual or arrangement for payment of, bonuses or special compensation of any kind or any severance or termination pay to any present or former officer, director, employee, stockholder or consultant, (q) made or agreed to make any charitable contributions or incurred any non-business expenses, or (r) entered into any agreement, or otherwise obligated itself, to do any of the foregoing.

3.15 Tax Returns and Audits All required federal, state and local Tax Returns of the Parent have been accurately prepared in all material respects and duly and timely filed, and all federal, state and local Taxes required to be paid with respect to the periods covered by such returns have been paid. The Parent is not and has not been delinquent in the payment of any Tax. The Parent has not had a Tax deficiency assessed against it. None of the Parent's federal income tax returns nor any state or local income or franchise tax returns has been audited by governmental authorities. The reserves for Taxes reflected on the Parent Balance Sheet are sufficient for the payment of all unpaid Taxes payable by the Parent with respect to the period ended on the Parent Balance Sheet Date. There are no federal, state, local or foreign audits, actions, suits, proceedings, investigations, claims or administrative proceedings relating to Taxes or any Tax Returns of the Parent now pending, and the Parent has not received any notice of any proposed audits, investigations, claims or administrative proceedings relating to Taxes or any Tax Returns.

3.16 Employment Matters; Employee Benefit Plans; ERISA There is no claim or grievance pending or threatened relating to any employment contract, wages and hours, leave of absence, plant closing notification, employment statute or regulation, work rule (together with all policies and supplements related thereto), privacy right, labor dispute, safety, retaliation, immigration or discrimination matters involving any Parent associate, including charges of unfair labor practices or harassment complaints. There are no "employee benefit plans" (within the meaning of Section 3(3) of ERISA) nor any other employee benefit or fringe benefit arrangements, practices, contracts, policies or programs other than programs merely involving the regular payment of wages, commissions, or bonuses established, maintained or contributed to by the Parent.

3 . 1 7 Litigation There is no legal action, suit, arbitration or other legal, administrative or other governmental proceeding pending or, to the knowledge of the Parent, threatened against or affecting the Parent or Acquisition Corp. or their properties, assets or business, and after reasonable investigation, the Parent is not aware of any incident, transaction, occurrence or circumstance that is reasonably likely to result in or form the basis for any such action, suit, arbitration or other proceeding. Neither Parent nor Acquisition Corp. is in default with respect to any order, writ, judgment, injunction, decree, determination or award of any court or any governmental agency or instrumentality or arbitration authority. No legal proceeding arising under or pursuant to Environmental Laws is pending, or to the knowledge of the Parent, threatened, against the Parent or Acquisition Corp.

3 . 1 8 Disclosure There is no fact relating to the Parent or Acquisition Corp. that Parent or Acquisition Corp. has not disclosed to Company that materially and adversely affects or, insofar as the Parent can now foresee, will materially and adversely affect, the condition (financial or otherwise), properties, assets, liabilities, business operations or results of operations of the Parent or Acquisition Corp. No representation or warranty by the Parent or Acquisition Corp. herein and no information disclosed in the schedules or exhibits hereto by the Parent or Acquisition Corp. contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading.

3.19 Contracts. The Parent has provided copies of all contracts, agreements, franchises, license agreements, or other commitments to which the Parent or Acquisition co. is a party or by which it or any of its assets, products, technology, or properties are bound. All of such contracts, agreements, franchises, license agreements, or other commitments will be terminated on or before the Closing and the Parent and Company will have no obligations with respect to any of the foregoing after the Closing.

4. Conduct of Businesses Pending the Merger.

4.1 Conduct of Business by the Company Pending the Merger Prior to the Effective Time, unless Parent or Acquisition Corp. shall otherwise agree in writing or as otherwise contemplated by this Agreement:

(a) the business of the Company shall be conducted only in the ordinary course;

(b) the Company shall not (i) directly or indirectly redeem, purchase or otherwise acquire or agree to redeem, purchase or otherwise acquire any shares of its capital stock; (ii) amend its Certificate of Formation or Limited Liability Company Agreement; or (iii) split, combine or reclassify the outstanding Company Common Units or declare, set aside or pay any dividend payable in cash, stock or property or make any distribution with respect to any such stock;

(c) the Company shall not (i) issue or agree to issue any additional shares of, or options, warrants or rights of any kind to acquire any shares of, Company Common Stock; (ii) acquire or dispose of any fixed assets or acquire or dispose of any other substantial assets other than in the ordinary course of business; (iii) incur additional Indebtedness or any other liabilities or enter into any other transaction other than in the ordinary course of business; (iv) enter into any contract, agreement, commitment or arrangement with respect to any of the foregoing; or (v) except as contemplated by this Agreement, enter into any contract, agreement, commitment or arrangement to dissolve, merge, consolidate or enter into any other material business combination;

(d) the Company shall use its best efforts to preserve intact the business organization of the Company, to keep available the service of its present officers and key employees, and to preserve the good will of those having business relationships with it;

(e) the Company will not, nor will it authorize any director or authorize or permit any officer or employee or any attorney, accountant or other representative retained by it to, make, solicit, encourage any inquiries with respect to, or engage in any negotiations concerning, any Acquisition Proposal (as defined below). The Company will promptly advise Parent orally and in writing of any such inquiries or proposals (or requests for information) and the substance thereof. As used in this paragraph, "Acquisition Proposal" shall mean any proposal for a merger or other business combination involving the Company or for the acquisition of a substantial equity interest in it or any material assets of it other than as contemplated by this Agreement. The Company will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any person conducted heretofore with respect to any of the foregoing; and

(f) the Company will not enter into any new employment agreements with any of its officers or employees or grant any increases in the compensation or benefits of its officers and employees other than increases in the ordinary course of business and consistent with past practice or amend any employee benefit plan or arrangement.

4.2 Conduct of Business by Parent and Acquisition Corp. Pending the Merger Prior to the Effective Time, unless the Company shall otherwise agree in writing or as otherwise contemplated by this Agreement:

(a) the business of Parent and Acquisition Corp. shall be conducted only in the ordinary course; provided, however, that Parent shall take the steps necessary to have discontinued its existing business without liability to Parent or Acquisition Corp. as of the Closing Date;

(b) neither Parent nor Acquisition Corp. shall (A) directly or indirectly redeem, purchase or otherwise acquire or agree to redeem, purchase or otherwise acquire any shares of its capital stock; (B) amend its articles or Articles of incorporation or by-laws; or (C) split, combine or reclassify its capital stock or declare, set aside or pay any dividend payable in cash, stock or property or make any distribution with respect to such stock; and

(c) neither Parent nor Acquisition Corp. shall (A) issue or agree to issue any additional shares of, or options, warrants or rights of any kind to acquire shares of, its capital stock; (B) acquire or dispose of any assets other than in the ordinary course of business (except for contract cancellations in connection with Sections 4.2(a) hereof); (C) incur additional Indebtedness or any other liabilities or enter into any other transaction except in the ordinary course of business for amounts of less than $5,000 in the aggregate; (D) enter into any contract, agreement, commitment or arrangement with respect to any of the foregoing, or (E) except as contemplated by this Agreement, enter into any contract, agreement, commitment or arrangement to dissolve, merge; consolidate or enter into any other business contract or enter into any negotiations in connection therewith.

(d) neither Parent nor Acquisition Corp. will, nor will they authorize any director or authorize or permit any officer or employee or any attorney, accountant or other representative retained by them to, make, solicit, encourage any inquiries with respect to, or engage in any negotiations concerning, any Acquisition Proposal (as defined below for purposes of this paragraph). Parent will promptly advise the Company orally and in writing of any such inquiries or proposals (or requests for information) and the substance thereof. As used in this paragraph, "Acquisition Proposal" shall mean any proposal for a merger or other business combination involving the Parent or Acquisition Corp. or for the acquisition of a substantial equity interest in either of them or any material assets of either of them other than as contemplated by this Agreement. Parent will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any person conducted heretofore with respect to any of the foregoing; and

(e) neither the Parent nor Acquisition Corp. will enter into any new employment agreements with any of their officers or employees or grant any increases in the compensation or benefits of their officers or employees.

5. Additional Agreements.

5.1 Access and Information The Company, Parent and Acquisition Corp. shall each afford to the other and to the other's accountants, counsel and other representatives full access during normal business hours throughout the period prior to the Effective Time of all of its properties, books, contracts, commitments and records (including but not limited to tax returns) and during such period, each shall furnish promptly to the other all information concerning its business, properties and personnel as such other party may reasonably request; provided, that no investigation pursuant to this Section 5.1 shall affect any representations or warranties made herein. Each party shall hold, and shall cause its employees and agents to hold, in confidence all such information (other than such information which (i) is already in such party's possession or (ii) becomes generally available to the public other than as a result of a disclosure by such party or its directors, officers, managers, employees, agents or advisors, or (iii) becomes available to such party on a non-confidential basis from a source other than a party hereto or its advisors, provided that such source is not known by such party to be bound by a confidentiality agreement with or other obligation of secrecy to a party

hereto or another party until such time as such information is otherwise publicly available; provided, however, that (A) any such information may be disclosed to such party's directors, officers, employees and representatives of such party's advisors who need to know such information for the purpose of evaluating the transactions contemplated hereby (it being understood that such directors, officers, employees and representatives shall be informed by such party of the confidential nature of such information and that the party disclosing such information to such persons shall be responsible for any use or disclosure of such information that is not specifically authorized by this Agreement), (B) any disclosure of such information may be made as to which the party hereto furnishing such information has consented in writing, and (C) any such information may be disclosed pursuant to a judicial, administrative or governmental order or request; provided, however, that the requested party will promptly so notify the other party so that the other party may seek a protective order or appropriate remedy and/or waive compliance with this Agreement and if such protective order or other remedy is not obtained or the other party waives compliance with this provision, the requested party will furnish only that portion of such information which is legally required and will exercise its best efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded the information furnished). If this Agreement is terminated, each party will deliver to the other all documents and other materials (including copies) obtained by such party or on its behalf from the other party as a result of this Agreement or in connection herewith, whether so obtained before or after the execution hereof.

5.2 Additional Agreements Subject to the terms and conditions herein provided, each of the parties hereto agrees to use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including using its commercially reasonable efforts to satisfy the conditions precedent to the obligations of any of the parties hereto to obtain all necessary waivers, and to lift any injunction or other legal bar to the Merger (and, in such case, to proceed with the Merger as expeditiously as possible). In order to obtain any necessary governmental or regulatory action or non-action, waiver, consent, extension or approval, each of Parent, Acquisition Corp. and the Company agrees to take all reasonable actions and to enter into all reasonable agreements as may be necessary to obtain timely governmental or regulatory approvals and to take such further action in connection therewith as may be necessary. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and/or directors of Parent, Acquisition Corp. and the Company shall take all such necessary action.

5.3 Publicity No party shall issue any press release or public announcement pertaining to the Merger that has not been agreed upon in advance by Parent and the Company, except as Parent reasonably determines to be necessary in order to comply with the rules of the Commission or of the principal trading exchange or market for Parent Common Stock; provided, that in such case Parent will use its best efforts to allow the Company to review and reasonably approve any press release or public announcement prior to its release.

5.4 Appointment of Directors Parent shall accept the resignation of the current officers and directors of Parent as provided by Section 6.2 hereof, and shall cause the persons listed as directors in Exhibit F hereto to be elected to the Board of Directors of Parent, in each case immediately upon the Effective Time, except that the resignation and appointment of certain directors shall be delayed until compliance with Section 14(f) of the Exchange Act and rules promulgated thereunder, as set forth in Section 6.2 hereof. Pending appointment of the new directors, the Board of Directors of Parent shall (i) not take any actions inconsistent with this Agreement, and (ii) take any actions reasonably requested by Stockholders holding a majority of the then-outstanding Common Stock of the Parent. At the first annual meeting of Parent stockholders and thereafter, the election of members of Parent's Board of Directors shall be accomplished in accordance with the by-laws of Parent.

5 . 5 Parent Name Change and Amendment to Articles of Incorporation. As soon as practicable following the Closing, the Surviving Entity shall take all required legal actions, including the filing of a Proxy Statement on Schedule 14A, or an Information Statement on Schedule 14C under the Exchange Act, to amend the Parent's articles of incorporation in order to change its corporate name to C-Bond Systems, Inc. or some derivation thereof, and adopt any other changes reasonably necessary to effect the provisions of this Agreement.

5 . 6 Stockholder Approval. The Company shall, in accordance with the TBOC and its Certificate of Formation and Limited Liability Company Agreement, obtain, in lieu of holding a Common Unit holder meeting, the written consent of such Company Common Unit holders and/or waivers necessary under its Certificate of Formation or Limited Liability Company Agreement and the TBOC to obtain the necessary approval of this Agreement and the transactions contemplated hereby (the "Company Equityholder Consent").

5 . 7 No Filings. Prior to and until the Closing, Parent will provide to the Company copies of any and all amendments or supplements to the Parent SEC Documents proposed to be filed with the Commission before such filing and provide the Company a reasonable opportunity to review and comment on such filings.

6. Conditions of Parties' Obligations.

6.1 Conditions to Obligations of Parent and Acquisition Corp. The obligations of Parent and Acquisition Corp. under this Agreement and the Statement of Merger are subject to the fulfillment at or prior to the Closing of the following conditions, any of which may be waived in whole or in part by Parent.

(a) No Errors, etc. The representations and warranties of the Company under this Agreement shall be deemed to have been made again on the Closing Date and shall then be true and correct in all material respects.

(b) Compliance with Agreement. The Company shall have performed and complied in all material respects with all agreements and conditions required by this Agreement to be performed or complied with by it on or before the Closing Date.

(c) No Default or Adverse Change . There shall not exist on the Closing Date any Default or Event of Default or any event or condition that, with the giving of notice or lapse of time, or both, would constitute a Default or Event of Default, and since the Balance Sheet Date, there shall have been no material adverse change in the Condition of the Company.

(d) Certificate of Officer. The Company shall have delivered to Parent and Acquisition Corp. a certificate dated the Closing Date, executed on its behalf by Scott Silverman, Chief Executive Officer of the Company, certifying the satisfaction of the conditions specified in paragraphs (a), (b) and (c) of this Section 6.1.

(e) No Restraining Action . No action or proceeding before any court, governmental body or agency shall have been threatened, asserted or instituted to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the Statement of Merger or the carrying out of the transactions contemplated by the Merger Documents.

(f) Supporting Documents. Parent and Acquisition Corp. shall have received the following:

(1) Copies of the Company Equityholder Consent and resolutions of the Board of Directors of the Company, certified by the Secretary of the Company, authorizing and approving the execution, delivery and performance of the Merger Documents and all other documents and instruments to be delivered pursuant hereto and thereto.

(2) A certificate of incumbency executed by the Secretary of the Company certifying the names, titles and signatures of the officers authorized to execute any documents referred to in this Agreement and further certifying that the Articles of Incorporation and By-laws of the Company delivered to Parent and Acquisition Corp. at the time of the execution of this Agreement have been validly adopted and have not been amended or modified.

(3) A certificate, dated the Closing Date, executed by the Company's Secretary, certifying that, except for the filing of the Statement of Merger: (i) all consents, authorizations, orders and approvals of, and filings and registrations with, any court, governmental body or instrumentality that are required for the execution and delivery of this Agreement and the Statement of Merger and the consummation of the Merger shall have been duly made or obtained, and all material consents by third parties that are required for the Merger have been obtained; and (ii) no action or proceeding before any court, governmental body or agency has been threatened, asserted or instituted to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the Statement of Merger or the carrying out of the transactions contemplated by the Merger Documents.

(4) Evidence as of a recent date of the good standing and corporate existence of the Company issued by the Secretary of State of the State of Texas and evidence that the Company is qualified to transact business as a corporation and is in good standing in each other state of the United States and in each other jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary.

(5) Such additional supporting documentation and other information with respect to the transactions contemplated hereby as Parent and Acquisition Corp. may reasonably request.

(g) Proceedings and Documents. All corporate and other proceedings and actions taken in connection with the transactions contemplated hereby and all certificates, opinions, agreements, instruments and documents mentioned herein or incident to any such transactions shall be reasonably satisfactory in form and substance to Parent and Acquisition Corp. The Company shall furnish to Parent and Acquisition Corp. such supporting documentation and evidence of the satisfaction of any or all of the conditions precedent specified in this Section 6.1 as Parent or its counsel may reasonably request.

(h) Financial Statements. Company shall have provided parent with its audited financial statements for the years ended December 31, 2017 and 2016.

(i) Offering. Contemporaneously with the Closing, Company shall close an equity offering in an amount of $1,240,000 (the "Offering") consisting of 3,100,000 shares of Parent Common Stock to be issued at Closing. Parent acknowledges and agrees that up to $100,000 of the proceeds of the Offering may have been pre-funded and used by the Company prior to the Closing. The subscription agreements for each of the investors in the Offering are attached as Exhibit F hereto.

6.2 Conditions to Obligations of Company. The obligations of the Company under this Agreement and the Statement of Merger are subject to the fulfillment at or prior to the Closing of the conditions precedent specified in paragraph (f) of Section 6.1 hereof and the following additional conditions:

(a) No Errors, etc. The representations and warranties of Parent and Acquisition Corp. under this Agreement shall be deemed to have been made again on the Closing Date and shall then be true and correct in all material respects.

(b) Compliance with Agreement. Parent and Acquisition Corp. shall have performed and complied in all material respects with all agreements and conditions required by this Agreement and the Statement of Merger to be performed or complied with by them on or before the Closing Date.

(c) No Default or Adverse Change. There shall not exist on the Closing Date any Default or Event of Default or any event or condition, that with the giving of notice or lapse of time, or both, would constitute a Default of Event of Default, and since the Parent Balance Sheet Date, there shall have been no material adverse change in the Condition of the Parent.

(d) Certificate of Officer. Parent and Acquisition Corp. shall have delivered to the Company a certificate dated the Closing Date, executed on their behalf by their respective President, certifying the satisfaction of the conditions specified in paragraphs (a), (b), and (c) of this Section 6.2.

(e) No Restraining Action. No action or proceeding before any court, governmental body or agency shall have been threatened, asserted or instituted to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the Statement of Merger or the carrying out of the transactions contemplated by the Merger Documents

(f) Supporting Documents. The Company shall have received the following:

(1) Copies of resolutions of Parent's and Acquisition Corp.'s respective boards of directors and the sole shareholder of Acquisition Corp., certified by their respective Secretaries, authorizing and approving, to the extent applicable, the execution, delivery and performance of this Agreement, the Statement of Merger and all other documents and instruments to be delivered by them pursuant hereto and thereto.

(2) A certificate of incumbency executed by the respective Secretaries of Parent and Acquisition Corp. certifying the names, titles and signatures of the officers authorized to execute the documents referred to in paragraph (1) above and further certifying that the articles or certificates of incorporation and by-laws of Parent and Acquisition Corp. appended thereto have not been amended or modified.

(3) A certificate, dated the Closing Date, executed by the Secretary of each of the Parent and Acquisition Corp., certifying that, except for the filing of the Statement of Merger: (i) all consents, authorizations, orders and approvals of, and filings and registrations with, any court, governmental body or instrumentality that are required for the execution and delivery of this Agreement and the Statement of Merger and the consummation of the Merger shall have been duly made or obtained, and all material consents by third parties required for the Merger have been obtained; and (ii) no action or proceeding before any court, governmental body or agency has been threatened, asserted or instituted to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the Statement of Merger or the carrying out of the transactions contemplated by any of the Merger Documents.

(4) A certificate of Corporate Stock Transfer, Inc., Parent's transfer agent and registrar, certifying as of the business day prior to the Closing Date, a true and complete list of the names and addresses of the record owners of all of the outstanding shares of Parent Common Stock, together with the number of shares of Parent Common Stock held by each record owner.

(5) A letter from Corporate Stock Transfer, Inc., Parent's transfer agent and registrar setting forth that the number of shares of Parent Common Stock that would be issued and outstanding as of the Closing Date but prior to the closing of the Merger, is no more than 9,106,250 shares of Parent Common Stock.

(6) The executed resignation of Brian L. Klemsz and Joni Troska as officers of Parent, with the officer resignation to take effect at the Effective Time, and with the resignation of Mr. Klemsz as a director to take effect upon Parent's compliance with Section 14(f) of the Exchange Act and rules promulgated thereunder.

(7) Evidence as of a recent date of the good standing and corporate existence of the Parent made available to the Company by the Secretary of State of Colorado and evidence that the Parent is qualified to transact business as a foreign corporation and is in good standing in each state of the United States and in each other jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary.

(8) Evidence as of a recent date of the good standing and corporate existence of Acquisition Corp. issued by the Secretary of State of Colorado.

(9) Evidence as of no later than the closing date that all employees of Parent and Acquisition Corp. have either been terminated or offered employment with an entity which will be unrelated to the Surviving Entity post-closing, and evidence that all items of compensation, severance and related Taxes and benefits have been satisfied pre-closing or will be satisfied post-closing with no further payment or obligation on the part of Parent or Surviving Entity, except for the Holdover Employees.

(10) The Company Equityholder Consent.

(1 1) Such additional supporting documentation and other information with respect to the transactions contemplated hereby as the Company may reasonably request.

(g) Proceedings and Documents. All corporate and other proceedings and actions taken in connection with the transactions contemplated hereby and all certificates, opinions, agreements, instruments and documents mentioned herein or incident to any such transactions shall be satisfactory in form and substance to the Company. Parent and Acquisition Corp. shall furnish to the Company such supporting documentation and evidence of satisfaction of any or all of the conditions specified in this Section 6.2 as the Company may reasonably request.

(h) Cash at Closing. Parent shall have cash on hand in an amount of at least $175,000 plus the Holdover Employee Amount in Parent's bank account for use by the Surviving Entity. The Parent will have no ongoing contracts, obligations or liabilities of any kind, or will reserve cash on hand over and above the $175,000 referenced in the prior sentence to pay all liabilities as of the Closing except for its obligations under this Agreement. Parent shall have terminated its service agreement with Bohemian Companies, LLC as of the Closing and provided Company with evidence of that termination. Parent shall have completely paid its counsel prior to the Closing and have no ongoing obligations for fees or expenses related to this Agreement or otherwise.

(i) Offering Commitment. The Offering shall close contemporaneously with the Closing.

The Company may waive compliance with any of the conditions precedent specified in this Section 6.2.

7 . Survival of Representations and Warranties The representations and warranties of the parties made in Sections 2 and 3 of this Agreement (including the Schedules to the Agreement which are hereby incorporated by reference) shall survive for six months beyond the Effective Time. This Section 7 shall not limit any claim for fraud or any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time.

8 . Amendment of Agreement This Agreement and the Statement of Merger may be amended or modified at any time in all respects by an instrument in writing executed (i) in the case of this Agreement by the parties hereto and (ii) in the case of the Statement of Merger by the parties thereto.

9 . Definitions Unless the context otherwise requires, the terms defined in this Section 9 shall have the meanings herein specified for all purposes of this Agreement, applicable to both the singular and plural forms of any of the terms herein defined.

"Acquisition Corp." means WETM ACQUISITION Corp., a Colorado corporation.

"Acquisition Proposal" shall have the meaning assigned to such term in each of Section 5.1(e) and Section 5.2(d) hereof, as applicable.

"Affiliate" shall mean any Person that directly or indirectly controls, is controlled by, or is under common control with, the indicated Person.

"Agreement" shall mean this Agreement.

"Balance Sheet" and "Balance Sheet Date" shall have the meanings assigned to such terms in Section 2.9 hereof.

"BCA" shall have the meaning assigned to it in the second recital hereof.

"Benefit Arrangements" shall have the meaning assigned to it in Section 2.12 hereof.

"Statement of Merger" shall have the meaning assigned to it in the second recital of this Agreement.

"Closing" and "Closing Date" shall have the meanings assigned to such terms in Section 10 hereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commission" shall mean the U.S. Securities and Exchange Commission.

"Company" shall mean C-Bond Systems, LLC, a Texas limited liability company.

"Company Common Stock" shall have the meaning assigned to it in Section 1.5(a)(ii).

"Company Benefit Plans" shall have the meaning assigned to it in Section 2.12 hereof.

"Company Equityholder Consent" shall have the meaning assigned to it in Section 5.6.

"Company Warrants" shall have the meaning assigned to it in Section 1.7(a) hereof.

"Condition of the Company" shall have the meaning assigned to it in Section 2.2 hereof.

"Condition of the Parent" shall have the meaning assigned to it in Section 3.13 hereof.

"Constituent Entities" shall have the meaning assigned to it in Section 1.4 hereof.

"Default" shall mean a default or failure in the due observance or performance of any covenant, condition or agreement on the part of the Company or the Parent, as applicable, to be observed or performed under the terms of this Agreement or the Statement of Merger, if such default or failure in performance shall remain unremedied for five (5) days.

"Effective Time" shall have the meaning assigned to it in Section 1.2 hereof.

"Environmental Laws" shall mean any federal, state, local, municipal, foreign or other law, statute, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, order, award, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any governmental body, relating to (x) pollution, contamination, protection, remediation or reclamation of the environment, (y) emissions, discharges, disseminations, releases or threatened releases of hazardous substances into the air (indoor or outdoor), surface water, groundwater, soil, land surface or subsurface, buildings, facilities, real or personal property or fixtures or (z) the management, manufacture, processing, labeling, distribution, use, treatment, storage, disposal, transport, recycling or handling of hazardous substances.

"Equity Security" shall mean any stock or similar security of an issuer or any security (whether stock or Indebtedness for Borrowed Money) convertible, with or without consideration, into any stock or similar equity security, or any security (whether stock or Indebtedness for Borrowed Money) carrying any warrant or right to subscribe to or purchase any stock or similar security, or any such warrant or right.

"ERISA" shall have the meaning assigned to it in Section 2.12 hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Event of Default" shall mean (a) the failure of the Company or Parent, as applicable to pay any Indebtedness for Borrowed Money, or any interest or premium thereon, within five (5) days after the same shall become due, whether such Indebtedness shall become due by scheduled maturity, by required prepayment, by acceleration, by demand or otherwise, (b) an event of default under any agreement or instrument evidencing or securing or relating to any such Indebtedness, or (c) the failure of the Company or Parent to perform or observe any material term, covenant, agreement or condition on its part to be performed or observed under any agreement or instrument evidencing or securing or relating to any such Indebtedness when such term, covenant or agreement is required to be performed or observed.

"GAAP" shall have the meaning assigned to it in Section 2.9 hereof.

"Holdover Employees" shall mean the current employees of Parent listed on Schedule 6.2(f)(10) hereto, who may remain employed with the Parent after the closing until no later than May 1, 2018.

"Holdover Employee Amount" shall mean an amount of money necessary to cover all unpaid compensation and related taxes and benefits associated with the Holdover Employees.

"Indebtedness" shall mean any obligation of the Company or Parent, as applicable, which under generally accepted accounting principles is required to be shown on the balance sheet of the Company as a liability. Any obligation secured by a Lien on, or payable out of the proceeds of production from, property of the Company or Parent shall be deemed to be Indebtedness even though such obligation is not assumed by the Company.

"Indebtedness for Borrowed Money" shall mean (a) all Indebtedness in respect of money borrowed including, without limitation, Indebtedness which represents the unpaid amount of the purchase price of any property and is incurred in lieu of borrowing money or using available funds to pay such amounts and not constituting an account payable or expense accrual incurred or assumed in the ordinary course of business of the Company or Parent, as applicable, (b) all Indebtedness evidenced by a promissory note, bond or similar written obligation to pay money, or (c) all such Indebtedness guaranteed by the Company or Parent, as applicable, or for which the Company is otherwise contingently liable.

"Investment Company Act" shall mean the Investment Company Act of 1940, as amended.

"knowledge" and "know" means, when referring to any person or entity, the actual knowledge of such person or entity of a particular matter or fact, and what that person or entity would have reasonably known after due inquiry. An entity will be deemed to have "knowledge" of a particular fact or other matter if any individual who is serving, or who has served, as an executive officer of such entity has actual "knowledge" of such fact or other matter, or had actual "knowledge" during the time of such service of such fact or other matter, or would have had "knowledge" of such particular fact or matter after due inquiry.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction and including any lien or charge arising by statute or other law.

"Memorandum" shall have the meaning assigned to it in the fourth recital hereof.

"Merger" shall have the meaning assigned to it in the first recital hereof.

"Merger Documents" shall have the meaning assigned to it in Section 2.5 hereof.

"Offering" shall have the meaning assigned to it in Section 6.2(i) hereof.

"Parent" shall mean Westmountain Alternative Energy, Inc., a Colorado corporation.

"Parent Balance Sheet" and "Parent Balance Sheet Date" shall have the meanings assigned to them in Section 3.13 hereof.

"Parent Common Stock" shall have the meaning assigned to it in Section 3.4 hereof.

"Parent Preferred Stock" shall have the meaning assigned to it in Section 3.4 hereof.

"Parent Employee Benefit Plans" shall have the meaning assigned to it in Section 3.16 hereof.

"Parent Financial Statements" shall have the meaning assigned to it in Section 3.8 hereof.

"Parent SEC Documents" shall have the meaning assigned to it in Section 3.7(b) hereof.

"Parent Warrants" shall have the meaning assigned to it in Section 1.7(a) hereof.

"Patent and Trademark Rights" shall have the meaning assigned to it in Section 2.15 hereof.

"Permitted Liens" shall mean (a) Liens for taxes and assessments or governmental charges or levies not at the time due or in respect of which the validity thereof shall currently be contested in good faith by appropriate proceedings; (b) Liens in respect of pledges or deposits under workmen's compensation laws or similar legislation, carriers', warehousemen's, mechanics', laborers' and similar Liens, if the obligations secured by such Liens are not then delinquent or are being contested in good faith by appropriate proceedings; and (c) Liens incidental to the conduct of the business of the Company that were not incurred in connection with the borrowing of money or the obtaining of advances or credits and which do not in the aggregate materially detract from the value of its property or materially impair the use made thereof by the Company in its business.

"Person" shall include all natural persons, corporations, business trusts, associations, limited liability companies, partnerships, joint ventures and other entities and governments and agencies and political subdivisions.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Stockholders" shall mean all of the stockholders of the Company.

"Subsidiaries" shall have the meaning assigned to it in Section 2.1(b) hereof.

"Surviving Entity" shall have the meaning assigned to it in Section 1.1 hereof.

"Tax" or "Taxes" shall mean (a) any and all taxes, assessments, customs, duties, levies, fees, tariffs, imposts, deficiencies and other governmental charges of any kind whatsoever (including, but not limited to, taxes on or with respect to net or gross income, franchise, profits, gross receipts, capital, sales, use, ad valorem, value added, transfer, real property transfer, transfer gains, transfer taxes, inventory, capital stock, license, payroll, employment, social security, unemployment, severance, occupation, real or personal property, estimated taxes, rent, excise, occupancy, recordation, bulk transfer, intangibles, alternative minimum, doing business, withholding and stamp), together with any interest thereon, penalties, fines, damages costs, fees, additions to tax or additional amounts with respect thereto, imposed by the United States (federal, state or local) or other applicable jurisdiction; (b) any liability for the payment of any amounts described in clause (a) as a result of being a member of an affiliated, consolidated, combined, unitary or similar group or as a result of transferor or successor liability, including, without limitation, by reason of Regulation section 1.1502-6; and (c) any liability for the payments of any amounts as a result of being a party to any Tax Sharing Agreement or as a result of any express or implied obligation to indemnify any other Person with respect to the payment of any amounts of the type described in clause (a) or (b).

"Tax Return" shall include all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns (including Form 1099 and partnership returns filed on Form 1065) required to be supplied to a Tax authority relating to Taxes.

"TBOC" shall have the meaning assigned to it in the second recital hereof.

10. Closing The closing of the Merger (the "Closing") shall occur on or about April 20, 2018 (the "Closing Date"). The Closing shall occur at the offices of Bart and Associates, LLC, or the offices of Norton Rose Fulbright, or at a location mutually agreed upon by the Parties or by electronic exchange of documents and funds. At the Closing, Parent shall present for delivery to each Stockholder the certificate representing the Parent Common Stock to be issued pursuant to Section 1.5(a)(ii) hereof to them pursuant to Sections 1.6 and 4 hereof. Such presentment for delivery shall be against delivery to Parent and Acquisition Corp. of the certificates, agreements and other instruments referred to in Section 6.1 hereof, and the certificates representing all of the Common Units issued and outstanding and held by such Stockholder immediately prior to the Effective Time. Parent will deliver at such Closing to the Company the officers' certificate and opinion referred to in Section 6.2 hereof. All of the other documents, certificates and agreements referenced in Section 6 will also be executed as described therein. At the Effective Time, all actions to be taken at the Closing shall be deemed to be taken simultaneously.

11. Termination Prior to Closing.

11.1 Termination of Agreement This Agreement may be terminated at any time prior to the Closing:

(a) By the mutual written consent of the Company, Acquisition Corp. and Parent;

(b) By the Company, if Parent or Acquisition Corp. (i) fails to perform in any material respect any of its agreements contained herein required to be performed by it on or prior to the Closing Date, (ii) materially breaches any of its representations, warranties or covenants contained herein, which failure or breach is not cured within thirty (30) days after the Company has notified Parent and Acquisition Corp. of its intent to terminate this Agreement pursuant to this paragraph (b);

(c) By Parent and Acquisition Corp., if the Company (i) fails to perform in any material respect any of its agreements contained herein required to be performed by it on or prior to the Closing Date, (ii) materially breach any of its representations, warranties or covenants contained herein, which failure or breach is not cured within thirty (30) days after Parent or Acquisition Corp. has notified the Company of its intent to terminate this Agreement pursuant to this paragraph (c);

(d) By either the Company, on the one hand, or Parent and Acquisition Corp., on the other hand, if there shall be any order, writ, injunction or decree of any court or governmental or regulatory agency binding on Parent, Acquisition Corp. or the Company, which prohibits or materially restrains any of them from consummating the transactions contemplated hereby; provided, that the parties hereto shall have used their best efforts to have any such order, writ, injunction or decree lifted and the same shall not have been lifted within ninety (90) days after entry, by any such court or governmental or regulatory agency;

(e) By the Parent and Acquisition Corp., if they deem in their sole and complete discretion, that the final audited financials statements yet to be provided by the Company under Section 2.9 are materially different in any aspect from the draft audited financial statements which have previously been provided;

(f) By the Parent and Acquisition Corp., if they deem in their sole and complete discretion, that any aspect of the Company's business or status is materially different from its situation as disclosed to the Parent and Acquisition Corp. by the Company as of December 31, 2017;

(g) By either the Company, on the one hand, or Parent and Acquisition Corp., on the other hand, if the Closing has not occurred on or prior to May 31, 2018 for any reason other than delay or nonperformance of the party seeking such termination.

11.2 Termination of Obligations Termination of this Agreement pursuant to this Section 11 shall terminate all obligations of the parties hereunder, except for the obligations under Section 6.1; provided, however, that termination pursuant to paragraphs (b) or (c) of Section 11.1 shall not relieve the defaulting or breaching party or parties from any liability to the other parties hereto.

12. Miscellaneous.

12.1 Notices Any notice, request or other communication hereunder shall be given in writing and shall be served either personally by overnight delivery or delivered by mail, certified return receipt and addressed to the following addresses:

If to Parent
or Acquisition Corp.: WESTMOUNTAIN ALTERNATIVE ENERGY, INC.
1001-A E. Harmony Road #366
Fort Collins, Colorado 80525

With a copy to: Bart and Associates, LLC
8400 East Prentice Avenue
Suite 1500
Greenwood Village, Colorado 80111
Attention: Ken Bart, Esq.

If to the Company: C-Bond Systems, LLC
6035 South Loop East
Houston, TX 77033
Attn: Scott Silverman, CEO

With a copy to: Norton Rose Fulbright
1301 McKinney
Suite 5100
Houston, TX 77010
Attention: Brian Fenske

Notices shall be deemed received at the earlier of actual receipt or three (3) business days following mailing. Counsel for a party (or any authorized representative) shall have authority to accept delivery of any notice on behalf of such party.

12.2 Entire Agreement This Agreement, including the schedules and exhibits attached hereto and other documents referred to herein, contains the entire understanding of the parties hereto with respect to the subject matter hereof. This Agreement supersedes all prior agreements and undertakings between the parties with respect to such subject matter.

1 2 . 3 Expenses Each party shall bear and pay all of the legal, accounting and other expenses incurred by it in connection with the transactions contemplated by this Agreement.

12.4 Time Time is of the essence in the performance of the parties' respective obligations herein contained.

12.5 Severability Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12.6 Successors and Assigns This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and heirs.

12.7 No Third Parties Benefited This Agreement is made and entered into for the sole protection and benefit of the parties hereto, their successors, assigns and heirs, and no other Person shall have any right or action under this Agreement.

12.8 Counterparts This Agreement may be executed in one or more counterparts, with the same effect as if all parties had signed the same document. Each such counterpart shall be an original, but all such counterparts together shall constitute a single agreement.

12.9 Governing Law This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Colorado. The parties to this Agreement agree that any breach of any term or condition of this Agreement or the transactions contemplated hereby shall be deemed to be a breach occurring in the State of Colorado by virtue of a failure to perform an act required to be performed in the State of Colorado. The parties to this Agreement irrevocably and expressly agree to submit to the jurisdiction of the courts of the State of Colorado for the purpose of resolving any disputes among the parties relating to this Agreement or the transactions contemplated hereby. The parties irrevocably waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby, or any judgment entered by any court in respect hereof brought in Denver, Colorado, and further irrevocably waive any claim that any suit, action or proceeding brought in Denver, Colorado has been brought in an inconvenient forum. With respect to any action before the above courts, the parties hereto agree to service of process by certified or registered United States mail, postage prepaid, addressed to the party in question.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be binding and effective as of the day and year first above written.

PARENT:

WESTMOUNTAIN ALTERNATIVE ENERGY, INC.

By: /s/ Brian L. Klemsz
Brian L. Klemsz, Chief Executive Officer

ACQUISITION CORP.:

WETM ACQUISITION CORP.

By: /s/ Brian L. Klemsz
Brian L. Klemsz, Chief Executive Officer

THE COMPANY:

C-BOND SYSTEMS, LLC

By: /s/ Scott Silverman
Scott Silverman, Chief Executive Officer

LICENSE AGREEMENT

BETWEEN

WILLIAM MARSH RICE UNIVERSITY

AND

C-BOND SYSTEMS, LLC

April 8, 2016

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This License Agreement (the "**Agreement**"), effective as of April 8, 2016 (the "**Effective Date**"), is entered into by William Marsh Rice University, a Texas non-profit corporation with a principal address at 6100 Main Street, Houston, TX 77005 ("**Rice**") and C-BOND SYSTEMS, LLC, a Texas limited liability company ("**Licensee**") with a principal address at 6035 South Loop East, Houston, TX 77033. Rice and Licensee are sometimes referred to hereinafter, individually, as a "**Party**" and, collectively, as the "**Parties**."

WHEREAS Rice had entered into a license agreement with IPXnano effective January 17, 2014, granting IPX rights in and to intellectual property rights related to Rice's nanotechnology portfolio; and,

WHEREAS Licensee had entered into a sublicense agreement with IPXnano, LLC, dated July 24, 2015, under which Licensee was granted a sublicense to certain of Rice's intellectual property rights as listed in Schedule A (the "**Licensed Property**"); and

WHEREAS Rice terminated its license with IPXnano on September 28, 2015; and,

WHEREAS, Licensee desires to obtain directly from Rice, and Rice desires to grant to Licensee, a non-exclusive license under the Licensed Property subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises described above and the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Article 1
DEFINITIONS

1.1 "**Affiliate**" shall mean, with respect to a Party, any Person that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with such Party. With respect to an entity, the terms "own" and "control" shall mean i) possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of securities, by contract or otherwise; and/or ii) the right to receive 50% or more of the profits or earnings or the right to 50% or more of the net assets of such Person.

1.2 "**Confidential Information**" shall mean any ideas, concepts, information, processes, methods, documents, data, pricing and/or materials regarding the Licensed Property, this Agreement and/or the performance thereof by either Party that is disclosed or delivered by or on behalf of Rice or Licensee (in each case a "**Disclosing Party**") to the other Party (in each case a "**Receiving Party**") or developed by either Party in connection with this Agreement. Confidential Information shall not include information that iii) is or becomes public domain other than as a result of a disclosure in violation of this Agreement; iv) the Receiving Party can establish that it knew prior to the receipt of the same from the Disclosing Party; v) is obtained from a third party having the right to disclose same without breach of any obligation of confidentiality to the Disclosing Party; or vi) is developed by the Receiving Party independently of and without reference to the Confidential Information.

1.3 "**Field**" shall mean "Nanotube-based surface treatment for strengthening glass, glass laminates, and related materials."

1.4 "**Gross Profit**" shall mean the Net Sales for a Licensed Product less the Landed Cost for such Licensed Product.

1 . 5 "**Landed Cost**" shall mean costs and expenses incurred in the manufacture and freight of the Licensed Products to Licensee's designated warehouse from the factory, namely costs of goods sold, freight and freight insurance, customs duties, and tariffs, but expressly excluding all other costs and expenses, including without limitation costs of distribution, sales, commissions, collection, warehousing, and other shipping and freight.

1 . 6 "**Licensed Product**" shall mean any product, process, method or service vii) that employs or is produced by the practice of any invention claimed or disclosed in any Licensed Property patent or viii) the manufacture, use, practice, maintenance, repair, refurbish, distribution, sale, offer to sell, import or export of which is covered by Licensed Property or, absent the license granted herein, would constitute an infringement of any Licensed Property.

1 . 7 "**Net Sales**" shall mean the gross amount invoiced or otherwise charged by Licensee or its Affiliates on account of the sale of Licensed Products, less the following deductions to the extent actually incurred or allowed and supported by documentation: amounts repaid or credited by reason of rejection, return (for any reason), or for damaged or missing goods, or in lieu of returns, any markdowns and discounts (including early payment discounts), and commercially reasonable advertising and promotional allowances. No other costs incurred in the manufacture, distribution, transportation, advertising, marketing, or sale of the Licensed Products shall be deducted in the calculation of Net Sales, including without limitation commissions paid, costs of collection, warehousing, shipping or freight.

1 . 8 "**Person**" shall mean an individual or a corporation, partnership, limited liability company, business trust, trust, association, or other organization, estate, government or governmental subdivision or agency, or other legal entity.

1 . 9 "**Sale,**" "**Sold**" and "**Sell**" shall mean any and all sales, leases, licenses, rentals, performance and other modes of distribution or transfer of a product, process or service or its beneficial use.

1 . 1 0 "**Sell-Off Period**" shall mean a period of one hundred eighty (180) days commencing on the effective date of termination or expiration of this Agreement.

1.11 Intentionally Omitted.

1.12 Intentionally Omitted.

Article 2
LICENSE GRANT

2 . 1 ***Grant to Licensee.*** Subject to the terms of this Agreement, Rice hereby grants to Licensee a non-exclusive, non-transferable, royalty bearing license in the Field under the Licensed Property to use, make, have made, reproduce, display, distribute, offer to sell, sell, and import Licensed Products and any component or part thereof.

2.2 ***No Right to Sublicense***. Except as set forth below, Licensee shall have no right to, and shall not, grant to any Person a sublicense of any of its rights under this Agreement. Notwithstanding, Licensee shall have the right to grant sublicenses of the rights granted in Section 2.1 on a limited basis in the ordinary course of business to Persons in the chain of distribution of Licensed Products only when and to the extent absolutely necessary for the performance of services by such Person in: ix) the manufacture of Licensed Products to be resold by Licensee; and x) the distribution and sale of the Licensed Products from Licensee to distributors, retailers, and end users of the Licensed Products.

2.3 ***Government Rights and Requirements***. The rights and licenses granted under this Agreement may be limited by and subject to any federal government interest reserved for or granted to the United States Government as a matter of law or statute. Such rights and requirements shall include, to the extent applicable: xi) the grant of a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States Government any of the Licensed Property throughout the world (as set forth in 35 U.S.C. §202(c)(4)), and xii) the requirement that Licensed Products used or sold in the United States by Sub-Licensee with exclusive rights will be manufactured substantially in the United States (as set forth in 35 U.S.C. §204).

Article 3
LICENSE CONSIDERATION; REPORTING

3.1 ***License Issue Fee***. In partial consideration of the non-exclusive license granted herein, Licensee shall pay to Rice a non-refundable, non-creditable, license initiation fee of ten-thousand dollars ($10,000), which sum has been received by Rice via IPXnano.

3.2 ***Reimbursement of patent maintenance-related fees***. Licensee shall promptly reimburse Rice for maintenance of the Licensed Property during the Term of this Agreement. Licensee may elect to surrender Licensed Property rights in any country upon at least one hundred eighty (180) days' prior written notice to Rice. Such notice shall not relieve Licensee from responsibility to reimburse Rice for patent maintenance-related expenses incurred prior to the expiration of the one hundred eighty (180) day notice period (or such longer period specified in Licensee's notice). Rice shall provide Licensee with itemized statements reflecting the expenses owed to Rice for the maintenance of the Licensed Property and Licensee shall reimburse Rice for such expenses within thirty (30) days after receipt of such statement.

3.3 ***Royalty Payments***. During the Term of this Agreement and during any Sell-Off Period, Licensee shall pay to Sub-Licensor five percent (5%) of the Net Sales recognized by Licensee in connection with the commercial sale of Licensed Products to third parties by or on behalf of Licensee or its Affiliates (the "**Royalties**").

3.4 ***Records***. Licensee shall keep complete and accurate records containing all particulars that may be necessary for the purpose of showing the amounts payable to Rice by Licensee and for otherwise verifying Licensee's performance hereunder. Such records shall be kept at Licensee's principal place of business, and shall be maintained for at least three (3) years following the end of the reporting period to which they pertain. For the purpose of verifying Royalties, Rice or its agents or representatives shall have the right to conduct an audit of Licensee's business activities relating to the Licensed Products. Such examinations shall be made during reasonable business hours at Rice's sole expense and shall occur no more than once during each calendar year. If an audit conducted by Rice reveals an underpayment of Royalties by Licensee in excess of three percent (3%), then Licensee shall reimburse Rice for all reasonable out-of-pocket costs and expenses of such Audit actually incurred by Rice.

3.5 ***Reporting***.

(a) On or before January 31 of each year and until the first commercial sale of a Licensed Product, Licensee shall make a written annual report to Rice for the previous calendar year disclosing in reasonable detail (1) the progress in developing and commercializing Licensed Products, (2) the current plans for developing and commercializing Licensed Products, and (3) such other information as Rice may reasonably request that is related to the development and commercialization of Licensed Products.

(b) Within thirty (30) days of the end of each calendar quarter following the first commercial sale of a Licensed Product by Licensee, Licensee shall deliver to Rice a complete and accurate report for that period containing the following information:

(i) The quantity of Licensed Product manufactured by or on behalf of Licensee during the period;

(ii) The quantity of Licensed Product sold by or on behalf of Licensee during the period;

(iii) The amount of Net Sales recognized by Licensee during the period with a disclosure of the components used to calculate such amount, including without limitation, amounts invoiced, amount of repayments or credits, and other expenses comprised in the calculation of Net Sales and Landed Costs; and

(iv) Royalty payments due and paid or due and owing to Rice for the period.

3.6 ***Payment Terms***. Licensee shall pay to Rice accrued Royalties upon delivery of the corresponding report for the reporting period in which Licensee recognizes such Net Sales. Royalties shall be payable to "William Marsh Rice University" by check or wire transfer, in each case, representing immediately available funds in United States Dollars, as follows:

Wire to: J.P. MORGAN CHASE BANK
712 Main Street
Houston, TX 77002
ABA#: (Routing Number)
Domestic Bank use: 021000021
Foreign Bank use: 021-000-021 Swift Code: CHASU33
Account#:00101418847
Beneficiary: William Marsh Rice University – Funding Account
Amount: $
By Oder of:
Reference: OTT MS705

If any currency conversion is required in connection with the payment of Royalties, the conversion rate shall be the applicable rate of exchange of Licensee's primary financial institution, on the last day of each month during which such Net Sales is received by Licensee.

3.7 ***Delinquent Payments***. Any undisputed amounts payable to Licensor and overdue hereunder shall accrue interest at a rate of 1% per month (or the maximum amount permitted by law, if less) of such delinquent amount commencing on the date such amounts were due and continuing until such amounts are paid. The accrual or receipt by Licensor of interest under this Section shall not constitute a waiver by Licensor of any right it may otherwise have to declare a breach of or default under this Agreement and to terminate this Agreement.

Article 4
REPRESENTATIONS, WARRANTIES AND DISCLAIMERS

4.1 ***Mutual Representations***. Each Party represents and warrants to the other Party that xiii) such Party has the power and authority to execute, deliver and perform its obligations under this Agreement, xiv) the execution, delivery and performance of this Agreement have been duly authorized by such Party and does not and shall not conflict with any agreement or instrument to which such Party is bound, xv) this Agreement constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, and xvi) this Agreement, and the interests, rights, duties and obligations hereunder, shall be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

4.2 ***Rice Representations***. Rice further represents and warrants that: xvii) it has the right to grant the rights, licenses and privileges to the Licensed Property as granted in this Agreement; and xviii) this Agreement shall not conflict with any agreement or instrument to which the Licensed Property is bound.

4.3 ***Disclaimer of Warranties***. THE LICENSED PROPERTY AND ANY OTHER INFORMATION OR TECHNOLOGY PROVIDED BY RICE AND USED IN THE MANUFACTURE, USE, IMPORT, SALE, OFFER FOR SALE, LEASE, OR OTHER TRANSFER OF LICENSED PRODUCT(S) ARE PROVIDED ON AN "AS IS" BASIS AND, RICE MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH REGARD THERETO. BY WAY OF EXAMPLE BUT NOT OF LIMITATION, RICE MAKES NO REPRESENTATIONS OR WARRANTIES (I) OF COMMERCIAL UTILITY, (II) OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR (III) THAT THE USE OF THE LICENSED PROPERTY, OR LICENSED PRODUCT(S) WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER PROPRIETARY OR PROPERTY RIGHTS OF OTHERS.

Article 5
COVENANTS

5 . 1 ***Diligent Efforts***. Licensee shall exercise commercially reasonable efforts to commercialize the Licensed Property and generate Net Sales.

5.2 ***Licensed Products***.

(a) In order to protect the value and reputation of the Licensed Property, Licensee agrees that Licensed Products shall (1) be of a nature and quality that meets commercially reasonable standards for such products, and (2) be used, manufactured, sold, distributed, advertised, and promoted in accordance with applicable laws. Licensee agrees that it will not knowingly take any action or omit to take any action, directly or indirectly, nor assist any third party in taking any action, that will or is reasonably likely to tarnish or harm the Licensed Property or the reputation or goodwill of Rice. Licensee agrees to cooperate with Rice to permit reasonable inspection of the Licensed Products.

(b) Licensee acknowledges that it shall be solely responsible for (3) obtaining, at its own expense, any and all necessary licenses, permits and consents for the use, manufacture, distribution or sale of Licensed Products, and (4) all costs incurred in connection with the development, manufacture, marketing, promotion, transportation, distribution, and sale of Licensed Products.

5.3 ***Confidentiality***. Each Party acknowledges and agrees that xix) it may receive or be privy to Confidential Information of the other Party, xx) Confidential Information is regarded by such Disclosing Party as a proprietary and a valuable asset, and xxi) unauthorized disclosure or unauthorized use of a Disclosing Party's Confidential Information may cause such Disclosing Party irreparable harm and loss. In consideration for the benefits received under this Agreement, each Party agrees that during the Term and for a period of three (3) years thereafter it shall hold and cause its personnel to hold the other Party's Confidential Information in the strictest of confidence, and shall not, without the prior written consent of the Disclosing Party, use or make any disclosures of Confidential Information directly or indirectly to any person for any purpose other than facilitating, in the case of Sub-Licensee, the licenses and other rights granted in this Agreement. Each Party agrees that its employees, contractors and agents will have access to the other Parties' Confidential Information only on a need-to-know basis and after they have agreed in writing to abide by the confidentiality obligations provided herein. Each Party shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the other Party's Confidential Information. The minimum standard for protection of Confidential Information shall be the degree and measure of protection such Party affords its own most secret or highly confidential information.

5.4 ***Non-Use of Names/Publicity***.

(a) Each Party agrees that (1) it shall not use the name, trademark, service mark, trade name, or symbol, or any adaptation thereof, of the other Party or of its Affiliates or their trustees, directors, officers, employees, faculty, affiliated investigators, agents and representatives, medical and professional staff, or any inventors or students involved in the development of Licensed Property (the "**Representatives**") for any commercial activity, marketing, advertising or sales materials without the prior written consent of the other Party or Representative whose name is to be used.

(b) Notwithstanding the foregoing, (2) Rice may use the name of Licensee in a non-misleading manner in publications for the purpose of internal reporting or limited dissemination and public announcements relating to its business and operations, and (3) Licensee may use the name of Rice in a non-misleading manner for non-commercial or non-promotional purposes to the extent necessary to disclose that the Licensed Property is derived from Rice.

Article 6
LICENSED PROPERTY

6 . 1 ***Ownership of Licensed Property***. Licensee acknowledges the validity of the Licensed Property. Licensee agrees that it will not take any action to contest the validity or enforceability of Licensed Property. Licensee agrees that nothing in this Agreement shall give Licensee any right, title, or interest in the Licensed Property other than the right to use the Licensed Property in accordance with this Agreement.

6 . 2 ***Notice of Alleged Infringement***. Licensee shall promptly notify Rice in writing if Sub- Licensee: xxii) becomes aware of any legal proceedings commenced or threatened, or claims or allegations made, relating to the Licensed Property based on an alleged (1) infringement of a third party's intellectual property rights or (2) invalidity of the Licensed Property; or xxiii) believes that Licensed Property is being, or has been, infringed by a third party.

Article 7
TERM AND TERMINATION

7 . 1 ***Term***. This Agreement shall commence on the Effective Date and shall continue until the expiration of the last to expire of the Licensed Property rights, unless sooner terminated in accordance with the provisions herein (the "**Term**").

7.2 ***Rice Termination***. Rice shall have the right to terminate this Agreement if:

(a) Licensee breaches this Agreement and fails to cure, or take reasonable steps to cure, such breach within fifteen (15) days' after actual receipt of written notice from Rice describing the nature of such Licensee's breach;

(b) Licensee fails to use commercially reasonable best efforts to develop, make, promote or sell Licensed Products; provided, however, that prior to terminating the Agreement under this Section 7.2(b):

(i) Rice shall send written notice to Licensee describing in reasonable detail the manner in which Licensee is failing to develop, make, promote and sell Licensed Products and specifying a date and time no earlier than seven (7) days after Licensee's receipt of such notice for a meeting to discuss, in good faith, Licensee's current efforts and plans to market and sell Licensed Products and Rice's proposed plans to more effectively market and sell Licensed Products; and

(ii) Licensee shall have failed to implement changes, acceptable to Rice, as discussed by the Parties in such meeting within a period of thirty (30) days;

(c) Licensee initiates, or assists a third-party in initiating, a legal action that includes a claim or assertion challenging the validity, patentability, scope, construction or enforceability of any portion of the Licensed Property; or

(d) Licensee institutes proceedings to adjudicate a voluntary bankruptcy, consents in writing to the institution of a bankruptcy proceeding against it, files a petition, answer or written consent seeking reorganization under the national bankruptcy act or any other applicable federal or state law, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts generally as they become due, is adjudged by a court having competent jurisdiction as bankrupt or insolvent, or is placed in bankruptcy, liquidation or receivership.

7.3 ***Licensee Termination***. Licensee shall have the right to terminate this Agreement:

(a) At any time by giving Rice not less than ninety (90) days' prior written notice; or

(b) If Rice breaches this Agreement and fails to cure, or take reasonable steps to cure, such breach within fifteen (15) days' after actual receipt of written notice from Licensee describing the nature of Sub-Licensor's breach.

7.4 ***Sell-Off of Licensed Products***. Upon termination of this Agreement, except as otherwise provided herein, Licensee may dispose of Licensed Products which are on hand or in process as of the date a notice of termination is received (or, if no notice is required, on the effective date of such termination) until the expiration of the Sell-Off Period. All applicable Royalties shall be paid on Licensed Products sold during the Sell-Off Period in accordance with Article 3. Notwithstanding, Licensee shall not manufacture, sell, or dispose of any Licensed Products if the termination of this Agreement is a direct result of Licensee's failure to tender undisputed Royalties or comply with Section 5.2(a).

7 . 5 ***Continued Obligations***. Upon termination of this Agreement for any reason, xxiv) all rights and licenses granted to Licensee under the terms of this Agreement will terminate and nothing herein shall be construed to release either Party from any obligation that matured prior to the effective date of such termination; xxv) all Confidential Information of the other Party shall be promptly returned or destroyed, at the Disclosing Party's election; and xxvi) all Royalties and other payments due to Rice as of the termination date shall become immediately payable.

Article 8
INSURANCE

8.1 ***Insurance Coverage***. During the Term, Licensee shall procure and maintain in full force and effect, throughout the Term of this Agreement, commercial general liability insurance for a minimum amount of $1,000,000 per occurrence and $3,000,000 in the aggregate. Upon the sale or transfer to any Third Party of any Licensed Product, Sub-Licensee shall have in full force and effect commercial general liability insurance for a minimum amount of $5,000,000 per occurrence and $5,000,000 in the aggregate. Such commercial general liability insurance shall provide broad form contractual liability coverage for Licensee's indemnification obligations under this Agreement and product liability coverage. Licensee shall maintain such commercial general liability insurance after the expiration or termination of this Agreement during any period in which Licensee continues to make, use, perform or sell a product that was a Licensed Product and thereafter for a period of five (5) years. Licensee shall provide evidence of such insurance coverage to Rice within ten (10) business days of the Effective Date of this Agreement and promptly upon Rice's reasonable request thereafter. The Licensee shall notify Rice in writing of any change in the terms or cancellation of coverage.

8.2 Rice reserves the right to request additional policies of insurance where appropriate and reasonable in light of Licensee's business operations and availability of coverage.

8.3 The policy or policies of insurance specified herein shall be issued by an insurance carrier with an A.M. Best rating of "A" or better and shall name William Marsh Rice University as an additional insured with respect to Licensee's performance of this Agreement. All rights of subrogation shall be waived against Rice and its insurers. Licensee shall provide Rice with certificates evidencing the insurance coverage required herein and all subsequent renewals thereof. Such certificates shall provide that Licensee insurance carrier(s) notify Rice in writing at least 30 days prior to a cancellation or material change in coverage.

8.4 The specified minimum insurance amounts shall not constitute a limitation on Licensee 's obligation to indemnify Rice under this Agreement.

Article 9
INDEMNIFICATION; LIMITATION ON DAMAGES

9.1 ***Licensee Indemnification***. LICENSEE SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS RICE, ITS TRUSTEES, OFFICERS, AGENTS, SUBCONTRACTORS, STUDENTS AND EMPLOYEES (INDIVIDUALLY, AN "INDEMNIFIED PARTY", AND COLLECTIVELY, THE "INDEMNIFIED PARTIES") FOR, FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, DAMAGE, ACTION, CLAIM OR EXPENSE SUFFERED OR INCURRED BY THE INDEMNIFIED PARTIES (INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND OTHER COSTS AND EXPENSES OF LITIGATION) (INDIVIDUALLY, A "LIABILITY", AND COLLECTIVELY, THE "LIABILITIES") BASED UPON, ARISING OUT OF, OR OTHERWISE RELATING TO LICENSEE'S PERFORMANCE OF OR BREACH OF OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY CAUSE OF ACTION RELATING TO PRODUCT LIABILITY, CONCERNING ANY BREACH OF THIS AGREEMENT BY LICENSEE, USE OF THE LICENSED PROPERTY RIGHTS GRANTED UNDER THIS AGREEMENT BY LICENSEE OR LICENSED PRODUCTS MANUFACTURED, USED, IMPORTED, SOLD OR OFFERED FOR SALE, LEASED, TRANSFERRED OR OTHERWISE DISPOSED OF PURSUANT TO ANY RIGHT OR LICENSE GRANTED UNDER THIS AGREEMENT.

9 . 2 The Indemnified Party shall promptly notify Licensee of any claim or action giving rise to Liabilities. Sub-Licensee shall have the right to defend any such claim or action, at its cost and expense with attorneys satisfactory to Rice. Licensee shall not settle or compromise any such claim or action in a manner that imposes any restrictions or obligations on Rice or grants any rights to the Licensed Property or Licensed Product(s) without Rice's prior written consent. If Licensee fails or declines to assume the defense of any such claim or action within thirty (30) days after notice thereof, or if representation of such Indemnified Party by the counsel retained by Licensee would be inappropriate because of actual or potential differences in the interests of such Indemnified Party any other party represented by such counsel, Rice may assume the defense of such claim or action for the account and at the risk of Licensee, and any liabilities related thereto shall be conclusively deemed a liability of Sub-Licensee. Licensee shall pay promptly to the Indemnified Party any Liabilities to which the foregoing indemnity relates, as incurred. The indemnification rights of Rice or any other Indemnified Party contained herein are in addition to all other rights which Rice or such other Indemnified Party may have at law or in equity or otherwise.

9 . 3 IN NO EVENT SHALL RICE BE LIABLE TO LICENSEE, LICENSEE'S SUCCESSORS OR ASSIGNS OR ANY THIRD PARTY WITH RESPECT TO ANY CLAIM (a) ARISING FROM THE USE OF THE LICENSED PROPERTY RIGHTS, (b) ARISING FROM THE MANUFACTURE, USE, IMPORT, OR SALE OR OFFER FOR SALE, LEASE OR OTHER TRANSFER OF LICENSED PRODUCT(S), (c) FOR LOSS OF PROFITS, LOSS OR INTERRUPTION OF BUSINESS, OR (d) FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES OF ANY KIND.

Article 10
DISPUTE RESOLUTION

1 0 . 1 ***Binding Arbitration***. Any dispute which cannot be amicably resolved by the Parties within thirty (30) days after both Parties become aware of the claim, dispute or contested matter (collectively, a "**Dispute")** may be submitted, by either Party, to binding, confidential arbitration in accordance with the then current Commercial Rules of the American Arbitration Association (excluding rules governing the payment of arbitration, administrative, or other fees or expenses to the Arbitrator or the association), to the extent that such Rules do not conflict with the terms of the this Agreement. Any arbitration conducted under this Article 11 shall be heard by a sole arbitrator selected by the Parties if the amount in controversy is less than Three Million Dollars ($3,000,000.00), or a panel of three arbitrators, if the amount in controversy is equal to or greater than Three Million Dollars ($3,000,000.00). The decision of the Arbitrator (which shall be rendered in writing) shall be final, nonappealable, and binding upon the Parties and may be enforced in any court of competent jurisdiction. The prevailing party in such arbitration shall be entitled to an award of reasonable attorneys' fees, costs and expert witness fees in such amount as the arbitrator determines is appropriate. If arbitration is to be presided by a sole arbitrator, then the Party that submits a Dispute to arbitration shall designate a proposed arbitrator in its arbitration notice. If the other Party objects to such proposed arbitrator, it may, on or before the tenth (10^{th}) business day following delivery of the arbitration notice, notify the other Party of such objection. The Parties shall attempt to agree upon a mutually acceptable arbitrator. If they are unable to do so within twenty (20) business days following delivery of the objection notice described in the immediately-preceding sentence, either Party may petition the Judicial Arbitration and Mediation Services to designate the arbitrator. If arbitration is to be presided by a panel of three arbitrators, then each Party shall designate an arbitrator and the selected arbitrators shall designate a third arbitrator to fill the panel.

1 0 . 2 ***Equitable Relief***. Notwithstanding the determination by the Parties to utilize arbitration as specified above for resolution of Disputes arising out of or in connection with this Agreement, nothing herein shall preclude either Party from seeking and obtaining from a court of competent jurisdiction appropriate equitable relief, including without limitation, a temporary restraining order or other injunctive relief, to prevent a threatened or continued breach of this Agreement relating to the Licensed Property, confidentiality, or non-competition, or to otherwise maintain the status quo pending outcome of any arbitration.

1 0 . 3 ***Performance During Dispute***. Each Party shall continue to perform its undisputed obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement.

Article 11
MISCELLANEOUS

1 1 . 1 ***Governing Law***. This Agreement shall be governed by and construed in accordance with the laws of State of Texas without reference to its conflicts of law principles and venue for any dispute hereunder shall lie in Harris County, Texas.

11.2 ***Independent Contractors***. For the purpose of this Agreement and any services to be provided hereunder, each Party shall be, and shall be deemed to be, an independent contractor and not an agent, partner, joint venturer or employee of the other Party. Neither Party shall have authority to make any statements, representations or commitments of any kind, nor take any action which shall be binding on the other Party, except as may be explicitly authorized in writing.

1 1 . 3 ***Notices***. Any report, notice or other communication given under this Agreement shall be in writing and shall be deemed delivered when given either: xxvii) by hand delivery to an authorized representative of the Party to whom directed; xxviii) by United States registered mail return receipt requested, postage prepaid; or xxix) by courier service, charges prepaid, addressed to the respective Party as follows:

If for Licensee: C-BOND SYSTEMS, LLC
Houston Technology Center
6035 South Loop East
Houston, TX 77033
Attn: Bruce Rich, CEO
Telephone: 713.357.9563
E-mail:brich@cbondsystems.com

If for Rice: Office of Technology Transfer - MS705
Rice University
6500 Main Street
P.O. Box 1892
Houston, TX 77005-1892
Attn: Director, Office of Technology Transfer
Phone: 713.348.6188
Fax: 713.348.6289
Email: OTT-Director@rice.edu or techtran@rice.edu

Either Party may, at any time, change its notice address and details by written notice to the other party in accordance with this Section 11.3.

11.4 ***Assignment***. This Agreement (1) may not be assigned or transferred, in whole or in part, by operation of law or otherwise, by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed, and (2) may not be amended or modified, by course of conduct or otherwise, except in a writing duly executed by each of the Parties..

11.5 ***Force Majeure***. Neither Party shall be liable for any failure to perform as required by this Agreement to the extent such failure to perform is due to circumstances reasonably beyond such Party's control, including, without limitation, labor disturbances or labor disputes of any kind; accidents; acts, omissions or delays in acting by any governmental authority; civil disorders; insurrections; riots; war; acts of war (whether war be declared or not); terrorism; acts of aggression; acts of God; fire; floods; earthquakes; natural disasters; energy or other conservation measures imposed by law or regulation; explosions; failure of utilities; mechanical breakdowns; material shortages; disease or other such occurrences; provided that the affected Party uses reasonable efforts to overcome or avoid the effects of such cause.

11.6 ***Construction of Agreement***. Each Party acknowledges, warrants and represents that (3) it is a sophisticated party and has been represented by counsel of its choosing at all relevant times during the negotiation and execution of this Agreement; (4) it is executing this Agreement with the consent and on the advice of its own independent legal counsel; and (5) since each Party has participated in drafting this Agreement, any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

11.7 ***Severability***. In the event that any provision of this Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be interpreted and construed as if such term or provision, to the extent the same shall have been held to be invalid, illegal or unenforceable, had never been contained herein. When applicable, the Parties shall negotiate in good faith to modify the Agreement to preserve (to the extent possible) their original intent.

11.8 ***Survivability***. Notwithstanding the termination of this Agreement, the Parties shall continue to be bound by the provisions of this Agreement that reasonably require some action or forbearance after such termination, including without limitation, indemnification obligations and confidentiality obligations.

11.9 ***Entire Agreement***. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement, and supersedes and replaces all prior or contemporaneous statements, understandings or agreements, written or oral, regarding such subject matter. The failure of either Party to demand performance of any provision of this Agreement is not a waiver of its right, at any later time, to enforce such provisions. Any waiver, amendment or other modification or supplementation of any provision of this Agreement will be effective only if in writing and signed by both Parties. All rights, remedies, and powers conferred upon the Parties under this Agreement shall be deemed cumulative and non-exclusive of all other rights, remedies or powers available at law or in equity. This Agreement may be executed in two counter-parts in the English language and each such counterpart shall be deemed an original thereof.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

WILLIAM MARSH RICE UNIVERSITY	**C-BOND SYSTEMS, LLC**
By: /s/ Yousif Shamoo	By: /s/ Bruce Rich
Name: Yousif Shamoo Title: VP for Research	Name: Bruce Rich Title: CEO

SCHEDULE A
LICENSED PROPERTY

United States

Rice Matter Number	US Patent #	Inventor	Title	File Date	Issue Date
10118-10	7780939	Margrave, et al	Sidewall derivatized carbon nanotubes	13-Jun-2006	24-Aug-2010
10118-03	7527780	Margrave, et al	Functionalized single-wall carbon nanotubes	16-Mar-2001	5-May-2009
20027-04	7264876	Smalley, et al	Polymer-wrapped single wall carbon nanotubes	23-Aug-2001	4-Sep-2007
10118-06	6875412	Margrave, et al	Chemically modifying single wall carbon nanotubes to facilitate dispersal in solvents	16-Mar-2001	5-Apr-2005
10118-08	6841139	Margrave, et al	Methods of chemically derivatizing single-wall carbon nanotubes	16-Mar-2001	11-Jan-2005

Schedule A
LICENSED PROPERTY (Continued)

Foreign

Rice Matter Number	Foreign Patent# (Application #)	Country	Inventor	Title	File Date	Issue Date
10118-09	775878	South Korea	Margrave John L., et al	Chemical Derivatization of Single Wall Carbon Nanotubes to Facilitate Solvation Thereof, and Use of Derivatized Nanotubes	17-Sep-99	6-Nov-07
10118-11	2,344,577	Canada	Margrave John L., et al	Chemical Derivatization Of Single-Wall Carbon Nanotubes To Facilitate Solvation Thereof; And Use Of Derivatized Nanotubes	17-Sep-99	8-Dec-09
10118-12	4746183	Japan	Margrave John L., et a	Chemical Derivatization Of Single-Wall Carbon Nanotubes To Facilitate Solvation Thereof, And Use Of Derivatized Nanotubes	17-Sep-99	20-May-11
10118-15	1112224	Europe	Margrave John L., et al	Chemical Derivatization of Single-Wall Carbon Nanotubes to Facilitate Solvation Thereof, and Use of Derivatized Nanotubes	3-Nov-98	19-Aug-09

10118-16	ZL 99812898.8	China	Margrave John L., et al	Chemical Derivatization of Single-Wall Carbon Nanotubes to Facilitate Solvation Thereof, and Use of Derivatized Nanotubes	17-Sep-99	13-Feb-08
10118-22	PCT/US1999/021366	PCT	Margrave John L., et al	Chemical Derivatization of Single-Wall Carbon Nanotubes to Facilitate Solvation Thereof; and Use of Derivatized Nanotubes to Form Catalyst-Containing Seed Materials for Use in Making Carbon Fibers	17-Sep-99	N/A
10118-23	1112224	France	Margrave John L., et al	Chemical Derivatization of Single-Wall Carbon Nanotubes To Facilitate Solvation Thereof; and Use of Derivatized Nanotubes To Form Catalyst-Containing Seed Materials For Use In Making Carbon Fibers	17-Sep-99	19-Aug-09
10118-24	1112224	Germany	Margrave John L., et al	Chemical Derivatization of Single-Wall Carbon Nanotubes To Facilitate Solvation Thereof; and Use of Derivatized Nanotubes To Form Catalyst-Containing Seed Materials For Use In Making Carbon Fibers	17-Sep-99	19-Aug-09

10118-25	1112224	United Kingdom	Margrave John L., et al	Chemical Derivatization of Single-Wall Carbon Nanotubes To Facilitate Solvation Thereof; and Use of Derivatized Nanotubes To Form Catalyst-Containing Seed Materials For Use In Making Carbon Fibers	17-Sep-99	19-Aug-09
10118-26	2011-061240	Japan	Margrave John L., et al.	Chemical Derivatization Of Single-Wall Carbon Nanotubes	18-Mar-11	
20027-01	1966115.6	Europe	Smalley Richard E., et al.	Polymer-Wrapped Single Wall Carbon Nanotubes	23-Aug-01	
20027-08	PCT/US2001/026308	PCT	Smalley Richard E., et al.	Polymer-Wrapped Single Wall Carbon Nanotubes	23-Aug-01	N/A

Exhibit 10.2

EXECUTIVE EMPLOYMENT AGREEMENT

Dated as of October 18, 2017

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") dated as of the date first set forth above (the "Effective Date") is entered into by and between C-Bond Systems, LLC, a Texas limited liability corporation (the "Company"), and Scott R. Silverman (the "Executive"). The Company and Executive may collectively be referred to as the "Parties" and each individually as a "Party."

WHEREAS, the Company desires to employ the Executive as its Chief Executive Officer and the Executive desires to serve in such capacity on behalf of the Company, in each case subject to the terms and conditions herein;

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and the Executive hereby agree as follows:

1. Employment.

(a) Term. The term of this Agreement (the "Initial Term") shall begin as of the Effective Date and shall end on the earlier of a) the third anniversary of the Effective Date and b) the time of the termination of the Executive's employment in accordance with Section 3. This Initial Term and any Renewal Term (as defined below) shall automatically be extended for one or more additional terms of one (1) year each (each a "Renewal Term" and together with the Initial Term, the "Term"), unless either the Company or Executive provide notice to the other Party of their desire to not so renew the Initial Term or Renewal Term (as applicable) at least thirty (30) days prior to the expiration of the then-current Initial Term or Renewal Term, as applicable. Notwithstanding anything in this Agreement to the contrary, if the Executive's independent contractor relationship with the Company is terminated by either Party per the terms of the cover letter to this agreement of even date,, this Agreement is null and void and Executive shall be entitled to no consideration other than that set forth in such cover letter. Notwithstanding anything in this Agreement to the contrary, any references to payments upon termination of Executive's employment shall only apply after the initial two month independent contractor term described in the cover letter. All unvested stock options shall expire upon such termination.

(b) Duties. The Company hereby appoints Executive, and Executive shall serve, as Chief Executive Officer. Executive shall report to the Managing Members or Managers or other governing body pursuant to the terms of the Company's limited liability company agreement as amended from time to time (the "Board"). The Executive shall have such duties and responsibilities as are consistent with Executive's position.

(c) Best Efforts. During the Term, the Executive shall devote Executive's best efforts and full time and attention to promote the business and affairs of the Company and its affiliated companies, and shall be engaged in other business activities only to the extent that such activities are not competitive with the Company and do not interfere or conflict with Executive's obligations to the Company hereunder, including, without limitation, the obligations pursuant to Section 6. Notwithstanding the foregoing, the Executive may (1) serve on corporate, civic, educational, philanthropic or charitable boards or committees, (2) deliver lectures, fulfill speaking engagements or teach at educational institutions and (3) manage personal investments and consult non-competitive businesses so long as such activities do not significantly interfere with the performance of the Executive's responsibilities hereunder. The foregoing shall also not be construed as preventing the Executive from investing Executive's assets in such form or manner as will not require any significant services on Executive's part in the operation of the affairs of the businesses or entities in which such investments are made; provided, however, that the Executive shall not invest in any business competitive with the Company, except that the Executive shall be permitted to own not more than 5% of the stock of those companies whose securities are listed on a national securities exchange or quoted on the OTC Markets.

2. Compensation and Other Benefits. As compensation for the services to be rendered hereunder, during the Term the Company shall pay to the Executive the salary and bonuses, and shall provide the benefits, as set forth in this Section 2.

(a) Base Salary. The Company shall pay to the Executive an annual base salary of $300,000 annually, payable on a monthly basis commencing on the effective date (the "Base Salary"). Until the Company raises $1,000,000 in equity or debt financings after the date of this Agreement, Executive has agreed to be paid ½ of the base salary on a monthly basis with the other ½ being deferred. Once $1,000,000 in equity or debt financings is raised after the date of this Agreement, the Executive will receive the deferred portion of his compensation and his base salary will be paid in full moving forward. It is expressly agreed that all current employees of the Company will receive any deferred compensation currently due and owing simultaneous with the Executive. The Base Salary will increase by 10% on each anniversary date contingent on the achievement of certain performance objectives of the Company as set by the Board and communicated to and agreed to by the Executive in writing as soon as practicable after commencement of the year in which the increase shall occur.

(b) Bonus. The Executive shall be eligible for an annual bonus payment in an amount to be determined by the Board and Executive (the "Bonus"). The Bonus shall be determined and payable based on the achievement of certain performance objectives of the Company as established by the Board and communicated to and agreed to by the Executive in writing as soon as practicable after commencement of the year in respect of which the Bonus is paid. It is understood between the Parties that the Target Bonus for each year shall be one times the annual salary.

(c) Equity Grants. The Executive shall be granted the following equity aw

(i) On the Effective Date, Executive shall be granted an option to acquire 3,000,000 common units (the "stock options") of the Company (the "First Grant"), with a strike price of $1.00 per unit. These stock options will vest pro rata on a monthly basis for the term of the agreement. To be more specific, approximately 83,333 stock options will vest monthly. . In the event that Executive is terminated without Cause (as defined herein) or a Change of Control event (as defined herein) occurs, all stock options will immediately vest. On any other termination of Executive's employment, unvested options shall immediately terminate. All grants of stock options under this Agreement shall be subject to the terms of the C-Bond Systems, LLC Common Unit Option Plan and standard form of common unit option agreement

(ii) On each annual anniversary of the Effective Date, the Executive shall be eligible to be granted a minimum of 500,000 stock options of the Company at a strike price of $2.75 per common unit on the achievement of certain performance objectives of the Company as established by the Board and communicated to and agreed to by the Executive in writing as soon as practicable after commencement of the year in respect of which the grant is made. The amount of these Grants may be increased by the Board.

(d) Capital Raise Success Bonus: After the first $500,000 of equity investments is raised by the Company after the date of this Agreement, the Executive shall receive 5% of all equity capital raised from investors/ lenders that he introduces to the Company (i.e. excludes those investors to whom the Company or its officers have already made contact). This shall be considered additional compensation above and beyond the base salary and bonus.

(e) Expenses. The Company shall reimburse the Executive for all necessary and reasonable travel, entertainment and other business expenses incurred by Executive in the performance of Executive's duties hereunder in accordance with such reasonable procedures as the Company may adopt generally from time to time.

(f) Vacation. The Executive shall be entitled to 4 weeks of vacation annually, holiday and sick leave at levels no less than commensurate with those provided to any other senior executives of the Company, in accordance with the Company's vacation, holiday and other pay-for-time-not-worked policies.

(g) Retirement and Welfare Benefits. The Executive shall be entitled to participate in the Company's health, life insurance, long and short-term disability, dental, retirement, and medical programs, if any, pursuant to their respective terms and conditions, on a basis no less than commensurate with those provided to any other senior executives of the Company. Nothing in this Agreement shall preclude the Company or any affiliate of the Company from terminating or amending any employee benefit plan or program from time to time after the Effective Date, provided that any such amendment or termination shall be effective as to the Executive only if it is equally applicable to every other senior executive officer of the Company.

3. Termination.

(a) Definition of Cause. For purposes hereof, "Cause" shall mean:

(i) a material violation of any material written rule or policy of the Company, a copy of which has been provided to Executive, and which the Executive fails to correct within 10 days after the Executive receives written notice from the Board of such violation;

(ii) misconduct by the Executive to the material and demonstrable detriment of the Company;

(iii) the Executive's conviction (by a court of competent jurisdiction, not subject to further appeal) of, or pleading guilty to, a felony;

(iv) the Executive's continued and ongoing gross negligence in the performance of Executive's duties and responsibilities to the Company as described in this Agreement; or

(v) the Executive's material failure to perform Executive's duties and responsibilities to the Company as described in this Agreement (other than any such failure resulting from the Executive's incapacity due to physical or mental illness as determined by a doctor appointed by the Board or any such failure subsequent to the Executive being delivered a notice of termination without Cause by the Company or delivering a notice of termination for Good Reason to the Company), in either case after written notice from the Board to the Executive of the specific nature of such material failure and the Executive's failure to cure such material failure within ten (10) days following receipt of such notice.

(b) Definition of Good Reason. For purposes hereof, "Good Reason" shall mean:

(i) The Executive no longer being the Chief Executive Officer of the Company;

(ii) a reduction in Base Salary, other than as part of an across-the-board reduction in salaries of management personnel (including all vice presidents and positions above) of less than 20%;

(iii) at any time following a Change of Control (as defined in Section 4), a material diminution by the Company of compensation and benefits (taken as a whole) provided to the Executive as compared to immediately prior to a Change of Control;

(iv) any other material breach by the Company of any of the terms and conditions of this Agreement which the Company fails to correct within 10 days after the Company receives written notice from Executive of such violation.

(c) Termination by the Company. The Company may terminate the Term and Executive's employment hereunder at any time, with or without Cause, subject to the terms and conditions herein.

(i) For Cause. In the event that the Company terminates the Term or Executive's employment hereunder with Cause, then in such event, (4) the Company shall pay to Executive any unpaid Base Salary and benefits then owed or accrued, and any unreimbursed expenses incurred by the Executive pursuant to Section 2(e), in each case through the termination date, and each of which shall be paid within 10 days following the termination date; and (5) all of the Parties' rights and obligations hereunder shall thereafter cease, other than such rights or obligations which arose prior to the termination date or in connection with such termination, and subject to Section 16.

(ii) Without Cause. In the event that the Company terminates the Term or Executive's employment hereunder without Cause, then in such event, subject to Section 3(f), (6) Executive will retain all stock options previously granted; (7) the Company shall pay to Executive any benefits then owed or accrued plus one year of Base Salary (if the Executive has been employed by the Company for at least one year. If the Executive has not been employed for one year, he will receive only one month of Base Salary), and any unreimbursed expenses incurred by the Executive pursuant to Section 2(e), through the termination date, and each of which shall be paid on the termination date; and (8) all of the Parties' rights and obligations hereunder shall thereafter cease, other than such rights or obligations which arose prior to the termination date or in connection with such termination, and subject to Section 16.

(d) Termination by the Executive. The Executive may terminate the Term or resign from Executive's employment hereunder at any time, with or without Good Reason.

(i) With Good Reason. In the event that Executive terminates the Term or resigns from Executive's employment hereunder with Good Reason, the Company shall pay to Executive the amounts, and Executive shall, be entitled, subject to Section 3(f), to such benefits (including without limitation retaining stock options previously granted), that would have been payable to Executive or which Executive would have received had the Term and Executive's employment been terminated by the Company without Cause pursuant to Section 3(c)(ii).

(ii) Without Good Reason. In the event that Executive terminates the Term or resigns from Executive's employment hereunder without Good Reason, the Company shall pay to Executive the amounts, and Executive shall be entitled to such benefits (including without limitation retaining stock options previously granted), that would have been payable to Executive or which Executive would have received had the Term and Executive's employment been terminated by the Company with Cause pursuant to Section 3(c)(i).

(e) Termination by Death or Disability. In the event of the Executive's death or total disability (as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended) during the Term, the Term and Executive's employment shall terminate on the date of death or total disability as determined by a doctor chosen by the Board and Executive shall be entitled to such benefits that would have been payable to Executive or which Executive would have received had the Term and Executive's employment been terminated by the Company with Cause pursuant to Section 3(c)(i).

(f) The payment of the severance amounts outlined in this Agreement, other than the payment of accrued base salary and expense reimbursement under Sections 3(c)(i), 3(d)(ii) and 3(e), shall be contingent on the receipt by the Company of a complete release of all claims from the Executive in a form mutually agreed by the Parties.

4. Change of Control.

A "Change of Control" shall be deemed to have occurred if, after the Effective Date, (i) the beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of securities representing more than 50% of the combined voting power of the Company is acquired by any "person" as defined in sections 13(d) and 14(d) of the Exchange Act (other than the Company, any subsidiary of the Company, or any trustee or other fiduciary holding securities under an employee benefit plan of the Company), (ii) the merger or consolidation of the Company with or into another corporation where the shareholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate 50% or more of the combined voting power of the securities of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any) in substantially the same proportion as their ownership of the Company immediately prior to such merger or consolidation, or (iii) the sale or other disposition of all or substantially all of the Company's assets to an entity, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned directly or indirectly by shareholders of the Company, immediately prior to the sale or disposition, in substantially the same proportion as their ownership of the Company immediately prior to such sale or disposition. Notwithstanding anything herein to the contrary, the issuance of additional equity from numerous sources in connection with a capital raise by the Company shall not be a Change of Control. However, if a single investor or small group of related investors acting in one or a series of transactions, provide capital so as to take control of the Company (more than 50%), it shall be a change of control. For example, if a private equity firm(s) or a strategic investor invest significant capital into the Company resulting in their equity being in excess of 50%, it shall be a change of control.

(a) If a change of control occurs during the term of this Agreement, all unvested stock options of the Executive shall vest in full. In addition, if the valuation of the Company in the Change of Control transaction is greater than $2.75 per common unit then outstanding, then the Executive shall be paid a bonus equal to two times his minimum Base Salary and minimum Target Bonus upon the closing of the Change of Control transaction; provided, however, that if there have been any unit splits, reverse unit splits, dividends of common units, unit recapitalizations or other similar transactions, then the $2.75 amount shall be appropriately adjusted by agreement between the Company and the Executive to give effect to the intent of this sentence.

5. Post-Termination Assistance . Upon the Executive's termination of employment with the Company, the Executive agrees to fully cooperate in all matters relating to the winding up or pending work on behalf of the Company and the orderly transfer of work to other employees of the Company following any termination of the Executives' employment. The Executive further agrees that Executive will provide, upon reasonable notice, such information and assistance to the Company as may reasonably be requested by the Company in connection with any audit, governmental investigation, litigation, or other dispute in which the Company is or may become a party and as to which the Executive has knowledge; provided, however, that i. the Company agrees to reimburse the Executive for any related out-of-pocket expenses, including travel expenses, and ii. any such assistance may not unreasonably interfere with Executive's then current employment.

6. Restrictive Covenants.

(a) In consideration of the obligations of the Company hereunder, the Executive agrees that Executive shall not:

(i) during the Term and for a period of two years after a termination of the Executive's employment with the Company for any reason, 1. directly or indirectly become an employee, director, consultant or advisor of, or otherwise affiliated with, any business which provides, in whole or in part, the same or similar services and/or products offered by Company, or 2. directly or indirectly solicit or hire or encourage the solicitation or hiring of any person who was an employee of the Company at any time on or after the date of such termination (unless more than six months shall have elapsed between the last day of such person's employment by the Company and the first date of such solicitation or hiring);

(ii) during or after the Term, make statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, or take any other action which disparages the Company or its officers, directors, businesses or reputations; or

during or after the Term, without the written consent of the Board, disclose to any person other than as required by law or court order, any confidential information obtained by the Executive while in the employ of the Company, provided, however, that confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by the Executive) or any specific information or type of information generally not considered confidential by persons engaged in the same business.

(iii) as the Company, or information disclosed by the Company by any member of the Board or any other officer thereof to a third party without restrictions on the disclosure of such information.

(b) Executive agrees that the geographic scope of the above restrictions shall extend to the geographic area in which Company actively conducted business immediately prior to termination of this Agreement or expiration of the Term.

(c) For the purpose of Section 5 and Section 6 only, the term "Company" shall mean the Company and its subsidiaries. Notwithstanding the above, nothing in this Agreement shall preclude the Executive from making truthful statements or disclosures that are required by applicable law, regulation or legal process.

(d) Executive admits and agrees that Executive's breach of the provisions of this Section 6 would result in irreparable harm to the Company. Accordingly, in the event of Executive's breach or threatened breach of such restrictions, Executive agrees that the Company shall be entitled to an injunction restraining such breach or threatened breach without the necessity of posting a bond or other security. Further, in the event of Executive's breach, the duration of the restrictions contained in this Section 6 shall be extended for the entire time that the breach existed so that the Company is provided with the benefit of the full-time period provided herein.

(e) In addition to injunctive relief, the Company shall be entitled to any other remedy available in law or equity by reason of Executive's breach or threatened breach of the restrictions contained in this Section 6.

(f) If the Company or Executive retains an attorney to enforce or attest the provisions of this Section 6, the successful Party in such proceeding shall be entitled to receive its attorneys' fees and costs so incurred both prior to filing a lawsuit, during the lawsuit and on appeal, from the unsuccessful Party in such proceeding.

(g) It is the intent and understanding of each Party hereto that if, in any action before any arbitration panel, court or agency legally empowered to enforce this Agreement, any term, restriction, covenant or promise in this Section 6 is found to be unreasonable and for that reason unenforceable, then such term, restriction, covenant or promise shall be deemed modified to the extent necessary to make it enforceable by such arbitration panel, court or agency.

7. Enforcement. The Executive hereby expressly acknowledges that the restrictions contained in Section 6 are reasonable and necessary to protect the Company's legitimate interests, that the Company would not have entered into this Agreement in the absence of such restrictions, and that any violation of such restrictions will result in irreparable harm to the Company. The Executive agrees that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as an equitable accounting of all earnings, profits and other benefits arising from any violation of the restrictions contained in Section 6, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled. The Executive irrevocably and unconditionally iii. agrees that any legal proceeding arising out of this paragraph may be brought in any United States District Court located in the State of Florida (the "Selected Courts"), iv. consents to the non-exclusive jurisdiction of the Selected Courts in any such proceeding, and v. waives any objection to the laying of venue of any such proceeding in any Selected Court.

8. No Mitigation or Set Off. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced, regardless of whether the Executive obtains other employment. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive or others; provided, however, the Company shall have the right to offset the amount of any funds loaned or advanced to the Executive and not repaid against any severance obligations the Company may have to the Executive hereunder.

9. Return of Documents. Upon termination of Executive's employment, the Executive agrees to return all documents belonging to the Company in Executive's possession including, but not limited to, contracts, agreements, licenses, business plans, equipment, software, software programs, products, work-in-progress, source code, object code, computer disks, books, notes and all copies thereof, whether in written, electronic or other form; provided that the Executive may retain copies of Executive's rolodex. In addition, the Executive shall certify to the Company in writing as of the effective date of termination that none of the assets or business records belonging to the Company are in Executive's possession, remain under Executive's control, or have been transferred to any third person.

10. Intellectual Property Rights.

(a) Disclosure of Work Product. As used in this Agreement, the term "Work Product" means any invention, whether or not patentable, know-how, designs, mask works, trademarks, formulae, processes, manufacturing techniques, trade secrets, ideas, artwork, software or any copyrightable or patentable works. Executive agrees to disclose promptly in writing to Company, or any person designated by Company, all Work Product that is solely or jointly conceived, made, reduced to practice, or learned by Executive in the course of any work performed for Company ("Company Work Product"). Executive agrees (a) to use Executive's best efforts to maintain such Company Work Product in trust and strict confidence; (b) not to use Company Work Product in any manner or for any purpose not expressly set forth in this Agreement; and (c) not to disclose any such Company Work Product to any third party without first obtaining Company's express written consent on a case-by-case basis.

(b) Ownership of Company Work Product. Executive agrees that any and all Company Work Product conceived, written, created or first reduced to practice in the performance of work under this Agreement shall be deemed "work for hire" under applicable law and shall be the sole and exclusive property of Company.

Assignment of Company Work Product. Executive irrevocably assigns to Company all right, title and interest worldwide in and to the Company Work Product and all applicable intellectual property rights related to the Company Work Product, including without limitation, copyrights, trademarks, trade secrets, patents, moral rights, contract and licensing rights (the "Proprietary Rights"). Except as set forth below, Executive retains no rights to use the Company Work Product and agrees not to challenge the validity of Company's ownership in the Company Work Product. Executive hereby grants to Company a perpetual, non-exclusive, fully paid-up, royalty-free, irrevocable and world-wide right, with rights to sublicense through multiple tiers of sublicensees, to reproduce, make derivative works of, publicly perform, and display in any form or medium whether now known or later developed, distribute, make, use and sell any and all Executive owned or controlled Work Product or technology that Executive uses to complete the services and which is necessary for Company to use or exploit the Company Work Product.

(c) Assistance. Executive agrees to cooperate with Company or its designee(s), both during and after the Term, in the procurement and maintenance of Company's rights in Company Work Product and to execute, when requested, any other documents deemed necessary by Company to carry out the purpose of this Agreement. Executive will assist Company in every proper way to obtain, and from time to time enforce, United States and foreign Proprietary Rights relating to Company Work Product in any and all countries. Executive's obligation to assist Company with respect to Proprietary Rights relating to such Company Work Product in any and all countries shall continue beyond the termination of this Agreement, but Company shall compensate Executive at a reasonable rate to be mutually agreed upon after such termination for the time actually spent by Executive at Company's request on such assistance.

(d) Executive Representations and Warranties. Executive hereby represents and warrants that:

(i) Company Work Product will be an original work of Executive or all applicable third parties will have executed assignments of rights reasonably acceptable to Company;

(ii) neither the Company Work Product nor any element thereof will infringe the intellectual property rights of any third party;

(iii) neither the Company Work Product nor any element thereof will be subject to any restrictions or to any mortgages, liens, pledges, security interests, encumbrances or encroachments;

(iv) Executive will not grant, directly or indirectly, any rights or interest whatsoever in the Company Work Product to any third party;

(v) Executive has full right and power to enter into and perform Executive's obligations under this Agreement without the consent of any third party;

(vi) Executive will use best efforts to prevent injury to any person (including employees of Company) or damage to property (including Company's property) during the Term; and

(vii) should Company Permit Executive to use any of Company's equipment, tools, or facilities during the Term, such permission shall be gratuitous and Executive shall be responsible for any injury to any person (including death) or damage to property (including Company's property) arising out of use of such equipment, tools or facilities.

11. Confidentiality.

(a) Definition. For purposes of this Agreement, "Confidential Information" shall mean all Company Work Product and all non-public written, electronic, and oral information or materials of Company communicated to or otherwise obtained by Executive in connection with this Agreement, which is related to the products, business and activities of Company, its Affiliates (as defined below), and subsidiaries, and their respective customers, clients, suppliers, and other entities with which such party does business, including: (b) all costing, pricing, technology, software, documentation, research, techniques, procedures, processes, discoveries, inventions, methodologies, data, tools, templates, know how, intellectual property and all other proprietary information of Company; (c) the terms of this Agreement; and (d) any other information identified as confidential in writing by Company. Confidential Information shall not include information that: (a) was lawfully known by Executive without an obligation of confidentiality before its receipt from Company; (b) is independently developed by Executive without reliance on or use of Confidential Information; (c) is or becomes publicly available without a breach by Executive of this Agreement; or (d) is disclosed to Executive by a third party which is not required to maintain its confidentiality. An "Affiliate" of a Party shall mean any entity directly or indirectly controlling, controlled by, or under common control with, such Party at any time during the Term for so long as such control exists.

(b) Company Ownership. Company shall retain all right, title, and interest to the Confidential Information, including all copies thereof and all rights to patents, copyrights, trademarks, trade secrets and other intellectual property rights inherent therein and appurtenant thereto. Subject to the terms and conditions of this Agreement, Company hereby grants Executive a non-exclusive, non-transferable, license during the Term to use any Confidential Information solely to the extent that such Confidential Information is necessary for the performance of Executive's duties hereunder. Executive shall not, by virtue of this Agreement or otherwise, acquire any proprietary rights whatsoever in Confidential Information, which shall be the sole and exclusive property and confidential information of Company. No identifying marks, copyright or proprietary right notices may be deleted from any copy of Confidential Information. Nothing contained herein shall be construed to limit the rights of Company from performing similar services for, or delivering the same or similar deliverable to, third parties using the Confidential Information and/or using the same personnel to provide any such services or deliverables.

(c) Confidentiality Obligations. Executive agrees to hold the Confidential Information in confidence and not to copy, reproduce, sell, assign, license, market, transfer, give or otherwise disclose such Confidential Information to any person or entity or to use the Confidential Information for any purposes whatsoever, without the express written permission of Company, other than disclosure to Executive's, partners, principals, directors, officers, employees, subcontractors and agents on a "need-to-know" basis as reasonably required for the performance of Executive's obligations hereunder or as otherwise agreed to herein. Executive shall be responsible to Company for any violation of this Section 11 by Executive's employees, subcontractors, and agents. Executive shall maintain the Confidential Information with the same degree of care, but no less than a reasonable degree of care, as Executive employs concerning its own information of like kind and character.

(d) Required Disclosure. If Executive is requested to disclose any of the Confidential Information as part of an administrative or judicial proceeding, Executive shall, to the extent permitted by applicable law, promptly notify Company of that request and cooperate with Company, at Company's expense, in seeking a protective order or similar confidential treatment for the Confidential Information. If no protective order or other confidential treatment is obtained, Executive shall disclose only that portion of Confidential Information which is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information which is required to be disclosed.

(e) Enforcement. Executive acknowledges that the Confidential Information is unique and valuable, and that remedies at law will be inadequate to protect Company from any actual or threatened breach of this Section 11 by Executive and that any such breach would cause irreparable and continuing injury to Company. Therefore, Executive agrees that Company shall be entitled to seek equitable relief with respect to the enforcement of this Section 11 without any requirement to post a bond, including, without limitation, injunction and specific performance, without proof of actual damages or exhausting other remedies, in addition to all other remedies available to Company at law or in equity. For greater clarity, in the event of a breach or threatened breach by Executive of any of the provisions of this Section 11, in addition to and not in limitation of any other rights, remedies or damages available at law or in equity, Company shall be entitled to a permanent injunction or other like remedy in order to prevent or restrain any such breach or threatened breach by Executive, and Executive agrees that an interim injunction may be granted against Executive immediately on the commencement of any action, claim, suit or proceeding by Company to enforce the provisions of this Section 11, and Executive further irrevocably consents to the granting of any such interim or permanent injunction or any like remedy. If any action at law or in equity is necessary to enforce the terms of this Section 11, Executive, if it is determined to be at fault, shall pay Company's reasonable legal fees and expenses on a substantial indemnity basis.

(f) Related Duties. Executive shall: (e) promptly deliver to Company upon Company's request all materials in Executive's possession which contain Confidential Information; (f) use its best efforts to prevent any unauthorized use or disclosure of the Confidential Information; (g) notify Company in writing immediately upon discovery of any such unauthorized use or disclosure; and (h) cooperate in every reasonable way to regain possession of any Confidential Information and to prevent further unauthorized use and disclosure thereof.

(g) Legal Exceptions. Further notwithstanding the foregoing provisions of this Section 11, Executive may disclose confidential information as may be expressly required by law, governmental rule, regulation, executive order, court order, or in connection with a dispute between the Parties; provided that prior to making any such disclosure, Executive shall use its best efforts to: (i) provide Company with at least fifteen (15) days' prior written notice setting forth with specificity the reason(s) for such disclosure, supporting documentation therefor, and the circumstances giving rise thereto; and (j) limit the scope and duration of such disclosure to the strictest possible extent.

(h) Limitation. Except as specifically set forth herein, no licenses or rights under any patent, copyright, trademark, or trade secret are granted by Company to Executive hereunder, or are to be implied by this Agreement. Except for the restrictions on use and disclosure of Confidential Information imposed in this Agreement, no obligation of any kind is assumed or implied against either Party or their Affiliates by virtue of meetings or conversations between the Parties hereto with respect to the subject matter stated above or with respect to the exchange of Confidential Information. Each party further acknowledges that this Agreement and any meetings and communications of the Parties and their affiliates relating to the same subject matter shall not: (k) constitute an offer, request, invitation or contract with the other Party to engage in any research, development or other work; (l) constitute an offer, request, invitation or contract involving a buyer-seller relationship, joint venture, teaming or partnership relationship between the Parties and their affiliates; or (m) constitute a representation, warranty, assurance, guarantee or inducement with respect to the accuracy or completeness of any Confidential Information or the non-infringement of the rights of third persons.

12. Effect of Waiver. The waiver by either Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach hereof. No waiver shall be valid unless in writing.

13. Assignment. This Agreement may not be assigned by either Party without the express prior written consent of the other Party hereto, except that the Company i. may assign this Agreement to any subsidiary or affiliate of the Company, provided that no such assignment shall relieve the Company of its obligations hereunder without the written consent of the Executive, and ii. will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise. This Agreement shall inure to the benefit of, and shall be binding upon, the successors and permitted assigns of the Parties.

14. No Third-Party Rights. Except as expressly provided in this Agreement, this Agreement is intended solely for the benefit of the Parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person or entity other than the Parties hereto.

15. Entire Agreement; Effectiveness of Agreement. This Agreement sets forth the entire agreement of the Parties hereto and shall supersede any and all prior agreements and understandings concerning the Executive's employment by the Company. This Agreement may be changed only by a written document signed by the Executive and the Company. Notwithstanding the foregoing, this Agreement shall not supercede or replace any agreement entered into between the Company and the Executive with respect to any plan or benefit described in Section 2(f).

16. Survival. The provisions of Section 4, Section 5, Section 6, Section 7, Section 9, Section 10, Section 11, this Section 16, Section 18 and Section 19 shall survive any termination or expiration of this Agreement.

17. Severability. If any one or more of the provisions, or portions of any provision, of the Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions or parts hereof shall not in any way be affected or impaired thereby.

18 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE SUBSTANTIVE AND PROCEDURAL LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO RULES GOVERNING CONFLICTS OF LAW.

19. Arbitration.

(a) other than as set forth in Section 7, any controversy, claim or dispute arising out of or relating to this Agreement or the Executive's employment by the Company, including, but not limited to, common law and statutory claims for discrimination, wrongful discharge, and unpaid wages, shall be resolved by arbitration in Charlotte, North Carolina pursuant to then-prevailing National Rules for the Resolution of Employment Disputes of the American Arbitration Association. The arbitration shall be conducted by three arbitrators, with one arbitrator selected by each Party and the third arbitrator selected by the two arbitrators so selected by the Parties. The arbitrators shall be bound to follow the applicable Agreement provisions in adjudicating the dispute. It is agreed by both Parties that the arbitrators' decision is final, and that no Party may take any action, judicial or administrative, to overturn such decision. The judgment rendered by the arbitrators may be entered in the Selected Courts. Each Party will pay its own expenses of arbitration and the expenses of the arbitrators will be equally shared provided that, if in the opinion of the arbitrators any claim, defense, or argument raised in the arbitration was unreasonable, the arbitrators may assess all or part of the expenses of the other Party (including reasonable attorneys' fees) and of the arbitrators as the arbitrators deem appropriate. The arbitrators may not award either Party punitive or consequential damages.

(b) WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

20. Indemnification. During the Term, the Executive shall be entitled to indemnification and insurance coverage for directors' and officers' liability, fiduciary liability and other liabilities arising out of the Executive's position with the Company in any capacity, in an amount not less than the highest amount available to any other senior level executive or member of the Board and to the full extent provided by the Company's certificate of incorporation or by-laws, and such coverage and protections, with respect to the various liabilities as to which the Executive has been customarily indemnified prior to termination of employment, shall continue for at least six years following the end of the Term. Any indemnification agreement entered into between the Company and the Executive shall continue in full force and effect in accordance with its terms following the termination of this Agreement.

21. Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party, or by registered or certified mail, return receipt requested, postage prepaid, or by email with return receipt requested and received or nationally recognized overnight courier service, addressed as set forth below or to such other address as either Party shall have furnished to the other in writing in accordance herewith. All notices, requests, demands and other communications shall be deemed to have been duly given iii. when delivered by hand, if personally delivered, iv. when delivered by courier or overnight mail, if delivered by commercial courier service or overnight mail, and v. on receipt of confirmed delivery, if sent by email.

If to the Company: C-Bond Systems, LLC
Attn: Bruce Rich
6035 South Loop East
Houston, TX 77033
Email: brich@cbondsystems.com

If to Executive:
Scott Silverman
800 NE 69th St
Boca Raton, FL 33487
Email: ssilverman206@gmail.com

22. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

23. Rule of Construction. The general rule of construction for interpreting a contract, which provides that the provisions of a contract should be construed against the Party preparing the contract, is waived by the Parties hereto. Each Party acknowledges that such Party was represented by separate legal counsel in this matter who participated in the preparation of this Agreement or such Party had the opportunity to retain counsel to participate in the preparation of this Agreement but elected not to do so.

24. Execution in Counterparts, Electronic Transmission. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. The signature of any party to this Agreement which is transmitted by any reliable electronic means such as, but not limited to, a photocopy, electronically scanned or facsimile machine, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature or an original document.

[Signatures appear on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

C-Bond Systems, LLC

By: /s/ Bruce Rich,
Name: Bruce Rich, Managing Member on behalf of the Managing Members and Board of Directors

Scott R. Silverman

By: /s/ Scott R. Silverman
Name: Scott R. Silverman

The Managers of the Company hereby join in the execution of this Agreement to evidence their consent of the attached Employment Agreement pursuant to the Company Limited Liability Agreement.

WE CONSENT AND AGREE TO THE ATTACHED EMPLOYMENT AGREEMENT OF SCOTT SILVERMAN ON THE DATE WRITTEN BELOW:

Date: 10/18/13

/s/ PAUL BROGAN
PAUL BROGAN, Manager

/s/ BRUCE RICH
BRUCE RICH, Manager

/s/ SERGIO MOREIRA, JR
SERGIO MOREIRA, JR., Manager

Exhibit 10.3

INDEPENDENT CONTRACTOR AGREEMENT
VINCE PUGLIESE AND C-BOND SYSTEMS, LLC

Parties

Submitted by: Bruce Rich
C-Bond Systems, LLC
Houston Technology Center
410 Pierce St.
Houston, TX 77002
[Phone] 713-357-9563

Submitted to: Vince Pugliese
715 Love Henry Court
Southlake, Texas 76092
[Phone] 817-751-9796

Agreement.

Vince Pugliese (Pugliese) has agreed to serve as Chief Operating Officer (COO) for C-Bond Systems, LLC (C-Bond or Company) and has executed a nondisclosure and confidentiality agreement with C-Bond Systems pertaining to and covering all of its patent, copyright, trademark and/or other Intellectual Property Rights (IP), past, present, and "future" (meaning for the time Pugliese is obligated by this document and by the NDA document currently in place).

Pugliese's Duties/Obligations.

Pugliese will serve as Chief Operating Officer (COO) of C-Bond Systems regarding all matters including development of their products. Pugliese will use his connections to advance opportunities for C-Bond Systems. Prior to introducing the C-Bond opportunity to any potential customers Pugliese will have the party sign appropriate NDAs before they start any work or are exposed to any confidential/proprietary information. Pugliese will also work with C-Bond Systems on product management, manufacturing and distribution opportunities.

Pugliese will be compensated as described in this document. Pugliese will write reports to C-Bond Systems on a weekly basis that describes his activities and provide details to the company. The activities that Pugliese engages in will be open for observance and inspection by Bruce Rich, or his designated representative. If Pugliese needs to travel for business related to C-Bond Systems, expenses will be paid by C-Bond Systems. Receipts must be submitted to C-Bond for reimbursement to Pugliese within 15 days of Pugliese's payment of same. It is expected that reimbursement will be paid within 30 days following the end of travel, provided the receipts are turned in as stated in this paragraph.

Compensation.

Pugliese will be paid a salary of $15,000 per month, and receive payment on the 15th and 30th calendar day of each month. Any future pay raises must be agreed upon between the parties.

Pugliese will be entitled to 4 week paid vacation each year of employment.

Pugliese will also receive options to purchase 166,666 common units per year for as long as he is employed by C-Bond Systems, but only up to three years for a total of 500,000 at an exercise price of $2.50 per unit. These options are earned by Pugliese beginning October 12, 2015 in equal, pro-rated amounts on a monthly basis at a rate of 13,888.83 per month. If C-Bond Systems is sold in less than three years, Pugliese will at that time become fully vested and granted options for the purchase of a total of 500,000 common units.

Pugliese will be entitled to participate in the Company incentive bonus program as they are implemented subject to the terms and conditions of Company incentive plan.

Pugliese will be entitled to performance plan and salary review following completion of 12 months of employment and subsequent 12 month periods of employment.

Pugliese will be entitled to expense account reimbursement subject to the terms and conditions of Company expense policy.

Pugliese is an independent contractor and shall assume all legal duties and responsibilities of independent contractor status. Specifically those duties and responsibilities include but are not limited to tax liabilities.

Under no circumstances will Pugliese have any ownership rights or control over C-Bond Systems IP or patents.

Company will arrange housing for period of this agreement. A relocation package is open for negotiation pending future company performance.

C-Bond Systems may provide Pugliese Company owned equipment from time to time. These items will be property of C-Bond and will be returned to C-Bond Systems when this agreement is terminated. This will include items purchased by C-Bond Systems and expensed by Pugliese.

Termination of Employment.
Termination of Employment. Contractor's employment hereunder may be terminated under the following circumstances:

(a) Death. Contractor's employment hereunder shall terminate upon Contractor's death.

(b) Total Disability. The Company may terminate Contractors employment hereunder upon Contractor becoming "Totally Disabled". For purposes of this Agreement, Contractor shall be 'Totally Disabled" if Contractor is physically or mentally incapacitated so as to render Contractor incapable of performing Contractor's usual and customary duties under this Agreement.

(c) Termination by the Company for Cause. The Company may terminate Contractor's employment hereunder for "Cause" at any time after providing written notice to Contractor.

(i) For purposes of this Agreement, the term "Cause" shall mean any of the following: (1) conviction of a crime (including conviction on a nolo contendere plea) involving a felony or, fraud, dishonesty, or moral turpitude: (2) deliberate and continual refusal to perform employment duties reasonably requested by the Company after thirty (30) days' written notice by certified mail of such failure to perform, specifying that the failure constitutes cause; (3) fraud or embezzlement determined in accordance with the Company's normal, internal investigative procedures; (4) gross misconduct or gross negligence in connection with the business of the Company or an affiliate which has substantial effect on the Company or the affiliate; or

(ii) An individual will be considered to have been terminated for Cause if the Company determines that the individual engaged in an act constituting Cause at any time prior to a payment date for any amounts due hereunder, regardless of whether the individual terminates employment voluntarily or is terminated involuntarily, and regardless of whether the individual's termination initially was considered to have been for Cause.

(iii) Any determination of Cause under this Agreement shall be made by resolution of the Company's Board of Directors adopted by the affirmative vote of not less than a majority of the entire membership of the Board of Directors (excluding Contractor if he is a director of the Company) at a meeting called with at least 10 days' prior written notice and held for that purpose and at which Contractor is given an opportunity to be heard.

(d) Voluntary Termination by Contractor. Contractor may terminate employment hereunder at any time after providing thirty (30) days' written notice to the Company, or for good reason or for cause as described in Section 7 of this Agreement.

(e) Termination by the Company without Cause. The Company may terminate Contractor's employment hereunder without Cause at any time after providing (30) days written notice to Contractor.

(f) Compensation Following Termination of Employment. In the event that Contractor's employment hereunder is terminated, Contractor shall be entitled to the following compensation and benefits upon such termination: ii) Any accrued but unpaid Salary for services rendered to the date of termination and; any accrued but unpaid expenses required to be reimbursed, accrued PTO and accrued options under this Agreement through the date of termination.

Non-Competition: Non-Interference.

(a) In consideration of the numerous mutual promises contained in this Agreement, including, without limitation, those involving Confidential Information (as defined below) and in order to protect the Company's legitimate business interests, including the business and customer goodwill and the Company's Confidential Information, and to reduce the likelihood of irreparable damage which would occur in the event such information is provided to or used by a competitor of the Company, Pugliese covenants and agrees that during his employment by the Company and for a period of twenty-four (24) months after the date of Pugliese's termination (for whatever reason), he shall not anywhere within the State of Texas or any other state where the Company or any affiliate is doing business at the time of termination, directly or indirectly compete in any way against CBond.

(b) Pugliese agrees that, at any time during his employment by the Company and for a period of twenty-four (24) months following the date of Pugliese's termination, he will not:

(i) Request, solicit or induce, or attempt to request, solicit or induce, any employee, consultant or independent contractor of the Company or any of its affiliates to leave or terminate his or his relationship with the Company or any of its affiliates for any reason whatsoever or hire or attempt to hire any such employee, consultant or contractor of the Company or any of its affiliates. Or;

(i i) Interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Company or any of its affiliates and any customer, supplier, lessor, lessee, employee, subcontractor or other employee of the Company or any of its affiliates or in any way encourage them to terminate or otherwise alter their relationship with the Company or its affiliate.

Non-Disclosure of Confidential Information.

(a) Pugliese and the Company acknowledge and agree that the Company will provide and Pugliese will receive and have access to new and developing Confidential Information during the term of his employment under this Agreement. For purposes hereof, "Confidential Information" is any formula, pattern, patent, IP, device or compilation of information which is used in the Company's business, and which gives the Company an opportunity to obtain an advantage over competitors who do not know or use it and includes, but is not limited to, proprietary technology, operating procedures and methods of operations, financial statements and other financial information, trade secrets, market studies and forecasts, competitive analyses, target markets, advertising techniques, pricing policies and information, the substance of agreements with customers, subcontractors and others, marketing and similar arrangements, servicing and training programs and arrangements, customer and subcontractor lists, customer profiles, customer preferences, other trade secrets and any other documents embodying confidential and proprietary information. Pugliese acknowledges that sharing this Confidential Information with third parties would be detrimental to the Company and could place the Company at a competitive disadvantage. Pugliese shall not, during the term of this Agreement, or at any time thereafter, disclose directly or indirectly, to any person or entity, any Confidential Information acquired by him during the course of or as an incident to his employment hereunder. The foregoing restrictions and obligations under this Section (a) shall not apply to: iii) any Confidential Information that is or becomes generally available to the public other than as a result of a disclosure by Pugliese that Pugliese has no reason to believe resulted from an unauthorized disclosure, iv) any information obtained by Pugliese from a third party which Pugliese has no reason to believe is violating any obligation of confidentiality to the Company, or v) any information Pugliese is required by law to disclose. In the event that Pugliese is requested in any proceeding to disclose any Confidential Information, Pugliese agrees to give the Company prompt written notice of such request and the documents requested thereby so that the Company may seek an appropriate protective order. It is further agreed that if, in the absence of a protective order, Pugliese is nonetheless compelled to disclose Confidential Information to any tribunal or else stand liable for contempt or suffer other censure or penalty, Pugliese may disclose such information to such tribunal without liability hereunder; provided, however, that Pugliese must give the Company written notice of the information to be disclosed (including copies of the relevant portions of the relevant documents) as far in advance of its disclosure as is practicable, use all reasonable efforts to limit any such disclosure to the precise terms of such requirement and use all reasonable efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such information.

(b) All Confidential Information and documents relating to the Company as described above shall be the exclusive property of the Company, and Pugliese shall use his Pugliese efforts to prevent any publication or disclosure thereof. Upon termination of Pugliese's employment with the Company (for whatever reason) or upon the request of the Company, all documents, records, reports, writings and other similar documents containing confidential information, including written or electronic copies thereof, then in Pugliese's possession or control shall be immediately returned to the Company.

Remedies.

(a) Pugliese acknowledges that the foregoing covenants are reasonable and necessary to protect the Business, existing, developing and new confidential and proprietary information and existing, developing and new goodwill of the Company and its affiliates. It is the express intention of the parties hereto to comply with all laws that may be applicable in this agreement. It is the express intention of the Company to restrict Pugliese's activities only to the extent necessary to protect the legitimate business interests of the Company and its subsidiaries. Pugliese acknowledges and agrees that the time, geographic, and other restrictions in this agreement are only as broad as reasonably necessary to protect the Confidential Information and goodwill of the Company, that such restrictions have been tailored to protect the interests of the Company and its subsidiaries and of the public without imposing undue hardship on Pugliese. Nevertheless, should any restriction contained in this agreement be found to exceed in time, scope or space the restriction permitted by law, it is expressly agreed that the covenants contained in this agreement as applicable, shall be reformed or modified by the final judgment of a court of competent jurisdiction to reflect enforceable duration, scope and space.

(b) Pugliese recognizes that his breach of any of the provisions of this agreement would result in serious harm and irreparable damage to the Company for which monetary damages might not be an adequate remedy and that the amount of such damages may be difficult to determine. Therefore, if Pugliese breaches any provision in this agreement, then the Company shall be entitled to injunctive relief. The rights and remedies provided in this Agreement are cumulative in nature and the exercise of one shall not preclude the exercise of any other remedy at law or in equity for the same event or any other event.

Amendment or Alteration.

No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto.

Governing Law.

This Agreement shall be governed in all respects by the laws of the State of Texas, without application of the conflict of laws principles thereof. Venue for any dispute will be in Nacogdoches County, Texas.

Severability.

The holding of any provision of this Agreement to be illegal, invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

Notices.

Any notice or other communication that one party desires to give to the other under this Agreement shall be in writing, and shall be deemed effectively given upon vi) personal delivery; vii) transmission by facsimile upon confirmation of receipt; viii) the next business day following deposit in any United States mail box, by overnight U.S. express mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth on page one of this agreement or ix) delivery by any express service which results in personal delivery to the other party.

Waiver or Breach.

It is agreed that a waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by that same party.

Entire Agreement and Binding Effect.

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and, except as otherwise specifically provided herein, shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributees, successors and assigns. This Agreement supersedes and preempts any prior understandings, agreements or representations between the parties, written or oral, which may have been related to the subject matter hereof in any way.

Assignment.

This Agreement may not be transferred or assigned by Pugliese. The Company may transfer or assign this Agreement without the consent of Pugliese to a company or firm that succeeds to the business of the Company. Pugliese's involvement in C- Bond at the time of sale does not obligate him to join the new owner of the company.

Headings.

The Section headings appearing in this Agreement are for purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

Counterparts and Facsimile Signatures.

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed by facsimile signature which shall be valid for all purposes.

Review of Agreement

Pugliese acknowledges that he b) has carefully read and understands all of the provisions of this Agreement and has had the opportunity for this Agreement to be reviewed by counsel, c) is voluntarily entering into this Agreement and d) has not relied upon any representation or statement made by the Company (or its affiliates, equity holders, agents, representatives, employees and attorneys) with regard to the subject matter or effect of this Agreement.

Signing on this document establishes the agreement for the date shown on the document.

Dated this the 12th day of October, 2015

/s/ Vince Pugliese	/s/ Bruce Rich
Vince Pugliese	Bruce Rich, CEO C-Bond Systems, LLC.

ADDENDUM TO
EMPLOYMENT AGREEMENT
GRANT OF OPTION RIGHTS

THIS ADDENDUM TO EMPLOYMENT AGREEMENT (the "Addendum") is made as of even date with the Employment Agreement to which it is attached and into which it is incorporated (the "Agreement"), by and between C-Bond systems, a Texas company (the "Company"), and Vincent Pugliese (the "Executive");

WITNESSETH:

WHEREAS, the Company and the Executive wish to enter into a written agreement setting forth the terms and conditions for the granting of certain option rights as set forth below;

NOW, THEREFORE, in consideration of the foregoing premises and the promises and covenants in the Agreement and in this Addendum, the parties hereto agree as follows:

Option to Purchase Stock. Upon execution of the Agreement and this Addendum by both parties, the Executive shall be granted an additional option (the "Option") to purchase 500,000 units (the "Option") of the common units of C-Bond Systems, LLC ("CBOND"). For all purposes of this Agreement and Addendum, the Grant Date shall be October 12, 2015. The Executive's right to purchase the additional Option units pursuant to this provision shall accrue as described in the vesting period provision set forth at Section below (the "Vesting Period"). The Executive may exercise such Option at any time prior to the tenth anniversary of the date of the Agreement. The Executive's exercise of all Option rights shall be effected in accordance with the terms of C-Bond Systems operating agreement.

Compensation Plan (**the** "**Plan**"). Executive's rights with respect to all units that are the subject of this provision shall be governed by the terms of the Plan.

Options to Purchase Units. Upon execution of the Agreement and this Addendum by both parties, Executive shall effective upon the Grant Date be granted rights as set forth herein to 500,000 units subject to vesting requirements to be determined by the Company for its senior executives and the approval of said Compensation, Executive shall, for so long as he is employed pursuant to the Agreement, be awarded an annual stock option grant (the "Annual Grant") of a minimum of 250,000 units of C-Bond System common units. If any Annual Grant or portion of Annual Grant is scheduled to vest within ninety (90) calendar days after a Triggering Termination (as that term is defined in this Addendum), such Annual Grant or portion of Annual Grant shall vest as scheduled notwithstanding such Triggering Termination, provided, however, that any exercise of option rights obtained pursuant to such a vesting must be performed by the Executive within ninety (90) calendar days after such Triggering Termination. Except as provided in the immediately foregoing sentence, any Annual Grant or portion of Annual Grant that has not vested on the effective date of any termination or expiration of Executive's employment with the Company shall be forfeited by the Executive. All rights of Executive with respect to the Annual Grant shall be subject to the terms of the operating agreement. The grant of Options described in this Section and Executive's compensation as described in the Agreement shall be subject to all applicable federal and/or state withholding requirements as determined by the Company.

Vesting Period. (a) With respect to all units of Option Units which are the subject of the rights and/or Option(s) described in the provisions set forth above, the Vesting Period shall begin on the Grant Date. The Vesting Period with respect to each installment shown on the schedule shall end on the Vesting Date applicable to such installment. If C-Bond Systems is sold prior to October 12, 2017, Executive will at that time become fully vested.

Vesting Installment Date.

(a) 250,000 units of Option Units exercisable at $2.50 per unit on October 12, 2016

(b) 250,000 units of Option Units exercisable at $2.50 per unit on October 12, 2017

Termination. In the event of a termination of the Executive's employment by the Company that: (i) is Without Cause as described in the Employment Agreement; or (ii) is a termination by the Executive for Good Reason as defined in Employment Agreement; or (iii) occurs because on or before the Offer Date (as defined in the Agreement) the Company fails to extend or renegotiate this Agreement with Executive at expiration (any of the foregoing a "Triggering Termination"), then, notwithstanding the foregoing provisions, Executive shall as of the termination of Executive's employment become vested in the shares of Option rights to all of the Option Units, and become owner of the Option Units (subject to the conditions described below) such Option rights free of all restrictions otherwise imposed by this Agreement (other than transfer or other restrictions imposed by the operating agreement, the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended or the rules thereto), prior to the date the Option rights would otherwise become vested; provided, however, that any exercise of Option rights pursuant to such a Triggering Termination must be performed by the Executive within ninety (90) calendar days after the date of such Triggering Termination or will be forfeited by the Executive. If a Triggering Termination occurs because the Company declines to extend or renegotiate this Agreement with Executive at the end of its term, then the effective date of such Triggering Termination shall be the date on which the term of the Agreement expires or Executive's termination of employment if later. In the event of any termination or expiration of Executive's employment with the Company other than pursuant to a Triggering Termination, any Option Units that has not vested on the date such termination or expiration occurs shall be forfeited by the Executive. All Option Units shall be subject to any restrictions imposed by the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended or the rules thereto.

Effective Date. Any term or provision contained in this Addendum to the contrary herein notwithstanding, the terms and provisions of this Addendum and all rights and/or options granted herein shall be subject to the provisions of the Operating Agreement and to the prior review and approval of C-Bond Systems Board of Directors.

Application of IRC Section 162(m). In the event the Executive is or becomes a proxy-named executive or the Company in relation to the Executive is otherwise subject to the provisions of Section 162(m) of the Internal Revenue Code, the Company may defer the payment of all compensation to which Executive is entitled pursuant to this Addendum or the Agreement or otherwise take all measures, the Company reasonably deem necessary or advisable to comply with said Section 162(m) of the Internal Revenue Code or any successor provision with respect to deductibility of executive compensation. Any term or provision herein to the contrary notwithstanding, the timing and other conditions of any grants, options or payments to be made under this Addendum shall be subject to the requirements of all applicable laws and regulations, whether or not they are in existence or in effect when this Addendum is executed by the parties hereto.

Entire Agreement. Subject to the Employment Agreement to which this Addendum is attached as an addendum thereunder, this Addendum, in conjunction with the Agreement in its entirety, contains the entire agreement of the parties with regard to the subject matter hereof, supersedes all prior agreements and understandings, regarding such subject matter, whether written or oral, and may only be amended by an agreement in writing signed by the parties thereto.

No Effect on Agreement. Except as otherwise specifically set forth in this Addendum, all terms and conditions contained in the Agreement of which this Addendum is made part are and shall remain unmodified hereby

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date set forth hereinabove.

C-BOND SYSTEMS, LLC		VINCE PUGLIESE	
By:	/s/ Bruce Rich	By:	/s/ Vince Pugliese
Title:	CEO	Title:	Chief Operating Officer

AMENDMENT TO AGREEMENT

BETWEEN

C-BOND SYSTEMS, LLC.

AND

VINCE PUGLIESE

This amendment to the Agreement (Agreement) originally entered into October 12, 2015 and amended February 11, 2016 covering the period of October 12, 2015 and ending October 12, 2017 between C-Bond Systems, LLC. (Company) and Vince Pugliese (Executive) is effective when signed by both parties and is dated, for reference only, December 20, 2016.

1. The attached Agreement dated October 12, 2015 is amended as follows;

    a. Pugliese will serve as Chief Operations Officer (COO).

    b. Pugliese will receive additional options to purchase 150,000 common units per year of C-Bond Systems for as long as he is COO, up to 2 years for a total of 300,000 at an exercise price of $2.75. These options are earned in equal, prorated amounts on a monthly basis at a rate of 8333.33 per month. If C-Bond Systems is sold in less than 3 years, Pugliese will at that time be granted options for the purchase of the total 300,000 common units subject to the terms and conditions of the Company option plan.

    c. The Company agrees that the Executive shall receive severance benefits set forth in the event that Executive's employment with the Company is terminated under the circumstances described below.

    d. Executive acknowledges that this Agreement does not constitute a contract of employment. Executive understands and acknowledges that he is an employee at will and that either he or the Company may terminate the employment relationship between them at anytime and for any reason.

    e. Severance Pay Following a Change in Control. In the event a Change in Control (as defined below) occurs and, within one (1) year thereafter, the employment of Executive is terminated by the Company for a reason other than for Cause (as defined below) or by Executive for Good Reason (as defined below), then the Company shall pay to the Executive (as severance pay) a lump sum payment equal to (i) his then current (1) year base salary within 30 days after the Termination Date (as defined below). The Executive agrees that after the Termination Date, but prior to payment of the severance pay he shall execute a release of any and all claims he may have against the Company and its officers, employees, directors, parents and affiliates. Executive understands and agrees that the payment of the severance pay called for by this paragraph are contingent on his execution of the previously described release of claims.

f. Severance Pay Absent a Change in Control. In the event the employment of the Executive is terminated by the Company for a reason other than for Cause (as defined below), then the Company shall continue to pay to the Executive (as severance pay), (i) his regular base salary as in effect on the Executive's last day of employment for one (1) year following the Termination Date (as defined below) in installments, in accordance with the Company's regular payroll practices unless the parties agree in writing otherwise.

g. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Cause" shall mean a good faith finding by the Company of: (i) gross negligence or willful misconduct by Executive in connection with his employment duties, (ii) failure by Executive to perform his duties or responsibilities required pursuant to his employment, after written notice and an opportunity to cure, (iii) mis-appropriation by Executive of the assets or business opportunities of the Company, or its affiliates, (iv) embezzlement or other financial fraud committed by Executive, (v) the Executive knowingly allowing any third party to commit any of the acts described in any of the preceding clauses (iii)or (iv), or (vi) the Executive's indictment for, conviction of, or entry of a plea of no contest with respect to, any felony.

"Good Reason" shall mean (i) a reduction in the Executive's then current base salary, without the Executive's consent; or (ii) the Executive's assignment to a position where the duties of the position are outside his area of professional competence, (iii) the unilateral relocation by the Company of the Executive's principal work place for the Company.

"Change in Control" shall mean the consummation of any of the following events: (i) a sale, lease or disposition of all or substantially all of the assets of the Company, or (ii) a sale, merger, consolidation, reorganization, recapitalization, sale of assets, stock purchase, contribution or other similar transaction (in a single transaction or a series of related transactions) of the Company with or into any other corporation or corporations or other entity, or any other corporate reorganization, where the stockholders of the Company immediately prior to such event do not retain (in substantially the same percentages) beneficial ownership, directly or indirectly, of more than fifty percent (50%) of the voting power of and interest in the successor entity or the entity that controls the successor entity, provided, however, that no Change in Control shall be deemed to have occurred due to the conversion or payment of any equity or debt instrument of the Company which is outstanding on the date hereof.

"Termination Date" shall mean the Executive's last day on the payroll of the Company.

Amendment. This Agreement may be amended or modified only by a written instrument executed by both the Company and the Executive.

h. Agreement will be extended to December 20, 2018

Except as expressly stated in the amendment, all other terms and conditions of the Agreement dated October 12, 2015 shall remain in effect as stated in that document.

VINCE PUGLIESE

/s/ Bruce Rich

Date: December 20, 2016

C-Bond Systems, LLC

Bruce Rich/CEO

/s/ Vince Pugliese

Date: December 20, 2016

Vince Pugliese

Exhibit 10.4

EMPLOYMENT AGREEMENT

CBOND SYSTEMS LLC. (The "Company) and Bruce Rich (the "Employee") hereby enter into this EMPLOYMENT AGREEMENT (the "Agreement") dated as of August 10, 2013, as follows:

1. Employment.
The Company or any one or more of its affiliated corporations shall employ Employee, and Employee shall be employed by the Company or any one or more of its affiliated corporations upon the terms and subject to the conditions set forth in this Agreement.

2. Term of Employment.
The period of Employee's employment under this Agreement shall begin as of the date hereof, and shall continue for a period of five (5) years thereafter (subject to any "termination" terms herein); provided, that the agreement shall automatically be renewed for successive two (2) year periods after the initial two (2) year period (the "Employment Term"), unless terminated pursuant to the terms of this Agreement.

3. Duties and Responsibilities.
(a) Employee shall serve as Chairman of the Board of Directors and as Chief Executive Officer ("CEO") and shall be based at the Company's offices in Houston, Texas or elsewhere by agreement. Employee will have active involvement in the Company's vision, strategy, market selection and execution. Employee will report to the Board of Directors.

(b) Employee shall faithfully serve the Company, and/or its affiliated corporations, devote Employee's full working time, attention and energies to the business of the Company, and/or its affiliated corporations, and perform his duties under this Agreement to the best of Employee's abilities

(c) Employee shall i) comply with all applicable laws, rules and regulations, and all requirements of all applicable regulatory, self-regulatory, and administrative bodies; and ii) comply with the Company's rules, procedures, policies, requirements, and directions.

4. Compensation and Benefits.
(a) **Salary.** During the Employment Term, the Company shall pay Employee $25,000 per month and receive payment on the 1st calendar day of each month. Such Salary shall be paid in accordance with the Company's standard payroll practices for its employees.

(b) Employee will obtain Option to elect to purchase all or any part of Employee's unpaid compensation and benefits in units of the Company. The purchase price per unit (the "Exercise Price") shall be equal to $0.10 par value ("Units"). If the Company shall be the surviving corporation in any merger or consolidation, the Option granted hereunder (to the extent that it is still outstanding) shall pertain to and apply to the securities to which a holder of the same number of units that are then subject to the Option would have been entitled. No fractional units shall be issued under this Agreement. To the extent a fractional unit is earned or exercised, the number of units shall be rounded down to the nearest whole number.

(c) The right to exercise the Option shall accrue as set forth in this Agreement. In the event that Employee has a Termination of Service for any reason this Option shall immediately thereupon terminate, except that Employee shall have one (1) year from such termination to exercise any unexercised portion of the Option which is then exercisable. The Option shall be non-transferable by Employee other than by a designation made in a form and manner acceptable to the Company.

The Option may be exercised by the person then entitled to do so as to any Units which may then be purchased (a) by giving written notice of exercise to the Company, specifying the number of full units to be purchased and accompanied by full payment of the purchase price thereof, and (b) by giving satisfactory assurances in writing if requested by the Company, signed by the person exercising the Option, that the Units to be purchased upon such exercise are being purchased for investment and not with a view to the distribution thereof.

(d) If employee is successful in raising investment capital for the Company then employee will be paid 5% of the first $10 million, plus 4% of the next $10 million and 3% of everything above $20 million.

(e) If employee procures new business then employee will be paid a 5% sales commission based on gross profit [sales price minus cost of goods sold).

(f) Company will provide life, health, dental and vision insurance benefits coverage.

(g) Company will provide a car allowance of $500.00 per month

(h) **Expense Reimbursement.** The Company shall promptly reimburse Employee for the ordinary and necessary business expenses incurred by Employee in the performance of the duties hereunder in accordance with the Company's customary practices applicable to employees, provided that such expenses are incurred and accounted for in accordance with the Company's policy and are related to C-Bond business activities related to customers, investors, and licenses. Expenses for travel for C-Bond related activities will be reimbursed with pre-approval for the travel plans.

5. Termination of Employment

Employee's employment hereunder may be terminated under the following circumstances:

(a) **Death.** Employee's employment hereunder shall terminate upon Employee's death.

(b) **Total Disability.** The Company may terminate Employees employment hereunder upon Employee becoming "Totally Disabled". For purposes of this Agreement, Employee shall be 'Totally Disabled" if Employee is physically or mentally incapacitated so as to render Employee incapable of performing Employee's usual and customary duties under this Agreement, as determined by the Company's Board of Directors.

6. Compensation Following Termination of Employment.

In the event that Employee's employment hereunder is terminated, Employee shall be entitled to the following compensation and benefits upon such termination.

(a) Any accrued but unpaid Salary for services rendered to the date of termination and; any accrued but unpaid expenses required to be reimbursed under this Agreement through the date of termination.

7. Restrictive Covenants

(a) **Competitive Activity.** Employee covenants and agrees that at all times during Employees period of employment with the Company, and during the period that payments are made to, or benefits are received by, Employee pursuant to this Agreement, Employee will not, directly or indirectly through others, engage in, assist (whether Employee receives a financial benefit or not), or have any active interest or involvement, whether as an employee, agent, consultant, creditor, advisor, officer, director, stockholder (excluding holdings of less than 1% of the stock of a public company), partner or proprietor of, or any type of principal whatsoever in, any person, firm, or business entity which directly or indirectly, is engaged in a business competing with any business conducted and carried on by the Company or any of its subsidiaries, without the Company's specific written consent to do so. Employee further agrees that for a period of two (2) years after the date payments made to, or benefits received by, Employee pursuant to this Agreement cease, or for a period of two (2) years following the date of termination of Employee's employment, whichever is later (whether such termination is voluntary or involuntary by wrongful discharge, or otherwise), Employee will not, directly or indirectly through other persons, engage in, assist (whether Employee receives a financial benefit or not), or have any active interest or involvement, whether as an employee, agent, consultant, creditor, advisor, officer, director, stockholder (excluding holdings of less than 1% of the stock of a public company), partner or proprietor of, or any type of principal whatsoever in, any person, firm, or business entity which, directly or indirectly, is engaged in a business competing with any business conducted and carried on by the Company or any of its subsidiaries, without the Company's prior written consent.

(b) Non-Solicitation. Employee covenants and agrees that at all times during Employee's period of employment with the Company, and for a period of one year after the date payments made to, or benefits received by. Employee pursuant to this Agreement cease, or two years *after* the date of termination of the Employee's employment, whichever is later (whether such termination is voluntary or involuntary by wrongful discharge, or otherwise), Employee will not, directly or indirectly through others, iii) induce any customers of the Company or its affiliates to patronize any similar business which competes with any business of the Company or its subsidiaries; iv) canvass, solicit or accept any similar business from any customer of the Company or its affiliates; v) *request* or advise any customers of the Company or its affiliates to withdraw, curtail or cancel such customer's business with the Company or its affiliates; vi) disclose to any other person, firm or corporation the names or addresses of any of the customers of the Company or its subsidiaries; or vii) cause, solicit, entice, or induce any present or future employee of the Company or any of its subsidiaries to have the employ of the Company or such subsidiary or to accept employment with, or compensation from, the Employee or any other person, firm, association, or corporation, without the Company's prior written consent.

(c) Non-Disparagement. Employee covenants and agrees that Employee shall not engage in any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments) which are disparaging, deleterious or damaging to the integrity, reputation or goodwill of the Company, its management, or of the management of the Company's affiliates.

(d) Protected Information. Employee recognizes and acknowledges that Employee has had and will continue to have access to various confidential or proprietary information concerning the Company and its affiliates of **a** special and unique value which may include, without limitation, viii) books and records relating to operation, finance, accounting, sales, personnel and management, ix) policies, procedures, and matters relating particularly to the Company, its affiliates or their respective operations, including customer service requirements, costs of providing service and equipment, operating costs and pricing matters, and x) various trade or business secrets, including customer lists, route sheets, business opportunities, marketing or business diversification plans, business development and bidding techniques, training materials, methods and processes, proprietary information, financial data and the like (collectively, the "Protected Information"); provided, however, that information which is or becomes a part of the public domain through no fault or action of the Employees shall not be considered Protected Information. Employee therefore covenants and agrees that Employee will not at any time, either while employed by the Company or afterwards, knowingly make any independent use of, or knowingly disclose to any other person or organization (except as authorized by the Company) any of the Protected Information, provided that Employee may disclose Protected Information if required by court order or a subpoena after giving prior written notice to the Company.

9. Withholding Taxes
The Employee shall assume all legal duties and responsibilities that include but are not limited to tax liabilities. Employee acknowledges and agrees that the liability for all Tax-Related Items legally due by employee is and remains Employee's responsibility

10. Non-Disclosure Agreement Terms.
Employee agrees that Employee will not disclose the terms of this Agreement to any third party other than Employee's immediate family, attorney, accountants, or other consultants or advisors, or except as may be required by any governmental authority.

11. Sources of Payment.
All payments provided under this Agreement, other than payments made pursuant to a plan which provides otherwise, shall be paid from the general funds of the Company, and no special or separate fund shall be established, and no other segregation of assets made, to assure payment.

12. Assignment.
Except as otherwise provided in this Agreement, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns. This Agreement shall not be assignable by Employee, and shall be assignable by the Company only to any financially solvent corporation or other entity resulting from the reorganization, merger or consolidation of the Company with any other corporation or entity or any corporation or entity to or with which the Company's business or substantially all of its business or assets may be sold, exchanged or transferred, and it must be so assigned by the Company to, and accepted as binding upon it by, such other corporation or entity in connection with any such reorganization, merger, consolidation, sale, exchange or transfer (the provisions of this sentence also being applicable to any successive such transaction).

13. Entire Agreement; Amendment.
This Agreement shall supersede any and all existing oral or written agreements, representations, or warranties between Employee and the Company or any of its subsidiaries or affiliated entities relating to the terms of Employee's employment by the Company. It may not be amended except by a written agreement signed by both parties.

14. Governing Law and Venue.
This Agreement shall be governed by and construed in accordance with the laws of the State of Texas applicable to agreements made and to be performed in that State, without regard to its conflict of laws. Venue for any legal dispute will be in the state District Courts of Houston, Harris County, Texas.

15. Notices.
Any notice, consent, request or other communication made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by registered or certified mail, return receipt requested, or by facsimile or by hand delivery, to those listed below at their following respective addresses or at such other address as each may specify by notice to the others:

To the Company: C-Bond Systems LLC.
5925 Almeda Road #2515
Houston, Texas 77004

To the Employee: Bruce Rich
5925 Almeda Road #2515
Houston, Texas 77004

16. Review of Agreement.
Employee acknowledges that he b) has carefully read and understands all of the provisions of this agreement and has had the opportunity for this Agreement to be reviewed by counsel, c) is voluntarily entering into this Agreement an d) has not relied upon any representation or statement by the Company (or its affiliates, equity holders, agents, representatives, employees and attorneys) with regard to the subject matter or effect of this Agreement

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective as of the date written below.

Date: 8/10/13

C-BOND SYSTEMS, LLC

By: /s/ Bruce Rich
Bruce Rich, CEO

By: /s/ Paul Brogan
Paul Brogan, President

BRUCE RICH

By: /s/ Bruce Rich

ADDENDUM TO
EMPLOYMENT AGREEMENT
GRANT OF OPTION RIGHTS

THIS ADDENDUM TO EMPLOYMENT AGREEMENT (the "Addendum") is made as of even date with the Employment Agreement to which it is attached and into which it is incorporated (the "Agreement"), by and between C-Bond systems, a Texas company (the "Company"), and Bruce Rich (the "Executive");

WITNESSETH:

WHEREAS, the Company and the Executive wish to enter into a written agreement setting forth the terms and conditions for the granting of certain option rights as set forth below;

NOW, THEREFORE, in consideration of the foregoing premises and the promises and covenants in the Agreement and in this Addendum, the parties hereto agree as follows:

Option to Purchase Stock. Upon execution of the Agreement and this Addendum by both parties, the Executive shall be granted an option (the "Option") to purchase 3,000,000 units (the "Option") of the common units of C-Bond Systems, LLC ("CBOND"). For all purposes of this Agreement and Addendum, the Grant Date shall be August 10, 2013. The Executive's right to purchase the Option units pursuant to this provision shall accrue as described in the vesting period provision set forth at Section below (the "Vesting Period"). The Executive may exercise such Option at any time prior to the tenth anniversary of the date of the Agreement. The Executive's exercise of all Option rights shall be effected in accordance with the terms of C-Bond Systems operating agreement.

Compensation Plan (the "Plan"). Executive's rights with respect to all units that are the subject of this provision shall be governed by the terms of C-Bond Systems operating agreement.

Options to Purchase Units. Upon execution of the Agreement and this Addendum by both parties, Executive shall effective upon the Grant Date be granted rights as set forth herein to 3,000,000 units subject to vesting requirements to be determined by the Company for its senior executives and the approval of said Incentive Compensation, Executive shall, for so long as he is employed pursuant to the Agreement, be awarded an annual stock option grant (the "Annual Grant") of a minimum of 1,000,000 units of C-Bond System common units. If any Annual Grant or portion of Annual Grant is scheduled to vest within ninety (90) calendar days after a Triggering Termination (as that term is defined in this Addendum), such Annual Grant or portion of Annual Grant shall vest as scheduled notwithstanding such Triggering Termination, provided, however, that any exercise of option rights obtained pursuant to such a vesting must be performed by the Executive within ninety (90) calendar days after such Triggering Termination. Except as provided in the immediately foregoing sentence, any Annual Grant or portion of Annual Grant that has not vested on the effective date of any termination or expiration of Executive's employment with the Company shall be forfeited by the Executive. All rights of Executive with respect to the Annual Grant shall be subject to the terms of the operating agreement. The grant of Options described in this Section and Executive's compensation as described in the Agreement shall be subject to all applicable federal and/or state withholding requirements as determined by the Company.

Vesting Period. (a) With respect to all units of Option Units which are the subject of the rights and/or Option(s) described in the provisions set forth above, the Vesting Period shall begin on the Grant Date. The Vesting Period with respect to each installment shown on the schedule shall end on the Vesting Date applicable to such installment. If C-Bond Systems is sold prior to August 10, 2016, Executive will at that time become fully vested.

Vesting Installment Date:

(a) 1,000,000 units of Option Units exercisable at .10 per unit on August 10, 2014
(b) 1,000,000 units of Option Units exercisable at .10 per unit on August 10, 2015
(c) 1,000,000 units of Option Units exercisable at .10 per unit on August 10, 2016

Termination. In the event of a termination of the Executive's employment by the Company that: (i) is Without Cause as described in the Employment Agreement; or (ii) is a termination by the Executive for Good Reason as defined in Employment Agreement; or (iii) occurs because on or before the Offer Date (as defined in the Agreement) the Company fails to extend or renegotiate this Agreement with Executive at expiration (any of the foregoing a "Triggering Termination"), then, notwithstanding the foregoing provisions, Executive shall as of the termination of Executive's employment become vested in the shares of Option rights to all of the Option Units, and become owner of the Option Units (subject to the conditions described below) such Option rights free of all restrictions otherwise imposed by this Agreement (other than transfer or other restrictions imposed by the operating agreement, the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended or the rules thereto), prior to the date the Option rights would otherwise become vested; provided, however, that any exercise of Option rights pursuant to such a Triggering Termination must be performed by the Executive within ninety (90) calendar days after the date of such Triggering Termination or will be forfeited by the Executive. If a Triggering Termination occurs because the Company declines to extend or renegotiate this Agreement with Executive at the end of its term, then the effective date of such Triggering Termination shall be the date on which the term of the Agreement expires or Executive's termination of employment if later. In the event of any termination or expiration of Executive's employment with the Company other than pursuant to a Triggering Termination, any Option Units that has not vested on the date such termination or expiration occurs shall be forfeited by the Executive. All Option Units shall be subject to any restrictions imposed by the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended or the rules thereto.

Effective Date. Any term or provision contained in this Addendum to the contrary herein notwithstanding, the terms and provisions of this Addendum and all rights and/or options granted herein shall be subject to the provisions of the Operating Agreement and to the prior review and approval of C-Bond Systems Board of Directors.

Application of IRC Section 162(m). In the event the Executive is or becomes a proxy-named executive or the Company in relation to the Executive is otherwise subject to the provisions of Section 162(m) of the Internal Revenue Code, the Company may defer the payment of all compensation to which Executive is entitled pursuant to this Addendum or the Agreement or otherwise take all measures, the Company reasonably deem necessary or advisable to comply with said Section 162(m) of the Internal Revenue Code or any successor provision with respect to deductibility of executive compensation. Any term or provision herein to the contrary notwithstanding, the timing and other conditions of any grants, options or payments to be made under this Addendum shall be subject to the requirements of all applicable laws and regulations, whether or not they are in existence or in effect when this Addendum is executed by the parties hereto.

Entire Agreement. Subject to the Employment Agreement to which this Addendum is attached as an addendum thereunder, this Addendum, in conjunction with the Agreement in its entirety, contains the entire agreement of the parties with regard to the subject matter hereof, supersedes all prior agreements and understandings, regarding such subject matter, whether written or oral, and may only be amended by an agreement in writing signed by the parties thereto.

No Effect on Agreement. Except as otherwise specifically set forth in this Addendum, all terms and conditions contained in the Agreement of which this Addendum is made part are and shall remain unmodified hereby

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date set forth hereinabove.

C-BOND SYSTEMS, LLC		BRUCE RICH	
By:	/s/ Paul Brogan	By:	/s/ Bruce Rich
Title:	President	Date:	

The Managers of the Company hereby join in the execution of this Agreement to evidence their consent of the attached Employment Agreement pursuant to the Company Limited Liability Agreement.

WE CONSENT AND AGREE TO THE ATTACHED EMPLOYMENT AGREEMENT OF BRUCE RICH ON THE DATE WRITTEN BELOW:

Date: 10/1/13

/s/ Paul Brogan
PAUL BROGAN, Manager

/s/ Bruce Rich
BRUCE RICH, Manager

/s/ Sergio Moreira, Jr.
SERGIO MOREIRA, JR., Manager

AMENDMENT TO ADDENDUM AND AGREEMENT BETWEEN CBOND SYSTEMS, LLC AND BRUCE RICH

This Amendment to Addendum and Agreement between CBond Systems, LLC and Bruce Rich (the " **Agreement**") is made effective as of the 31st day of December, 2017 between Bruce Rich, ("**Rich**") and CBond Systems, LLC, a Texas limited liability company ("**Company**").

WHEREAS:

A . Rich and Company entered into that certain Employment Agreement dated August 10, 2013, as amended (the " **Employment Agreement**") which contained an Addendum to Employment Agreement Grant of Option Rights (the "**Addendum**") and which such Addendum provided for certain option rights as provided therein; and

B. Pursuant to the terms of this Agreement, the parties desire to amend the Addendum.

C. Pursuant to the terms of this Agreement, the parties desire to agree to certain other terms and conditions.

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each party) and in consideration, in part for the earlier mutually agreed termination of the Employment Agreement, the parties covenant and agree each with the other as follows:

1. The Addendum is hereby amended as follows:

Company hereby confirms, ratifies, and agrees that (i) Rich has a valid, binding and enforceable right in and to an option to purchase three million common units under the Addendum (as defined in the Addendum, the "**Option**"), which such Addendum is adopted and incorporated by reference herein for all purposes, (ii) that all of the Option units under the Addendum have vested, (iii) the Option provides Rich the right to purchase three million (3,000,000) Company common units at $.10 per unit, (iv) that the Option is valid, binding, effective, enforceable and available for exercise by Consultant, and that a "Termination of Service" or "Triggering Termination" has not occurred or been deemed to have occurred as those terms are defined under the Employment Agreement and Addendum, (v) that the Company agrees that Rich has the right to exercise the Option for a three (3) year period beginning December 31, 2017, and (vi) that the Option, and the corresponding exercise price and number of common units for purchase, shall apply to any successor entity or corporation as a result of any merger, consolidation, reorganization or any other type of transaction involving the Company and the related conversion of common units into any other securities, and that the exercise price and the corresponding securities available for purchase under the Option shall be accordingly adjusted based on the number of securities to which a holder of the same number of units that are then subject to the Option would have been entitled.

Notwithstanding anything to the contrary contained in the Option, so long as the Company has any securities trading in a public market, the Option shall not be exercisable by the holder thereof to the extent (but only to the extent) that after giving effect to such exercise the holder (together with any of its affiliates) would beneficially own in excess of 9.99% (the "**Maximum Percentage**") of the Company's securities trading in a public market ("**Common Stock**"). To the extent the above limitation applies, the determination of whether this Option shall be exercisable (vis-a-vis other convertible, exercisable or exchangeable securities owned by the holder or any of its affiliates) and of which such securities shall be convertible, exercisable or exchangeable into or for traded securities (as the case may be, as among all such securities owned by the holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to exercise this Option pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the Securities and Exchange Act of 1934, as amended, (the "**Exchange Act**") and the rules and regulations promulgated thereunder. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation. The limitations contained in this paragraph shall apply to a successor holder of this Option. The holders of Common Stock shall be third party beneficiaries of this paragraph and the Company may not waive this paragraph without the consent of holders of a majority of its Common Stock. For any reason at any time, upon the written or oral request of the holder, the Company shall within one (1) business day confirm orally and in writing to the holder the number of shares of Common Stock then outstanding, including by virtue of any prior conversion or exercise of convertible or exercisable securities into Common Stock, including, without limitation, pursuant to this Option. At any time the holder may increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99% as specified in a written notice by the holder to the Company (subject to the Company's consent, not to be unreasonably withheld); provided that (i) any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company, and (ii) any such increase or decrease will apply only to the holder sending such notice and not to any other holder of the Option. Notwithstanding any other provision, at no time may the holder exercise this Option such that the number of Option Shares to be received pursuant to such exercise, aggregated with all other shares of Common Stock then owned, or deemed beneficially owned, by the holder and its affiliates, would result in the holder and its affiliates owning more than 9.99% of all of such Common Stock as would be outstanding on the date of exercise, as determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. In addition, as of any date, the aggregate number of shares of Common Stock into which this Option is exercisable within 61 days, together with all other shares of Common Stock then beneficially owned (as such term is defined in Rule 13(d) under the Exchange Act) by holder and its affiliates, shall not exceed 9.99% of the total outstanding shares of Common Stock as of such date.

Further, Company agrees that upon the earlier of one (1) year of the closing of a merger transaction with a public company or a registration statement that covers all of the shares of the Company, that it shall file and not withdraw an S-8 registration statement covering all of Rich's outstanding Company common units held be Rich or his assignees (including any shares issuable or issued in exchange for common units, the "**Shares**"), if any, including without limitation, any shares issued or issuable pursuant to any exercise of the Option, as core shares covered by such filing.

2. Company hereby confirms and agrees, and represents and warrants that (i) all common units and the Option held by Rich are assignable and transferable by Rich, in whole or in part, upon notice to the Company by Rich, and that Company preapproves such assignment, (ii) all existing Company common units held and owned by Rich or his assignees (including any shares issuable or issued in exchange for common units) shall be treated no less favorably in all respects than any other common units (or shares issued or issuable in exchange for common units or other obligations) held by, or issued to, any other existing or new equity holder of the Company, and (iii) the anti-dilution provision and rights under paragraph 1(b) of the August 1, 2017 amendment to the Employment Agreement are adopted and incorporated by reference herein for all purposes, and continue and survive as valid and binding obligations of the Company with respect to all common units held by Rich.

3. Except as otherwise provided in this Agreement, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns. This Agreement shall not be assignable by Rich or Company, without the prior written consent of the other party, provided however that this Agreement shall be binding upon Company and any entity resulting from the reorganization, merger, transaction, acquisition, or consolidation of the Company with any other corporation or entity or any corporation or entity to or with which the Company's business, equity interests, or substantially all of its business or assets may be sold, exchanged or transferred (the provisions of this sentence also being applicable to any successive such transaction).

4. In all other respects, this Agreement incorporates and continues the terms and conditions set forth in the Addendum and such terms and conditions remains in full force and effect, except as amended in this Agreement.

5. This Agreement may be executed and delivered in any number of counterparts with the same effect as if the parties had all signed and delivered the same Agreement, and each counterpart will be construed together to be an original, and will constitute one and the same Agreement.

IN WITNESS WHEREOF the Parties have duly executed and delivered this Agreement.

BRUCE RICH

By: /s/ Bruce Rich

Date: _____

CBOND SYSTEMS, LLC

By: /s/

Name: _____

Title: _____

Date:: _____

CONSULTING AGREEMENT

CBOND SYSTEMS L.L.C., a Texas Limited Liability Company (the "**Company**") and Bruce Rich (herein referred to as either "**Rich**" or "**Consultant**") hereby enter into this CONSULTING AGREEMENT (the " **Agreement**") effective as of January 1, 2018 ("**Effective Date**"), as follows:

1. **Engagement and Term of Engagement.** The Company shall engage Consultant, upon the terms and subject to the conditions set forth in this Agreement. The period of consultant's engagement under this Agreement shall begin as of the Effective Date and shall continue until the earlier of (i) a period of three (3) years from the Effective Date or (ii) until the aggregate cash payments under this Agreement total Three hundred thousand dollars and No/100 ($300,000.00) (the "**Term**").

2. **Nature of Relationship.** As the Former CEO of the Company, Consultant shall provide consultation and advice to the new CEO when and as requested by the new CEO, and as agreed by Consultant, with such agreed consultation and advice provided on an as needed basis, but not on a full time basis and further Consultant shall not be required to maintain regular hours at the Company.

3. **Compensation and Benefits.**

(a) During the Term, the Company shall pay a monthly fee in cash to Consultant equal to 1/2 of the monthly base salary of the CEO. In no event, and regardless of the base salary paid to the CEO, will the amount paid to Consultant be less than $8,333.33. The monthly Fee shall be payable in cash.

(b) The Company shall promptly reimburse Consultant for ordinary and necessary business expenses incurred by the Consultant in the performance of duties hereunder in accordance with the Company's customary practices and policies provided that such expenses are related to Company business activities related to customers, investors and licensees.

4. **Termination of Engagement:** Neither party may terminate this Agreement prior to the end of the Term. To the extent that either party asserts that the other party has breached any of the terms of this Agreement, then such party shall notify the other of such breach, including providing the stated reasons for the alleged breach, and then the alleged breaching party shall have a reasonable opportunity and time period to cure such breach.

5. **Restrictive Covenants**

(a) Competitive Activity. Consultant covenants and agrees that for three (3) years from the Effective Date, Consultant will not, directly or indirectly through others, engage in, assist (whether Consultant receives a financial benefit or not), or have any active interest or involvement, whether as an contractor, agent, consultant, creditor, advisor, officer, director, stockholder (excluding holdings of less than 1% of the stock of a public company), partner or proprietor of, or any type of principal whatsoever in, any person, firm, or business entity which directly or indirectly, is engaged in a business competing with any business conducted and carried on by the Company or any of its subsidiaries, without the Company's specific written consent to do so.

(b) Non-Solicitation. Consultant covenants and agrees that for three (3) years from the Effective Date, Consultant will not, directly or indirectly through others, (i) induce any customers of the Company or its affiliates to patronize any similar business which competes with any business of the Company or its subsidiaries; (ii) canvass, solicit or accept any similar business from any customer of the Company or its affiliates; (iii) *request* or advise any customers of the Company or its affiliates to withdraw, curtail or cancel such customer's business with the Company or its affiliates; (iv) disclose to any other person, firm or corporation the names or addresses of any of the customers of the Company or its subsidiaries; or (v) cause, solicit, entice, or induce any employee of the Company or any of its subsidiaries to leave the employ of the Company or such subsidiary or to accept employment with, the Consultant or any other person, firm, association, or corporation for any similar business activity, without the Company's prior written consent; provided however that foregoing shall not be violated by any general advertising not targeted at a specific individual or any Company employee who has been terminated by the Company,

(c) Non-Disparagement. Consultant covenants and agrees that Consultant shall not engage in any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments) which are disparaging, deleterious or damaging to the integrity, reputation or goodwill of the Company, its management, or of the management of the Company's affiliates.

(d) Protected Information. Consultant recognizes and acknowledges that Consultant has had and will continue to have access to various confidential or proprietary information concerning the Company and its affiliates of a special and unique value which may include, without limitation, (i) books and records relating to operation, finance, accounting, sales, personnel and management, (ii) policies, procedures, and matters relating particularly to the Company, its affiliates or their respective operations, including customer service requirements, costs of providing service and equipment, operating costs and pricing matters, and (iii) various trade or business secrets, including customer lists, route sheets, business opportunities, marketing or business diversification plans, business development and bidding techniques, training materials, methods and processes, proprietary information, financial data and the like (collectively, the "Protected Information"); provided, however, that information (i) which is or becomes a part of the public domain through no fault or action of the Consultant, (ii) is lawfully received from some third party source, or (iii) is independently developed by Consultant without use of Company's confidential information, shall all not be considered Protected Information. Consultant therefore covenants and agrees that Consultant will not at any time, either while engaged by the Company or afterwards, knowingly make any independent use of, or knowingly disclose to any other person or organization (except as authorized by the Company) any of the Protected Information, provided that Consultant may disclose Protected Information if required by court order or a subpoena after giving prior written notice to the Company.

6. Enforcement of Covenants.

(a) Right to Injunction. Consultant acknowledges that a breach of the covenants set forth in Section 5 hereof may cause irreparable damage to the Company with respect to which the Company's remedy at law for damages may be inadequate. Therefore, in the event of breach or anticipatory breach of the covenants set forth in Section 5 by Consultant, Consultant and the Company agree that the Company may be entitled to the following particular forms of relief, in addition to remedies otherwise available to it at law or equity: (i) injunctions, both preliminary and permanent, enjoining or restraining such breach or anticipatory breach; and (ii) recovery of all reasonable sums expended and costs, including reasonable attorney's fees, incurred by the Company to enforce the covenants set forth in Section 5 to the extent the Company has been successful in enforcing the provisions through a final non-appealable order or judgment from a court of appropriate jurisdiction.

(b) Separability of Covenants. The covenants contained in Section 5 hereof constitute a series of separate covenants, one for each applicable State in the United States and the District of Columbia, and one for each applicable foreign country. If in any judicial proceeding, a court shall hold that any of the covenants set forth in Section 5 exceed the time, geographic, or occupational limitations permitted by applicable laws, Consultant and the Company agree that such provisions shall and are hereby reformed to the maximum time, geographic, or occupational limitations permitted by such laws. Further, in the event a court shall hold unenforceable any of the separate covenants deemed included herein, then such unenforceable covenant or covenants shall be deemed eliminated from the provisions of this Agreement for the purpose of such proceeding to the extent necessary to permit the remaining separate covenants to be enforced in such proceeding. Consultant and the Company further agree that the covenants in Sections 5 and 6 shall each be construed as a separate agreement independent of any other provisions of this Agreement, and the existence of any claim or cause of action by Consultant against the Company whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of any of the covenants of Sections 5 and 6.

7. Independent Contractor. Consultant is an independent contractor and this Agreement shall not be construed to create any association, partnership, joint venture, employee, or agency relationship between Consultant and the Company for any purpose. Consultant shall assume all legal duties and responsibilities of independent contractor status, including include but are not limited to tax liabilities related to such independent contractor status.

8. Non-Disclosure Agreement Terms. Consultant agrees that Consultant will not disclose the terms of this Agreement to any third party other than Consultant's immediate family, attorney, accountants, or other consultants or advisors, or except as may be required by any governmental authority.|

9. Sources of Payment. All payments provided under this Agreement, other than payments made pursuant to a plan which provides otherwise, shall be paid from the general funds of the Company, and no special or separate fund shall be established, and no other segregation of assets made, to assure payment.

10. **Assignment.** Except as otherwise provided in this Agreement, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns. This Agreement shall not be assignable by Consultant or Company, without the prior written consent of the other party (provided however that Consultant may assign this Agreement and the performance and obligations hereunder to B Rich, LLC), provided however that this Agreement shall be binding upon Company and any entity resulting from the reorganization, merger, transaction, acquisition, or consolidation of the Company with any other corporation or entity or any corporation or entity to or with which the Company's business, equity interests, or substantially all of its business or assets may be sold, exchanged or transferred (the provisions of this sentence also being applicable to any successive such transaction).

11. **Survival; Amendment.** This Agreement may not be amended except by a written agreement signed by both parties. The provisions of this Agreement which by their nature are intended to survive the termination, cancellation, completion or expiration of this Agreement shall continue as valid and enforceable obligations of the parties notwithstanding any such termination, cancellation, completion or expiration.

12. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas applicable to agreements made and to be performed in that State, without regard to its conflict of laws. Venue for any legal dispute will be in the state District Courts of Houston, Harris County, Texas.

13. **Notices.** Any notice, consent, request or other communication made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by registered or certified mail, return receipt requested, or by facsimile or by hand delivery, to those listed below at their following respective addresses or at such other address as each may specify by notice to the others:

To the Company: C-Bond Systems L.L.C.

Attention: Scott R. Silverman
6035 South Loop East
Houston, Texas 77033

To the Consultant: Bruce Rich

3333 Allen Parkway, #3005
Houston, Texas 77019

14. **Review of Agreement.** Consultant acknowledges that he (a) has carefully read and understands all of the provisions of this agreement and has had the opportunity for this Agreement to be reviewed by counsel, (b) is voluntarily entering into this Agreement and (c) has not relied upon any representation or statement by the Company (or its affiliates, equity holders, agents, representatives, contractors and attorneys) with regard to the subject matter or effect of this Agreement.

14. **Review of Agreement.** Consultant acknowledges that he (a) has carefully read and understands all of the provisions of this agreement and has had the opportunity for this Agreement to be reviewed by counsel, (b) is voluntarily entering into this Agreement and (c) has not relied upon any representation or statement by the Company (or its affiliates, equity holders, agents, representatives, contractors and attorneys) with regard to the subject matter or effect of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective as of the date written above.

C-BOND SYSTEMS, LLC

By: /s/ Scott R. Silverman
Scott R. Silverman CEO

Date:

Consultant:

By: /s/ Bruce Rich
Bruce Rich

Date

C-BOND SYSTEMS, LLC
COMMON UNIT OPTION PLAN

COMMON UNIT OPTION AGREEMENT

This Common Unit Option Agreement (this "***Agreement***") is made effective as of _____, 2015 (the "***Grant Date***"), between C-Bond Systems, LLC, a Texas limited liability company (the "***Company***") and _____ (the "***Optionee***").

WHEREAS, the Company considers that its interests will be served by granting the Optionee an option to purchase Common Units of the Company, subject to the terms and conditions of this Agreement, as an inducement for the Optionee's continued and effective performance of services as an employee of, or consultant, advisor or other service provider to, the Company;

WHEREAS, pursuant to the C-Bond Systems, LLC Common Unit Option Plan (the "***Plan***"), the Administrator has granted to the Optionee an option to acquire Common Units of the Company, subject to the terms and conditions of this Agreement; and

WHEREAS, the Optionee desires to accept such option subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the Company and the Optionee, intending to be legally bound, hereby agree as follows:

1. Grant.

(a) The Administrator, on behalf of the Company, has granted to the Optionee on the Grant Date an option (the "***Option***") to purchase, subject to the terms and conditions set forth herein and in the Plan, all or any part of _____ Common Units of the Company (subject to adjustment as set forth in Section 9 of the Plan) (the "***Common Units***") at a price of $_____ per Common Unit (subject to adjustment as set forth in Section 9 of the Plan) (the "***Exercise Price***"). By accepting the Option, the Optionee irrevocably agrees on behalf of the Optionee and the Optionee's successors and permitted assigns to all of the terms and conditions of the award as set forth in or pursuant to this Agreement and the Plan (as the Plan may be amended from time to time).

(b) The Option is not intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "***Code***"). The Option will be a non-qualified option to purchase Common Units, governed by Treasury Regulation § 1.83-7. Absent a change in law prior to the exercise of the Option, upon exercise of the Option, the excess of the Fair Market Value (as determined by the Administrator in its sole discretion under the terms of the Plan) of the Common Units and other property received over the Exercise Price shall be treated as income from the provision of services.

(c) Except as otherwise provided herein, capitalized terms used herein that are not expressly defined herein shall have the meanings set forth in the Plan.

2. Time for Exercise.

(a) Subject to the provisions of the Plan and the provisions of this Agreement (including the requirement that the Optionee continue to serve as an employee of, or consultant, advisor or other service provider to, the Company on the dates set forth below), the Option will be exercisable in accordance with the following schedule, provided that the Optionee has not incurred a Termination of Employment or Service prior to the applicable lapse date:

(i) on the first anniversary of the Grant Date, the Option will vest with respect to, and may be exercised for up to, _____ percent (____%) of the Common Units subject to the Option; and

(ii) on each succeeding anniversary of the Grant Date, the Option will vest with respect to, and may be exercised for up to, an additional _____ percent (____%) of the Common Units subject to the Option, so that on the ____ anniversary of the Grant Date the Option shall be fully vested and exercisable in full.

To the extent not exercised, installments shall be cumulative and may be exercised in whole or in part. If the Optionee incurs a Termination of Employment or Service for any reason, the Option shall not continue to vest after such Termination of Employment or Service.

(b) Notwithstanding any other provision of this Agreement to the contrary, upon the occurrence of a Change in Control, the Option shall become fully exercisable immediately prior to the occurrence of the Change in Control provided that the Optionee has not incurred a Termination of Employment or Service and continues to be employed by the Company or an Affiliate immediately prior to the occurrence of such Change in Control. For purposes of this Agreement, the term "***Change in Control***" shall have the meaning ascribed to such term in any written employment agreement between the Optionee and the Company, as the same may be amended or modified from time to time, or if the Optionee is not a party to any such written employment agreement, then the term "***Change in Control***" shall mean the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events: (i) the consummation of any sale or other disposition, made by the then current Members (as that term is defined in the Company Agreement) determined immediately before such sale or other disposition, of all or substantially all of the issued Units (as that term is defined in the Company Agreement) after which such Persons do not Control, directly or indirectly, the Company; or (ii) the sale or other disposition of substantially all of the assets of the Company to any Person (or group of Persons acting together) which is not Controlled, directly or indirectly, by the Persons who comprise the Members immediately prior to such sale or other disposition. For purposes of this Agreement, the term "Control" means, with respect to any Person, (i) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities of such Person, and (ii) the right to direct the management or operations of such Person, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For the avoidance of doubt, an issuance of Units by the Company, as part of a financing transaction or otherwise, shall not constitute a Change in Control.

3. Expiration. The Option shall expire on the tenth (10th) anniversary of the Grant Date (the "***Option General Expiration Date***"); provided, however, that the Option may earlier terminate as provided in this Paragraph 3 and/or in Section 9 of the Plan.

(a) Upon the Optionee's Termination of Employment or Service, that portion of the Option that is not vested and exercisable will automatically terminate and become null and void on the date of such Termination of Employment or Service and that portion of the Option that is vested and exercisable will terminate in accordance with the following:

(i) if the Optionee's employment or other service relationship with the Company is terminated for Cause (as defined below), the vested and exercisable portion of the Option will terminate and become null and void on the date of such Termination of Employment or Service, but in no event later than the Option General Expiration Date;

(i i) if the Optionee's employment or other service relationship with the Company is terminated by reason of the Optionee's death or disability (as such term is defined in Section 22(e) of the Code), the vested and exercisable portion of the Option will terminate on the date that is six (6) months immediately following the date of such Termination of Employment or Service, but in no event later than the Option General Expiration Date; and

(i i i) if the Optionee's employment with the Company is terminated for any reason other than death, disability or Cause, the vested and exercisable portion of the Option will terminate on the date that is thirty (30) days immediately following the date of such Termination of Employment or Service, but in no event later than the Option General Expiration Date.

(b) For purposes of this Agreement, the term "***Cause***" shall have the meaning ascribed to such term in any written employment agreement between the Optionee and the Company, as the same may be amended or modified from time to time, or if the Optionee is not a party to any such written employment agreement, then the term "***Cause***" shall mean (i) the Optionee's continued failure substantially to perform the Optionee's duties to the Company (other than as a result of total or partial incapacity due to physical or mental illness) for a period of ten (10) days following notice by the Company to the Optionee of such failure, (ii) intentional dishonesty in the performance of the Optionee's duties to the Company, (iii) the Optionee's indictment for, conviction of, or plea of nolo contendere to a crime constituting (A) a felony under the laws of the United States or any state thereof or (B) a misdemeanor involving moral turpitude, (e) the Optionee's willful malfeasance or willful misconduct in connection with the Optionee's duties to the Company or any act or omission that is injurious to the financial condition or business reputation of the Company or any of its Affiliates, or (v) the Optionee's breach of the provisions of any non-competition and/or confidentiality agreement with the Company, or any other restrictive covenants in favor of the Company and/or its Affiliates to which the Optionee is subject.

4 . Method of Exercise. The Option may be exercised by the Optionee at any time, or from time to time, in whole or in part, on or prior to the termination of the Option (as set forth in Paragraph 3 of this Agreement). If the Optionee wishes to exercise the Option, in whole or part, the Optionee shall (a) deliver to the Company (Attention: Chief Financial Officer) a fully completed and executed notice of exercise (the "***Exercise Notice***"), on such form as may hereinafter be designated by the Administrator in its sole discretion, specifying the exercise date and the number of Common Units to be purchased pursuant to such exercise and (b) remit to the Company in cash or by check, bank draft or money order payable to the order of the Company or on such other terms and conditions as may be acceptable to the Administrator in its sole discretion, the Exercise Price for the Common Units to be acquired on exercise of the Option, plus an amount sufficient to satisfy any withholding tax obligations of the Company and its Affiliates that arises in connection with such exercise (as determined by the Administrator). The Company's obligation to deliver Common Units to the Optionee under this Agreement is subject to and conditioned upon the Optionee satisfying all tax obligations associated with the Optionee's receipt, holding and exercise of the Option. The Company and its Affiliates, as applicable, shall be entitled to deduct from any payments otherwise due to the Optionee the amount necessary to satisfy all such taxes. Upon full payment of the Exercise Price and satisfaction of all applicable tax obligations, and subject to the applicable terms and conditions of this Agreement, the Company shall cause the Common Units purchased hereunder to be issued to the Optionee.

5 . Issuance of Units; Effect of Exercise. Upon the exercise of all or a portion of the Option, subject to Paragraph 10 hereof, the Company shall, as soon as practicable after receipt of the Exercise Notice, (a) credit the Optionee's Capital Account (as such term is defined in the Company Agreement) with an amount equal to the aggregate Exercise Price paid by the Optionee, plus the amount of any income recognized by the Optionee in connection with such exercise as described in Paragraph 1(b) hereof, and (b) issue Common Units registered on its books and in its records in the name of the Optionee. Furthermore, upon such exercise of the Option, the Optionee shall be treated as having received a cash payment equal to the amount so recognized as income, and such amount shall be treated as having been contributed by the Optionee to the Company, for purposes of determining the Optionee's share of the tax basis in the Company's assets for applicable income tax purposes. Following the credit to the Optionee's Capital Account as described above, the Optionee shall be entitled to profits, losses and distributions of the Company attributable to such Common Units as determined under the Company Agreement on a going-forward basis as of the date of the Exercise Notice.

6 . Common Units Subject to Company Agreement. The Optionee acknowledges and agrees that any Common Units acquired by the Optionee pursuant to this Agreement shall be subject to all of the terms and provisions of the Company Agreement and that any such Common Units may be transferred only in accordance with the terms of the Company Agreement. Upon exercise of the Option, the Optionee will automatically become a party to the Company Agreement. The Optionee agrees to execute, in connection with the exercise of the Option, such further documentation as reasonably requested by the Company or the Administrator to evidence the admission of the Optionee to the Company.

7 . Tax Withholding. To the extent that the receipt of the Option or this Agreement, the vesting of the Option or the exercise of the Option results in income to the Optionee for federal, state or local income, employment or other tax purposes with respect to which the Company or its Affiliates have a withholding obligation, the Optionee shall deliver to the Company at the time of such receipt, vesting or exercise, as the case may be, such amount of money as the Administrator may require to meet such obligation under applicable tax laws or regulations, and, if the Optionee fails to do so, the Company and any Affiliate is authorized to withhold from the Common Units subject to the Option (based on the Fair Market Value of such Common Units as of the date the amount of tax to be withheld is determined) or from any cash or other remuneration then or thereafter payable to the Optionee any tax required to be withheld by reason of such taxable income, sufficient to satisfy the withholding obligation. As of the Grant Date, the Company has no obligation under any federal, state or local income, employment or other tax law to withhold any taxes with respect to an independent contractor and, if the Optionee is characterized by the Company as an independent contractor, the Optionee acknowledges and agrees that, until any applicable tax laws are otherwise revised to expressly otherwise provide, he or she, and not the Company, is responsible for all tax reporting and payments with respect to the receipt of the Option or this Agreement, the vesting of the Option or the exercise of the Option and the Optionee agrees to indemnify and hold the Company harmless from all costs and expenses incurred by the Company from the Optionee's failure to properly report and pay all taxes imposed on an independent contractor granted an option under the Plan.

8 . No Fractional Units. All provisions of this Agreement concern whole Common Units of the Company. If the application of any provision hereunder would yield a fractional unit, such fractional unit shall be rounded down to the next whole unit if it is less than 0.5 and rounded up to the next whole unit if it is 0.5 or more.

9 . Capital Adjustments and Reorganizations. The existence of the Option shall not affect in any way the right or power of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or its business, engage in any merger or consolidation, issue any debt or equity securities, dissolve or liquidate, or sell, lease, exchange or otherwise dispose of all or any part of its assets or business, or engage in any other act or proceeding.

10. Compliance With Legal Requirements.

(a) The Option shall not be exercisable and no Common Units shall be issued or transferred pursuant to this Agreement or the Plan unless and until all tax withholding, if any, and legal requirements applicable to such issuance or transfer have, in the opinion of counsel to the Company, been satisfied. Such legal requirements may include, but are not limited to, (i) registering or qualifying such Common Units under any state or federal law or under the rules of any stock exchange or trading system, (ii) satisfying any applicable law or rule relating to the transfer of unregistered securities or demonstrating the availability of an exemption from applicable laws, (iii) placing a restricted legend on the Common Units issued pursuant to the exercise of the Option, or (iv) obtaining the consent or approval of any governmental regulatory body.

(b) The Optionee understands that the Company is under no obligation to register for resale the Common Units issued upon exercise of the Option. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any exercise of the Option and/or any resales by the Optionee or other subsequent transfers by the Optionee of any Common Units issued as a result of the exercise of the Option, including without limitation (i) restrictions under an insider trading policy, (ii) restrictions that may be necessary in the absence of an effective registration statement under the Securities Act of 1933, as amended, covering the Option and/or the Common Units underlying the Option and (iii) restrictions as to the use of a specified brokerage firm or other agent for exercising the Option and/or for such resales or other transfers. The sale of the Common Units underlying the Option must also comply with other applicable laws and regulations governing the sale of such Common Units.

1 1 . Rights as a Member. The Optionee shall not become or otherwise be treated as a Member with respect to any of the Common Units subject to the Option, except to the extent that such Common Units shall have been purchased by the Optionee and issued and transferred by the Company to the Optionee.

12. Assignment or Transfer Prohibited. The Option may not be assigned or transferred otherwise than by will or by the laws of descent and distribution, and may be exercised during the life of the Optionee only by the Optionee or the Optionee's guardian or legal representative. Neither the Option nor any right hereunder shall be subject to attachment, execution or other similar process. In the event of any attempt by the Optionee to alienate, assign, pledge, hypothecate or otherwise dispose of the Option or any right hereunder, except as provided for herein, or in the event of the levy or any attachment, execution or similar process upon the rights or interests hereby conferred, the Company may terminate the Option by notice to the Optionee, and the Option shall thereupon become null and void.

13. Investment Intent. The Optionee hereby represents that as of the dates any of the Common Units are acquired by the Optionee, such Common Units will be acquired for the Optionee's own account, for investment and not with a view to the distribution thereof. The Optionee understands that the Common Units have not been registered under federal securities law pursuant to an exemption from the registration provisions thereof. The Optionee hereby agrees that the Common Units that have been or will hereafter be acquired by the Optionee pursuant to an exemption from the registration provisions shall not be sold, transferred, pledged, or hypothecated unless the sale of or other transaction concerning such Common Units is registered under applicable federal law or unless there is furnished an opinion of counsel reasonably satisfactory to the Administrator that registration of such Common Units is not required. The Optionee understands that the Company is under no obligation to register under applicable law the Common Units to be acquired under the Option, and that an exemption from registration may not be available in connection with any resale of any Common Units acquired. The provisions of this paragraph shall remain in effect until, in the opinion of counsel for the Company, they are no longer required.

14. Administrator Authority. Any question concerning the interpretation of this Agreement or the Plan, any adjustments required to be made under this Agreement or the Plan, and any controversy that may arise under this Agreement or the Plan shall be determined by the Administrator in its sole and absolute discretion. All decisions by the Administrator shall be final and binding.

15. Application of the Plan and the Company Agreement. The terms of this Agreement are governed by the terms of the Plan and the Company Agreement, as they exist on the date hereof and as the Plan and the Company Agreement are amended from time to time. In the event of any conflict between the provisions of this Agreement and the provisions of the Plan or the Company Agreement, the terms of the Plan and the Company Agreement shall control, and in the event of any conflict between the provisions of the Plan and the Company Agreement, the terms of the Company Agreement shall control, except as expressly stated otherwise herein. As used herein, the term "Section" generally refers to provisions within the Plan (except as otherwise indicated herein), and the term "Paragraph" refers to provisions of this Agreement.

16. Employment or Service Relationship. For purposes of this Agreement, the Optionee shall be considered to be in the employment of the Company and its Affiliates as long as the Optionee has an employment relationship with the Company or its Affiliates or shall be considered to be a consultant, advisor or other service provider as long as the Optionee provides such services to the Company or its Affiliates. The Administrator shall determine any questions as to whether and when there has been a termination of such employment or service relationship and whether and when a Termination of Employment or Service has occurred, and the cause of such termination, under the Plan, and the Administrator's determination shall be final and binding on all persons.

17. No Right to Continued Employment. Nothing in the Plan, in this Agreement or any other instrument executed pursuant thereto or hereto shall confer upon the Optionee any right to continued employment with the Company or its Affiliates or the right to continue to provide consulting, advisory or other services to the Company or any of its Affiliates. This Agreement is not an employment or service agreement, and no provision of this Agreement shall be construed or interpreted to create an employment or other service relationship between the Optionee and the Company or any of its Affiliates or guarantee the right to remain employed by or to continue to provide services to the Company or any of its Affiliates, for any specified term or require the Company or any of its Affiliates to employ or utilize the services of Optionee for any period of time.

18. Further Assurances. Each party hereto shall cooperate with each other party, shall do and perform or cause to be done and performed all further acts and things, and shall execute and deliver all other agreements, certificates, instruments, and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan.

19. Entire Agreement. This Agreement, the Plan and the Company Agreement together set forth the entire agreement and understanding between the parties as to the subject matter hereof and supersede all prior oral and written and all contemporaneous or subsequent oral discussions, agreements and understandings of any kind or nature.

20. Successors and Assigns. Subject to the limitations which this Agreement imposes upon the transferability of the Option granted hereby, the provisions of this Agreement will inure to the benefit of, and be binding on, the Company and its successors and assigns and the Optionee and the Optionee's legal representatives, heirs, legatees, distributees, and permitted assigns and transferees by operation of law, whether or not any such person will have become a party to this Agreement or the Company Agreement and agreed in writing to join herein or therein and be bound by the terms and conditions hereof and the Company Agreement.

21. Gender and Number. If the context requires, words of one gender when used in this Agreement will include the other genders, and words used in the singular or plural will include the other.

22. Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

23. Headings. Headings of Paragraphs are included for convenience of reference only and do not constitute part of this Agreement and shall not be used in construing the terms and provisions of this Agreement.

24. Governing Law. This Agreement shall be governed by the laws of the State of Texas without regard to its conflicts of law provisions.

25. Counterparts**.** This Agreement may be executed in two or more counterparts, each of which shall be an original for all purposes but all of which taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

C-BOND SYSTEMS, LLC

By: _____
Name: _____
Title: _____

Accepted and Agreed:

_____
Optionee's Name:

C-BOND SYSTEMS, LLC
RESTRICTED UNITS AWARD AGREEMENT

This RESTRICTED UNITS AWARD AGREEMENT (the "Agreement") is made as of [ ] (the "Grant Date"), between C-Bond Systems, a Texas limited liability company (the "Company"), and [ ] (the "Grantee").

Background Information

A. The Company has granted to the Grantee an award of [ ] restricted common unitsCommon Units (the "Common Units"), of the Company (the "Award").

B. The Company and the Grantee are entering into this Agreement in order to evidence the Award, which shall be governed in all respects by the terms and provisions hereof.

C. The Grantee desires to accept the Award grant and agrees to be bound by the terms and conditions of this Agreement.

Agreement

1. Restricted Units. Subject to the terms and conditions provided in this Agreement, the Company hereby grants to the Grantee [ ] Common Units (the "Restricted Units") as of the Grant Date. The extent to which the Grantee's rights and interest in the Restricted Units becomes vested and non-forfeitable shall be determined in accordance with the provisions of Sections 2 and 3 of this Agreement.

2. Vesting. Except as may be otherwise provided in Section 3 of this Agreement, the vesting of the Grantee's rights and interest in the Restricted Units shall be determined in accordance with this Section 2. The Grantee's rights and interest in the Restricted Units shall become fully vested and non-forfeitable on May 1, 2019, subject to adjustment by mutual agreement of the Company's Managing Members or Board of Directors and the Grantee, provided that (1) the Company does not terminate the employment of the Grantee for cause prior to May 1, 2019, with said cause being defined as a conviction of a felony or Grantee's being prevented from providing services hereunder as a result of Grantee's violation of any law, regulation and/or rule.; or (2) Grantee resigns prior to the vesting date set forth above.

3. Change in Control. In the event of a Change in Control (as defined below), Restricted Units that is not yet vested on the date such Change in Control is determined to have occurred shall become fully vested on the date such Change in Control is determined to have occurred. A "Change in Control" means the happening of any of the following: (i) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" as such term is used in Section 13(d) and 14(d) of the Exchange Act of 1934, as amended (the "Exchange Act") (other than any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities entitled generally to vote in the election of the Board of Directors (other than the occurrence of any contingency); (ii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation or entity, which is consummated, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the effective date of a complete liquidation of the Company or the consummation of an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, which in both cases are approved by the stockholders of the Company as may be required by law. Notwithstanding the foregoing, the merger of the Company and a subsidiary of WestMountain Alternative Energy, Inc. shall not be a Change of Control.

4. Restrictions on Transfer; Legending of Shares. Until such time as any share of Restricted Units becomes vested pursuant to Section 2 or Section 3 of this Agreement, the Grantee shall not have the right to make or permit to occur any transfer, pledge or hypothecation of all or any portion of the Restricted Units, whether outright or as security, with or without consideration, voluntary or involuntary. Any transfer, pledge or hypothecation not made in accordance with this Agreement shall be deemed null and void. The certificate evidencing the Restricted Units shall contain a legend in substantially the following form:

"The common units evidenced by this certificate are subject to restrictions on transfer set forth in the Restricted Units Award Agreement, dated [ ], between C-Bond Systems, LLC (the "Company") and [ ], a copy of which may be obtained from the Company at its principal executive offices."

"The Common Units of the Company represented hereby have not been registered under the Securities Act of 1933, as amended, or applicable state securities laws and may not be transferred, pledged, hypothecated or otherwise disposed of in the absence of an effective registration statement covering such shares under that Act and any applicable state securities laws, unless, in the opinion of counsel satisfactory to the Company, an exemption from registration thereunder is available."

5. Forfeiture. The Grantee shall forfeit all of his rights and interest in the Restricted Units if the Grantee resigns prior to the vesting date defined in paragraph 2 OR is terminated for cause, as defined in 2 above. In the event the Grantee's employment is terminated for any other reason, the Restricted Units will continue to vest in accordance with Section 2 and/or Section 3 of this Agreement.

6. Shares Held by Custodian; Rights to Dividends and Voting Rights The Grantee hereby authorizes and directs, at the Grantee's option, the Company to deliver any common unit certificate issued by the Company to evidence the award of Restricted Units to the Secretary of the Company or such other officer of the Company (other than the Grantee) as may be designated by the Company's Board of Directors or the Compensation Committee of such Board (the "Share Custodian") to be held by the Share Custodian until the Restricted Units becomes fully vested in accordance with Section 2 or Section 3 of this Agreement. When the Restricted Units becomes vested, the Share Custodian shall deliver to the Grantee (or his beneficiary in the event of death) a certificate representing the vested Restricted Units (which then will be unrestricted) and may delete the first paragraph of the legend set forth in Section 4 above. The Grantee hereby irrevocably appoints the Share Custodian, and any successor thereto, as the true and lawful attorney-in-fact of the Grantee with full power and authority to execute any stock transfer power or other instrument necessary to transfer the Restricted Units to the Company, or to transfer the Restricted Units to the Grantee on an unrestricted basis upon vesting, pursuant to this Agreement, in the name, place, and stead of the Grantee. The term of such appointment shall commence on the Grant Date and shall continue until the Restricted Units becomes vested or is forfeited. During the period that the Share Custodian holds the Restricted Units subject to this Section 6, the Grantee shall be entitled to all rights applicable to Common Units of the Company not so held, including the right to vote and receive dividends, but provided, however, in the event of (i) any change in the Common Units of the Company by reason of any unit dividend, spin-off, split-up, spin-out, recapitalization, merger, consolidation, reorganization, combination or exchange of units or (ii) any distribution of Common Units or other securities of the Company in respect of such Common Units, the Grantee agrees that any certificate representing such additional Common Units or other securities of the Company issued as a result of any of the foregoing shall be delivered to the Share Custodian and shall be subject to all of the provisions of this Agreement as if initially received hereunder.

7. Tax Consequences. Upon the occurrence of a vesting event specified in Section 2 or Section 3 above, the Grantee is responsible for all federal, state, local or foreign income and social insurance withholding taxes imposed by reason of the vesting of the Restricted Units.

The Grantee understands that the Grantee may elect to be taxed at the Grant Date rather than when the Restricted Units becomes vested by filing with the Internal Revenue Service an election under section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), within thirty (30) days from the Grant Date. The Grantee acknowledges that it is the Grantee's sole responsibility, and not the Company's responsibility, to timely file the Code section 83(b) election with the Internal Revenue Service if the Grantee intends to make such an election. Grantee agrees to provide written notification to the Company if the Grantee files a Code section 83(b) election.

8. No Effect on Employment. Nothing in this Agreement shall confer upon the Grantee the right to continue in the employment of the Company or affect any right which the Company may have to terminate the employment of the Grantee regardless of the effect of such termination of employment on the rights of the Grantee or this Agreement.

9. Governing Laws. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, without regard to any applicable conflicts of law. By accepting this Award, the Grantee irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of Texas or of the United States of America, in each case located in Harris County, Texas, for any litigation arising out of or relating to this Agreement (and agrees not to commence any litigation relating thereto except in such courts). The Grantee also irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of or related to this Award in the courts of the State of Texas or of the United States of America, in each case located in Harris County, Texas, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum.

10. Successors. This Agreement shall inure to the benefit of, and be binding upon, the Company and the Grantee and their heirs, legal representatives, successors and permitted assigns.

11. Severability. In the event that any one or more of the provisions or portion thereof contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, the same shall not invalidate or otherwise affect any other provisions of this Agreement, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision or portion thereof had never been contained herein.

12. Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day; (c) three (3) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent as follows:

If to the Company:

C-Bond Systems, LLC
6035 South Loop East
Houston, TX 77033

If to Grantee:

[ ]
[ ]
[ ]

13. Entire Agreement. This Agreement expresses the entire understanding and agreement of the parties hereto with respect to the terms and conditions of this Award.

14. Headings. Section headings used herein are for convenience of reference only and shall not be considered in construing this Agreement.

15. Additional Acknowledgements. By their signatures below (including electronic signatures), the Grantee and the Company agree that the Restricted Units are granted under and governed by the terms and conditions of this Agreement. Grantee has reviewed the terms of this Agreement, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of this Agreement. Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee of the Company's Board of Directors upon any questions relating to this Agreement.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Agreement as of the Grant Date set forth above.

C-BOND SYSTEMS, LLC

By: _____

GRANTEE:

_____

Exhibit 10.8

SUBSCRIPTION AGREEMENT

This Subscription Agreement is entered into as of April __, 2018 between [_____], an individual whose principal residence is at the address set forth on the signature page hereto (hereinafter "Subscriber"), and C-Bond Systems, LLC, a Texas limited liability Company (the "Company") concerning an investment in the amount set forth on the signature page hereto (the "Common Stock"). The Subscriber and the Company agree as follows:

1 . Planned Merger. Subscriber is aware that the Company intends to enter into an agreement and plan of merger and reorganization pursuant to which the Company will merge with a wholly owned subsidiary of WestMountain Alternative Energy, Inc., a Colorado corporation ("WestMountain") (the "Merger"). The result of the Merger will be that C-Bond will become a wholly-owned subsidiary of WestMountain and C-Bond management and directors will become the management and directors of the Company (the "Merger").

2 . Subscription and Method of Payment. Subject to the terms and conditions hereof, Subscriber hereby subscribes the amount set forth on the signature page hereto to purchase such number of shares of Common Stock of WestMountain as determined by dividing the amount subscribed by a price per share of $0.40 (the "Subscription Amount"). Company agrees to cause WestMountain to issue such shares upon completion of the Merger. The Subscriber's investment described herein is contingent upon the completion of the Merger and shall be effective immediately after the completion of the Merger. To satisfy this subscription, the Subscriber is tendering herewith cash or a wire transfer equal to the Subscription Amount.

3 . Representations and Warranties of the Company . The Company hereby represents and warrants to Subscriber as follows:

(a) Organization. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas and has all requisite corporate power and authority to own and lease its properties, to carry on its business as presently conducted and as proposed to be conducted and to carry out the transactions contemplated hereby.

(b) Authority. The Company has all requisite power and authority to enter into this Agreement and perform Company's obligations hereunder. The execution, delivery and performance by the Company of this Agreement have been duly authorized by all requisite corporate action. This Agreement has been duly executed and delivered by the Company and is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms (except as enforceability may be limited by laws of bankruptcy or insolvency and general equitable principles).

(c) No Conflicts. The execution, delivery and performance by the Company of this Agreement, and the issuance, sale and delivery of the shares of Common Stock being subscribed for, will not violate any law, statute, rule, regulation, order, judgment or decree of any court, arbitrator, administrative agency or other governmental body applicable to the Company, or conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation of any encumbrance upon any of the properties or assets of the Company pursuant to, the charter documents of the Company or any note, indenture, mortgage, lease agreement or other agreement, contract or instrument to which the Company is a party or by which it or any of its property is bound or affected.

(d) Approvals. Except for the filing of any notice subsequent to the Closing as may be required under applicable securities laws, no permit, authorization, notice, consent or approval is required in connection with the execution, delivery or performance of this Agreement by the Company.

4. Representations and Warranties of Subscriber. The Subscriber represents and warrants to the Company as follows:

(a) Subscriber is an "accredited investor" as such term is defined in Section 2(15) of the Securities Act of 1933, as amended (the "Act") and Rule 501 of Regulation D promulgated thereunder pursuant to the categories checked by the Subscriber on the signature page hereto. Subscriber is aware of the significance to the Company of the foregoing representation, and they are made with the intention that the Company will rely on them.

(b) Subscriber has had an opportunity to ask questions of and receive answers from duly designated representatives of the Company concerning the terms and conditions of the offering and has been afforded an opportunity to examine such documents and other information which Subscriber has requested for the purpose of answering any questions Subscriber may have concerning the business and affairs of the Company.

(c) Subscriber is not subscribing for the Common Stock as a result of, or subsequent to, an advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or meeting or any other public solicitation.

(d) Subscriber acknowledges and understands that the Common Stock has not been registered under the Securities Act of 1933, as amended (the "Act") or the securities laws of any state ("State Law") and must be held indefinitely unless they are subsequently registered under the Act and/or applicable State Law, or exemptions from such registration are available. Subscriber agrees that the Common Stock will not be sold without registration under applicable securities laws (including the Act and State Law) or exemptions there from. The Company is the only entity which may register its Common Stock under the Act and State Law.

(e) Subscriber acknowledges that Subscriber has such knowledge and experience in financial business matters that it is capable of evaluating the merits and risks of the prospective investment and to make an informed investment decision based upon the information provided by the Company.

(f) Subscriber further represents that Subscriber can bear the economic risk of loss of its entire investment; that the address set forth herein is its principal residence (if an individual) or place of business (if an entity); that Subscriber intends to purchase the Common Stock for Subscriber's own account and not, in whole or in part, for the account of any other person; that Subscriber is purchasing the Common Stock for investment and not with a view to public resale or distribution; and that Subscriber has not formed any entity for the purpose of purchasing the Common Stock; and that this Subscription Agreement has been duly authorized by all necessary action on the part of the Subscriber and is a legal, valid and binding obligation of the Subscriber enforceable in accordance with its terms.

(g) Subscriber is aware that the Common Stock is and will be when issued "restricted securities" as that term is defined in Rule 144 of the General Rules and Regulations under the Act.

(h) Subscriber is fully aware of the applicable limitations on the resale of the Common Stock according to law.

5. Subscription Not Revocable. The Subscriber hereby acknowledges and agrees that the Subscriber is not entitled to cancel, terminate or revoke this Subscription Agreement or any agreements of the Subscriber herein and that this Subscription Agreement shall survive the death, disability, dissolution, bankruptcy or insolvency of the Subscriber.

6. Registration. Company agrees to cause WestMountain to file a shelf registration statement registering all of the shares of Common Stock subscribed for hereby (but no other shares owned by Subscriber) as soon as reasonably practicable after completion of the Merger and to use commercially reasonable efforts to cause that registration statement to be declared effect as soon as reasonably practical. The registration statement shall register a total of 4,000,000 shares of Company Common Stock for shareholders of the Company, including the shares purchased pursuant to this Agreement. The registration statement shall not include any other shares of Common Stock owned by the Subscriber.

7. Limitations on Resale. Subscriber agrees that Subscriber will not sell any of its Common Stock, including the shares purchased hereby and any other shares it owns, until the registration statement described above is effective and once the registration statement is effective, the Subscriber may sell each trading day, a number of shares of Common Stock equal to no more than 15% of the average trading volume of the Common Stock for the five trading days prior to the sale on the OTC or such national exchange as the Common Stock may then be traded. This trading restriction applies to all shares of Common Stock owned by the Subscriber and not just those purchased hereby. Each day a new five day lookback applies. Subscriber may not carryforward any shares not sold on a particular day to a later day.

8. Shares. Company agrees to cause the shares of Common Stock of WestMountain to be issued hereunder to be duly authorized, validly issued, fully paid and nonassessable upon completion of the Merger.

9. Miscellaneous.

(a) Subscriber agrees not to transfer or assign this Subscription Agreement, or any of the Subscriber's interest herein, and further agrees that the transfer or assignment of the Common Stock acquired pursuant hereto shall be made only in accordance with all applicable laws.

(b) This Subscription Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and may be amended only by a written execution by all parties.

(c) The Subscription Agreement is being delivered and is intended to be performed in the State of Texas, and shall be construed and enforced in accordance with, and the rights of parties shall be governed by, the law of such state. Jurisdiction and venue for any action hereunder shall be in Harris county, Texas.

(d) Any controversy or claim arising out of this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitration may be entered in any court having jurisdiction thereof. The arbitration agreement set forth herein shall not limit a court from granting a temporary restraining order or preliminary injunction in order to preserve the status quo of the parties pending arbitration. Further, the arbitrator(s) shall have power to enter such orders by way of interim award, and they shall be enforceable in court. The place of such arbitration shall be in Harris County, Texas.

(e) This Subscription Agreement shall become effective upon execution and delivery hereof by all the parties hereto; delivery of this Subscription Agreement may be made by facsimile or electronic transmission such as portable document format ("PDF") or similar format to the parties.

IN WITNESS WHEREOF, the undersigned have executed this agreement as of the dates below.

SUBSCRIBER:	Address for Notice: _____ _____ _____ _____
_____ Name	
	Date: _____
	Subscription Amount: $[_____] for [_____]shares of Common Stock of WestMountain

By executing above, the Subscriber also hereby certifies that the Subscriber is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended. The specific category(s) of accredited investor applicable to the undersigned is checked below.

PLEASE CHECK ONE OF THE BOXES BELOW – REQUIRED TO OBTAIN SHARES

_____ a. Any director or executive officer of the Company;

_____ b. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds $1,000,000;

_____ c. Any natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

_____ d. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

_____ e. Any trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 506(b)(2)(ii) of Reg D; or

_____ f. an entity in which all of the equity owners are "accredited investors."

_____ g. Other (explain) _____

ACCEPTED BY C-BOND SYSTEMS, LLC

By: _____

Name: _____

Title: _____

Date: _____

Exhibit 10.9

Lock-Up Agreement

April ___, 2018

WestMountain Alternative Energy, Inc.
6035 South Loop East
Houston, TX 77033

Ladies and Gentlemen:

The undersigned hereby agrees that, without the prior written consent of WestMountain Alternative Energy, Inc. ("the **Company**"), the undersigned will not, during the period commencing on the date hereof and ending one year after the date hereof (the "**Lock-Up Period**"), (1) offer, pledge, sell, contract to sell, grant, lend, or otherwise transfer or dispose of, directly or indirectly, any of the common shares held by the undersigned as of the date of this Agreement (the "Securities") or any other shares of common stock or securities convertible into or exercisable or exchangeable for shares of common stock held by the undersigned, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, with the Securities, the "**Lock-Up Securities**"); (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-Up Securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Lock-Up Securities, in cash or otherwise;; or (3) publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement relating to any Lock-Up Securities. Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer Lock-Up Securities without the prior written consent of the Company in connection with (a) transactions relating to Lock-Up Securities acquired in open market transactions; provided that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), shall be required or shall be voluntarily made in connection with subsequent sales of Lock-Up Securities acquired in such open market transactions; (b) transfers of Lock-Up Securities as a *bona fide* gift, by will or intestacy or to a family member or trust for the benefit of a family member (for purposes of this lock-up agreement, "family member" means any relationship by blood, marriage or adoption, not more remote than first cousin); (c) transfers of Lock-Up Securities to a charity or educational institution or (d) if the undersigned is a corporation, partnership, limited liability company or other business entity, any transfers of Lock-Up Securities to any majority equity holder, officer, director, managing member or manager of the undersigned, as the case may be; provided that in the case of any transfer pursuant to the foregoing clauses (b), (c) or (d), (i) any such transfer shall not involve a disposition for value, (ii) each transferee shall sign and deliver to the Representative a lock-up agreement substantially in the form of this lock-up agreement, (iii) no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made, and (iv) the Securities are not transferred to a direct competitor of the Company. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's Lock-Up Securities except in compliance with this lock-up agreement.

The undersigned agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this lock-up agreement during the period from the date hereof to and through the expiration of the initial Lock-Up Period, the undersigned will give notice thereof to the Company and will not consummate any such transaction or take any such action unless it has received written confirmation from the Company that the Lock-Up Period has expired.

If the undersigned is an officer or director of the Company, (i) the undersigned agrees that the foregoing restrictions shall be equally applicable to any issuer-directed or "friends and family" Securities; and (ii) the undersigned agrees that, at least three (3) business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Lock-Up Securities, the undersigned will notify the Company of the impending release or waiver. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer of Lock-Up Securities not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this lock-up agreement to the extent and for the duration that such terms remain in effect at the time of such transfer.

No provision in this agreement shall be deemed to restrict or prohibit the exercise, exchange or conversion by the undersigned of any securities exercisable or exchangeable for or convertible into Securities, as applicable; provided that the undersigned does not transfer the Securities acquired on such exercise, exchange or conversion during the Lock-Up Period, unless otherwise permitted pursuant to the terms of this lock-up agreement. In addition, no provision herein shall be deemed to restrict or prohibit the entry into or modification of a so-called "10b5-1" plan at any time (other than the entry into or modification of such a plan in such a manner as to cause the sale of any Lock-Up Securities within the Lock-Up Period).

The undersigned understands that this lock-up agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Very truly yours,

(Name - Please Print)

(Signature)

(Name of Signatory, in the case of entities - Please Print)

(Title of Signatory, in the case of entities - Please Print)

Address:

Exhibit 16.1

EKS&H

8181 East Tufts Avenue, Suite 600
Denver, Colorado 80237-2579
P: 303-740-9400
F: 303-740-9009
www.EKSH.com

EKS&H LLLP

Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
Re: Westmountain Alternative Energy
Ladies and Gentlemen:

We have read Item 4.01 of Form 8-K dated May 1, 2018 of Westmountain Alternative Energy and are in agreement with all statements made pertaining to EKS&H LLLP. We have no basis to agree or disagree with other statements of the registrant contained therein.

/s/ EKS&H LLLP

EKS&H LLLP
May 1, 2018
Denver, Colorado

Exhibit 99.1

C-BOND SYSTEMS, LLC AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

C-BOND SYSTEMS, LLC AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017 and 2016

CONTENTS

SALBERG & COMPANY, P.A.
Certified Public Accountants and Consultants

Report of Independent Registered Public Accounting Firm

To the Members of:
C-Bond Systems, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of C-Bond Systems, LLC and Subsidiaries (the "Company") as of December 31, 2017 and 2016, the related consolidated statements of operations, changes in members' equity (deficit), and cash flows, for each of the two years in the period ended December 31, 2017, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2017 and 2016, and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has a net loss and cash used in operations of $8,299,692 and $1,084,508, respectively, in 2017 and a working capital deficit, stockholders' deficit and accumulated deficit of $688,226, $681,043 and $22,854,556, respectively, at December 31, 2017. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's Plan in regards to these matters is also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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Member CPAConnect with Affiliated Offices Worldwide • Member Center for Public Company Audit Firms

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/S/ Salberg & Company, P.A.

SALBERG & COMPANY, P.A.
We have served as the Company's auditor since 2017.
Boca Raton, Florida
April 27, 2018

C-BOND SYSTEMS, LLC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash	$ 46,448	$ 596,910
Accounts receivable, net	35,225	14,362
Inventory	10,493	10,951
Prepaid expenses and other current assets	771	-
Total Current Assets	92,937	622,223
OTHER ASSETS:		
Property, plant and equipment, net	91,123	125,964
Security deposit	8,977	8,977
Total Other Assets	100,100	134,941
TOTAL ASSETS	$ 193,037	$ 757,164
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable	$ 164,906	$ 65,364
Accrued expenses	104,402	25,249
Accrued compensation	511,855	268,154
Total Current Liabilities	781,163	358,767
LONG-TERM LIABILITIES:		
Convertible note payable, net of discount	92,917	-
Total Long-term Liabilities	92,917	-
Total Liabilities	874,080	358,767
Commitments and Contingencies (See Note 8)		
MEMBERS' EQUITY (DEFICIT):		
Members' equity	22,173,513	14,953,261
Accumulated deficit	(22,854,556)	(14,554,864)
Total Members' Equity (Deficit)	(681,043)	398,397
Total Liabilities and Members' Equity (Deficit)	$ 193,037	$ 757,164

See accompanying notes to consolidated financial statements.

C-BOND SYSTEMS, LLC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31,	
	2017	**2016**
SALES	$ 405,417	$ 723,612
COST OF SALES (excluding depreciation expense)	70,048	246,232
GROSS PROFIT	335,369	477,380
OPERATING EXPENSES:		
Compensation and related benefits (including stock-based compensation of $6,772,752 and $4,365,964 in 2017 and 2016, respectively)	7,852,965	5,426,568
Research and development	214,112	220,517
Professional fees	131,022	132,779
General and administrative expenses	428,953	569,784
Total Operating Expenses	8,627,052	6,349,648
LOSS FROM OPERATIONS	(8,291,683)	(5,872,268)
OTHER EXPENSES:		
Interest expenses	(8,009)	-
Total Other Expenses	(8,009)	-
NET LOSS	$ (8,299,692)	$ (5,872,268)
NET LOSS PER COMMON UNIT:		
Basic	$ (0.59)	$ (0.43)
Diluted	$ (0.59)	$ (0.43)
WEIGHTED AVERAGE COMMON UNITS OUTSTANDING:		
Basic	14,003,856	13,805,365
Diluted	14,003,856	13,805,365

See accompanying notes to consolidated financial statements.

C-BOND SYSTEMS, LLC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Members' Equity (Deficit)		Subscription Receivable	Accumulated Deficit	Total Members' Equity (Deficit)
	# of Units	Amount			
Balance, December 31, 2015	13,115,000	$ 9,537,297	$ (950,000)	$ (8,682,596)	$ (95,299)
Member units issued for cash	363,636	1,000,000	-	-	1,000,000
Accretion of stock option expense	-	4,310,964	-	-	4,310,964
Stock option exercise compensation	-	55,000	-	-	55,000
Exercise of stock options	500,000	50,000	-	-	50,000
Cash received for subscription receivable	-	-	950,000	-	950,000
Net loss	-	-	-	(5,872,268)	(5,872,268)
Balance, December 31, 2016	13,978,636	$ 14,953,261	-	(14,554,864)	398,397
Member units issued for cash	159,090	437,500	-	-	437,500
Beneficial conversion feature on convertible note payable	-	10,000	-	-	10,000
Stock option exercise compensation	-	60,000	-	-	60,000
Accretion of stock option expense	-	6,712,752	-	-	6,712,752
Net loss	-	-	-	(8,299,692)	(8,299,692)
Balance, December 31, 2017	14,137,726	$ 22,173,513	$ -	$ (22,854,556)	$ (681,043)

See accompanying notes to consolidated financial statements.

C-BOND SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2017	**2016**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (8,299,692)	$ (5,872,268)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	38,295	34,545
Bad debt expense	16,894	71,582
Amortization of debt discount to interest expense	2,917	-
Stock-based compensation	6,772,752	4,365,964
Change in operating assets and liabilities:		
Accounts receivable	(37,757)	(49,851)
Inventory	458	25,252
Prepaid expenses and other assets	(771)	4,000
Accounts payable	99,542	(94,119)
Accrued expenses	79,153	(9,679)
Accrued compensation	243,701	(109,057)
NET CASH USED IN OPERATING ACTIVITIES	(1,084,508)	(1,633,631)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(3,454)	(31,327)
NET CASH USED IN INVESTING ACTIVITIES	(3,454)	(31,327)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of member units	437,500	1,000,000
Proceeds from exercise of stock options	-	50,000
Proceeds from convertible notes payable	150,000	-
Repayment of convertible note payable	(50,000)	-
Proceeds from subscription receivable	-	950,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	537,500	2,000,000
NET (DECREASE) INCREASE IN CASH	(550,462)	335,042
CASH, beginning of year	596,910	261,868
CASH, end of year	$ 46,448	$ 596,910
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for:		
Interest	$ 675	$ -
Income taxes	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Beneficial conversion feature reflected in debt discount	$ 10,000	$ -

See accompanying notes to consolidated financial statements.

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Organization

C-Bond Systems, LLC (the "Company") is a limited liability company incorporated in Texas on August 7, 2013 and is a nanotechnology company and sole owner, developer and manufacturer of the patented C-Bond technology. The Company is engaged in the implementation of proprietary and nanotechnology applications and processes to enhance properties of strength, functionality and sustainability within brittle material systems. The Company presently has a focus in the multi-billion dollar glass and window film industry with target markets in the United States and internationally.

On April 25, 2018, the Company entered into an Agreement and Plan of Merger and Reorganization, or the Merger Agreement with WestMountain Alternative Energy, Inc. ("WestMountain"), an inactive publicly held company, and its subsidiary, WETM Acquisition Corp. ("Acquisition Sub"). Pursuant to the terms of the Merger Agreement, on April 25, 2018, or the Closing Date, the Acquisition Sub merged with and into the Company, which was the surviving corporation. Accordingly, the Company became a wholly-owned subsidiary of WestMountain (See Note 10).

Basis of presentation and principles of consolidation

The Company's consolidated financial statements include the financial statements of its wholly-owned subsidiaries, C-Bond R&D Solutions, LLC, C-Bond Industrial Solutions, LLC, and C-Bond Security Solutions, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

Going concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying consolidated financial statements, the Company had a net loss of $8,299,692 and $5,872,268 for the years ended December 31, 2017 and 2016, respectively. The net cash used in operations were $1,084,508 and $1,633,631 for the years ended December 31, 2017 and 2016, respectively. Additionally, the Company had an accumulated deficit, a members' deficit and a working capital deficit of $22,854,556, $681,043 and $688,226, respectively, at December 31, 2017. These factors raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the issuance date of this report. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. The Company is seeking to raise capital through additional debt and/or equity financings to fund its operations in the future. Although the Company has historically raised capital from sales of member units and from the issuance of convertible promissory notes, there is no assurance that it will be able to continue to do so. If the Company is unable to raise additional capital or secure additional lending in the near future, management expects that the Company will need to curtail its operations. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates for the years ended December 31, 2017 and 2016 include estimates for allowance for doubtful accounts on accounts receivable, the estimates for obsolete inventory, the useful life of property and equipment, assumptions used in assessing impairment of long-term assets, the fair value of a beneficial conversion feature, and the fair value of non-cash equity transactions.

Fair value of financial instruments and fair value measurements

The Company analyzes all financial instruments with features of both liabilities and equity under the Financial Accounting Standard Board's (the "FASB") accounting standard for such instruments. Under this standard, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company did not identify any assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with Accounting Standards Codification ("ASC") Topic 820.
ASC 825-10 "Financial Instruments", allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (fair value option). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable, unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. The Company did not elect to apply the fair value option to any outstanding instruments.

The carrying amounts reported in the consolidated balance sheets for cash, accounts receivable, accounts payable, accrued expenses, and accrued compensation approximate their fair market value based on the short-term maturity of these instruments.

Cash and cash equivalents

For purposes of the consolidated statements of cash flows, the Company considers all highly liquid instruments with a maturity of three months or less at the purchase date and money market accounts to be cash equivalents.

Accounts receivable

The Company recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The expense associated with the allowance for doubtful accounts is recognized as general and administrative expense.

Inventory

Inventory, consisting of raw materials and finished goods, are stated at the lower of cost and net realizable value utilizing the first-in, first-out (FIFO) method. A reserve is established when management determines that certain inventories may not be saleable. If inventory costs exceed expected net realizable value due to obsolescence or quantities in excess of expected demand, the Company will record reserves for the difference between the cost and the net realizable value. These reserves are recorded based on estimates and included in cost of sales.

Property and equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives, which range from three to ten years. Leasehold improvements are depreciated over the shorter of the useful life or lease term including scheduled renewal terms. Maintenance and repairs are charged to expense as incurred. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income in the year of disposition. The Company examines the possibility of decreases in the value of these assets when events or changes in circumstances reflect the fact that their recorded value may not be recoverable.

Impairment of long-lived assets

In accordance with ASC Topic 360, the Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable, or at least annually. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value.

Revenue recognition

The Company sells its products primarily to distributors and authorized dealers. Pursuant to the guidance of ASC Topic 605, the Company recognizes sales when persuasive evidence of an arrangement exists, delivery has occurred or services have been provided, the purchase price is fixed or determinable and collectability is reasonably assured. Product sales are recognized when the product is shipped to the customer and title is transferred and are recorded net of any discounts or allowances.

Cost of sales

Cost of sales includes inventory costs, packaging costs and warranty expenses.

Shipping and handling costs

Shipping and handling costs incurred for product shipped to customers are included in general and administrative expenses and amounted to $29,262 and $18,242 for the years ended December 31, 2017 and 2016, respectively. Shipping and handling costs charged to customers are included in sales.

Warranty liability

The Company provides limited warranties on its products for product defects for periods ranging from 36 months to the life of the product. Warranty costs may include the cost of product replacement, refunds, labor costs and other costs. Allowances for estimated warranty costs are recorded during the period of sale. The determination of such allowances requires the Company to make estimates of product warranty claim rates and expected costs to repair or to replace the products under warranty. The Company currently establishes warranty reserves based on historical warranty costs for each product line combined with liability estimates based on the prior 12 months' sales activities. If actual return rates and/or repair and replacement costs differ significantly from the Company's estimates, adjustments to recognize additional cost of sales may be required in future periods. Historically the warranty accrual and the expense amounts have been immaterial. The warranty liability is included in accrued expenses on the accompanying consolidated balance sheets and amounted $21,935 and $14,251 at December 31, 2017 and 2016, respectively. For the years ended December 31, 2017 and 2016, warranty expense amounted to $7,784 and $32,601, respectively, and is included in cost of sales on the accompanying consolidated statements of operations.

Research and development

Research and development costs incurred in the development of the Company's products are expensed as incurred and includes costs such as labor, materials, and other allocated costs incurred. For the years ended December 31, 2017 and 2016, research and development costs incurred in the development of the Company's products were $214,112 and $220,517, respectively, and are included in operating expenses on the accompanying consolidated statements of operations.

Advertising costs

The Company participates in various advertising programs. All costs related to advertising of the Company's products are expensed in the period incurred. For the years ended December 31, 2017 and 2016, advertising costs charged to operations were $41,555 and $120,412, respectively and are included in sales and marketing on the accompanying consolidated statements of operations. These advertising expenses do not include cooperative advertising and sales incentives which have been deducted from sales.

Federal and state income taxes

The Company and its subsidiaries operate as a limited liability company and passed all income and loss to each member based on their proportionate interest in the Company.

The Company follows the accounting guidance for uncertainty in income taxes using the provisions of Accounting Standards Codification (ASC) 740 *"Income Taxes*". Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. As of December 31, 2017 and 2016, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years that remain subject to examination are the years ending on and after December 31, 2013. The Company recognizes interest and penalties related to uncertain income tax positions in other expense. However, no such interest and penalties were recorded as of December 31, 2017 and 2016.

Stock-based compensation

Stock-based compensation is accounted for based on the requirements of ASC 718 – *"Compensation –Stock Compensation*", which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award. The Company utilizes the Black-Sholes option pricing model and uses the simplified method to determine expected term because of lack of sufficient exercise history. Additionally, effective January 1, 2017, the Company adopted the Accounting Standards Update No. 2016-09 ("ASU 2016-09*"), Improvements to Employee Share-Based Payment Accounting*. ASU 2016-09 permits the election of an accounting policy for forfeitures of share-based payment awards, either to recognize forfeitures as they occur or estimate forfeitures over the vesting period of the award. The Company has elected to recognize forfeitures as they occur and the cumulative impact of this change did not have any effect on the Company's consolidated financial statements and related disclosures.

Pursuant to ASC 505-50 – *"Equity-Based Payments to Non-Employees"*, all share-based payments to non-employees, including grants of stock options, are recognized in the consolidated financial statements as compensation expense over the service period of the consulting arrangement or until performance conditions are expected to be met. Using a Black-Scholes valuation model, the Company periodically reassessed the fair value of non-employee options until service conditions are met, which generally aligns with the vesting period of the options, and the Company adjusted the expense recognized in the consolidated financial statements accordingly.

Upon exercise of the stock options by the holder using the exercise methods delineated in the option contract, the Company issues new units from its unissued authorized units.

Loss per member unit

ASC 260 "Earnings Per Share", requires dual presentation of basic and diluted earnings per member unit ("EPS") with a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. Basic EPS excludes dilution. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue member units were exercised or converted into member units or resulted in the issuance of member units that then shared in the earnings of the entity. Basic net loss per member unit is computed by dividing net loss available to members by the weighted average number of member units outstanding during the period. Diluted net loss per member unit is computed by dividing net loss by the weighted average number of member units, member unit equivalents and potentially dilutive securities outstanding during each period. Potentially dilutive member units consist of member unit options (using the treasury stock method) and units issuable upon conversion of convertible notes payable (using the as-if converted method). These member unit equivalents may be dilutive in the future. All potentially dilutive member units were excluded from the computation of diluted units outstanding as they would have an anti-dilutive impact on the Company's net losses and consisted of the following:

	December 31, 2017	December 31, 2016
Convertible note	40,000	-
Member unit options	14,894,213	10,564,213

Segment reporting

During the years ended December 31, 2017 and 2016, the Company operated in one business segment.

Recent accounting pronouncements

In August 2016, the FASB issued ASU 2016-15 which addresses eight cash flow classification issues, eliminating the diversity in practice. This ASU is effective for annual and interim reporting periods beginning after December 15, 2017, with early adoption permitted. The retrospective transition method, requiring adjustment to all comparative periods presented, is required unless it is impracticable for some of the amendments, in which case those amendments would be prospectively applied as of the earliest date practicable. The adoption of ASU 2016-15 is not expected to have any impact on the Company's consolidated financial statements.

In May 2014, FASB issued an update ("ASU 2014-09") establishing Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). ASU 2014-09, as amended by subsequent ASUs on the topic, establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This standard, which is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2017, requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures. The Company will adopt this standard in 2018 using the modified retrospective approach, which requires applying the new standard to all existing contracts not yet completed as of the effective date and recording a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. Based on an evaluation of the impact ASU 2014-09 will have on the Company's sources of revenue, the Company has concluded that ASU 2014-09 will not have a material impact on the process for, timing of, and presentation and disclosure of revenue recognition from contracts with customers.

There are no other recently issued accounting standards that apply to us or that are expected to have a material impact on our results of operations, financial condition, or cash flows.

NOTE 3 – ACCOUNTS RECEIVABLE

At December 31, 2017 and 2016, accounts receivable consisted of the following:

	December 31, 2017	December 31, 2016
Accounts receivable	$ 38,279	$ 14,362
Less: allowance for doubtful accounts	(3,054)	-
Accounts receivable, net	$ 35,225	$ 14,362

For the years ended December 31, 2017 and 2016, bad debt expense amounted to $16,894 and $71,582, respectively.

NOTE 4 – INVENTORY

At December 31, 2017 and 2016, inventory consisted of the following:

	December 31, 2017	December 31, 2016
Raw materials	$ 7,269	$ 186
Finished goods	3,224	10,765
Inventory	$ 10,493	$ 10,951

NOTE 5 - PROPERTY AND EQUIPMENT

At December 31, 2017 and 2016, property and equipment consisted of the following:

	Useful Life	2017	2016
Machinery and equipment	5 - 7 years	$ 52,538	$ 49,084
Furniture and office equipment	3 - 7 years	45,063	45,063
Vehicles	5 years	68,341	68,341
Leasehold improvements	3 years	16,701	16,701
		182,643	179,189
Less: accumulated depreciation		(91,520)	(53,225)
Property and equipment, net		$ 91,123	$ 125,964

For the years ended December 31, 2017 and 2016, depreciation and amortization expense is included in general and administrative expenses and amounted to $38,295 and $34,545, respectively.

NOTE 6 – CONVERTIBLE NOTES PAYABLE

On June 1, 2017, the Company received $100,000 from a third party pursuant to the terms of a convertible promissory note (the "Convertible Note"). The Convertible Note accrued interest at 7% per annum and all principal and interest is payable on the maturity date of June 1, 2019. The Holder may, at any time, upon written notice, convert all amounts then outstanding under this Convertible Note into a number of common units of the Company equal to the amount then owed under this Note divided by $2.50. Upon the maturity date, the principal and accrued interest under this note will automatically be converted into the number of common units of the Company equal to the amount then owed under this Convertible Note divided by $2.50. The Company may prepay this Convertible Note at any time upon thirty days' prior written notice to the Holder and shall prepay this Convertible Note in full upon the thirty days' prior written notice of a change of control event. The Company evaluated the conversion feature of the Convertible Note and determined the Company's common stock fair value exceeded the conversion price as stated in the Convertible Note. Management determined that the favorable exercise price represented a beneficial conversion feature. Using the intrinsic value method at the convertible promissory note date, a total discount of $10,000 was recognized and is being amortized to interest expense over the term of the Convertible Note. For the years ended December 31, 2017 and 2016, amortization of debt discount charged to interest expense amounted to $2,917 and $0, respectively. As of December 31, 2017 and 2016, the principal balance due under this Convertible Note is $100,000 and $0, respectively. In March 2018, the principal balance all accrued interest was converted into common units (See Note 10).

On August 7, 2017, the Company received $50,000 from a third party pursuant to the terms of a convertible promissory note (the "Note"). The Note accrued interest at 7% per annum and all principal and interest was payable on demand. The Holder may, at any time, upon written notice, convert all amounts then outstanding under this Convertible Note into a number of common units of the Company equal to the amount then owed under this Note divided by $2.75. In November 2017, the Company repaid this Note and all interest due. The Company evaluated the conversion feature of the Note and determined the Company's common stock was equal to the conversion price as stated in the Note. Accordingly, management determined that no beneficial conversion feature existed.

For the years ended December 31, 2017 and 2016, interest expense related to the Convertible Note and Note amounted to $5,092 and $0, respectively.

At December 31, 2017 and 2016, the Convertible Note consisted of the following:

	December 31, 2017	December 31, 2016
Principal amount	$ 100,000	$ -
Less: unamortized debt discount	(7,083)	-
Convertible note payable, net	$ 92,917	$ -

The weighted average interest rate during the year ended December 31, 2017 was 7.0%.

NOTE 7 - MEMBERS' EQUITY (DEFICIT)

Issuance of member units for cash

During 2016, the Company issued 363,636 member units for cash proceeds of $1,000,000, or $2.75 per member unit.

During 2016, the Company received proceeds of $950,000 from the collection of subscription receivables from the sale of member units in 2015.

During 2017, the Company issued 159,090 member units for cash proceeds of $437,500, or $2.75 per member unit.

Member units issued for exercise of member unit option

In June 2016, the Company issued 500,000 member units upon the exercise of 500,000 member unit options at $0.10 per unit. In connection with this option exercise, the Company received proceeds of $50,000.

Anti-dilution rights on member unit sales

In 2013, pursuant to a subscription agreement, the Company issued 750,000 member units. To the extent that during the Term the Company issues any "down-round" or subsequent investments based upon an enterprise value of less than $2,000,000 ("Dilutive Transaction") (other than an issuance pursuant to an option agreement with an employee or otherwise to compensate an employee, or incident to an acquisition of assets by the Company in which member units are issued to the seller of such assets) contemporaneously with the Dilutive Transaction, the Company will issue the Investor additional member units in the Company in an amount which provides them with the ownership percentage interest which they would have held in the Company represented by the Units purchased by them on this date.

In 2015, pursuant to a subscription agreement, the Company issued 1,200,000 member units to an entity at $2.50 per member unit. This subscriber shall be entitled to anti-dilution protection to the extent that the Company issues any equity in a "down-round" based upon a value of less than $2.50 per Common Unit (other than an issuance pursuant to an option agreement with an employee or consultant or otherwise to compensate an employee or consultant, or incident to an acquisition of assets by the Company in which common units are issued to the seller of such assets ("Dilutive Transaction"). Contemporaneously with the Dilutive Transaction the Company will issue the Subscriber additional member units in the Company in an amount which provides the investor with the ownership percentage interest in the Company on a fully diluted basis which Subscriber held immediately prior to the Dilutive Transaction.

In 2016, pursuant to a subscription agreement, the Company issued 363,636 member units to an entity at $2.75 per member unit. This investor shall be entitled to customary broad-based weighted average anti-dilution protection to the extent that after the date of this subscription agreement the Company issues any equity in a "down round" based upon a value of less than $2.75 per member unit, including the issuance of options with an exercise price per unit of less than $2.75 to compensate employees or consultants ("Dilutive Transaction"), subject to exclusions for issuances of member units or options in connection with strategic partnerships, equity kickers to lenders or vendors, mergers or acquisitions. The Company shall give to this investor written notice (an " Issuance Notice") of any proposed issuance by the Company of any Company member units, or other form of equity interest (excluding issuances of Company options or other equity to compensate employees or consultants and the issuance of units in connection with strategic partnerships, equity kickers to lenders or vendors, mergers or acquisitions) at least ten business days prior to the proposed issuance date. This investor shall be entitled to purchase their pro rata portion of such units or other equity interest ("Preemptive Rights"), at the price and on the other terms and conditions specified in the issuance notice.

Member unit exercise compensation

As compensation for services commencing on February 1, 2016 and continuing through February 14, 2019, on December 27, 2016, the Company granted a stock option exercise right to an employee of the Company, whereby the employee will received a credit of $5,000 per month towards the cash required to exercise his 750,000 options at $1.00 per unit. Accordingly, the employee can exercise options on a cashless basis up to the amount he has been credited. As of December 31, 2017 and 2016, the employee was credited $115,000 and $55,000 towards the options exercise, respectively. No cash disbursement will be required by the Company under this provision. The Company recognized compensation expense of $60,000 and $55,000 in 2017 and 2016, respectively, with a corresponding increase to members' equity.

Member unit options

During the year ended December 31, 2016, the Company granted options to purchase 2,789,334 member units to several employees at exercise prices ranging from $1.00 to $2.75 per member unit with vesting terms ranging from immediately vesting to 3 years. The options were valued at the grant date using a Black-Scholes option pricing model with the following assumptions; risk-free interest rate of 1.46%, expected dividend yield of 0%, expected option term of 5.75 years for the units that vested immediately and 5.75 to 6.0 years for those with vesting terms using the simplified method and an expected volatility of 79% based on comparable volatility. The aggregate grant date fair value of these awards amounted to $5,150,361. The Company recognizes compensation cost for unvested stock-based option awards on a straight-line basis over the requisite service period.

During the year ended December 31, 2017, the Company granted options to purchase 4,000,000 member units to two employees at exercise prices ranging from $0.10 to $1.00 per member unit with vesting terms ranging from immediately vesting to 3 years. The options were valued at the grant date using a Black-Scholes option pricing model with the following assumptions; risk-free interest rate of 2.15%, expected dividend yield of 0%, expected option terms ranging from 5.75 to 6.50 years using the simplified method and an expected volatility of 79% based on comparable volatility. The aggregate grant date fair value of these awards amounted to $9,583,020. The Company recognizes compensation cost for unvested stock-based option awards on a straight-line basis over the requisite service period.
During the year ended December 31, 2017, the Company granted options to purchase 330,000 member units to certain non-employees at an exercise price of $2.75 per member unit with vesting terms ranging from immediately vesting to 5 years to these consultants. The options were valued at the grant date and remeasurement date using a Black-Scholes option pricing model with the following assumptions; risk-free interest rate of 2.20%, expected dividend yield of 0%, expected option term of 4.65 to 5.25 years using the simplified method and expected volatility of 79%% based on comparable volatility. The value of the options granted to non-employees which vested over time are remeasured at each reporting date until vesting occurs. The aggregate grant date fair value of these awards, as adjusted to apply variable measurement date accounting for non-employee awards, amounted to $591,452 as of December 31, 2017. The Company recognizes compensation cost for unvested stock-based incentive awards on a straight-line basis over the requisite service period.

On December 18, 2017, the Company modified certain outstanding member unit options that were previously granted in 2016 and 2015. The exercise price of the modified options was adjusted to $1.00. As a result, the Company modified the exercise price of 2,005,998 member unit options that were granted in 2016 and 2015. This modification resulted in incremental stock compensation of $825,207 of which $532,248 was expensed in December 2017 for options that were vested at the modification date and as of December 31, 2017. Additionally, incremental stock compensation expense related to options that were not yet vested at the modification date will be recognized over the remaining vesting period.

For the years ended December 31, 2017 and 2016, the Company recorded $6,712,752 and $4,310,964 of compensation and consulting expense related to member unit options, respectively. Total unrecognized compensation and consulting expense related to unvested member unit options at December 31, 2017 amounted to $7,298,141. The weighted average period over which unit-based compensation expense related to these options will be recognized is approximately two years.

Member unit option activities for the years ended December 31, 2017 and 2016 are summarized as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance Outstanding December 31, 2015	8,274,879	$ 0.93	8.11	$ 12,951,384
Granted	2,789,334	2.41		
Exercised	(500,000)	(0.10)		
Balance Outstanding December 31, 2016	10,564,213	1.36	7.73	$ 14,637,188
Granted	4,330,000	0.93		
Balance Outstanding December 31, 2017	14,894,213	$ 1.02	7.63	$ 25,722,685
Exercisable, December 31, 2017	10,877,251	$ 0.97	7.02	$ 19,329,789

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Leases

The Company leases its facilities under non-cancelable operating leases through November 2018. Rent expense for operating leases was $73,986 and $65,962 for the years ended December 31, 2017 and 2016, respectively. Future minimum lease payments under non-cancelable operating leases at December 31, 2017 are as follows:

Years ending December 31,	Amount
2018	$ 45,195
Total minimum non-cancelable operating lease payments	$ 45,195

Legal matters

The Company received demands from a vendor for non-payment of research and development fees in the amount of $268,695. The Company believes that it is not liable for this amount and will vigorously dispute such claim. As of December 31, 2017, the Company recorded additional research and development expenses and accrued expenses of $75,000 in connection with this claim. In April 2018, the Company entered into a settlement agreement with this vendor (See Note 10).
From time to time, the Company may be involved in litigation related to claims arising out of its operations in the normal course of business. As of December 31, 2017, other than discussed above, the Company is not involved in any pending or threatened legal proceedings that it believes could reasonably be expected to have a material adverse effect on its financial condition, results of operations, or cash flows.

Employment agreements

On August 10, 2013 the Company entered into an employment agreement with the Company's former chief executive officer. Pursuant to this employment agreement, he is to receive cash salary and a 5% commission on equity capital raised for the Company. He also obtained an option to elect to convert all or any part of his future unpaid compensation and benefits into units of the Company. The conversion price per unit (the "Exercise Price") shall be equal to $0.10 per unit. The Company determined that the commitment date of the option is August 10, 2013, the date of the employment agreement but no expense shall not be recognized until the contingency of exercise and determination of quantity of options is resolved. Accordingly, this option was valued on the commitment date using a Black-Scholes option pricing model with the following assumptions; risk-free interest rate of 1.46%, expected dividend yield of 0%, expected option term of 5.75 years, and an expected volatility of 79% based on comparable volatility. The commitment date per unit fair value amounted to $0.069 per Unit. On January 2, 2018, the former chief executive officer converted his unpaid compensation into 3,925,770 member units (see Note 10).

On October 18, 2017, the Company entered into an employment agreement with Mr. Scott Silverman, pursuant to which he serves as the Chief Executive Officer of the Company for an initial term of three years that extends for successive one-year renewal terms unless either party gives 30-days' advance notice of non-renewal. As consideration for these services, the employment agreement provides Mr. Silverman with the following compensation and benefits:

- An annual base salary of $300,000, with a 10% increase on each anniversary date contingent upon achieving certain performance objectives as set by the Board. Until the Company raises $1,000,000 in debt or equity financing after entering into this agreement, Mr. Silverman will receive ½ of the base salary on a monthly basis with the other ½ being deferred. Upon the financing being raised, Mr. Silverman will receive the deferred portion of his compensation and his base salary will be paid in full moving forward.
- When the first $500,000 of equity investments is raised by the Company, after entering into this employment agreement, Mr. Silverman will receive a capital raise success bonus of 5% of all equity capital raised from investors/lenders introduced by him to the Company.
- Annual cash performance bonus opportunity as determined by the Board.
- An option to acquire 3,000,000 common units of the Company, with a strike price of $1.00 per unit. These options will vest pro rata on a monthly basis for the term of the employment agreement. On each anniversary, Mr. Silverman will be eligible to be granted a minimum of 500,000 stock options of the Company at a strike price of $2.75 per common unit contingent upon the achievement of certain performance objectives.
- Certain other employee benefits and perquisites, including reimbursement of necessary and reasonable travel and participation in retirement and welfare benefits.

Mr. Silverman's employment agreement provides that, in the event that his employment is terminated by the Company without "cause" (as defined in his new employment agreement), or if Mr. Silverman resigned for "good reasons" (as defined in his new employment agreement), subject to a complete release of claims, he will be entitled to (i) retain all stock options previously granted; and (ii) receive any benefits then owed or accrued along with one year of base salary and any unreimbursed expenses incurred by him. All amounts shall be paid on the termination date. In the event that Mr. Silverman's employment is terminated by the Company for "cause" (as defined in his employment agreement), or if Mr. Silverman resigned without "good reasons" (as defined in his new employment agreement), subject to a complete release of claims, he will be entitled to receive any unpaid base salary and benefits then owed or accrued and any unreimbursed expenses incurred by him. Additionally, if a change of control (as defined in his employment agreement) occurs during the term of this agreement, all unvested stock options will vest in full and if the valuation of the Company in the change of control transaction is greater than $2.75 per common unit, then Mr. Silverman shall be paid a bonus equal to two times his minimum base salary and minimum target bonus. Pursuant to the employment agreement, Mr. Silverman will be subject to a confidentiality covenant, a two-year post-termination non-competition covenant and a two-year post-termination non-solicitation covenant.

On October 12, 2015, the Company entered into an employment agreement with Mr. Vincent Pugliese, which was amended on February 11, 2016 and December 20, 2016. Pursuant to this amended employment agreement, he serves as the Chief Operating Officer of the Company for an initial term until December 20, 2018. He will also assume the title of President and interim Chief Financial Officer. Either party may terminate the employment by giving 30-days' advance notice of termination. As consideration for these services, the employment agreement provides Mr. Pugliese with the following compensation and benefits:

- An annual base salary of $180,000.
- Annual cash performance bonus opportunity as determined by the Board.
- Certain other employee benefits and perquisites, including reimbursement of necessary and reasonable travel.

In the event of a change of control (as defined in his employment agreement), and within one year thereafter termination of employment for good "cause" (as defined in his employment agreement), by the Company or for "good reason" (as defined in his employment agreement) by Mr. Pugliese, Mr. Pugliese will be entitled to receive, subject to a complete release of all claims, a lump sum payment equal to his current annual base salary within 30 days after termination date. Further, in the event Mr. Pugliese's employment is terminated by the Company for a reason other than for cause then the Company shall continue to pay his regular base salary for one year following the termination date. Pursuant to the employment agreement, Mr. Pugliese will be subject to a confidentiality covenant, a two-year post-termination non-competition covenant and a two-year post-termination non-solicitation covenant.

Licensing agreement

Pursuant to an agreement dated April 8, 2016, between the Company and Rice University, Rice University has granted a non-exclusive license to the Company, in nanotube-based surface treatment for strengthening glass and related materials under Rice's intellectual property rights, to use, make, distribute, offer and sell the licensed products specified in the agreement. In consideration for which, the Company had to pay a one-time non-refundable license fee of $10,000 and royalty payments of 5% of net sales of the licensed products during the term of the agreement and a sell-off period of 180 days from termination, In addition, the Company is required to pay for the maintenance of the patents, This agreement will continue until the expiration of the last to expire of the licensed property rights, unless terminated earlier in accordance with the terms of the agreement. There have been no royalty payments paid or due through December 31, 2017.

NOTE 9 – CONCENTRATIONS

Concentrations of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of trade accounts receivable and cash deposits.

The Company places its cash in banks at levels that, at times, may exceed federally insured limits. There were no balances in excess of FDIC insured levels as of December 31, 2017. As of December 31, 2016, the Company had approximately $246,854 in excess of FDIC insured levels. The Company has not experienced any losses in such accounts through December 31, 2017.

Geographic concentrations of sales

For the years ended December 31, 2017 and 2016, all sales were in the United States. No other geographical area accounting for more than 10% of total sales during the years ended December 31, 2017 and 2016.

Customer concentrations

For the year ended December 31, 2017, one customer accounted for approximately 15% of total sales. For the year ended December 31, 2016, three customers accounted for approximately 72% of total sales (42%, 19%, and 11%, respectively). A reduction in sales from or loss of such customers would have a material adverse effect on the Company's consolidated results of operations and financial condition.

Vendor concentrations

For the years ended December 31, 2017 and 2016, the Company purchased substantially all of its inventory from two suppliers. The loss of these suppliers may have a material adverse effect on the Company's consolidated results of operations and financial condition. However, the Company believes that, if necessary, alternate vendors could supply similar products in adequate quantities to avoid material disruptions to operations.

NOTE 10 - SUBSEQUENT EVENTS

Merger agreement

On April 25, 2018, the Company entered into an Agreement and Plan of Merger and Reorganization, or the Merger Agreement with WestMountain Alternative Energy, Inc. ("WestMountain") and its subsidiary, WETM Acquisition Corp. ("Acquisition Sub"). Pursuant to the terms of the Merger Agreement, on April 25, 2018, or the Closing Date, the Acquisition Sub merged with and into the Company, which was the surviving corporation. Accordingly, the Company became a wholly-owned subsidiary of WestMountain.
Pursuant to the Merger, WestMountain acquired the business of the Company. At the time a certificate of merger reflecting the Merger was filed with the Secretary of State of Texas, or the Effective Time, all of the outstanding common units of the Company ("Common Units") that were issued and outstanding immediately prior to the closing of the Merger were converted into an aggregate of 63,505,785 shares of WestMountain's common stock representing approximately 87% of post-merger common stock outstanding. As a result, each common unit of the Company was converted into approximately 3.233733 shares of WestMountain's common stock (the "Conversion Ratio").

In addition, pursuant to the Merger Agreement, each option to purchase Common Units of the Company, issued and outstanding immediately prior to the closing of the Merger aggregating 14,494,213 options was assumed and converted into an option to purchase an equivalent number of shares of WestMountain's common stock and the exercise price of each such option was divided by the Conversion Ratio. The issuance of shares of WestMountain's common stock, or options to purchase WestMountain's common stock, to holders of the Company's Common Units and options, are collectively referred to as the Unit Conversion.

The Merger Agreement contained customary representations and warranties and pre- and post-closing covenants of each party and customary closing conditions.

The Merger was treated as a reverse merger and recapitalization of the Company for financial reporting purposes. The Company is considered the acquirer for accounting purposes, and WestMountain's historical financial statements before the Merger will be replaced with the historical financial statements of the Company before the Merger in future filings with the SEC. The Merger is intended to be treated as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended.

Member unit option exercise

From January 2018 to April 2018, the Company issued 400,000 member units upon the exercise of 400,000 member unit options at $0.10 per unit. In connection with these option exercises, the Company received proceeds of $40,000.

Member units issued for debt conversion

On January 2, 2018, the former CEO of the Company converted his accrued compensation and other amounts due to him totaling $392,558 into 3,925,770 member units, or $0.10 per unit. Upon conversion, the Company recorded stock-based compensation of $270,878 based on the commitment date per unit fair value of $0.069 per Unit (see Note 8).

On March 28, 2018, the Company issued 42,333 common units upon conversion of convertible debt of $100,000 and accrued interest of $5,833 (See Note 6).

Member units issued for services

On March 7, 2018, the Company entered into a 90-day consulting agreement for business development and lobbying services related to the Company's ballistic resistant technologies. In connection with this consulting agreement, the Company issued 25,000 member units to the consultant which were valued at $68,750, or $2.75 per member unit, based on contemporaneous common units sales which will be amortized over the term of the agreement.

In April 2018, the Company issued 1,000,000 restricted units to employees for services rendered which were valued at $2,750,000, or $2.75 per member unit, based on contemporaneous common units sales.

Member units issued for settlement

In April 2018, the Company issued 97,707 shares to a vendor to settle amounts owed to such vendor which were valued at $268,694, or $2.75 per member unit, based on contemporaneous common units sales. In connection with the settlement agreement, the Company recorded research and development expense of $193,694 and reduced accrued expenses of $75,000.

Sale of member units

In April 2018, the Company issued 10,000 member units to an investor for cash proceeds of $27,500, or $2.75 per member unit.

Senior secured convertible note

On January 22, 2018 (the "Issuance Date"), the Company entered into a securities purchase agreement (the "SPA") with Esousa Holdings, LLC ("Esousa"), whereby Esousa agreed to invest up to $750,000 (the "Purchase Price") in the Company in exchange for senior secured the convertible notes and five-year warrants , upon the terms and subject to the conditions thereof. Pursuant to the SPA, the Company issued (i) a senior secured convertible note to Esousa on January 22, 2018, in the original principal amount of $260,000, which bears interest at 10% per annum (the "First Note") and (ii) 293,123 five-year warrants to purchase units of Company common units at a purchase price of $0.87 per unit. On January 22, 2018, the Company received cash proceeds of $260,000 under this convertible note. Each convertible note issued pursuant to the SPA was due and payable two years from the issuance date of the respective convertible note, and any accrued and unpaid interest relating to each convertible note, was due and payable semi-annually.

The Convertible Note was convertible into member units at a conversion price of is $0.87 which was lower than the fair value of member units based on recent sales of member units on the date of issue. Additionally, as warrants were issued with the Convertible Note, the proceeds were allocated to the instruments based on relative fair value as the warrants did not contain any features requiring liability treatment and therefore were classified as equity. The value allocated to the warrants was $186,368 and $73,632 was allocated to the beneficial conversion feature. Since the intrinsic value of the beneficial conversion feature and warrants was greater than the proceeds allocated to the convertible instrument, the amount of the discount assigned to the beneficial conversion feature and warrants was limited to the amount of the proceeds allocated to the convertible instrument. Accordingly, the Company recorded as debt discount of $260,000 with the credit to additional paid in capital. The debt discount associated will be amortized to interest expense over the term of the Convertible Note.

On April 26, 2018, the Company and Esousa entered into a Termination Agreement and General Release ("Termination Agreement") whereby the Company paid Esousa $270,000, and the SPA, Note, Warrant and Registration Rights Agreement and all rights and obligations were terminated. In connection with the Termination Agreement, the Company recorded debt extinguishment expense of $229,696.

Legal matters

Prior to the Closing of the Merger, C-Bond received a letter from counsel to Arnold Jay Boisdrenghein/Equity Capital Holding Group, Inc. claiming that such parties were entitled to a finder's fee in connection with the Merger of $25,000 and 1,000,000 post-Merger shares of common stock of WestMountain. The Company intends to vigorously defend this claim. We cannot predict the timing and ultimate outcome of this matter, however we believe the range of possible loss is immaterial to our financial statements.

Post-merger private placement

Contemporaneously with the closing of the Merger, pursuant to subscription agreements, WestMountain issued an aggregate of 3,100,000 shares of Common Stock at a price of $0.40 per share for aggregate gross consideration of approximately $1,240,000 to six accredited investors. The Company agreed to cause WestMountain to file a shelf registration statement registering all of the shares of Common Stock subscribed for hereby (but no other shares owned by Subscriber) as soon as reasonably practicable after completion of the Merger and to use commercially reasonable efforts to cause that registration statement to be declared effective as soon as reasonably practical.

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 27, 2018, the date the financial statements were available to be issued.

Exhibit 99.2

WESTMOUNTAIN ALTERNATIVE ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined balance sheet has been derived from the audited balance sheet of WestMountain Alternative Energy, Inc. (the "Company" or "we") at December 31, 2017 as reflected in the Company's Form 10-K for the period ended December 31, 2017 as filed with the Securities and Exchange Commission, and adjusts such information to give the effect of 1) the acquisition of C-Bond Systems, LLC and Subsidiaries ("C-Bond"), as if it would have existed on December 31, 2017. The unaudited combined pro forma balance sheet gives effect to the share exchange agreement between the Company and the unit holders of C-Bond which became effective on April 25, 2018.

The following unaudited pro forma combined statement of operations for the year ended December 31, 2017 has been derived from the statement of operations of the Company as reflected in the Company's Form 10-K as filed with the Securities and Exchange Commission, and C-Bond's statement of operations for the year ended December 31, 2017 has been derived from the statement of operations of C-Bond as reflected in the December 31, 2017 financial statements included elsewhere in this report.

C-Bond Systems, LLC (the "Company") is a limited liability company incorporated in Texas on August 7, 2013 and is a nanotechnology company and sole owner, developer and manufacturer of the patented C-Bond technology. The Company is engaged in the implementation of proprietary and nanotechnology applications and processes to enhance properties of strength, functionality and sustainability within brittle material systems. The Company presently has a focus in the multi-billion dollar glass and window film industry with target markets in the United States and internationally.

The unaudited pro forma combined balance sheet and unaudited combined statements of operations are presented for informational purposes only and do not purport to be indicative of the combined financial condition that would have resulted if the acquisition would have existed on December 31, 2017.

WESTMOUNTAIN ALTERNATIVE ENERGY, INC.
UNAUDITED PRO FORMA COMBINED BALANCE SHEET
December 31, 2017

ASSETS	WestMountain Alternative Energy, Inc. December 31, 2017	C-Bond Systems, LLC and Subsidiaries December 31, 2017		Pro Forma Adjustments Dr		Pro Forma Adjustments Cr.		Pro Forma Balances (Unaudited)
CURRENT ASSETS:								
Cash	$ 83,903	$ 46,448	(3)	$ 1,240,000		$ -		$ 1,370,351
Certificate of deposit	155,979	-		-		-		155,979
Accounts receivable, net	-	35,225		-		-		35,225
Accounts receivable - related party	1,000	-		-		-		1,000
Inventory	-	10,493		-		-		10,493
Prepaid expenses and other current assets	3,573	771		-		-		4,344
Total Current Assets	244,455	92,937		1,240,000		-		1,577,392
LONG-TERM ASSETS:								
Property and equipment, net	-	91,123		-		-		91,123
Security deposit	-	8,977		-		-		8,977
Total Long-term Assets	-	100,100		-		-		100,100
Total Assets	$ 244,455	$ 193,037		$ 1,240,000		$ -		$ 1,677,492
LIABILITIES AND STOCKHOLDERS' DEFICIT								
CURRENT LIABILITIES:								
Accounts payable	$ -	$ 164,906		$ -		$ -		$ 164,906
Accrued expenses	18,500	104,402		-		-		122,902
Accrued compensation	-	511,855		-		-		511,855
Due to related party	800	-		-		-		800
Total Current Liabilities	19,300	781,163		-		-		800,463
LONG-TERM LIABILITIES:								
Convertible notes payable, net	-	92,917		-		-		92,917
Total Long-term Liabilities	-	92,917		-		-		92,917
Total Liabilities	19,300	874,080		-		-		893,380
STOCKHOLDERS' DEFICIT:								
Preferred stock, $0.10 par value; 1,000,000 shares authorized none issued and outstanding	-	-		-		-		-
Common stock: $0.001 par value, 100,000,000 shares authorized; 9,106,250 shares and 72,612,037 proforma shares issued and outstanding at December 31, 2017	9,106	-		-	(1) (3)	66,606		75,712
Paid-in capital	366,659	-	(1)	214,116	(2) (3)	23,410,413		23,562,956
Members' equity	-	22,173,513	(2)	22,173,513		-		-
Accumulated deficit	(150,610)	(22,854,556)		-	(2)	150,610		(22,854,556)
Total Stockholders' Deficit	225,155	(681,043)		22,387,629		23,627,629		784,112

Total Liabilities and Stockholders' Deficit	$ 244,455	$ 193,037	$ 22,387,629	$23,627,629	$ 1,677,492

See accompanying notes to unaudited pro forma combined financial statements.

WESTMOUNTAIN ALTERNATIVE ENERGY, INC.
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

	WestMountain Alternative Energy, Inc. For the Year Ended December 31, 2017	C-Bond Systems, LLC and Subsidiaries For the Year Ended December 31, 2017	Pro Forma Adjustments Dr	Pro Forma Adjustments Cr.	Pro Forma Balances (Unaudited)
SALES	$ -	$ 405,417	$ -	$ -	$ 405,417
COST OF SALES (excluding depreciation expense)	-	70,048	-	-	70,048
GROSS PROFIT	-	335,369	-	-	335,369
OPERATING EXPENSES					
Compensation and related benefits (including stock-based compensation of $6,772,752 and $4,365,964 at December 31, 2017 and 2016, respectively)	-	7,852,965	-	-	7,852,965
Research and development	-	214,112	-	-	214,112
Professional fees	-	131,022	-	-	131,022
General and administrative expenses	57,143	428,953	-	-	486,096
Total Operating Expenses	57,143	8,627,052	-	-	8,684,195
LOSS FROM OPERATIONS	(57,143)	(8,291,683)	-	-	(8,348,826)
OTHER EXPENSE:					
Interest income	125	-	-	-	125
Interest expenses	-	(8,009)	-	-	(8,009)
Total Other Expense	125	(8,009)	-	-	(7,884)
LOSS BEFORE PROVISION FOR INCOME TAXES	(57,018)	(8,299,692)	-	-	(8,356,710)
INCOME TAXES	-	-	-	-	-
NET LOSS	$ (57,018)	$ (8,299,692)	$ -	$ -	$ (8,356,710)
NET LOSS PER COMMON SHARE:					
Net loss per common share - basic and diluted	$ (0.01)				$ (0.08)
Weighted average shares outstanding:					
Basic and diluted	9,106,250				72,612,037

See accompanying notes to unaudited pro forma combined financial statements.

WESTMOUNTAIN ALTERNATIVE ENERGY, INC.
NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Note 1: Description of Transaction

On April 25, 2018, the Company and its newly formed wholly-owned subsidiary, WETM Acquisition Corp. ("Acquisition Sub") entered into an Agreement and Plan of Merger and Reorganization, or the Merger Agreement with C-Bond. Pursuant to the terms of the Merger Agreement, on April 25, 2018, or the Closing Date, the Acquisition Sub merged with and into C-Bond, and C-Bond was the surviving corporation. Accordingly, the C-Bond became a wholly-owned subsidiary of the Company.

Pursuant to the Merger, the Company acquired the business of C-Bond. At the time a certificate of merger reflecting the Merger was filed with the Secretary of State of Texas, or the Effective Time, all of the outstanding common units of the C-Bond ("Common Units") that were issued and outstanding immediately prior to the closing of the Merger were converted into an aggregate of 63,505,785 shares of the Company's common stock representing approximately 87% of post-merger common stock outstanding. As a result, each common unit of C-Bond was converted into approximately 3.233733 shares of the Company's common stock (the "Conversion Ratio").

Note 2: Basis of Presentation

The Merger was treated as a reverse merger and recapitalization of C-Bond for financial reporting purposes. C-Bond is considered the acquirer for accounting purposes, and the Company's historical financial statements before the Merger will be replaced with the historical financial statements of C-Bond before the Merger in future filings with the SEC. The Merger is intended to be treated as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended.

The merger became effective on April 25, 2018 and has been accounted for as a reverse-merger and recapitalization since the unit holders of C-Bond obtained voting and management control of the Company. C-Bond is the acquirer for financial reporting purposes and the Company is the acquired company. Consequently, the assets and liabilities and the operations prior to the Exchange are those of C-Bond and shall be recorded at the historical cost basis of C-Bond, and the consolidated financial statements after completion of the Exchange shall include the assets and liabilities of both C-Bond and the Company and the Company's consolidated operations from the closing date of the merger. All share and per share information shall be retroactively restated to reflect the recapitalization.

We have derived the Company's historical financial data at December 31, 2017 from its financial statements contained on Form 10-K for the period ended December 31, 2017 as filed with the Securities and Exchange Commission.

We have derived C-Bond's historical financial statements as of December 31, 2017 and the year ended December 31, 2017 from C-Bond's audited financial statements.

WESTMOUNTAIN ALTERNATIVE ENERGY, INC.
NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Note 3: Pro Forma Adjustments

The unaudited combined pro forma balance sheet at December 31, 2017 gives effect to 1) the reclassification of the Company's accumulated deficit to paid-in capital as if the merger occurred on December 31, 2017, 2) to reflect issuance of 63,505,785 common shares pursuant to the merger agreement, to reclassify C-Bond's members equity to paid-in capital, and 3) to reflect issuance of 3,100,000 shares of Common Stock at a price of $0.40 per share for aggregate gross consideration of approximately $1,240,000, and includes the following pro forma adjustments.

At December 31, 2017	Debit	Credit
1) To reflect issuance of 63,505,785 common shares pursuant to the merger agreement		
Paid-in capital	$ 63,506	
Common stock		$ 63,506
2) to record reclassification of the Company's accumulated deficit and C-Bond's members equity		
Paid-in capital	150,610	
Accumulated deficit		150,610
Members' equity	22,173,513	
Paid-in capital		22,173,513
3) To record issuance of 3,100,000 shares at $0.40 per share for private placement at closing		
Cash	1,240,000	
Common stock		3,10
Paid-in Capital		1,236,900

The information presented in the unaudited pro forma combined financial statements does not purport to represent what our financial position or results of operations would have been had the Merger and all related transactions occurred as of the dates indicated, nor is it indicative of our future combined financial position or combined results of operations for any period. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the Merger Agreement and all related transactions.

These unaudited pro forma combined financial statements should be read in conjunction with the accompanying notes and assumptions and the historical consolidated financial statements and related notes of us and C-Bond.