

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

FORMS-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

COPYTELE, INC.

(Exact name of registrant as specified in its charter)

Delaware	6794	11-2622630
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

**900 Walt Whitman Road
Melville, NY 11747
(631) 549-5900**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Robert A. Berman
President and Chief Executive Officer
CopyTele, Inc.**

**900 Walt Whitman Road
Melville, NY 11747
(631) 549-5900**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Please send a copy of all communications to:

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1345 Avenue of the Americas
New York, New York 10105-0302
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Approximate date of commencement proposed sale to the public: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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

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

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer

Accelerated filer

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

Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered (1)	Proposed Maximum Offering Price per Share (2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Shares of common stock, par value \$0.01 per share, underlying a convertible note sold in a private placement (3)	18,498,943	\$ 0.375	\$ 6,937,103.63	\$ 893.50
Shares of common stock, par value \$0.01 per share, underlying warrants sold in a private placement (4)	9,249,472	\$0.3784	\$ 3,500,000.20	\$ 450.80
Total	27,748,415		\$ 10,437,103.83	\$ 1,344.30

(1) In accordance with Rule 416, CopyTele, Inc. (the "Company" or the "Registrant") is also registering hereunder an indeterminate number of additional securities that may be issued and resold resulting from stock splits, stock dividends or similar transactions.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based on the average high and low prices of the common stock on the OTCBB on February 3, 2014.

(3) Represents shares of common stock issuable upon the conversion of a 6% convertible debenture issued on November 11, 2013 in a private placement (the "November Private Placement").

(4) Represents shares of common stock issuable upon the exercise of warrants issued in the November Private Placement. Pursuant to Rule 416, there are also being registered such indeterminable additional securities as may be issued to prevent dilution as a result of stock splits, stock dividends or similar transactions. Proposed maximum offering price per share is based on the exercise price of the warrant in accordance with Rule 457(g).

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

The information in this prospectus is not complete and may be changed. We may not sell the securities until the Registration Statement filed with the Securities and Exchange Commission, of which this prospectus is a part, is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED FEBRUARY 7, 2014

Prospectus



27,748,415 Shares of Common Stock

This prospectus relates to the resale of up to 27,748,415 shares of common stock, par value \$0.01 per share, of CopyTele, Inc. ("we," "us," "our," the "Company," "CopyTele" or "CTI") held by a selling stockholder, consisting of the following:

- 18,498,943 shares of common stock issuable upon the conversion of a 6% convertible debenture (the "Debenture") held by Adaptive Capital, LLC ("Adaptive Capital") that was issued on November 11, 2013 in a private placement (the "November Private Placement"); and
- 9,249,472 shares of common stock issuable upon the exercise of warrants held by Adaptive Capital and issued in the November Private Placement.

We will not receive any proceeds from the resale of any of the shares of common stock being registered hereby. However, we may receive proceeds from the exercise of the warrants exercised other than pursuant to any applicable cashless exercise provisions of the warrants.

Our common stock is quoted on the OTC Bulletin Board under the symbol "COPY." On February 3, 2014, the last reported sale price of our common stock on the OTC Bulletin Board was \$0.35 per share.

The selling stockholder may offer all or part of the shares for resale from time to time through public or private transactions, at either prevailing market prices or at privately negotiated prices. With regard only to the shares it sells for its own behalf, Adaptive Capital is an "underwriter" within the meaning of the Securities Act of 1933, as amended. The Company is paying all of the registration expenses incurred in connection with the registration of the shares. We will not pay any of the selling commissions, brokerage fees and related expenses.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 4 to read about factors you should consider before investing in shares of our common stock.

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

The date of this Prospectus is February 7, 2014

You should rely only on the information contained in this prospectus. We have not authorized any dealer, salesperson or other person to provide you with information concerning us, except for the information contained in this prospectus. The information contained in this prospectus is complete and accurate only as of the date on the front cover page of this prospectus, regardless when the time of delivery of this prospectus or the sale of any common stock. This prospectus is not an offer to sell, nor is it a solicitation of an offer to buy, our common stock in any jurisdiction in which the offer or sale is not permitted.

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Industry and Market Data: In this prospectus, we rely on and refer to information and statistics regarding our industry. We obtained this statistical, market and other industry data and forecasts from publicly available information. While we believe that the statistical data, market data and other industry data and forecasts are reliable, we have not independently verified the data.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This prospectus and any accompanying prospectus supplement and the documents incorporated by reference herein contain forward looking statements that involve risks and uncertainties. All statements other than statements of historical fact contained in this prospectus and any accompanying prospectus supplement and the documents incorporated by reference herein, including statements regarding future events, our future financial performance, business strategy, and plans and objectives of management for future operations, are forward-looking statements. We have attempted to identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," or "will" or the negative of these terms or other comparable terminology. Although we do not make forward looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks outlined under "Risk Factors" or elsewhere in this prospectus and the documents incorporated by reference herein, which may cause our or our industry's actual results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Moreover, we operate in a highly regulated, very competitive, and rapidly changing environment. New risks emerge from time to time and it is not possible for us to predict all risk factors, nor can we address the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual results to differ materially from those contained in any forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short term and long term business operations, and financial needs. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this prospectus, and in particular, the risks discussed below and under the heading "Risk Factors" and those discussed in other documents we file with the SEC. The following discussion should be read in conjunction with the consolidated financial statements for the fiscal years ended October 31, 2013 and 2012 and notes incorporated by reference herein. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statement.

You should not place undue reliance on any forward-looking statement, each of which applies only as of the date of this prospectus. You should be aware that the occurrence of the events described in the section entitled "Risk Factors" and elsewhere in this prospectus could negatively affect our business, operating results, financial condition and stock price. Except as required by law, we undertake no obligation to update or revise publicly any of the forward-looking statements after the date of this prospectus to conform our statements to actual results or changed expectations.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before investing in the common stock. You should carefully read the entire prospectus, including all documents incorporated by reference herein. In particular, attention should be directed to our "Risk Factors," "Information With Respect to the Company," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes thereto contained herein or otherwise incorporated by reference hereto, before making an investment decision.

As used herein, "we," "us," "our," the "Company," "CopyTele" or "CTI" means CopyTele, Inc. unless otherwise indicated. Unless otherwise indicated, all references in this prospectus to "dollars" or "\$" refer to US dollars.

Business Overview

Our principal operations include the development, acquisition, licensing, and enforcement of patented technologies that are either owned or controlled by the Company or one of our wholly-owned subsidiaries. The Company currently owns or controls nine patent portfolios. As part of our patent assertion activities and in the ordinary course of our business, the Company, and our wholly-owned subsidiaries, have initiated and will likely continue to initiate patent infringement lawsuits, and engage in patent infringement litigation. Since implementing our new business model in January 2013, the Company has initiated 41 lawsuits in connection with five of our patent portfolios. Our primary source of revenue will come from licenses resulting from the unauthorized use of our patented technologies, including the settlement of patent infringement lawsuits. In 2013, we entered into four revenue producing licenses from two of our patent portfolios. In 2014, we have entered into one license agreement from one of our patent portfolios. In addition to continuing to mine and monetize our existing patents, our wholly-owned subsidiary, CTI Patent Acquisition Corporation, will continue to acquire patents and the exclusive rights to license and enforce patents from third parties. In 2013, the Company acquired the rights to four additional patent portfolios.

We were incorporated on November 5, 1982 under the laws of the State of Delaware. From inception through end of fiscal year 2012, our primary operations involved licensing in connection with the development of patented technologies. Since that date, our primary operations include the development, acquisition, licensing, and enforcement of patented technologies that are either owned or controlled by the Company or one of our wholly-owned subsidiaries. See the section entitled "Business" in our annual report on Form 10-K, which was filed with the Securities and Exchange Commission ("SEC") on January 16, 2014 (the "2013 10-K") and has been incorporated by reference herein, for additional information.

Transactions with Selling Stockholder

November 2013 Private Placement

On November 11, 2013, we entered into a subscription agreement with Adaptive Capital LLC ("Adaptive Capital"), an institutional investor, pursuant to which we issued a 6% Convertible Debenture with a principal amount of \$3,500,000 (the "Debenture") and a warrant (the "Warrant") to purchase 9,249,472 shares of common stock (the "Warrant Shares"). The Debenture is convertible at a price per share of \$0.1892 on or before November 11, 2016 and contains full ratchet anti-dilution protection. The Warrant grants the holder the right to purchase the Warrant Shares at the purchase price per share of \$0.3784 on or before November 11, 2016. The conversion of the Debenture and exercise of the Warrant are subject to certain beneficial ownership limitations. For further information regarding the transactions with the selling stockholder, see "Selling Stockholder."

Where You Can Find Us

Our principal executive offices are located at 900 Walt Whitman Road, Melville, New York 11747, our telephone number is 631-549-5900, and our Internet website address is <http://www.ctipatents.com>. The information on our website is not a part of, or incorporated in, this prospectus.

THE OFFERING

Common stock offered by selling stockholders	27,748,415 shares.
Common stock outstanding before the offering	210,617,879 shares as of the date of this prospectus.
Common stock outstanding after the offering	238,366,294 shares of common stock.
Use of proceeds	<p>We will not receive any proceeds from the sale of shares by the selling stockholder.</p> <p>We may receive up to an aggregate of approximately \$3.5 million in additional gross proceeds upon the exercise of the warrants issued in the November Private Placement (to the extent the registration statement of which this prospectus is a part is then effective and, if applicable, the "cashless exercise" provision is not utilized by the holder). Any proceeds will be used for general corporate and working capital or for other purposes that the Board of Directors deems to be in the best interest of the Company. See "Use of Proceeds."</p>
OTCBB trading symbol:	"COPY"
Dividend policy:	We currently intend to retain any future earnings to fund the development and growth of our business. Therefore, we do not currently anticipate paying cash dividends on our common stock.
Risk factors	The common stock offered hereby involves a high degree of risk and should not be purchased by investors who cannot afford the loss of their entire investment. See "Risk Factors".

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this prospectus, before making an investment decision with regard to our securities. The statements contained in or incorporated into this prospectus that are not historic facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. If any of the following risks actually occurs, our business, financial condition or results of operations could suffer. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Financial Condition and Operations

We have a history of losses and may incur additional losses in the future.

On a cumulative basis we have sustained substantial losses and negative cash flows from operations since our inception. As of October 31, 2013, our accumulated deficit was approximately \$135,163,000. As of October 31, 2013, we had approximately \$898,000 in cash and cash equivalents, and negative working capital of approximately \$1,978,000. We incurred losses of approximately \$10,080,000 in fiscal 2013. We expect to continue incurring significant legal and general and administrative expenses in connection with our operations. As a result, we anticipate that we will incur losses in the future.

We may need additional funding in the future which may not be available on acceptable terms, or at all, and, if available, may result in dilution to our stockholders.

Based on currently available information, we believe that our existing cash and cash equivalents together with expected cash flows from patent licensing and enforcement, the sale of our common stock under that certain Stock Purchase Agreement, dated April 23, 2013 (the "Stock Purchase Agreement"), with Aspire Capital Fund LLC ("Aspire Capital"), the gross proceeds of \$3,500,000 received from the November Private Placement of the Debenture, and other potential sources of cash flow will be sufficient to enable us to continue our patent licensing and enforcement activities at current levels for at least 12 months. However, our projections of future cash needs and cash flows may differ from actual results. If current cash on hand and cash that may be generated from patent licensing and enforcement activities are insufficient to satisfy our liquidity requirements, we may seek to sell equity securities or obtain loans from various financial institutions where possible. The sale of additional equity securities or securities convertible into or exercisable for equity securities could result in dilution to our stockholders. We can give no assurance that we will generate sufficient cash flows in the future (through licensing and enforcement of patents, or otherwise) to satisfy our liquidity requirements or sustain future operations, or that other sources of funding, such as sales of equity or debt, would be available, if needed, on favorable terms or at all. We can also give no assurance that we will have sufficient funds to repay our outstanding indebtedness. If we cannot obtain such funding if needed or if we cannot sufficiently reduce operating expenses, we would need to curtail or cease some or all of our operations.

If we encounter unforeseen difficulties with our business or operations in the future that require us to obtain additional working capital, and we cannot obtain additional working capital on favorable terms, or at all, our business will suffer.

Our consolidated cash, cash equivalents and short-term investments on hand totaled approximately \$898,000 and \$840,000 at October 31, 2013 and 2012, respectively. To date, we have relied primarily upon cash from the public and private sale of equity and debt securities to generate the working capital needed to finance our operations.

Although we received aggregate gross proceeds of \$3,500,000 from the November Private Placement, we may need substantial additional capital to continue to operate our business.

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We may encounter unforeseen difficulties with our business or operations in the future that may deplete our capital resources more rapidly than anticipated. As a result, we may be required to obtain additional working capital in the future through bank credit facilities, public or private debt or equity financings, or otherwise. Other than as disclosed in this prospectus, we have not identified other sources for additional funding and cannot be certain that additional funding will be available on acceptable terms, or at all. If we are required to raise additional working capital in the future, such financing may be unavailable to us on favorable terms, if at all, or may be dilutive to our existing stockholders. If we fail to obtain additional working capital as and when needed, such failure could have a material adverse impact on our business, results of operations and financial condition. Furthermore, such lack of funds may inhibit our ability to respond to competitive pressures or unanticipated capital needs, or may force us to reduce operating expenses, which would significantly harm the business and development of operations.

Failure to effectively manage our potential growth could place strains on our managerial, operational and financial resources and could adversely affect our business and operating results.

Our change in business strategy and potential growth is expected to place a strain on managerial, operational and financial resources and systems. Further, as our business grows, we will be required to manage multiple relationships as well as multiple patent enforcement cases. Any growth by us, or an increase in the number of our strategic relationships or litigation, may place additional strain on our managerial, operational and financial resources and systems. Although we may not grow as we expect, if we fail to manage our growth effectively or to develop and expand our managerial, operational and financial resources and systems, our business and financial results will be materially harmed.

Our equity arrangements with Videocon involve market risks.

At the same time as we entered into a Technology License Agreement (the "Videocon License Agreement") with Videocon Industries Limited ("Videocon"), we entered into the Share Subscription Agreement with Mars Overseas Limited ("Mars Overseas"), an affiliate of Videocon, to purchase 20,000,000 CopyTele Shares (defined below), and our wholly-owned subsidiary, Copytele International Ltd. ("Copytele International"), entered into the GDR Purchase Agreement to purchase the 1,495,845 Videocon GDRs (defined below). The value of the Videocon GDRs owned by us depends upon, among other things, the value of Videocon's securities in its home market of India, as well as exchange rates between the U.S. dollar and Indian rupee (the currency in which Videocon's securities are traded in its home market). Based on both the duration and the continuing magnitude of the market price declines and the uncertainty of recovery, we recorded other than temporary impairments as of October 31, 2009, 2011 and 2013. We can give no assurances that the value of the Videocon GDRs will not decline in the future and future write downs may occur.

In addition, for the purpose of effecting a lock up of the Videocon GDRs and CopyTele Shares (collectively, the "Securities") for a period of seven years, and therefore restricting both parties from selling or transferring the Securities during such period, CopyTele International and Mars Overseas entered into two Loan and Pledge Agreements. The Videocon GDRs are to be held as security for a loan in the principal amount of \$5,000,000 from Mars Overseas to CopyTele International, and the CopyTele Shares are similarly held as security for a loan in the principal amount of \$5,000,000 from CopyTele International to Mars Overseas. The loan payable to Mars Overseas is solely a liability of CopyTele International without recourse to us (as parent). The loans are for a term of seven years (due November 2014), do not bear interest and prepayment of the loans will not release the lien on the Securities prior to the end of the seven year period. The loan agreements also provide for customary events of default which may result in forfeiture of the Securities by the defaulting party. We can give no assurances that the respective parties receiving such loans will not default on such loans.

Risks Related to Patent Monetization and Patent Assertion Activities

We may not be able to monetize our patent portfolios which may have an adverse impact on our future operations.

The primary operations of the Company are patent monetization and patent assertion. We expect to generate revenues and related cash flows from the licensing and enforcement of patents that we currently own and from the rights to license and enforce additional patents we have obtained, and may obtain in the future, from third parties. However, we can give no assurances that we will be able to identify opportunities to exploit such patents or that such opportunities, even if identified, will generate sufficient revenues to sustain future operations.

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Certain of our patent portfolios are subject to existing license agreements with AUO and Videocon which may limit our ability to monetize them.

In the course of entering into the EPD License Agreement and the Nano Display License Agreement with AU Optronics Corp ("AUO"), and the Videocon License Agreement with Videocon, certain rights to our ePaper® Electrophoretic Display patents were licensed to AUO, and certain rights to our Nano Field Emission Display patents were licensed to AUO and Videocon, respectively. We have terminated the EPD License Agreement and the Nano Display License Agreement with AUO. On January 28, 2013, we filed a lawsuit in the United States Federal District Court for the Northern District of California against AUO and E Ink in connection with the EPD License Agreement and the Nano Display License Agreement, alleging breach of contract, breach of the implied covenant of good faith and fair dealing, fraudulent inducement, unjust enrichment, unfair business practices, attempted monopolization, and other charges, and we are seeking compensatory, punitive, and treble damages. We have since agreed to resolve this dispute through arbitration.

We intend to take the steps necessary to seek to remove any encumbrances that may inhibit our patent licensing and enforcement efforts; however, we can give no assurance that the ePaper® Electrophoretic Display patents and the Nano Field Emission Display patents will be unencumbered. If the patent portfolios remain encumbered or if our termination of the AUO license agreements are deemed to be ineffective, it could limit our ability to monetize such portfolios. See the section entitled "Legal Proceedings" in our 2013 10-K which has been incorporated by reference herein for additional information.

While we recently commenced lawsuits against AUO and E Ink, and currently have pending 37 patent infringement lawsuits brought by us or a subsidiary against various entities, it expects such proceedings to be time-consuming and costly and we may not be successful in obtaining judgments in our favor which may adversely affect our financial condition and our ability to operate our business.

On January 28, 2013, we filed the AUO/E Ink lawsuit and currently we have 37 separate patent infringement lawsuits pending which were brought by us or a subsidiary against various entities. Such patent infringement litigation may continue for several years and may require significant expenditures for legal fees and other expenses. Disputes regarding the assertion of patents and other intellectual property rights are highly complex and technical. The defendants or other third parties involved in the lawsuits may have substantially more resources than we do. Furthermore, such parties may allege defenses and/or file counterclaims in an effort to avoid or limit liability and damages for patent infringement. If such defenses or counterclaims are successful, they may preclude our ability to derive licensing revenue from the patent portfolios. A negative outcome of any such litigation, or one or more claims contained within any such litigation, could materially and adversely impact our business. Additionally, we anticipate that legal fees and other expenses will be significant. Expenses are also dependent on the outcome of such proceedings. We can give no assurance that these lawsuits will be decided in our favor or even if they are that the damages and other remedies will be material.

Our revenues are unpredictable, and this may harm our financial condition and the market price of our stock.

Due to the nature of the licensing business and uncertainties regarding the amount and timing of the receipt of license and other fees from potential infringers, stemming primarily from uncertainties regarding the outcome of enforcement actions, rates of adoption of our patented technologies, the growth rates of potential licensees and certain other factors, our revenues, if any, may vary significantly from quarter to quarter, which could make our business difficult to manage, adversely affect our business and operating results, cause our quarterly results to fall below market expectations and adversely affect the market price of our common stock.

If we are unable to retain top legal counsel to represent us in patent enforcement litigation, it may adversely affect our business.

The success of our licensing business depends in part upon our ability to retain top legal counsel to prosecute patent infringement litigation. As our patent enforcement actions increase, it will become more difficult to find top legal counsel to handle all of our cases because many of the top law firms may have a conflict of interest that prevents their representation of us. In addition, the terms of retention of such firms may be unacceptable to us.

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We, in certain circumstances, rely on representations, warranties and opinions made by third parties that, if determined to be false or inaccurate, may expose us to certain material liabilities.

From time to time, we may rely upon the opinions of purported experts. In certain instances, we may not have the opportunity to independently investigate and verify the facts upon which such opinions are made. By relying on these opinions, we may be exposed to liabilities in connection with the licensing and enforcement of certain patents and patent rights which could have a material adverse effect on our operating results and financial condition.

In connection with patent enforcement actions conducted by certain of our subsidiaries, a court may rule unfavorably in counterclaims filed against us or that we have violated certain statutory, regulatory, federal, local or governing rules or standards, which may expose us and our operating subsidiaries to certain material liabilities.

In connection with any of our patent enforcement actions, it is possible that a defendant may file counterclaims against us or a court may rule that we have violated statutory authority, regulatory authority, federal rules, local court rules, or governing standards relating to the substantive or procedural aspects of such enforcement actions. In such event, a court may issue monetary sanctions against us or our operating subsidiaries or award attorney's fees and/or expenses to a defendant(s), which could be material, and if we or our operating subsidiaries are required to pay such monetary sanctions, attorneys' fees and/or expenses, such payment could materially harm our operating results and our financial position.

New legislation, regulations, rules and case-law related to obtaining patents or enforcing patents could significantly increase our operating costs and decrease our revenue.

We may apply for patents and may spend a significant amount of resources to enforce those patents. If new legislation, regulations or rules are implemented either by Congress, the United States Patent and Trademark Office ("USPTO"), or the courts that impact the patent application process, the patent enforcement process or the rights of patent holders, these changes could negatively affect our expenses and revenue. For example, new rules regarding the burden of proof in patent enforcement actions could significantly increase the cost of our enforcement actions, new standards or limitations on liability for patent infringement could negatively impact our revenue derived from such enforcement actions, and potential new rules requiring that the losing party pay legal fees of the prevailing party could also significantly increase the cost of our enforcement actions.

United States patent laws were recently amended with the enactment of the Leahy-Smith America Invents Act, or the America Invents Act, which took effect on March 16, 2013. The America Invents Act includes a number of significant changes to U.S. patent law. In general, the legislation attempts to address issues surrounding the enforceability of patents and the increase in patent litigation by, among other things, establishing new procedures for patent litigation. For example, the America Invents Act changes the way that parties may be joined in patent infringement actions, increasing the likelihood that such actions will need to be brought against individual parties allegedly infringing by their respective individual actions or activities. The America Invents Act and its implementation increases the uncertainties and costs surrounding the enforcement of our patented technologies, which could have a material adverse effect on our business and financial condition.

In addition, the U.S. Department of Justice ("DOJ") has conducted reviews of the patent system to evaluate the impact of patent assertion entities on industries in which those patents relate. It is possible that the findings and recommendations of the DOJ could impact the ability to effectively license and enforce standards-essential patents and could increase the uncertainties and costs surrounding the enforcement of any such patented technologies.

Further, in various pending litigation and appeals in the United States Federal courts, various arguments and legal theories are being advanced to potentially limit the scope of damages a patent licensing company such as the Company might be entitled to. Any one of these pending cases could result in new legal doctrines that could make our existing or future patent portfolios less valuable or more costly to enforce.

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More patent applications are filed each year resulting in longer delays in getting patents issued by the USPTO.

We hold a number of pending patents. We have identified a trend of increasing patent applications each year, which we believe is resulting in longer delays in obtaining approval of pending patent applications. The application delays could cause delays in recognizing revenue, if any, from these patents and could cause us to miss opportunities to license patents before other competing technologies are developed or introduced into the market.

U.S. Federal courts are becoming more crowded, and as a result, patent enforcement litigation is taking longer.

Patent enforcement actions are almost exclusively prosecuted in U.S. Federal court. Federal trial courts that hear patent enforcement actions also hear criminal cases. Criminal cases always take priority over patent enforcement actions. As a result, it is difficult to predict the length of time it will take to complete an enforcement action. Moreover, we believe there is a trend in increasing numbers of civil lawsuits and criminal proceedings before United States Judges, and as a result, we believe that the risk of delays in patent enforcement actions will have a significant effect on our business in the future unless this trend changes.

Any reductions in the funding of the USPTO could have an adverse impact on the cost of processing pending patent applications and the value of those pending patent applications.

Our primary asset is our patent portfolios, including pending patent applications before the USPTO. The value of our patent portfolios is dependent upon the issuance of patents in a timely manner, and any reductions in the funding of the USPTO could negatively impact the value of our assets. Further, reductions in funding from Congress could result in higher patent application filing and maintenance fees charged by the USPTO, causing an unexpected increase in our expenses.

Competition is intense in the industries in which we do business and as a result, we may not be able to grow or maintain our market share for our technologies and patents.

Our licensing business may compete with venture capital firms and various industry leaders for technology licensing opportunities. Many of these competitors may have more financial and human resources than we do. As we become more successful, we may find more companies entering the market for similar technology opportunities, which may reduce our market share in one or more technology industries that we currently rely upon to generate future revenue.

Our patented technologies have an uncertain market value.

Many of our patents and technologies are in the early stages of adoption in the commercial and consumer markets. Demand for some of these technologies is untested and is subject to fluctuation based upon the rate at which our licensees will adopt our patents and technologies in their products and services.

As patent enforcement litigation becomes more prevalent, it may become more difficult for us to voluntarily license our patents.

We believe that the more prevalent patent enforcement actions become, the more difficult it will be for us to voluntarily license our patents. As a result, we may need to increase the number of our patent enforcement actions to cause infringing companies to license the patent or pay damages for lost royalties. This may increase the risks associated with an investment in our company.

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Weak global economic conditions may cause infringing parties to delay entering into licensing agreements, which could adversely affect our financial condition and operating results.

Our business plan depends significantly on economic conditions, and the United States and world economies are only beginning to emerge from weak economic conditions. Uncertainty about global economic conditions poses a risk as businesses may postpone spending in response to tighter credit, negative financial news and declines in income or asset values. This response could have a material negative effect on the willingness of parties infringing on our patent assets to enter into licensing or other revenue generating agreements voluntarily which could cause material harm to our business.

We are dependent upon a few key personnel and the loss of their services could adversely affect us.

Our future success to monetize our patent portfolios will depend on the efforts of our President and Chief Executive Officer, Robert A. Berman, and our Senior Vice President – Engineering, John Roop, and our strategic advisor, Dr. Amit Kumar. While we maintain “key person” life insurance on Mr. Berman, we do not maintain such “key person” life insurance on Messrs. Roop or Dr. Kumar. The loss of the services of any such persons could have a material adverse effect on our business and operating results.

Risks Related to Our Common Stock

The availability of shares for sale in the future could reduce the market price of our common stock.

In the future, we may issue securities to raise cash for operations and acquisitions of patents and/or companies. We have and in the future may issue securities convertible into our common stock. Any of these events may dilute stockholders' ownership interests in our company and have an adverse impact on the price of our common stock.

In addition, sales of a substantial amount of our common stock in the public market, or the perception that these sales may occur, could reduce the market price of our common stock. This could also impair our ability to raise additional capital through the sale of our securities.

Any actual or anticipated sales of shares by our stockholders or by Aspire Capital may cause the trading price of our common stock to decline. Additional issuances of shares to Aspire Capital may result in dilution to the interests of other holders of our common stock. The sale of a substantial number of shares of our common stock by our stockholders including Aspire Capital, or anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales.

Delaware law and our charter documents contain provisions that could discourage or prevent a potential takeover of our company that might otherwise result in our stockholders receiving a premium over the market price of their shares.

Provisions of Delaware General Corporation Law (“DGCL”) and our certificate of incorporation and bylaws could make the acquisition of our company by means of a tender offer, proxy contest or otherwise, and the removal of incumbent officers and directors, more difficult. These provisions include:

- Section 203 of the DGCL, which prohibits a merger with a 15%-or-greater stockholder, such as a party that has completed a successful tender offer, until three years after that party became a 15%-or-greater stockholder;
- The authorization in our certificate of incorporation of undesignated preferred stock, which could be issued without stockholder approval in a manner designed to prevent or discourage a takeover; and
- Provisions in our bylaws regarding stockholders' rights to call a special meeting of stockholders limit such rights to stockholders holding together at least a majority of shares of the Company entitled to vote at the meeting, which could make it more difficult for stockholders to wage a proxy contest for control of our Board of Directors or to vote to repeal any of the anti-takeover provisions contained in our certificate of incorporation and bylaws.

Together, these provisions may make the removal of management more difficult and may discourage transactions that could otherwise involve payment of a premium over prevailing market prices for our common stock.

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We may fail to meet market expectations because of fluctuations in quarterly operating results, which could cause the price of our common stock to decline.

Our reported revenues and operating results have fluctuated in the past and may continue to fluctuate significantly from quarter to quarter in the future. It is possible that in future periods, revenues could fall below the expectations of securities analysts or investors, which could cause the market price of our common stock to decline. The following are among the factors that could cause our operating results to fluctuate significantly from period to period:

- the dollar amount of agreements executed in each period, which is primarily driven by the nature and characteristics of the technology being licensed and/or the magnitude of infringement associated with a specific licensee;
- the specific terms and conditions of agreements executed in each period and/or the periods of infringement contemplated by the respective payments;
- fluctuations in the total number of agreements executed;
- fluctuations in the sales results or other royalty-per-unit activities of our licensees that impact the calculation of license fees due;
- the timing of the receipt of periodic license fee payments and/or reports from licensees;
- fluctuations in the net number of active licensees period to period;
- costs related to acquisitions, alliances, licenses and other efforts to expand our operations;
- the timing of payments under the terms of any customer or license agreements into which we may enter;
- expenses related to, and the timing and results of, patent filings and other enforcement proceedings relating to intellectual property rights, as more fully described in this section; and
- the outcome of any of our patent infringement lawsuits.

Technology company stock prices are especially volatile, and this volatility may depress the price of our common stock.

The stock market has experienced significant price and volume fluctuations, and the market prices of technology companies have been highly volatile. We believe that various factors may cause the market price of our common stock to fluctuate, perhaps substantially, including, among others, the following:

- announcements of developments in our patent enforcement actions;
- developments or disputes concerning our patents;
- our or our competitors' technological innovations;
- developments in relationships with licensees;
- variations in our quarterly operating results;
- our failure to meet or exceed securities analysts' expectations of our financial results;

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- a change in financial estimates or securities analysts' recommendations;
- changes in management's or securities analysts' estimates of our financial performance;
- changes in market valuations of similar companies;
- the current sovereign debt crises affecting several countries in the European Union and concerns about sovereign debt of the United States;
- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures, capital commitments, new technologies, or patents; and
- the timing of or our failure to complete significant transactions.

In addition, we believe that fluctuations in our stock price during applicable periods can also be impacted by court rulings and/or other developments in our patent licensing and enforcement actions. Court rulings in patent enforcement actions are often difficult to understand, even when favorable or neutral to the value of our patents and our overall business, and we believe that investors in the market may overreact, causing fluctuations in our stock prices that may not accurately reflect the impact of court rulings on our business operations and assets.

In the past, companies that have experienced volatility in the market price of their stock have been the objects of securities class action litigation. If our common stock was the object of securities class action litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially harm our business and financial results.

Our common stock is subject to the SEC's penny stock rules which may make our shares more difficult to sell.

Our common stock fits the definition of a penny stock and therefore is subject to the rules adopted by the SEC regulating broker-dealer practices in connection with transactions in penny stocks. The SEC rules may have the effect of reducing trading activity in our common stock making it more difficult for investors to sell their shares. The SEC's rules require a broker or dealer proposing to effect a transaction in a penny stock to deliver the customer a risk disclosure document that provides certain information prescribed by the SEC, including, but not limited to, the nature and level of risks in the penny stock market. The broker or dealer must also disclose the aggregate amount of any compensation received or receivable by him in connection with such transaction prior to consummating the transaction. In addition, the SEC's rules also require a broker or dealer to make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction before completion of the transaction. The existence of the SEC's rules may result in a lower trading volume of our common stock and lower trading prices.

We do not anticipate declaring any cash dividends on our common stock which may adversely impact the market price of our stock.

We have never declared or paid cash dividends on our common stock and do not plan to pay any cash dividends in the near future. Our current policy is to retain all funds and any earnings for use in the operation and expansion of our business. If we do not pay dividends, our stock may be less valuable to you because a return on your investment will only occur if our stock price appreciates.

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The securities issued in our private placements may dilute your percentage ownership interest and may also result in downward pressure on the price of our common stock.

In connection with our private placements in February 2011, January 2013 and November 2013, we have outstanding convertible debentures and warrants which are convertible into or exercisable for an aggregate of 46,727,653 shares of our common stock, at prices ranging from \$0.15 to \$0.3784 per share. In addition, as we are required to register these shares for resale by the holders, it is possible that a significant number of shares could be sold at the same time. Because the market for our common stock is thinly traded, the sales and/or the perception that those sales may occur, could adversely affect the market price of our common stock. Furthermore, the mere existence of a significant number of shares of common stock issuable upon conversion of the debentures or the exercise of warrants may be perceived by the market as having a potential dilutive effect, which could lead to a decrease in the price of our common stock.

We are registering an aggregate of 27,748,415 shares of common stock that may be issued upon conversion of the Debenture and upon exercise of the Warrant. The sale of such shares could depress the market price of our common stock.

We are registering an aggregate of 27,748,415 shares of common stock under the registration statement of which this prospectus forms a part for issuance pursuant to our registration obligations contained in the Debenture. Notwithstanding ownership limitations in the Debenture, the 27,748,415 shares represent approximately 11.64% of our shares of common stock outstanding assuming the conversion and exercise rights of the Debenture and Warrant in our November Private Placements at the time the registration statement is filed.

The sale of our common stock to Aspire Capital may cause substantial dilution to our existing stockholders and the sale, actual or anticipated, of the shares of common stock acquired by Aspire Capital could cause the price of our common stock to decline.

We have the right to sell up to \$10 million of our shares of common stock to Aspire Capital, including the 5,380,000 shares sold to Aspire Capital since April 23, 2013, and have issued 3,500,000 shares to Aspire Capital as a commitment fee. We were obligated to register these shares with the SEC. The registration statement declared effective by the SEC on June 19, 2013 registers 20,000,000 shares for issuance and sale to Aspire Capital under the Purchase Agreement. It is anticipated that these shares will be sold by Aspire Capital pursuant to a registration statement or sold in reliance on an exemption from registration in Rule 144 of the Securities Act of 1933, as amended (the "Securities Act").

Any actual or anticipated sales of shares by Aspire Capital may cause the trading price of our common stock to decline. Additional issuances of shares to Aspire Capital may result in dilution to the interests of other holders of our common stock. However, we have the right to control the timing and amount of sales of our shares to Aspire Capital, and the purchase agreement may be terminated by us at any time at our discretion without any penalty or cost to us.

We may not have access to the full amount available under the Stock Purchase Agreement with Aspire Capital.

In order for us to receive the full \$10 million proceeds under the Stock Purchase Agreement it is unlikely that the 20,000,000 shares registered will be sufficient. Accordingly, our ability to have access to the full amount under the Stock Purchase Agreement with Aspire Capital will likely be subject to our ability to prepare and file one or more additional registration statements registering the resale of additional shares. These subsequent registration statements may be subject to review and comment by the staff of the SEC, and will require the consent of our independent registered public accounting firm. Therefore, the timing of effectiveness of these subsequent registration statements cannot be assured. The effectiveness of these subsequent registration statements is a condition precedent to our ability to sell the shares of common stock subject to these subsequent registration statements to Aspire Capital under the Stock Purchase Agreement.

Raising funds by issuing equity or debt securities could dilute the value of the common stock and impose restrictions on our working capital.

If we were to raise additional capital by issuing equity securities, including sales of shares of common stock to Aspire Capital, the value of the then outstanding common stock would be reduced, unless the additional equity securities were issued at a price equal to or greater than the market value of the common stock at the time of issuance of the new securities. If the additional equity securities were issued at a per share price less than the per share value of the outstanding shares, then all of the outstanding shares would suffer a dilution in value with the issuance of such additional shares. Further, the issuance of debt securities in order to obtain additional funds may impose restrictions on our operations and may impair our working capital as we service any such debt obligations.

USE OF PROCEEDS

We will not receive any proceeds from the sale of shares by the selling stockholder. However, we may receive proceeds from the sale of securities upon the exercise of the warrants issued in the November Private Placement (to the extent the registration statement of which this prospectus is a part is then effective and, if applicable, the "cashless exercise" provision is not utilized by the holder). As of the date of this prospectus, we have not received proceeds from such exercises.

Any net proceeds we receive will be used for general corporate and working capital or other purposes that the Board of Directors deems to be in the best interest of the Company. As of the date of this prospectus, we cannot specify with certainty the particular uses for the net proceeds we may receive. Accordingly, we will retain broad discretion over the use of these proceeds, if any.

SELLING STOCKHOLDER

27,748,415 shares of common stock were issued or are issuable to selling stockholder pursuant to transactions exempt from registration under the Securities Act. All of the common stock offered by this prospectus is being offered by the selling stockholder for its own account.

November 2013 Private Placement

On November 11, 2013, we entered into a subscription agreement with Adaptive Capital, an institutional investor, pursuant to which we issued a 6% Convertible Debenture with a principal amount of \$3,500,000 and a Warrant to purchase 9,249,472 shares of common stock.

The Debenture matures on November 11, 2016, bears interest at the rate of 6% payable annually and is convertible into shares of common stock at a price per share of \$0.1892, which was 100% of the volume weighted average closing sales price of the common stock for the 30 trading days prior to the closing date of the private placement. The Debenture contains full ratchet anti-dilution protection in the event that we enter into a new financing arrangement to issue additional shares of common stock at an effective net price of less than \$0.1419 (or 75% of the conversion price of the Debenture). The Debenture also provides for standard and customary events of default which, if any of them occurs, would permit the principal of and accrued interest on the Debenture to become or to be declared due and payable, unless the event of default has been cured or the holder of the Debenture has waived in writing the event of default.

The Warrant grants the holder the right to purchase the Warrant Shares at the purchase price per share of \$0.3784 on or before November 11, 2016. If there is not an effective registration statement covering the Warrant Shares, the Warrant may be exercised on a cashless basis, otherwise the warrant holder must exercise for cash. If the entire Warrant were exercised, the Company would receive \$3,500,000 in gross proceeds.

Pursuant to the Debenture and the Warrant, Adaptive Capital may not convert or exercise its Debenture or Warrant if such conversion or exercise would result in Adaptive Capital beneficially owning in excess of 4.99% of our then issued and outstanding common stock. Adaptive Capital may increase this limitation (but in no event exceed 9.99% of the number of shares of Common Stock issued and outstanding) by providing us with 61 days' notice that such holder wishes to increase this limitation.

In connection with the November Private Placement, we granted Adaptive Capital registration rights with respect to the shares issuable upon conversion of the Debenture (the "Conversion Shares") and the Warrant Shares. We are obligated to use our reasonable best efforts to cause a registration statement registering for resale the Conversion Shares and the Warrant Shares to be filed no later than February 9, 2014 and to keep the registration statement effective until the Conversion Shares and the Warrant Shares can be sold under without restriction under Rule 144 of the Securities Act or such earlier date when all Conversion Shares and the Warrant Shares have been sold publicly; provided, however, we are not required to keep the Registration Statement effective after November 11, 2016.

Selling Stockholder Table

The following table sets forth certain information as of February 3, 2014 regarding the selling stockholder and the shares offered by it in this prospectus. The table assumes the full conversion of the Debenture and the complete exercise of the Warrant by the selling stockholder. Except as indicated in the footnotes to the following table, the selling stockholder has sole voting and investment power with respect to the shares set forth opposite such stockholder's name. The selling stockholder's percentage of ownership in the following table is based upon 210,617,879 shares of common stock outstanding as of February 3, 2014.

Except as set forth below, the selling stockholder has not held a position as an officer or director of the Company, nor has it had any material relationship of any kind with us or any of our affiliates. All information with respect to share ownership has been furnished by the selling stockholder. The common stock being offered is being registered to permit secondary trading of the shares and the selling stockholder may offer all or part of the common stock owned for resale from time to time. The selling stockholder has no family relationships with our officers, directors or controlling stockholders. The selling stockholder is not a registered broker-dealer but it is an affiliate of a registered broker-dealer. The selling stockholder purchased the Debenture and Warrant in the ordinary course of business and the selling shareholder had no agreement or understandings, directly or indirectly, with any person to distribute the Conversion Shares or the Warrant Shares at the time of the November Private Placement.

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The term “selling stockholder” also includes any transferees, pledges, donees, or other successors in interest to the selling stockholder named in the table below. To our knowledge, subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the common stock set forth opposite such person’s name. We will file a supplement to this prospectus (or a post-effective amendment hereto, if necessary) to name successors to any named selling stockholder who is able to use this prospectus to resell the securities registered hereby.

<u>Name of Selling Stockholder</u>	<u>Number of Shares of Common Stock Owned Prior to Offering</u>	<u>Maximum Number of Shares of Common Stock to be Sold Pursuant to this Prospectus (1)</u>	<u>Percentage</u>	
			<u>Number of Shares of Common Stock Owned After Offering Assuming All Shares are Sold (2)</u>	<u>of Common Stock Owned After Offering Assuming All Shares are Sold (2)</u>
Adaptive Capital, LLC (3)	0	27,748,415	0	0%

(1) Consists of the shares issued or issuable in our November Private Placement upon conversion of the Debenture and exercise of the Warrant.

(2) Assumes the sale of all shares offered pursuant to this prospectus.

(3) The securities being registered consist of (i) 18,498,943 shares of common stock issuable upon the conversion of the Debenture and (ii) 9,249,472 shares of common stock issuable upon the exercise of Warrant.

PLAN OF DISTRIBUTION

The common stock may be sold or distributed from time to time by the selling stockholder directly to one or more purchasers or through brokers, dealers, or underwriters who may act solely as agents at market prices prevailing at the time of sale, at prices related to the prevailing market prices, at negotiated prices, or at fixed prices, which may be changed on any stock exchange, market or trading facility on which the shares are traded or in private transactions. The sale of the common stock offered by this prospectus may be effected in one or more of the following methods:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- transactions involving cross or block trades;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- in privately negotiated transactions;
- short sales after the registration statement, of which this prospectus forms a part, becomes effective;
- broker-dealers may agree with the selling stockholder to sell a specified number of such shares at a stipulated price per share;
- “at the market” into an existing market for the common stock;
- through the writing of options on the shares;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

In order to comply with the securities laws of certain states, if applicable, the shares may be sold only through registered or licensed brokers or dealers. In addition, in certain states, the shares may not be sold unless they have been registered or qualified for sale in the state or an exemption from the registration or qualification requirement is available and complied with.

Adaptive Capital may also sell shares of common stock under Rule 144 promulgated under the Securities Act, if available, rather than under this prospectus. In addition, Adaptive Capital may transfer the shares of common stock by other means not described in this prospectus.

The selling stockholder may also sell the shares directly to market makers acting as principals and/or broker-dealers acting as agents for themselves or their customers. Such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the selling stockholder and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal or both, which compensation as to a particular broker-dealer might be in excess of customary commissions. Market makers and block purchasers purchasing the shares will do so for their own account and at their own risk. It is possible that the selling stockholder will attempt to sell shares of common stock in block transactions to market makers or other purchasers at a price per share which may be below the then market price. The selling stockholder cannot assure that all or any of the shares offered in this prospectus will be issued to, or sold by, such selling stockholder.

Brokers, dealers, underwriters, or agents participating in the distribution of the shares as agents may receive compensation in the form of commissions, discounts, or concessions from the selling stockholder and/or purchasers of the common stock for whom the broker-dealers may act as agent. Adaptive Capital has informed us that each such broker-dealer will receive commissions from Adaptive Capital which will not exceed customary brokerage commissions. The selling stockholder may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the shares if liabilities are imposed on that person under the Securities Act.

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The selling stockholder acquired the securities offered hereby in the ordinary course of business and has advised us that they have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their shares of common stock, nor is there an underwriter or coordinating broker acting in connection with a proposed sale of shares of common stock by such selling stockholder. If we are notified by the selling stockholder that any material arrangement has been entered into with a broker-dealer for the sale of shares of common stock, if required, we will file a supplement to this prospectus.

Adaptive Capital and its affiliates have agreed not to engage in any direct or indirect short selling or hedging of our common stock through February 9, 2014. With regard only to the shares it sells for its own behalf, Adaptive Capital may be deemed an "underwriter" within the meaning of the Securities Act. This offering as it relates to Adaptive Capital will terminate on the date that all shares issued to and issuable to Adaptive Capital that are offered by this prospectus have been sold by Adaptive Capital.

We may suspend the sale of shares by the selling stockholder pursuant to this prospectus for certain periods of time for certain reasons, including if the prospectus is required to be supplemented or amended to include additional material information.

If the selling stockholder uses this prospectus for any sale of the shares of common stock, such selling stockholder will be subject to the prospectus delivery requirements of the Securities Act.

Regulation M

The anti-manipulation rules of Regulation M under the Exchange Act of 1934, as amended (the "Exchange Act") may apply to sales of our common stock and activities of the selling stockholder.

We have advised the selling stockholder that while it is engaged in a distribution of the shares included in this prospectus it is required to comply with Regulation M promulgated under the Exchange Act. With certain exceptions, Regulation M precludes the selling stockholder, any affiliated purchasers, and any broker-dealer or other person who participates in the distribution from bidding for or purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of the distribution until the entire distribution is complete. Regulation M also prohibits any bids or purchases made in order to stabilize the price of a security in connection with the distribution of that security. All of the foregoing may affect the marketability of the shares offered hereby this prospectus.

DESCRIPTION OF SECURITIES TO BE REGISTERED

We are a Delaware corporation and our affairs are governed by our Certificate of Incorporation, as amended (the "Certificate of Incorporation"), and Amended and Restated By-laws (the "By-laws"). The following are summaries of material provisions of our Certificate of Incorporation and By-laws insofar as they relate to the material terms of our stock. This section is a summary and may not describe every aspect of the stock that may be important to you. Complete copies of our Certificate of Incorporation and By-laws are filed as exhibits to our public filings. See "Where to Get More Information" for information on how to obtain copies of these documents.

The total number of shares of capital stock we are authorized to issue is 600,500,000 shares, of which (a) 600,000,000 are common stock, par value \$0.01 per share, and (b) 500,000 are Preferred Stock, par value \$0.01 per share. As of the date of this prospectus, 210,617,879 shares of common stock and no shares of Preferred Stock were issued and outstanding.

Common Stock

All outstanding shares of common stock are of the same class and have equal rights and attributes. The holders of common stock are entitled to one vote per share on all matters submitted to a vote of stockholders of the Company. All stockholders are entitled to share equally in dividends, if any, as may be declared from time to time by the Board of Directors out of funds legally available. In the event of liquidation, the holders of common stock are entitled to share ratably in all assets remaining after payment of all liabilities. The stockholders do not have cumulative or preemptive rights.

Dividend Rights

Holders of the common stock may receive dividends when, as and if declared by our Board of Directors out of the assets legally available for that purpose and subject to the preferential dividend rights of any other classes or series of stock of our Company. We have never paid, and have no plans to pay, any dividends on our shares of common stock.

Voting Rights

Holders of the common stock are entitled to one vote per share in all matters as to which holders of common stock are entitled to vote. Holders of not less than a majority of the outstanding shares of common stock entitled to vote at any meeting of stockholders constitute a quorum unless otherwise required by law.

Election of Directors

Directors hold office until the next annual meeting of stockholders and are eligible for reelection at such meeting. Directors are elected by a plurality of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. There is no cumulative voting for directors.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, holders of the common stock have the right to receive ratably and equally all of the assets remaining after payment of liabilities and liquidation preferences of any preferred stock then outstanding.

Redemption

The common stock is not redeemable or convertible and does not have any sinking fund provisions.

Preemptive Rights

Holders of the common stock do not have preemptive rights.

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Other Rights

Our common stock is not liable to further calls or to assessment by the registrant and for liabilities of the registrant imposed on its stockholders under state statutes.

Right to Amend By-Laws

The Board of Directors has the power to adopt, amend or repeal the By-laws. By-laws adopted by the Board of Directors may be repealed or changed, and new By-laws made, by the stockholders, and the stockholders may prescribe that any By-law made by them shall not be altered, amended or repealed by the Board of Directors.

Change in Control

Provisions of Delaware law and our Certificate of Incorporation and By-laws could make the acquisition of our company by means of a tender offer, proxy contest or otherwise, and the removal of incumbent officers and directors, more difficult. These provisions include:

Section 203 of the DGCL, which prohibits a merger with a 15%-or-greater stockholder, such as a party that has completed a successful tender offer, until three years after that party became a 15%-or-greater stockholder;

The authorization in our Certificate of Incorporation of undesignated preferred stock, which could be issued without stockholder approval in a manner designed to prevent or discourage a takeover; and

Provisions in our By-laws regarding stockholders' rights to call a special meeting of stockholders limit such rights to stockholders holding together at least a majority of shares of the Company entitled to vote at the meeting, which could make it more difficult for stockholders to wage a proxy contest for control of our Board of Directors or to vote to repeal any of the anti-takeover provisions contained in our Certificate of Incorporation and By-laws.

Together, these provisions may make the removal of management more difficult and may discourage transactions that could otherwise involve payment of a premium over prevailing market prices for our common stock.

Transfer Agent

American Stock Transfer and Trust Company is our transfer agent.

EXPERTS

The consolidated financial statements of CopyTele, Inc. and subsidiaries as of October 31, 2012 and 2013, and for each of the years in the two-year period ended October 31, 2013, have been incorporated by reference in the registration statement in reliance upon the report of Haskell & White LLP, independent registered public accounting firm, and upon the authority of said firm as experts in accounting and auditing.

LEGAL MATTERS

The validity of the common stock being offered pursuant to this registration statement have been passed upon for us by Ellenoff Grossman & Schole LLP located at 1345 Avenue of the Americas, New York, NY 10105.

WHERE TO GET MORE INFORMATION

We file annual, quarter and periodic reports, proxy statements and other information with the Securities and Exchange Commission using the Commission's EDGAR system. You may inspect these documents and copy information from them at the Commission's offices at public reference room at 100 F Street, NE, Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The Commission maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission. The address of such site is <http://www.sec.gov>.

We have filed a registration statement with the Commission relating to the offering of the shares. The registration statement contains information which is not included in this prospectus. You may inspect or copy the registration statement at the Commission's public reference facilities or its website.

You should rely only on the information contained in this prospectus. We have not authorized any person to provide you with any information that is different.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" in this prospectus information that we file with them, which means we can disclose important information to you by referring you to other documents that contain that information. The information we incorporate by reference is considered to be part of this prospectus and information we later file with the SEC will automatically update or supersede the information in this prospectus. The following documents filed by us with the SEC pursuant to Section 13 of the Exchange Act and any future filings under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, made before the termination of the offering are incorporated by reference herein:

1. Our Annual Report on Form 10-K for the year ended October 31, 2013, filed with the SEC on January 16, 2014, as amended on Form 10-K/A and filed with the SEC on January 17, 2014; and
2. Our Definitive Proxy Statement on Schedule 14A filed with the SEC on August 27, 2013, as amended on Schedule 14A and filed with the SEC on August 27, 2013.

All documents that we filed with the SEC pursuant to Sections 13(a), 13(c), 14, and 15(d) of the Exchange Act subsequent to the date of this registration statement and prior to the filing of a post-effective amendment to this registration statement that indicates that all securities offered under this prospectus have been sold, or that deregisters all securities then remaining unsold, will be deemed to be incorporated in this registration statement by reference and to be a part hereof from the date of filing of such documents.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. None of the information that we disclose under Items 2.02 or 7.01 of any Current Report on Form 8-K or any corresponding information, either furnished under Item 9.01 or included as an exhibit therein, that we may from time to time furnish to the SEC will be incorporated by reference into, or otherwise included in, this prospectus, except as otherwise expressly set forth in the relevant document. Subject to the foregoing, all information appearing in this prospectus is qualified in its entirety by the information appearing in the documents incorporated by reference.

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You may request, orally or in writing, a copy of these documents, which will be provided to you at no cost (other than exhibits, unless such exhibits are specifically incorporated by reference), by contacting Robert A. Berman, c/o CopyTele, Inc., at 900 Walt Whitman Road, Melville, NY 11747. Our telephone number is (631) 549-5900. Information about us is also available at our website at <http://www.ctipatents.com>. However, the information in our website is not a part of this prospectus and is not incorporated by reference.

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You should rely only on the information contained in this document. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Additional risks and uncertainties not presently known or that are currently deemed immaterial may also impair our business operations. The risks and uncertainties described in this document and other risks and uncertainties which we may face in the future will have a greater impact on those who purchase our common stock. These purchasers will purchase our common stock at the market price or at a privately negotiated price and will run the risk of losing their entire investment.

CopyTele, Inc.

27,748,415 Shares of Common Stock

PROSPECTUS

February 7, 2014

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The Company is paying all expenses of the offering. No portion of these expenses will be borne by the Selling Security Holder. The Selling Security Holder, however, will pay any other expenses incurred in selling its common stock, including any brokerage commissions or costs of sale. Following is an itemized statement of all expenses in connection with the issuance and distribution of the securities to be registered. All of the amounts shown are estimates, except for the SEC Registration Fees.

Type	Amount
SEC Registration Fee	\$ 1,344
Legal Fees and Expenses	\$ 35,000
Accounting Fees and Expenses	\$ 15,000
Transfer Agent Fees	\$ 0
Miscellaneous Expenses	\$ 1,656
Total	\$ 53,000

Item 15. Indemnification of Directors and Officers.

Under Section 145 of the DGCL, a corporation may indemnify its directors, officers, employees and agents and its former directors, officers, employees and agents and those who serve, at the corporation's request, in such capacities with another enterprise, against expenses (including attorney's fees), as well as judgments, fines and settlements, actually and reasonably incurred in connection with the defense of any action, suit or proceeding (other than an action by or in the right of the corporation) in which they or any of them were or are made parties or are threatened to be made parties by reason of their serving or having served in such capacity. The DGCL provides, however, that such person must have acted in good faith and in a manner he or she reasonably believed to be in (or not opposed to) the best interests of the corporation and, in the case of a criminal action, such person must have had no reasonable cause to believe his or her conduct was unlawful. In addition, the DGCL does not permit indemnification in an action or suit by or in the right of the corporation, where such person has been adjudged liable to the corporation for negligence or misconduct in the performance of his/her duty to the corporation, unless, and only to the extent that, a court determines that such person fairly and reasonably is entitled to indemnity for costs the court deems proper in light of liability adjudication. Indemnity is mandatory to the extent a claim, issue or matter has been successfully defended.

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Section 102(b)(7) of the DGCL permits a corporation to include in its certificate of incorporation a provision eliminating or limiting the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL (relating to unlawful payment of dividends and unlawful stock purchase or redemption) or (iv) for any transaction from which the director derived an improper personal benefit.

Article XIII of the By-Laws of the Company contains provisions which are designed to provide mandatory indemnification of directors and officers of the Company to the full extent permitted by law, as now in effect or later amended. The By-Laws further provide that, if and to the extent required by the DGCL, an advance payment of expenses to a director or officer of the Company that is entitled to indemnification will only be made upon delivery to the Company of an undertaking, by or on behalf of the director or officer, to repay all amounts so advanced if it is ultimately determined that such director is not entitled to indemnification.

Item 16. Exhibits.

- 4.1 Common Stock Purchase Warrant issued to ZQX Advisors, LLC on August 20, 2009. (Incorporated by reference to Exhibit 4.1 to our Form 10-K for the fiscal year ended October 31, 2009.)
- 4.2 Common Stock Purchase Warrant issued to ZQX Advisors, LLC on August 20, 2009. (Incorporated by reference to Exhibit 4.2 to our Form 10-K for the fiscal year ended October 31, 2009.)
- 4.3 Registration Rights Agreement, dated as of April 23, 2013, by and between the Company and Aspire Capital Fund, LLC. (Incorporated by reference to Exhibit 4.3 to our Form S-1, dated April 24, 2013.)
- 4.4 Common Stock Purchase Warrant issued to Adaptive Capital, LLC on November 11, 2013. (Filed herewith.)
- 10.1 Subscription Agreement, dated as of November 11, 2013, by and between the Company and Adaptive Capital, LLC. (Filed herewith.)
- 10.2 Convertible Debenture in favor of Adaptive Capital, LLC, dated as of November 11, 2013. (Filed herewith.)
- 5.1 Opinion of Ellenoff Grossman & Schole LLP (Filed herewith.)
- 23.1 Consent of Haskell & White LLP (Filed herewith.)
- 23.2 Consent of Ellenoff Grossman & Schole LLP (included in Exhibit 5.1)

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Item 17. Undertakings.

(a) The undersigned Company hereby undertakes:

(1) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof.

(2) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(3) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) If the registrant is relying on Rule 430B (§230.430B of this chapter):

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) (§230.424(b)(3) of this chapter) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) (§230.424(b)(2), (b)(5), or (b)(7) of this chapter) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) (§230.415(a)(1)(i), (vii), or (x) of this chapter) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

(ii) If the registrant is subject to Rule 430C (§230.430C of this chapter), each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A (§230.430A of this chapter), shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(4) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

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(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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

(d) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Melville, State of New York on this 7th day of February, 2014.

COPYTELE, INC.

Dated: February 7, 2014

By: /s/ Robert A. Berman
Robert A. Berman,
President and Chief
Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Robert Berman his true and lawful attorney-in-fact, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities to sign any and all amendments including post-effective amendments to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the SEC, hereby ratifying and confirming all that said attorney-in-fact or his substitute, each acting alone, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

By: /s/ Robert A. Berman February 7, 2014
Robert A. Berman
President, Chief Executive
Officer
and Director (Principal Executive
Officer)

By: /s/ Henry P. Herms February 7, 2014
Henry P. Herms
Vice President - Finance,
Chief Financial Officer and
Director (Principal Financial and
Accounting Officer)

By: /s/ Lewis H. Titterton Jr. February 7, 2014
Lewis H. Titterton Jr.
Chairman of the Board

By: /s/ Dr. Amit Kumar February 7, 2014
Dr. Amit Kumar
Director

By: /s/ Kent B. Williams February 7, 2014
Kent B. Williams
Director

By: /s/ Bruce F. Johnson February 7, 2014
Bruce F. Johnson
Director

NEITHER THIS WARRANT NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY NOT BE OFFERED FOR SALE, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.

Warrant No. C-1311

Expiration Date: November 11, 2016

Warrant to Purchase 9,249,472 Shares

COPYTELE, INC.
COMMON STOCK PURCHASE WARRANT

This certifies that, for good and valuable consideration, CopyTele, Inc., a Delaware corporation (including any successor thereto with respect to the obligations hereunder, by merger, consolidation or otherwise, the "**Company**"), grants to Adaptive Capital LLC or permitted assigns (the "**Warrantholder**") the right to subscribe for and purchase, in whole or in part, from time to time from the Company Nine Million Two Hundred Forty Nine Thousand Four Hundred Seventy Two (9,249,472) duly authorized, validly issued, fully paid and nonassessable shares (the "**Warrant Shares**") of the Company's Common Stock, par value \$.01 per share (the "Common Stock"), at the purchase price per share of \$0.3784 (the "**Exercise Price**") at any time prior to 5:00 p.m., New York time on the Expiration Date, all subject to the terms, conditions and adjustments herein set forth. The terms that are capitalized herein shall have the meanings specified in Section 11 hereof, unless the context shall otherwise require.

This Warrant (this "**Warrant**") is being issued pursuant to the Subscription Agreement, dated November 11, 2013 (the "**Issuance Date**"), by and between the Company and the subscriber party thereto (the "**Subscription Agreement**").

1. Duration and Exercise of Warrant: Limitation on Exercise: Payment of Taxes.

1.1. Duration and Exercise of Warrant. Subject to the terms and conditions set forth herein, this Warrant may be exercised, in whole or in part, by the Warrantholder by:

(a) the surrender of this Warrant to the Company, with a duly executed Exercise Form specifying the number of Warrant Shares to be purchased, during normal business hours on any Business Day prior to the Expiration Date, and the delivery of payment to the Company of the Exercise Price for the number of Warrant Shares specified in the Exercise Form in the form of cash or certified or bank check payable to the order of the Company; or

(b) if there is not an effective Registration Statement (as defined below) covering the Warrant Shares at the time of exercise, in lieu of any cash payment, the surrender of this Warrant to the Company, with a duly executed Exercise Form specifying the number of Warrant Shares to be purchased, during normal business hours on any Business Day prior to the Expiration Date, in exchange for the number of shares of Common Stock computed by using the following formula:

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

Where X = the number of shares of Common Stock to be issued to the Warrantholder pursuant to the net exercise.

Y = the number of shares of Common Stock subject to the Warrant being exercised or, if only a portion of such Warrant is being exercised, the portion of such Warrant being canceled (at the time of such calculation).

A = the Weighted Average Price of one share of Common Stock (at the date of such calculation).

B = the Exercise Price (as adjusted to the date of such calculation).

The Company agrees that such Warrant Shares shall be deemed to be issued to the Warrantholder as the record holder of such Warrant Shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for the Warrant Shares as aforesaid. Notwithstanding the foregoing, no such surrender shall be effective to constitute the person entitled to receive such shares as the record holder thereof while the transfer books of the Company for the Common Stock are closed for any purpose (but not for any period in excess of five (5) days); but any such surrender of this Warrant for exercise during any period while such books are so closed shall become effective for exercise immediately upon the reopening of such books, as if the exercise had been made on the date this Warrant was surrendered and for the number of shares of Common Stock and at the Exercise Price in effect at the date of such surrender. This Warrant and all rights and options hereunder shall expire on the Expiration Date, and shall be wholly null and void and of no value to the extent this Warrant is not exercised before it expires.

The delivery by (or on behalf of) the Warrantholder of the Exercise Form and the applicable Exercise Price as provided above shall constitute the Warrantholder's certification to the Company that its representations and warranties contained in Section 6 of the Subscription Agreement, including without limitation the representation and warranty that the Warrantholder is an "accredited investor," are true and correct as of the exercise date as if remade in their entirety (or, in the case of any transferee Warrantholder that is not a party to the Subscription Agreement, such transferee Warrantholder's certification to the Company that such representations are true and correct as to such assignee Warrantholder as of the exercise date).

1.2. Warrant Shares Certificate. A stock certificate or certificates for the Warrant Shares specified in the Exercise Form shall be delivered to the Warrantholder within fifteen (15) Business Days after receipt of the Exercise Form by the Company and payment of the purchase price. If this Warrant shall have been exercised only in part, the Company shall, at the time of delivery of the stock certificate or certificates, deliver to the Warrantholder anew Warrant evidencing the rights to purchase the remaining Warrant Shares, which new Warrant shall in all other respects be identical with this Warrant.

1.3 Payment of Taxes. The issuance of certificates for Warrant Shares shall be made without charge to the Warrantholder for any stock transfer or other issuance tax in respect thereto; provided, however, that the Warrantholder shall be required to pay any and all taxes that may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the then Warrantholder as reflected upon the books of the Company.

2. Restrictions on Transfer: Restrictive Legends.

2.1. Limitation on Transfer. The Warrantholder shall not, directly or indirectly, sell, give, assign, hypothecate, pledge, encumber, grant a security interest in or otherwise dispose of (whether by operation of law or otherwise) (each a "**Transfer**") this Warrant or any right, title or interest herein or hereto, except in accordance with the provisions of this Warrant. Any attempt to Transfer this Warrant, in whole or in part, or any rights hereunder in violation of the preceding sentence shall be null and void ab initio and the Company shall not register any such Transfer.

2.2. Transfer Procedures. If the Warrantholder wishes to Transfer this Warrant to a transferee (a "Transferee") under this Section 2, the Warrantholder shall give notice to the Company through the use of the assignment form attached hereto as Exhibit B of its intention to make any Transfer permitted under this Section 2 not less than five (5) days prior to effecting such Transfer, which notice shall state the name and address of each Transferee to whom such Transfer is proposed. This Warrant may, in accordance with the terms hereof, be transferred in whole or in part. If this Warrant is transferred in whole, the assignee shall receive a new Warrant (registered in the name of such assignee or its nominee) which new Warrant shall cover the number of shares assigned. If this Warrant is transferred in part, the assignor and assignee shall each receive a new Warrant (which, in the case of the assignee, shall be registered in the name of the assignee or its nominee), each of which new Warrant shall cover the number of shares not so assigned and in respect of which no such exercise has been made in the case of the assignor and the number of shares so assigned, in the case of the assignee.

2.3 Transfers in Compliance with Law: Substitution of Transferee. Notwithstanding any other provision of this Warrant, no Transfer may be made pursuant to this Section 2 unless (a) the Transferee has agreed in writing to be bound by the terms and conditions hereto, (b) the Transfer complies in all respects with the applicable provisions of this Warrant, and (c) the Transfer complies in all respects with applicable federal and state securities laws, including, without limitation, the Securities Act of 1933, as amended. If requested by the Company in its reasonable judgment, the transferring Warrantholder shall supply to the Company (x) an opinion of counsel, at such transferring Warrantholder's expense, to the effect that such Transfer complies with the applicable federal and state securities laws; and (y) a written statement to the Company, in such form as it may reasonably request, certifying that the Transferee is an "accredited investor" as defined in Rule 501(a) under the Securities Act.

3. Legends.

Each Warrant (and each Warrant issued in substitution for any Warrant pursuant hereto) shall be stamped or otherwise imprinted with a legend in substantially the following form:

NEITHER THIS WARRANT NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY NOT BE OFFERED FOR SALE, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.

Each stock certificate for Warrant Shares issued upon the exercise of any Warrant and each stock certificate issued upon the direct or indirect transfer of any such Warrant Shares shall be stamped or otherwise imprinted with a legend in substantially the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.

Notwithstanding the foregoing, the Warrantholder may require the Company to issue a Warrant or a stock certificate for Warrant Shares, in each case without a legend, if either (i) such Warrant or such Warrant Shares, as the case may be, have been registered for resale under the Securities Act or (ii) the Warrantholder has delivered to the Company an opinion of counsel (reasonably satisfactory to the Company) which opinion shall be addressed to the Company and be reasonably satisfactory in form and substance to the Company's counsel, to the effect that such registration is not required with respect to such Warrant or such Warrant Shares, as the case may be.

4. Reservation of Shares, Etc.

The Company covenants and agrees as follows:

(a) All Warrant Shares that are issued upon the exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable, not subject to any preemptive rights, and free from all taxes, liens, security interests, charges, and other encumbrances with respect to the issuance thereof, other than taxes in respect of any transfer occurring contemporaneously with such issue.

(b) During the period within which this Warrant may be exercised, the Company will at all times have authorized and reserved, and keep available free from preemptive rights out of its authorized Common Stock, solely for the purpose of issuance upon exercise of this Warrant, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant.

5. Loss or Destruction of Warrant. In case this Warrant shall be mutilated, lost, stolen or destroyed, the Company shall issue and deliver in exchange and substitution for and upon cancellation of the mutilated Warrant, or in lieu of and substitution for the Warrant, mutilated, lost, stolen or destroyed, a new Warrant of like tenor and representing an equivalent right or interest, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and an indemnity or bond, if requested, also reasonably satisfactory to it.

6. Ownership of Warrant.

6.1 Ownership of Warrant. The Company may deem and treat the Person in whose name this Warrant is registered as the holder and owner hereof (notwithstanding any notations of ownership or writing hereon made by anyone other than the Company) for all purposes and shall not be affected by any notice to the contrary, until presentation of this Warrant for registration of transfer. Notwithstanding the foregoing, the Warrant represented hereby, if properly assigned in compliance with this Agreement, may be exercised by an assignee for the purchase of Warrant Shares without having a new Warrant issued.

6.2 Limitations on Exercise. The Company shall not effect any exercise of this Warrant and the Warrantholder shall not have the right to exercise any portion of this Warrant or to the extent that after giving effect to such exercise, the holder, together with any affiliate thereof, would beneficially own (as determined in accordance with Section 13(d) of the Exchange Act and the rules promulgated thereunder) in excess of 4.99% (the "**Maximum Percentage**") of the number of shares of Common Stock outstanding immediately after giving effect to such exercise. Since the Warrantholder will not be obligated to report to the Company the number of shares of Common Stock it may hold at the time of an exercise hereunder, unless the exercise at issue would result in the issuance of shares of Common Stock in excess of 4.99% of the then outstanding shares of Common Stock without regard to any other shares which may be beneficially owned by the Warrantholder or an affiliate thereof, the Warrantholder shall have the authority and obligation to determine whether the restriction contained in this Section will limit any particular exercise and to the extent that the Warrantholder determines that the limitation contained in this Section applies, the determination of which portion of the principal amount of this Warrant is exercisable shall be the responsibility and obligation of the Warrantholder. If the Warrantholder has delivered an Exercise Notice for a portion of this Warrant that, without regard to any other shares that the Warrantholder or its affiliates may beneficially own, would result in the issuance in excess of the permitted amount hereunder, the Company shall notify the Warrantholder of this fact and shall honor the exercise for the maximum principal amount permitted to be exercised on such exercise date in accordance with Section I and, any principal amount tendered for exercise in excess of the permitted amount hereunder shall remain outstanding under this Warrant. By written notice to the Company, the Warrantholder may (but only as to itself and not to any other holder) from time to time increase the Maximum Percentage to any other percentage not in excess of 9.99% specified in such notice; provided that any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company. Upon request of the Company, the Warrantholder shall promptly advise the Company as to the number of shares of Common stock then owned by the Warrantholder.

7. Certain Adjustment.

7.1. Adjustment for Certain Events. The number of Warrant Shares purchasable upon the exercise of this Warrant and the Exercise Price shall be subject to adjustment as follows:

(a) Stock Dividends: Stock Splits. If at any time after the Issuance Date of this Warrant (i) the Company shall pay a stock dividend or make any other distribution payable in shares of Common Stock or (ii) the number of shares of Common Stock shall have been increased by a subdivision or split-up of shares of Common Stock, then, on the date of the payment of such dividend or immediately after the effective date of subdivision or split-up, as the case may be, the number of shares to be delivered upon exercise of this Warrant will be increased so that the Warrantholder will be entitled to receive the number of shares of Common Stock that such Warrantholder would have owned immediately following such action had this Warrant been exercised immediately prior thereto, and the Exercise Price will be adjusted as provided in Section 7.1 (f).

(b) Combination of Stock. If the number of shares of Common Stock outstanding at any time after the Issuance Date of this Warrant shall have been decreased by a combination of the outstanding shares of Common Stock, then, immediately after the effective date of such combination, the number of shares of Common Stock to be delivered upon exercise of this Warrant will be decreased so that the Warrantholder thereafter will be entitled to receive the number of shares of Common Stock that such Warrantholder would have owned immediately following such action had this Warrant been exercised immediately prior thereto, and the Exercise Price will be adjusted as provided in Section 7.1 (f).

(c) Reorganization, etc. If any capital reorganization of the Company, or any reclassification of the Common Stock, or any consolidation or share exchange of the Company with or merger of the Company with or into any other person or any sale, lease or other transfer of all or substantially all of the assets of the Company to any other person, shall be effected in such a way that the holders of Common Stock shall be entitled to receive stock, other securities or assets (whether such stock, other securities or assets are issued or distributed by the Company or another person) with respect to or in exchange for Common Stock, then, upon exercise of this Warrant, the Warrantholder shall have the right to receive the kind and amount of stock, other securities or assets receivable upon such reorganization, reclassification, consolidation, merger or sale, lease or other transfer by a holder of the number of shares of Common Stock that such Warrantholder would have been entitled to receive upon exercise of this Warrant had this Warrant been exercised immediately before such reorganization, reclassification, consolidation, merger or sale, lease or other transfer, subject to adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 7.1.

(d) Fractional Share. No fractional shares of Common Stock shall be issued to the Warrantholder in connection with the exercise of this Warrant. Instead of any fractional shares of Common Stock that would otherwise be issuable to such Warrantholder, the Company will pay to the Warrantholder a cash adjustment in respect of such fractional interest in an amount equal to that fractional interest of the then current fair market value per share of Common Stock (based on the Closing Sale Price of the Common Stock).

(e) Carryover. Notwithstanding any other provision of this Section 7.1, no adjustment shall be made to the number of shares of Common Stock to be delivered to the Warrantholder (or to the Exercise Price) if such adjustment represents less than one percent (1 %) of the number of shares to be so delivered, but any lesser adjustment shall be carried forward and shall be made at the time and together with the next subsequent adjustment that together with any adjustments so carried forward shall amount to one percent (1%) or more of the number of shares to be so delivered. However, upon the exercise of this Warrant, the Company shall make all necessary adjustments not theretofore made to the number of shares of Common Stock to be delivered to the Warrantholder (or to the Exercise Price) up to and including the date upon which this Warrant is exercised. All calculations under this Section 7 shall be made to the nearest cent or the nearest share, as applicable.

(f) Exercise Price Adjustment. Whenever the number of Warrant Shares purchasable upon the exercise of the Warrant is adjusted as provided pursuant to this Section 7.1, the Exercise Price payable upon the exercise of this Warrant shall be adjusted by multiplying such Exercise Price immediately prior to such adjustment by a fraction, of which the numerator shall be the number of Warrant Shares purchasable upon the exercise of the Warrant immediately prior to such adjustment, and of which the denominator shall be the number of Warrant Shares purchasable immediately thereafter; provided, however, that the Exercise Price for each Warrant Share shall in no event be less than the par value of such Warrant Share.

7.2. No Adjustment for Dividends. Except as provided in Section 7.1, no adjustment in respect of any dividends shall be made during the term of this Warrant or upon the exercise of this Warrant. Notwithstanding any other provision hereof, no adjustments shall be made on Warrant Shares issuable on the exercise of this Warrant for any cash dividends paid or payable to holders of record of Common Stock prior to the date as of which the Warrantholder shall be deemed to be the record holder of such Warrant Shares.

7.3 Notice of Adjustment. Whenever the number of Warrant Shares or the Exercise Price of such Warrant Shares is adjusted, as herein provided, or the rights of the Warrantholder shall change by reason of other events specified herein, the Company shall promptly deliver to the Warrantholder, notice of such adjustment or adjustments and a certificate of the Chief Financial Officer of the Company setting forth the number of Warrant Shares and the Exercise Price of such Warrant Shares after such adjustment, setting forth a brief statement of the facts requiring such adjustment and setting forth the computation by which such adjustment was made.

8. Amendments.

Except as otherwise provided herein, the provisions of the Warrants (including this Warrant) may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Warrantholder.

9. Notices of Corporate Action.

So long as this Warrant is outstanding and has not been exercised in full, in the event of:

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right,

(b) any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any consolidation or merger involving the Company and any other party or any transfer of all or substantially all the assets of the Company to any other party, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company,

the Company will deliver to the Warrantholder a notice specifying (i) the date or expected date on which any such record is to be taken for the purpose of such dividend, distribution or right and the amount and character of any such dividend, distribution or right and (ii) the date or expected date on which any such reorganization, reclassification, recapitalization, consolidation, merger, transfer, dissolution, liquidation or winding-up is to take place and the time, if any such time is to be fixed, as of which the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for the securities or other property deliverable upon such reorganization, reclassification, recapitalization, consolidation, merger, transfer, dissolution, liquidation or winding-up. Such notice shall be delivered at least ten (10) days prior to the date therein specified, in the case of any date referred to in the foregoing subdivisions (i) and (ii).

10. Registration Rights.

10.1 Registration Right

(a) The Company shall use its reasonable best efforts to prepare and file with the Securities and Exchange Commission (the "**Commission**") a Registration Statement on Form S-1 or other applicable form under the Securities Act (the "**Registration Statement**") covering the resale the Registrable Securities (as defined in Section 11) by the Warrantholder (and certain other subscribers of the Company's securities) as promptly as possible, and in any event within ninety (90) days after the Issuance Date (the "**Filing Date**"). Notwithstanding anything in this Warrant to the contrary, the Company may, by written notice to the Warrantholder, delay the filing of a Registration Statement or any amendment thereto, if in the good faith determination of the Board of Directors of the Company, the filing of any registration statement would adversely affect a material proposed or pending acquisition, merger or other material corporate event to which the Company is or expects to be a party.

(b) For the avoidance of doubt, the parties agree that the Company shall not be liable for Liquidated Damages (as defined in the Debenture) with respect to any Warrants or Warrant Shares.

10.2 Obligations of the Company. In connection with the registration of the Registrable Securities as contemplated by Section 10.1, the Company shall:

(a) prepare a Registration Statement and file it with the Commission, and thereafter use its reasonable best efforts to cause the Registration Statement to become effective as soon as possible after the filing thereof, but in any event within 180 days after the Issuance Date, which Registration Statement (including any amendments or supplements thereto and prospectuses contained therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading;

(b) use its reasonable best efforts to prepare and file with the Commission such amendments (including post-effective amendments) and supplements to the Registration Statement and the prospectus used in connection with the Registration Statement as may be necessary to keep the Registration Statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by the Registration Statement until the Registrable Securities can be sold under Rule 144 under the Securities Act or such earlier date when all Registrable Securities covered by such Registration Statement have been sold publicly; provided, however, the Company shall not be required to keep the Registration Statement effective for a period of more than three years from the Issuance Date;

(c) furnish to the Warrantholder such number of copies of a prospectus, including a preliminary prospectus and all amendments and supplements thereto, and such other documents, as the Warrantholder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by the Warrantholder;

(d) use reasonable efforts to (i) register and qualify the Registrable Securities covered by the Registration Statement under such other securities or Blue Sky laws of such jurisdictions reasonably requested by the Warrantholder, (ii) prepare and file in those jurisdictions all required amendments (including post-effective amendments) and supplements, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times the Registration Statement is in effect, and (iv) take all other actions necessary or advisable to enable the disposition of such securities in all such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 10;

(e) use its reasonable best efforts to prepare a supplement or amendment to the Registration Statement to correct any untrue material statement or omission, and deliver a number of copies of such supplement or amendment to the Warrantholder as he, she or it may reasonably request;

(f) promptly notify the Warrantholder (or, in the event of an underwritten offering, the managing underwriters) of the issuance by the Commission of any stop order or other suspension of effectiveness of the Registration Statement, and make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of the Registration Statement at the earliest possible time;

(g) provide a transfer agent and registrar, which may be a single entity, for the Registrable Securities not later than the effective date of the Registration Statement; and

(h) cooperate with the Warrantholder to enable such certificates to be in such denominations or amounts, as the case may be, and registered in such names as the managing underwriter or underwriters, if any, or the Warrantholder may reasonably request in order for the Holder and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing Registrable Securities to be sold pursuant to the Registration Statement.

10.3 Obligations of the Warrantholder.

(a) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Sections 10.1 and 10.2 with respect to the Warrantholder that the Warrantholder shall furnish to the Company such information regarding the Warrantholder, the Registrable Securities held by the Warrantholder and the intended method of disposition of such securities as shall be reasonably required to effect the registration of the Registrable Securities and shall execute such documents and agreements in connection with such registration as the Company may reasonably request. At least five (5) Business Days prior to the first anticipated filing date of the Registration Statement, the Company shall notify the Warrantholder of the information the Company requires from the Warrantholder (the "**Requested Information**") if the Warrantholder elects to have any of its Registrable Securities included in the Registration Statement. If within three (3) Business Days of the filing date the Company has not received the Requested Information from the Warrantholder, then the Company may file the Registration Statement without including Registrable Securities of the Warrantholder.

(b) The Warrantholder, by its acceptance of the Registrable Securities, agrees to cooperate with the Company in connection with the preparation and filing of any Registration Statement hereunder.

(c) In the event of an underwritten offering, the Warrantholder agrees to enter into and perform its obligations under an underwriting agreement, in usual and customary form, including, without limitation, customary indemnification and contribution obligations, with the managing underwriter of such offering and to take such other actions as are reasonably required in order to expedite or facilitate the disposition of the Registrable Securities, unless the Warrantholder has decided not to participate.

(d) The Warrantholder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 10.2(e), the Warrantholder will immediately discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until its receipt of the copies of the supplemented or amended prospectus contemplated by Section 10.2(e). In addition, the Company may restrict disposition of Registrable Securities and the Warrantholder will not be able to dispose of such Registrable Securities, if the Company shall have delivered a certificate to the Warrantholder signed by an officer of the Company stating that in the good faith judgment of the Board of Directors of the Company a delay in the disposition of such Registrable Securities is necessary because the Company has determined that such sales would require public disclosure by the Company of material nonpublic information that is not included in such registration statement.

10.4 Expenses of Registration. In connection with any and all registrations pursuant to Section 10, all expenses other than underwriting discounts and commissions incurred in connection with registration, filings or qualifications, including, without limitation, all registration, listing, filing and qualification fees, printing and accounting fees and costs and the fees and disbursements of counsel for the Company shall be borne by the Company.

10.5 Indemnification. In the event any Registrable Securities are included in a Registration Statement under this Warrant:

(a) To the extent permitted by law, the Company will indemnify and hold harmless the Warrantholder (in such capacity) and its members, managers, directors, officers and/or agents, any underwriter (as defined in the Securities Act) for the Warrantholder, and each person, if any, who controls any such underwriter within the meaning of Section 15 of the Securities Act (each, an "**Indemnified Party**"), against any losses, claims, damages, expenses, liabilities joint or several) (collectively, "Claims") to which any of them may become subject under of the Exchange Act, or otherwise, insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (each, a "**Violation**"); (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post-effective amendment thereof, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or

(ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented if the Company files any amendment thereof or supplement thereto with the Commission), or the omission or alleged omission to state therein a material fact required to be stated therein, or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Subject to the restrictions set forth in Section 10.5(d) with respect to the number of legal counsel, in the event that a conflict arises with Company's attorneys where Warrantholder deems it necessary, in Warrantholder's reasonable discretion, to engage outside, independent counsel, the Company shall promptly reimburse the Warrantholder, and each such other person entitled to indemnification under this Section 10.5, as such expenses are incurred and are due and payable, for any reasonable legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim, whether or not such Claim, investigation or proceeding is brought or initiated by the Company or a third party. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 10.5(a) shall not (i) apply to a Claim arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by the Warrantholder expressly for use in connection with the preparation of the Registration Statement, any prospectus or any such amendment thereof or supplement thereto or any failure of the Warrantholder to deliver a prospectus as required by the Securities Act; or (ii) apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Warrantholder and shall survive the transfer of the Registrable Securities by the Warrantholder as provided herein.

(b) In connection with any Registration Statement in which the Warrantholder is participating in such capacity, the Warrantholder agrees to indemnify and hold harmless, to the same extent and in the same manner set forth in Section 10.5(a), the Company, each of its directors, each of its officers who signs the Registration Statement, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other stockholder selling securities pursuant to the Registration Statement or any of its directors or officers or any person who controls such stockholder or underwriter (each, also an "**Indemnified Party**"), against any Claim to which any of them may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such Claim arises out of or is based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by the Warrantholder expressly for use in connection with such Registration Statement; and the Warrantholder shall promptly reimburse an Indemnified Party, as such expenses are incurred and are due and payable, for any legal fees or other reasonable expenses incurred by the Indemnified Party in connection with investigating or defending any such Claim, whether or not such Claim, investigation or proceeding is brought or initiated by the Indemnified Party or a third party; provided, however, that the indemnity agreement contained in this Section 10.5(b) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Warrantholder, which consent shall not be unreasonably withheld.

(c) The Company shall be entitled to receive indemnification from underwriters, selling brokers, dealer managers, and similar securities industry professionals participating in the distribution to the same extent as provided above, with respect to information about such persons so furnished in writing by such persons expressly for inclusion in the Registration Statement.

(d) Promptly after receipt by an Indemnified Party under this Section 10.5 of notice of the commencement of any action (including any governmental action), such Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 10.5, deliver to an indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly given notice, to assume control of the defense thereof with counsel satisfactory to the Indemnified Party; provided, however, that an Indemnified Party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if, in the reasonable opinion of counsel for such party, representation of such party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such party and any other party represented by such counsel in such proceeding. The Company shall pay for only one legal counsel for the Holder and any Indemnified Party related thereto; such legal counsel shall be selected by the Warrantholder or such other Indemnified Party subject to the Company's approval which shall not be unreasonably withheld. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to another under this Section 10.5, except to the extent that such failure to notify results in the forfeiture by the indemnifying party of substantive rights or defenses. The indemnification required by this Section 10.5 shall be made by periodic payments of the amount thereof during the course of the investigation or defense as such expense, loss, damage or liability is incurred and is due and payable.

10.6 Contribution. To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which, he, she or it would otherwise be liable under Section 10.5 to the fullest extent permitted by law; provided, however, that (a) no contribution shall be made under circumstances where the maker would not have been liable for indemnification under Section 10.5, (b) no seller of Registrable Securities guilty of fraudulent misrepresentation (within the meaning used in the Securities Act) shall be entitled to contribution from any seller of Registrable Securities who was not guilty of such fraudulent misrepresentation, and (c) contribution by any seller of Registrable Securities shall be limited in amount to the net amount of proceeds received by such seller from the sale of such Registrable Securities.

11. Definitions.

As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

"**Business Day**" means any day other than a Saturday, Sunday or a day on which national banks are authorized by law to close in the State of New York.

"**Closing Sale Price**" means, for any security as of any date, the last trade price for such security on the Principal Trading Market, as reported by Bloomberg Financial Markets, or, if the Principal Trading Market begins to operate on an extended hours basis and does not designate the last trade price then the last trade price of such security prior to 4:00 p.m., New York City time, as reported by Bloomberg, Financial Markets, or if the foregoing do not apply, the last trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg Financial Markets, or, if no closing price is reported for such security by Bloomberg Financial Markets, the average of the bid prices and asked prices of any market makers for such security as reported in the "pink sheets" by Pink Sheets LLC. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as determined by the Company's Board of Directors in good faith.

"**Common Stock**" has the meaning specified on the cover of this Warrant.

"**Company**" has the meaning specified on the cover of this Warrant.

"**Debenture**" means that certain debenture issued to the initial Warrantholder pursuant to the Subscription Agreement in connection with the issuance of this Warrant, or as such initial Debenture may be transferred in part and be represented by more than one Debenture.

"**Exercise Form**" means an Exercise Form in the form annexed hereto as Exhibit A.

"**Exercise Price**" has the meaning specified on the cover of this Warrant.

"**Expiration Date**" means November 11, 2016; provided, however, that if such date shall not be a Business Day, then on the next following day that is a Business Day.

"**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

"**Principal Trading Market**" means the Trading Market on which the Common Stock is primarily listed on and quoted for trading, which, as of the Issuance Date, is the OTC Bulletin Board.

"**Registrable Securities**" means (i) the shares of Common Stock issuable upon exercise of this Warrant, and (ii) any securities issued or issuable with respect to Common Stock by way of a stock dividend or stock split or in connection with a combination or reorganization or otherwise.

"**Securities Act**" has the meaning specified on the cover of this Warrant, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time. Reference to a particular section of the Securities Act, shall include a reference to the comparable section, if any, of any such similar Federal statute.

"**Trading Day**" means any day on which the Common Stock is listed or quoted and traded on its Principal Trading Market.

"**Trading Market**" means whichever of the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or the OTC Bulletin Board on which the Common Stock is listed or quoted for trading on the date in question.

"**Transfer**" has the meaning specified in Section 2.1.

"**Transferee**" has the meaning specified in Section 2.2.

"**Warrantholder**" has the meaning specified on the cover of this Warrant.

"**Warrant Shares**" has the meaning specified on the cover of this Warrant.

"**Weighted Average Price**" means the price determined by dividing (a) the sum of (i) Closing Sales Price of the Common Stock on each Trading Day multiplied by (ii) the trading volume of the Common Stock for each day during the thirty (30) Trading Days ending on the Trading Day traded immediately preceding the day as of which Weighted Average Price is being determined by (b) the total trading volume of the Common Stock during such thirty (30) Trading Day Period.

12. Miscellaneous.

12.1. Entire Agreement. This Warrant constitutes the entire agreement between the Company and the Warrantholder with respect to the Warrants.

12.2. Binding Effect; Benefits. This Warrant shall inure to the benefit of and shall be binding upon the Company and the Warrantholder and their respective successors and assigns. Nothing in this Warrant, expressed or implied, is intended to or shall confer on any person other than the Company and the Warrantholder, or their respective successors or assigns, any rights, remedies, obligations or liabilities under or by reason of this Warrant.

12.3. Section and Other Headings. The section and other headings contained in this Warrant are for reference purposes only and shall not be deemed to be a part of this Warrant or to affect the meaning or interpretation of this Warrant.

12.4. Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder (including, without limitation, any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile (provided the sender receives a machine-generated confirmation of successful transmission) at the facsimile number specified below prior to 5:00 P.M., New York City time, on a trading day, (ii) the next trading day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified below on a day that is not a trading day or later than 5:00 P.M., New York City time, on any trading day, (iii) the trading day following the date of mailing, if sent by nationally recognized overnight courier service specifying next Business Day delivery, or (iv) upon actual receipt by the party to whom such notice is required to be given, if by hand delivery. The address and facsimile number of a party for such notices or communications shall be as set forth below unless changed by such party by two (2) Business Days' prior notice to the other party in accordance with this Section 12.4:

(a) if to the Company, addressed to:

CopyTele, Inc.
900 Walt Whitman Road
Melville, New York 11747
Attn: Chief Executive Officer
Facsimile: (631) 549-5974

(b) if to Warrantholder, to the address set forth in the Subscription Agreement, or if to any permitted assignee of Warrantholder, to the address of such Person provided to the Company.

12.5. Severability. Any term or provision of this Warrant which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the terms and provisions of this Warrant or affecting the validity or enforceability of any of the terms or provisions of this Warrant in any other jurisdiction.

12.6. Governing Law. This Warrant shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to such agreements made and to be performed entirely within such State.

12.7. No Rights or Liabilities as Stockholder. Nothing contained in this Warrant shall be determined as conferring upon the Warrantholder any rights as a stockholder of the Company or as imposing any liabilities on the Warrantholder to purchase any securities whether such liabilities are asserted by the Company or by creditors or stockholders of the Company or otherwise.

12.8. Copy of Warrant. A copy of this Warrant shall be filed among the records of the Company

12.9. Exercise of Remedies. In the event that the Company shall fail to observe any provision contained in this Warrant, the holder hereof and/or any holder of the Common Stock issued hereunder, as the case may be, may enforce its rights hereunder by suit in equity, by action at law, or by any other appropriate proceedings in aid of the exercise of any power granted in this Warrant and, without limiting the foregoing, said holder shall be entitled to the entry of a decree for specific performance and to such other and further relief as such court may decree.

* * *

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer.

Date: November 11, 2013

By: /s/ Robert A. Berman

Name: Robert A. Berman

Title: President and CEO

Exhibit A

EXERCISE FORM

(To be executed upon exercise of this Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant, to purchase _____ of the Warrant Shares and:

herewith tenders payment for such Warrant Shares to the order of CopyTele, Inc. in the amount of \$ _____, in accordance with the terms of this Warrant; or

elects the cashless exercise option to be conducted in accordance with Section 1.1 (b) and the other terms of this Warrant.

The undersigned requests (a) that a certificate for such Warrant Shares be registered in the name of the undersigned, (b) if such shares shall not include all of the shares issuable as provided in such Warrant, that a new Warrant of like tenor and date for the balance of the shares issuable thereunder be issued to the undersigned and (c) that such certificates and Warrant, if any, be delivered to the undersigned's address below.

The delivery by (or on behalf of) the Warrantholder of this Exercise Form and the payment of the applicable Exercise Price or exercise of the cashless exercise option shall constitute the Warrantholder's certification to CopyTele, Inc. that its representations and warranties contained in Section 6 of the Subscription Agreement, including without limitation the representation and warranty that the Warrantholder is an "accredited investor," are true and correct as of the date hereof.

Dated: _____

Signature _____

(Print Name)

(Street Address)

(City) (State) (Zip Code)

Social Security or Tax Identification Number

Signed in the presence of: _____

Exhibit B

Assignment

For value received, the undersigned hereby assigns to _____, the right to purchase _____ of the Warrant Shares evidenced hereby and hereby irrevocably appoints _____ attorney to transfer the Warrant on the books of the within named corporation with full power of substitution in the premises.

Dated:

In the presence of: _____

Print Name _____

Signature _____

February 7, 2014

CopyTele, Inc.
900 Walt Whitman Road
Melville, NY 11747

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as counsel for CopyTele, Inc., a Delaware corporation (the “**Company**”), in connection with the registration for resale from time to time, on a continuous or delayed basis, of 27,748,415 shares (the “**Shares**”) of common stock, \$0.01 par value per share, consisting of 18,498,943 Shares that are issuable upon conversion of a certain debenture dated as of November 11, 2013 (the “**Debenture**”) and 9,249,472 Shares that are issuable upon exercise of a certain common stock purchase warrant dated as of November 11, 2013 (the “**Warrant**”), in each case owned by the selling security holder identified in the Registration Statement on Form S-3 (the “**Registration Statement**”) filed by the Company to effect the registration of the Shares under the Securities Act of 1933 (the “**Securities Act**”) and to which this opinion has been filed as an exhibit.

In connection with the opinion expressed herein, we have examined such documents, records and matters of law as we have deemed relevant or necessary for purposes of such opinion. Based on the foregoing, and subject to the further assumptions, qualifications and limitations set forth herein, we are of the opinion that the Shares, when issued upon conversion of the Debenture and exercise of the Warrant pursuant to the terms and conditions of the Debenture and the Warrant, will be validly issued, fully paid and nonassessable.

The opinions expressed herein are limited to the General Corporation Law of the State of Delaware, including the applicable provisions of the Delaware Constitution and the reported judicial decisions interpreting such law, as currently in effect, and we express no opinion as to the effect of any other law of the State of Delaware or the laws of any other jurisdiction.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to us under the caption “Legal Matters” in the prospectus constituting a part of the Registration Statement. In giving such consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ Ellenoff Grossman & Schole LLP

THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.

COPYTELE, INC.
SUBSCRIPTION AGREEMENT

This Subscription Agreement (this "Agreement") is entered into by and between CopyTele, Inc., a Delaware corporation (the "Company"), and the subscriber listed on the signature page hereto (the "Subscriber"). The Company and Subscriber may hereafter be referred to singly as a "party" and collectively as the "parties".

The Company is offering (the "Offering") for sale of a \$3,500,000 principal amount, 6% Convertible Debenture due 2016 in the form attached hereto as Exhibit A (the "Debenture"), which are convertible into shares (the "Conversion Shares") of common stock, par value \$.01 per share (the "Common Stock"), of the Company at a conversion price equal to the weighted average price of the Common Stock for the 30 trading days ending on the trading day immediately prior to the Closing Date (as defined below) for a purchase price equal to the principal amount of the Debenture. In addition, the Company will issue to the Subscriber a Warrant in the form attached hereto as Exhibit B (the "Warrant") to purchase such number of shares as equals 50% of the number of shares of Common Stock (the "Warrant Shares") issuable upon conversion of the principal amount of the Debenture (the Debenture, the Warrant, the Conversion Shares and the Warrant Shares are collectively referred to as, the "Securities").

In connection therewith, the Company and the Subscriber hereby agree as follows:

1. *Purchase and Sale of the Debenture and the Warrant.* Upon the basis of the representations, warranties, covenants and agreements, and subject to the terms and conditions, set forth herein, the Company irrevocably agrees to issue and sell the Debenture and the Warrant to the Subscriber on the Closing Date for the aggregate purchase price set forth on the signature page hereto (the "Subscription Price"), and the Subscriber irrevocably agrees to purchase the Debenture and the Warrant from the Company on the Closing Date at the Subscription Price.

2. *Closing.* The closing of the purchase and sale of the Debenture and the Warrant shall take place at 10:00 a.m., New York City time, on November 11, 2013, at the offices of the Company at 900 Walt Whitman Road, Melville, New York 11747, or on such other date or at such other time or place as the Company and the Subscriber may agree upon in writing (such time and date of the closing being referred to herein as the "Closing Date"). Upon payment of the Subscription Price in full in the form of cash, wire transfer, or certified or bank check payable to the order of the Company, the Company will deliver to the Subscriber as promptly as practicable (but in no event later than fifteen (15) days following the date of payment in full of the Subscription Price) certificates representing the Debenture and the Warrant, registered in the name of the Subscriber.

3. *Acceptance of Subscription.* The Subscriber understands and agrees that this subscription is made subject to the condition that the Debenture and the Warrant to be issued and delivered on account of this subscription will be issued only in the name of and delivered only to the Subscriber.

4. *Agreements of the Company.*

(a) *Use of Proceeds.* The Company agrees to use the net proceeds for working capital purposes.

(b) *Registration Rights.* The Subscriber shall be entitled to the registration rights with respect to the Conversion Shares and the Warrant Shares as is set forth in Article IV of the Debenture.

(c) *Furnishing of Information.* In order to enable the Subscriber to sell any of the Securities under Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), until the date that the Securities cease to be Registrable Securities (as defined in the Debenture) (and for no less than 12 months from the Closing Date), the Company shall timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"). During such period, if the Company is not required to file reports pursuant to the Exchange Act, it will prepare and furnish to the Subscriber and make publicly available in accordance with Rule 144(c) under the Securities Act such information as is required for the Subscriber to sell the Securities under Rule 144.

(d) *No Integration.* The Company shall not, and shall ensure that no affiliate of the Company shall, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that will be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities to the Subscriber, or that will be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market (as defined in the Debenture) such that it would require stockholder approval prior to the closing of such other transaction unless stockholder approval is obtained before the closing of such subsequent transaction.

(e) Board and Observer Rights.

(i) The Subscriber shall have the right, upon 10 days' prior written notice, to designate one representative, reasonably acceptable to the Company, who shall be entitled to attend and observe meetings of the Company's Board of Directors (the "Board") in a non-voting observer capacity (the "Observer").

(ii) The Company shall provide the Observer with copies of all notices, minutes, consents and other material, financial or otherwise, that the Company provides to the Board at the same time that such notices and materials are provided to the Board. Notwithstanding anything to the contrary stated in this Section 4(e), however, the Company reserves the right to exclude the Observer from access to any materials or meeting or any portion of any materials or meeting if the Board determines, in good faith that such exclusion is reasonably necessary to preserve the attorney-client privilege, to protect confidential, proprietary or competitive information, is necessary to discharge the Board's fiduciary duties, is otherwise in the best interest of the Company, and/or for other similar reasons.

(iii) In lieu of the right to designate an Observer, the Subscriber shall have the right, upon written notice, to designate one representative, reasonably acceptable to the Company, to serve on the Board (the "Subscriber Designee"). As promptly as possible following receipt of such notice (but in any event within 10 days of receipt of such notice), the Company shall use its reasonable best efforts to expand the size of the Board by one member and to cause the Subscriber Designee to be elected to and remain a director of the Company.

(iv) The Subscriber agrees, and shall cause each of its representatives, including the Observer and Subscriber Designee, to agree, to hold in confidence and trust, and not use or disclose, any confidential or proprietary information of the Company or any third party provided to or learned by the Subscriber and/or its representatives in connection with the Subscriber's investment in the Company and/or the exercise of the Subscriber's rights under this Agreement, provided, however, that the Subscriber may disclose confidential information (x) to its attorneys, accountants, consultants, and other professionals to the extent reasonably necessary to obtain their services in connection with monitoring its investment in the Company, provided the Subscriber informs each such person that the information is confidential and directs and requires each such person to maintain the confidentiality of such information, or (y) as otherwise required by law or judicial process.

(v) Upon the occurrence of any of the events identified in Item 401(f) of Regulation S-K or Rule 506(d) under the Securities Act with respect to the Observer or the Subscriber Designee or the failure of the Observer or Subscriber Designee, as the case may be, to comply in any material respect with any of the Company's policies and procedures applicable to its directors or the provisions of this Section 4(e), the Subscriber shall promptly, and in any event within two days, remove such representative as an Observer or Board Designee. Following such removal, the Subscriber may designate a replacement Observer or Board Designee pursuant to the provisions of this Section 4(e).

(vi) The rights of the Subscriber in this Section 4(e) shall terminate on the date that the Subscriber no longer beneficially owns at least 2,000,000 shares of the Company's common stock (including any shares which the Subscriber has the right to acquire upon conversion of the Debenture or exercise of the Warrant), as adjusted for any stock splits.

5. Representations and Warranties of the Company. The Company represents and warrants that:

(a) the Company and each of its subsidiaries has been duly incorporated, formed or organized, is validly existing as a corporation or other legal entity in good standing under the laws of the jurisdiction of its incorporation, formation or organization, has the corporate or other power and authority to own its property and to conduct its business and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification; all of the issued shares of capital stock or similar interests of each of the Company's subsidiaries have been duly and validly authorized and issued, are fully paid and nonassessable and are owned directly by the Company, free and clear of any security interest, lien, claim or other encumbrance;

(b) no consent, approval, authorization or order of, notice to or filing or registration with any court, governmental agency or body or arbitrator having jurisdiction over the Company or any of the Company's affiliates or holder of outstanding securities of the Company is required for the execution of this Agreement or the performance of the Company's obligations hereunder, including, without limitation, the sale of the Debenture and the Warrant to the Subscriber;

(c) neither the sale of the Debenture or the Warrant nor the performance of the Company's other obligations pursuant to this Agreement, the Debenture and the Warrant will violate, conflict with, result in a breach of, or constitute a default (or an event that, with the giving of notice or the lapse of time or both, would constitute a default) under (i) the certificate of incorporation or bylaws of the Company, (ii) any decree, judgment, order or determination of any court, governmental agency or body, or arbitrator having jurisdiction over the Company or any of the Company's properties or assets, (iii) any law, treaty, rule or regulation applicable to the Company or (iv) the terms of any bond, debenture, note or other evidence of indebtedness, or any agreement, stock option or other similar plan, indenture, lease, mortgage, deed of trust or other instrument to which the Company is a party or otherwise bound or to which any property of the Company is subject;

(d) none of the Company or any of its subsidiaries (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company under), or has received written notice of a claim that it is in default under or that it is in violation of, any material bond, debenture, note or other evidence of indebtedness, or any agreement, stock option or other similar plan, indenture, lease, mortgage, deed of trust or other instrument or contract to which the Company is a party or otherwise bound or to which any property of the Company is subject (whether or not such default or violation has been waived), (ii) is in violation of any order of any court, arbitrator or governmental body having jurisdiction over the Company or any of its subsidiaries or their respective properties or assets, and (iii) is in violation of, or in receipt of written notice that it is in violation of, any statute, rule or regulation of any governmental authority applicable to the Company or any of its subsidiaries. Notwithstanding the foregoing, the Company is engaged in asserting patents and patent rights owned or controlled by the Company, and in engaging in litigation in the ordinary course of its business. From time to time, the Company may be subject to counterclaims and/or judgments in connection with the enforcement of such rights. The Company makes no representations with respect to such patents and patent rights, has no ongoing obligation to notify Subscriber in the event of such occurrences, and such occurrences shall not be deemed to be a breach of this Section 5;

(e) the Company has or, prior to the Closing, will have taken all corporate action required to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder; this Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms;

(f) the Company has duly authorized the issuance of the Securities;

(g) the Conversion Shares and the Warrant Shares, when issued and delivered in accordance with the terms of the Company's certificate of incorporation and the Debenture and the Warrant, as the case may be, will be duly and validly issued, fully paid and non-assessable, will not be subject to any preemptive or similar rights, and will be free and clear of any security interest, lien, claim or other encumbrance;

(h) the sale of the Securities by the Company is not part of a plan or scheme to evade the registration requirements of the Securities Act;

(i) neither the Company nor any person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising;

(j) the Company has offered the Securities for sale only to an "accredited investor," as such term is defined in Rule 501(a) under the Securities Act, who by reason of its business and financial experience has such knowledge, sophistication and experience in business and financial matters as to be capable of evaluating the merits and risks of the investment in the Securities;

(k) As of their respective dates, or to the extent corrected by a subsequent restatement, amendment or supplement, all reports, schedules, forms, statements and other documents required to be filed by the Company under the Exchange Act, for the two years preceding the date hereof (the "SEC Reports") complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the Securities and Exchange Commission (the "SEC") promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

(1) the financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing (or to the extent corrected by a subsequent restatement). Such financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated subsidiaries taken as a whole as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments;

(m) since the date of the latest audited financial statements included within the SEC Reports, and except as otherwise set forth in the SEC Reports, (i) the Company has not incurred any material liabilities, direct or contingent, and (ii) there has been no material adverse change in the properties, business, results of operations, condition (financial or other), affairs or prospects of the Company and its subsidiaries, taken as a whole ("Material Adverse Effect");

(n) all outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and have not been issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities. The authorized capital stock of the Company consists of 600,000,000 shares of Common Stock, of which approximately 209,276,745 shares are outstanding as of October 31, 2013 (or 291,878,829 shares of Common Stock after giving effect to the assumed exercise of all outstanding warrants and options and assumed conversion of convertible debentures). Except for options to purchase Common Stock or other equity awards issued to employees and consultants of the Company pursuant to the employee benefits plans disclosed in the SEC Reports, and except as disclosed in the SEC Reports, there are no existing options, warrants, calls, preemptive (or similar) rights, subscriptions or other rights, agreements, arrangements or commitments of any character obligating the Company to issue, transfer or sell, or cause to be issued, transferred or sold, any shares of the capital stock of the Company or other equity interests in the Company or any securities convertible into or exchangeable for such shares of capital stock or other equity interests, and there are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any shares of its capital stock or other equity interests. There are no voting agreements or other similar arrangements with respect to the Common Stock to which the Company is a party;

(o) (i) to the Company's knowledge, the Company and its subsidiaries own, possess or have valid, binding and enforceable rights to use the Company Intellectual Property (as defined below) through ownership or otherwise, (ii) none of the Company or its subsidiaries has received any written notice, nor to the Company's knowledge, any other notice, of any infringement by the Company or its subsidiaries with respect to any Intellectual Property (as defined below) of any third party, and (iii) to the Company's knowledge, the Company Intellectual Property is owned by the Company and has been duly and properly filed;

For purposes of this Agreement, "Intellectual Property" means trademarks, servicemarks, trade dress rights, copyrights, trade names and domain names, and all registrations and applications for each of the foregoing, trade secrets, know-how (including other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), inventions and technology, and "Company Intellectual Property" means Intellectual Property owned by the Company and its subsidiaries. Except as described in the SEC Reports, or as would not reasonably be expected to have a Material Adverse Effect, to the knowledge of the Company, the Company has complied with the United States Patent and Trademark Office and applicable foreign patent authorities' duty of candor and disclosure for all patent applications directed to Company Intellectual Property that are owned by the Company or its subsidiaries (the "Company Patent Applications") and has made no material misrepresentation in the Company Patent Applications.

(p) the Company is not disqualified from relying on Rule 506 of Regulation D ("Rule 506") under the Securities Act for any of the reasons stated in Rule 506(d) in connection with the issuance and sale of the Debenture and the Warrant to the Subscriber. The Company has furnished to the Subscriber, a reasonable time prior to the date hereof, a description in writing of any matters that would have triggered disqualification under Rule 506(d) but which occurred before September 23, 2013, in each case, in compliance with the disclosure requirements of Rule 506(e) under the Securities Act; and

(q) neither the Company nor, to the Company's knowledge, any person acting on its behalf has, directly or indirectly, at any time within the past six months, made any offers or sales of any Company security or solicited any offers to buy any security under circumstances that would (i) eliminate the availability of the exemption from registration under Regulation D under the Securities Act in connection with the offer and sale by the Company of the Securities as contemplated hereby or (ii) cause the offering of the Securities to be integrated with prior offerings by the Company for purposes of any applicable law, regulation or stockholder approval provisions, including, without limitation, under the rules and regulations of any trading market on which any of the securities of the Company are listed or designated.

The Company has not made any representations or warranties to the Subscriber, and the Subscriber has not relied upon any representations or warranties of the Company, except as expressly set forth in this Section 5.

6. Representations and Warranties of the Subscriber. The Subscriber represents, warrants and agrees that:

(a) the purchase of the Securities by the Subscriber is not part of a plan or scheme to evade the registration requirements of the Securities Act;

(b) the Subscriber understands that the offering and sale of the Securities is intended to be exempt from registration under the Securities Act, by virtue of Section 4(2) thereof and the provisions of Regulation D ("**Regulation D**") as promulgated by the SEC, based, in part, upon the representations, warranties and agreements of the Subscriber contained in this Subscription Agreement;

(c) the Subscriber is, and on each date on which it converts the Debenture or exercises the Warrant will be, an "accredited investor," as such term is defined in Rule 501(a) under the Securities Act, and that the Subscriber satisfies at least one of the categories of accredited investors as set forth on the Accredited Investor Questionnaire attached hereto as **Schedule 1**;

(d) the Subscriber, by reason of its business and financial experience, has such knowledge, sophistication and experience in business and financial matters as to be capable of evaluating the merits and risks of the investment in the Securities and, having had access to or having been furnished with all such information or documents as it has considered necessary (including, without limitation, the SEC Reports), has concluded that it is able to bear those risks;

(e) The Subscriber has adequate means of providing for such Subscriber's current financial needs and foreseeable contingencies and has no need for liquidity of its investment in the Securities for an indefinite period of time;

(f) the Subscriber confirms that, in making the Subscriber's decision to purchase the Securities, the Subscriber and the Subscriber's representatives have been given the opportunity to ask questions of and to receive answers from the Company concerning the Securities and the Company and all such questions have been answered to the full satisfaction of the Subscriber;

(g) the Subscriber has independently evaluated the merits of its decision to purchase the Securities, and the Subscriber confirms and understands that nothing in this Agreement or any other materials presented by or on behalf of the Company to the Subscriber in connection with the purchase of the Securities constitutes legal, tax or investment advice. The Subscriber has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Securities;

(h) the Subscriber understands that (i) the Securities are "restricted securities" and have not been registered under the Securities Act and may not be offered or sold unless registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available, (ii) if any transfer of the Securities is to be made in reliance on an exemption under the Securities Act, the Company may require an opinion of counsel satisfactory to it that such transfer may be made pursuant to such exemption and (iii) so long as deemed appropriate by the Company, the Securities may bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form to the following effect:

"[NEITHER THIS [DEBENTURE] [WARRANT] NOR THE SECURITIES ISSUABLE UPON [CONVERSION HEREOF][EXERCISE OF THIS WARRANT] HAVE BEEN REGISTERED] [THESE SECURITIES HA VB NOT BEEN REGISTERED] UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES [ISSUABLE UPON [CONVERSION HEREOF][EXERCISE OF THIS WARRANT]] MAY NOT BE OFFERED FOR SALE, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF (1) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SA TISF ACTORY TO THE COMPANY OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT";

(i) in making any subsequent offering or sale of the Securities, the Subscriber will be acting only for itself and not as part of a sale or planned distribution in violation of the Securities Act;

(j) the Subscriber is unaware of, is in no way relying on, and did not become aware of the Offering through or as a result of, any form of general solicitation or general advertising including, without limitation, any article, notice, advertisement or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the internet, in connection with the offering and sale of the Securities and is not subscribing for the Securities and did not become aware of the Offering through or as a result of any seminar or meeting to which the Subscriber was invited by, or any solicitation of a subscription by, a person not previously known to the Subscriber in connection with investments in securities generally;

(k) the Subscriber understands that neither the SEC nor federal or state or other governmental agency has passed upon or made any recommendation or endorsement with respect to the Securities and that neither the SEC nor any state securities commission has approved the Securities, or passed upon or endorsed the merits of this offering of the Securities;

(l) the Subscriber is purchasing the Debenture and the Warrant, and will acquire the Conversion Shares and the Warrant Shares upon conversion or exercise, respectively, thereof, as principal for its own account and not with a view to, or for distributing or reselling the Securities, or any part thereof, in violation of the Securities Act or any applicable state securities laws. The Subscriber acknowledges that the Securities have not been registered under the Securities Act or any applicable state securities law;

(m) the Subscriber (i) does not presently have any agreement, plan or understanding, directly or indirectly, with any person or entity to distribute or effect any distribution of any of the Securities (or any securities which are derivatives thereof) or through any person or entity; (ii) is not a registered broker-dealer under Section 15 of the Exchange Act or an entity engaged in a business that would require it to be so registered as a broker-dealer; and (iii) during the period of five (5) business days immediately prior to the execution of this Agreement, the Subscriber, did not, and from such date and through the expiration of the 90th day following the date hereof will not, directly or indirectly, execute or effect or cause to be executed or effected any short sale, option, or equity swap transaction in or with respect to the Common Stock or any other derivative security transaction the purpose or effect of which is to hedge or transfer to a third party all or any part of the risk of loss associated with the ownership of the Securities by the Subscriber;

(n) no consent, approval, authorization or order of any court, governmental agency or body or arbitrator having jurisdiction over the Subscriber or any of the Subscriber's affiliates is required for the execution of this Agreement or the performance of the Subscriber's obligations hereunder, including, without limitation, the purchase of the Debenture and the Warrant by the Subscriber;

(o) The Subscriber has its principal place of business at the address immediately set forth below such Subscriber's name on the signature pages hereto;

(p) The Subscriber (i) if a natural person, represents that the Subscriber has reached the age of 21 and has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof; (ii) if a corporation, partnership, or limited liability company or partnership, or association, joint stock company, trust, unincorporated organization or other entity, represents that such entity was not formed for the specific purpose of acquiring the Securities, such entity is duly organized, validly existing and in good standing under the laws of the state of its organization, the consummation of the transactions contemplated hereby is authorized by, and will not result in a violation of the law of the state of its organization or its charter or other organizational documents, such entity has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof and to purchase and hold the Securities, the execution and delivery of this Subscription Agreement has been duly authorized by all necessary action, this Subscription Agreement has been duly executed and delivered on behalf of such entity and is a legal, valid and binding obligation of such entity; or (iii) if executing this Subscription Agreement in a representative or fiduciary capacity, represents that it has full power and authority to execute and deliver this Subscription Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Subscriber is executing this Subscription Agreement, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Subscription Agreement and make an investment in the Company, and represents that this Subscription Agreement constitutes a legal, valid and binding obligation of such entity. The execution and delivery of this Subscription Agreement will not violate or be in conflict with any order, judgment, injunction, agreement or controlling document to which the Subscriber is a party or by which it is bound; and

(q) The information set forth in this Agreement regarding the Subscriber is true, correct and complete.

The foregoing representations, warranties and undertakings are made by the Subscriber with the intent that they be relied upon in determining the Subscriber's suitability as an investor in the Company.

If more than one person is signing this Subscription Agreement, each representation, warranty and undertaking made herein shall be a joint and several representation, warranty or undertaking of each such person. If the Subscriber is a partnership, corporation, trust or other entity, the Subscriber has enclosed with this Agreement appropriate evidence of the authority of the individual executing this Agreement to act on behalf of the Subscriber.

7. Conditions to Closing. The obligations of each party hereunder shall be subject to:

(a) the accuracy of the representations and warranties of the other party hereto as of the date hereof and as of the Closing Date, as if such representations and warranties had been made on and as of such date; and

(b) the performance by the other party of its obligations hereunder.

8. Indemnification.

(a) The Company agrees to indemnify and hold harmless the Subscriber, each person, if any, who controls the Subscriber within the meaning of Section 15 of the Securities Act and each officer, director, employee and agent of the Subscriber and of any such controlling person against any and all losses, liabilities, claims, damages or expenses whatsoever, as incurred, arising out of or resulting from any breach or alleged breach or other violation or alleged violation of any representation, warranty, covenant or undertaking by the Company contained in this Agreement, and the Company will reimburse the Subscriber for its reasonable legal and other expenses (including the cost of any investigation and preparation, and including the reasonable fees and expenses of counsel) incurred in connection therewith.

(b) The Subscriber agrees to indemnify and hold harmless the Company, each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act and each officer, director, employee and agent of the Company and of any such controlling person against any and all losses, liabilities, claims, damages or expenses whatsoever, as incurred, arising out of or resulting from any breach or alleged breach or other violation or alleged violation of any representation, warranty, covenant or undertaking by the Subscriber contained in this Agreement, and the Subscriber will reimburse the Company for its reasonable legal and other expenses (including the cost of any investigation and preparation, and including the reasonable fees and expenses of counsel) incurred in connection therewith.

9. *Survival of Representations, Warranties and Covenants.* The respective agreements, representations, warranties, indemnities and other statements made by or on behalf of each party hereto pursuant to this Agreement shall remain in full force and effect, regardless of any investigation made by or on behalf of any party, and shall survive delivery of any payment for the Subscription Price.

10. *Notices.* Any notice, demand or request required or permitted to be given by the Company or the Subscriber pursuant to the terms of this Agreement shall be in writing and shall be deemed given when delivered personally, one day after being delivered to an overnight courier of national reputation for next day priority delivery, or by facsimile or electronic mail (with a hard copy to follow by delivery to a national reputation carrier for non-priority delivery), addressed to the parties at the addresses and/or facsimile telephone number/electronic mail address of the parties set forth at the end of this Agreement, or such other address as a party may request by notifying the other in writing.

11. *Miscellaneous.*

(a) This Agreement may be executed in one or more counterparts, and such counterparts shall constitute but one and the same agreement.

(b) This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective successors and, with respect to the indemnification provisions hereof, each person entitled to indemnification hereunder, and no other person shall have any right or obligation hereunder. This Agreement, including without limitation the provision of Section 4(e), shall not be assignable by any party hereto without the prior written consent of the other party hereto. Any assignment contrary to the terms hereof shall be null and void and of no force or effect.

(c) This Agreement represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought.

(d) Each provision of this Subscription Agreement shall be considered separable and, if for any reason any provision or provisions hereof are determined to be invalid or contrary to applicable law, such invalidity or illegality shall not impair the operation of or affect the remaining portions of this Subscription Agreement.

(e) Each of the parties hereto shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Subscription Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated; provided, however, that the Company shall reimburse the Subscriber for those reasonable costs and expenses incurred by the Subscriber in connection with the transactions contemplated by this Agreement in an amount of up to \$25,000, provided, however, that such reimbursement shall only take place upon the successful completion of the transaction (such reimbursement to be made by wire transfer of immediately available funds by the Company to such account designated by the Subscriber or such other method as agreed to by the parties to this Agreement).

(f) Paragraph titles are for descriptive purposes only and shall not control or alter the meaning of this Subscription Agreement as set forth in the text.

(g) This Agreement shall be governed by the internal laws of the State of New York, without regard to conflicts of law.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Subscription Agreement to be executed and delivered as of the date first written above.

Date: November 11, 2013

Amount of Subscription: Three Million Five Hundred Thousand Dollars
(\$3,500,000)

Adaptive Capital, LLC

Subscriber's Name

Provided Separately

Taxpayer Identification Number

/s/ ADAPTIVE CAPITAL, LLC

Subscriber's Signature

Business Address:

Mailing Address, if different from Business Address

500 Ygnacio Valley Road
Suite 360
Walnut Creek, CA 94596

Telephone: _____

Fax: _____

E-mail: _____

NOTE TO SUBSCRIBER: PLEASE COMPLETE THE ACCREDITED INVESTOR QUESTIONNAIRE
ATTACHED AS *SCHEDULE 1*.

Accepted:
COPYTELE INC.

By: /s/ Robert A. Berman
Robert A. Berman
President and Chief Executive Officer

Date: November 11, 2013

Address: 900 Walt Whitman Road
Melville, New York 11747

Facsimile: _____

Email: _____

SCHEDULE 1

COPYTELE, INC. ACCREDITED INVESTOR QUESTIONNAIRE

PART I -FOR NATURAL PERSONS

1. Accredited Investors Status: I am an Accredited Investor (as defined in Rule 501 of Regulation D promulgated under the Securities Act) because I certify that (check all appropriate descriptions that apply):

Initial _____ I am a natural person whose individual net worth, or joint net worth with my spouse, exceeds \$1,000,000. For purposes of this item, "net worth" means the excess of total assets at fair market value (including personal and real property, but excluding the estimated fair market value of a person's primary home) over total liabilities. Total liabilities excludes any mortgage on the primary home in an amount of up to the home's estimated fair market value as long as the mortgage was incurred more than 60 days before the Securities are purchased, but includes (i) any mortgage amount in excess of the home's fair market value and (ii) any mortgage amount that was borrowed during the 60day period before the closing date for the sale of Securities for the purpose of investing in the Securities.

Initial _____ I am a natural person who had individual income exceeding \$200,000 (or joint income with my spouse exceeding \$300,000) in each of the last two calendar years and I have a reasonable expectation of reaching the same income level in the current calendar year.

Initial _____ I am a director or executive officer of CopyTele, Inc.

2. Employment and Business Experience

Present occupation: _____

Salary: _____

Do you own your own business or are you otherwise employed? _____

Name and type of business employed by or owned: _____

Description of responsibilities: _____

Length of service with present employer or length of ownership of present business: _____

Present title or position _____

Length of service in present title or position: _____

Prior occupations, employment, and length of service during the past five (5) years:

which)	Years of Service	Occupation	Name of Employer or Owned Business (and identify
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Do you have any professional licenses or registrations, including bar admissions, accounting certificates, real estate brokerage licenses, investment adviser registrations and SEC or state broker-dealer registrations? Yes: _____ No: _____

If yes, please list such licenses or registrations, the date(s) you received the same, and whether they are in good standing:

3. Education (college and postgraduate)

Institution Attended	Degree	Dates of Attendance
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4. Current Investment Objectives

My current investment objectives (indicate applicability and priority) are:

Current income: _____ Appreciation: _____ Tax Shelter: _____ Other: _____

5. Other Relevant Information

Please describe any additional information that reflects your knowledge and experience in business, financial, or investment matters and your ability to evaluate the merits and risks of this investment.

PART II -FOR ENTITIES

1. Accredited Investors Status: The Subscriber is an Accredited Investor (as defined in Rule 501 of Regulation D promulgated under the Securities Act) because it certifies that (check all appropriate descriptions that apply):

- Initial _____ A bank, as defined in Section 3(a)(2) of the Securities Act or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in an individual or a fiduciary capacity.
- Initial _____ A broker or dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended.
- Initial _____ An insurance company, as defined in Section 2(13) of the Securities Act.
- Initial _____ An investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that act.
- Initial _____ A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
- Initial _____ A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if the plan has total assets in excess of \$5 million.
- Initial _____ An employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is being made by a plan fiduciary, as defined in Section 3(21) of such act, and the plan fiduciary is either a bank, an insurance company, or a registered investment adviser, or if the employee benefit plan has total assets in excess of \$5 million.
- Initial _____ A private business development company, as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
- Initial _____ A corporation, Massachusetts or similar business trust, or partnership, or an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, that was not formed for the specific purpose of acquiring the Securities, and that has total assets in excess of \$5 million.
- Initial _____ A trust with total assets in excess of \$5 million not formed for the specific purpose of acquiring the Securities, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Securities Act.
- Initial X An entity in which all of the equity owners are accredited investors and meet the criteria listed in Part I, Section 1 of this Questionnaire (and please list all equity owners and provide a Questionnaire for each such person).

2. *General Information*

Name of Entity: Adaptive Capital, LLC

Address of Principal Office: 500 Ygnacio Valley Road, Suite 360, Walnut Creek, CA 94596

Type of Organization: Limited Liability Company

Date and State of Organization: 11/8/2013 Delaware

3. *Business*

Major Segments of Operation: Investments

Length of operation in each such segment: N/A

Are you a reporting entity under the Securities Exchange Act of 1934, as amended? ____ Yes ___**X**____
No

4. *Current Investment Objectives*

The current investment objectives of the entity (indicate applicability and priority) are: Current income:

____ Appreciation: ___**X**___ Tax Shelter: _____ Other: _____

5. *Other Relevant Information*

Please describe any additional information that reflects your knowledge and experience in business, financial, or investment matters and your ability to evaluate the merits and risks of this investment. If additional space is required to answer any question, please attach separate pages to the back of this Questionnaire and identify all questions answered in this fashion by their respective question numbers.

EXHIBIT A
FORM OF DEBENTURE



EXHIBIT B
FORM OF WARRANT

NEITHER THIS DEBENTURE NOR THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY NOT BE OFFERED FOR SALE, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.

COPYTELE, INC.
6% Convertible Debenture
Due November 11, 2016

\$3,500,000

November 11, 2013

COPYTELE, INC., a Delaware corporation (the "Company" or "Maker"), for value received, hereby promises to pay to Adaptive Capital or its registered assigns (the "Payee" or "Holder"), at 500 Ygnacio Valley Road, Suite 360 Walnut Creek, CA 94596 upon due presentation and surrender of this six percent (6%) Convertible Debenture (this "Debenture"), on or after November 11, 2016 (the "Maturity Date"), the principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000) and accrued interest thereon as hereinafter provided.

This Debenture is being issued by the Company as of November 11, 2013 (the "Issuance Date") pursuant to a Subscription Agreement, dated as of November 11, 2013 between the Company and the subscriber party thereto.

ARTICLE I
PAYMENT OF PRINCIPAL AND INTEREST; METHOD OF PAYMENT

Section 1.1 Payment of Principal and Interest. Payment of the principal and accrued interest on this Debenture shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Interest (computed on the basis of a 360-day year for the number of days elapsed) on the unpaid portion of said principal amount from time to time outstanding shall be paid by the Company at the rate of six percent (6%) per annum (a) in like coin and currency or (b) at the option of the Company, so long as at the time of payment the Common Stock is listed or quoted on a Trading Market, in shares of the Company's Common Stock (as hereinafter defined), in each case upon the same terms and conditions of this Debenture payable to the Payee annually on the anniversary date of this Debenture (each, an "Interest Payment Date"), with the first Interest Payment Date hereunder scheduled to be November 11, 2014 and the last Interest Payment Date to be on the Maturity Date. Interest shall accrue from the Issuance Date. Both principal hereof and interest thereon are payable at the Holder's address above or such other address as the Holder shall designate from time to time by written notice to the Company. The Company will pay or cause to be paid all sums becoming due hereon for principal and interest by check, sent to the Holder's above address or to such other address as the Holder may designate for such purpose from time to time by written notice to the Company, without any requirement for the presentation of this Debenture or making any notation thereon, except that the Holder hereof agrees that payment of the final amount due shall be made only upon surrender of this Debenture to the Company for cancellation.

If the Company elects to pay the interest due on a particular Interest Payment Date in shares of Common Stock, the number of shares issued as payment of the accrued interest shall be equal to the quotient of the aggregate accrued and unpaid interest divided by 90% of the Weighted Average Price (as defined in Section 5.1 hereof) of the Common Stock on the Interest Payment Date. No fractional shares or scrip representing fractional shares will be issued upon the payment of accrued interest, but a payment in cash will be made, in respect of any fraction of a share which would otherwise be issuable in connection with the payment of accrued interest in shares of Common Stock.

Prior to any sale or other disposition of this instrument, the Holder hereof agrees to endorse hereon the amount of principal paid hereon and the last date to which interest has been paid hereon and to notify the Company of the name and address of the transferee in accordance with the terms of Section 2.2 of this Debenture.

Section 1.2 Extension of Payment Date. If this Debenture or any installment hereof becomes due and payable on a Saturday, Sunday or other day on which banks in the State of New York are authorized to remain closed, the due date hereof shall be extended to the next succeeding full Business Day (as defined in Section 5.1 hereof).

ARTICLE II CONVERSION AND OTHER RIGHTS

Section 2.1 Conversion into Common Stock at Option of Holder. At any time and from time to time until the Maturity Date, this Debenture is convertible in whole or in part at the Holder's option into shares ("Conversion Shares") of the Company's common stock, par value \$0.01 per share ("Common Stock"), upon surrender of this Debenture, at the office of the Company, accompanied by a written notice of conversion in the form of Attachment II hereto, or otherwise in form reasonably satisfactory to the Company, duly executed by the registered Holder or its duly authorized attorney. The aggregate principal amount of this Debenture shall be convertible at any time from the Issuance Date until the Maturity Date into shares of Common Stock at a price per share equal to \$0.1892 ("Conversion Price"), subject to the adjustments as provided for in Section 2.4. Interest shall accrue to and include the day prior to the date of conversion and shall be paid by check or in shares of Common Stock, as provided for in Section 1.1, on the last day of the month in which conversion rights hereunder are exercised. In the event this Debenture is converted in part, the Company shall deliver a new Debenture of like tenor in the principal amount equal to the remaining principal balance of this Debenture after giving effect to such partial conversion.

Section 2.2 Transfer of Debenture; Conversion Procedure. The Holder shall not, directly or indirectly, sell, give, assign, hypothecate, pledge, encumber, grant a security interest in or otherwise dispose of (whether by operation of law or otherwise) (each a "**Transfer**") this Debenture, in whole or in part, or any right, title or interest herein or hereto, except in accordance with the provisions of this Debenture. Any attempt to Transfer this Debenture or any rights hereunder in violation of the preceding sentence shall be null and void ab initio and the Company shall not register any such Transfer. Any attempt to Transfer this Debenture or rights hereunder in violation of this Debenture shall be null and void ab initio and the Company shall not register such transfer. Upon the Transfer of this Debenture, in whole or in part, through the use of the assignment form attached hereto as Attachment I, and in accordance with applicable law or regulation, and the payment by the Holder of funds sufficient to pay any transfer tax, the Company shall issue and register this Debenture in the name of the new Holder or, in the event this Debenture is transferred in part, the Company shall deliver new Debentures of like tenor registered in the names of each of the current Holder and the transferee in principal amounts that give effect to such partial Transfer. Notwithstanding any other provision of this Debenture, no Transfer may be made pursuant to this Section 2.2 unless (a) the Transferee has agreed in writing to be bound by the terms and conditions hereto, (b) the Transfer complies in all respects with the applicable provisions of this Debenture, and (c) the Transfer complies in all respects with applicable federal and state securities laws, including, without limitation, the Securities Act. If requested by the Company in its reasonable judgment, the Holder shall supply to the Company (x) an opinion of counsel, at the Holder's expense, to the effect that such Transfer complies with the applicable federal and state securities laws; and (y) a written statement to the Company, in such form as it may reasonably request, certifying that the Transferee is an "accredited investor" as defined in Rule 501(a) under the Securities Act.

The Company shall convert this Debenture upon surrender thereof for conversion properly endorsed and accompanied by a properly completed and executed Conversion Notice attached hereto as Attachment II and any documentation deemed necessary by the Company showing the availability of an exemption under applicable state and federal securities laws. Subject to the terms of this Debenture, upon surrender of this Debenture, the Company shall promptly issue and deliver to and in the name of the Holder of this Debenture, a certificate or certificates for the number of full shares of Common Stock due to such Holder upon the conversion of this Debenture. No fractional shares or scrip representing fractional shares will be issued upon any conversion, but a payment in cash will be made, in respect of any fraction of a share which would otherwise be issuable upon the surrender of this Debenture for conversion. The person or persons to whom such certificate or certificates are issued by the Company shall be deemed to have become the holder of record of such shares of Common Stock as of the date of the surrender of this Debenture. Upon conversion, the Holder will be required to execute and deliver any documentation deemed necessary by the Company showing the availability of an exemption under applicable state and federal securities laws.

Section 2.3 Covenants.

(a) Issuance and Shares of Common Stock upon Conversion. The Company covenants that it will at all times reserve and keep available, free from preemptive rights, out of its authorized Common Stock, solely for the purpose of issuance upon conversion of this Debenture, such number of shares of Common Stock as shall equal the aggregate number of shares of Common Stock that would be issued under this Debenture if fully converted. The Company also covenants that all of the shares of Common Stock that shall be issuable upon conversion of this Debenture shall, at the time of delivery, and, subject to Section 2.4(g) hereof, be duly and validly issued, fully paid, nonassessable and free from all taxes, liens and charges with respect to the issue thereof (other than those which the Company shall promptly pay or discharge).

(b) Restrictive Legend. Each certificate evidencing shares of Common Stock issued to the Holder following the conversion of this Debenture shall bear the following restrictive legend or a similar legend until such time as the transfer of such security is not restricted under the federal securities laws:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.

Notwithstanding the foregoing, the Holder may require the Company to issue a Debenture or a certificate evidencing Conversion Shares, in each case without a legend, if either (i) such Debenture or such Conversion Shares, as the case may be, have been registered for resale under the Securities Act or (ii) the Holder has delivered (or caused to be delivered) to the Company an opinion of counsel (reasonably satisfactory to the Company) which opinion shall be addressed to the Company and be reasonably satisfactory in form and substance to the Company's counsel, to the effect that such registration is not required with respect to such Debenture or such Conversion Shares, as the case may be.

(c) Ranking of Debenture. At any time after the Issuance Date, the Company will not, directly or indirectly, enter into, create, incur, assume or suffer to exist any additional indebtedness for borrowed money that by its terms is expressly senior in right of payment to the Company's obligations under this Debenture, unless the Company has obtained the written consent of the Holder (or in the case of permitted assigns, holders representing at least two thirds of the outstanding principal amount of indebtedness originally represented by this Debenture).

Section 2.4 Adjustment of Conversion Price and Number of Underlying Shares. The number of shares of Common Stock issuable upon the conversion of this Debenture shall be subject to adjustment from time to time as follows:

(a) Adjustment for Stock Splits and Combinations. If the Company shall at any time after the Issuance Date (i) subdivide the outstanding Common Stock, (ii) combine the outstanding Common Stock into a smaller number of shares, or (iii) declare a dividend or otherwise distribute to all holders of Common Stock (including any such distribution made to the stockholders of the Company in connection with a consolidation or merger in which the Company is the continuing corporation) evidences of its indebtedness, cash, or assets (including distributions and dividends payable in shares of Common Stock), or rights, options, or warrants to subscribe for or purchase Common Stock, or securities convertible into or exchangeable for shares of Common Stock, then, in each case, the number of shares of Common Stock issuable upon the conversion of this Debenture shall be proportionately adjusted so that the Holder after such time shall be entitled to receive the aggregate number and kind of shares, evidences, rights, options, warrants or securities which, if this Debenture had been converted immediately prior to such time, the Holder would have owned upon such conversion and been entitled to receive by virtue of such dividend, subdivision, combination, or distribution.

(b) Change in Conversion Shares upon Consolidations and Mergers in Which the Company Is Not the Surviving Company and upon Certain Sales, Leases, and Conveyances. In case of any consolidation with or merger of the Company with or into another corporation or other entity (other than a merger or consolidation in which the Company is the surviving or continuing corporation), or in case of any sale, lease, or conveyance to another corporation or entity of the property and assets of any nature of the Company as an entirety or substantially as an entirety (such actions being hereinafter collectively referred to as "**Reorganizations**"), there shall thereafter be deliverable upon conversion of this Debenture (in lieu of the number of shares of Common Stock theretofore deliverable) the kind and amount of shares of stock or other securities or property receivable upon such Reorganization by a holder of the number of shares of Common Stock equal to the number of shares of Common Stock issuable upon the conversion of this Debenture for which this Debenture might have been converted immediately prior to such Reorganization. The Company shall not effect any such Reorganization unless upon or prior to the consummation thereof the successor corporation, or if the Company shall be the surviving corporation in any such Reorganization and is not the issuer of the shares of stock or other securities or property to be delivered to holders of shares of the Common Stock outstanding at the effective time thereof, then such issuer, shall assume by written instrument the obligation to deliver to the Holder such shares of stock, securities, cash or other property as the Holder shall be entitled to upon a conversion of this Debenture in accordance with the foregoing provisions.

(c) Change in Shares upon Certain Reclassifications, Consolidations, and Mergers. In case of any reclassification or change of the Common Stock (other than a change in par value or from no par value to a specified par value, or as a result of a subdivision or combination of the outstanding shares of Common Stock, but including any change of the shares of Common Stock into two or more classes or series of shares), or in case of any consolidation or merger of another corporation or entity into the Company in which the Company is the continuing corporation and in which there is a reclassification or change (including a change to the right to receive cash or other property) of the shares of Common Stock (other than a change in par value, or from no par value to a specified par value, or as a result of a subdivision or combination of the outstanding shares of Common Stock, but including any change of the shares into two or more classes or series of shares), the Holder shall have the right thereafter to receive upon conversion of this Debenture solely the kind and amount of shares of stock and other securities, property, cash, or any combination thereof receivable upon such reclassification, change, consolidation, or merger by a holder of the number of shares of Common Stock equal to the number of shares of Common Stock for which this Debenture might have been converted immediately prior to such reclassification, change, consolidation, or merger.

(d) Other Events. If any event occurs of the type contemplated by the provisions of this Section 2.4 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's Board of Directors will make an appropriate adjustment in the Conversion Price so as to protect the rights of the Holder under this Debenture; provided that no such adjustment will increase the Conversion Price as otherwise determined pursuant to this Article II.

(e) No Impairment. The Company will not, through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company.

(f) Record Date. If the Company takes a record of the holders of Common Stock for the purpose of entitling them (i) to receive a dividend or other distribution payable in Common Stock, or in any rights, options or warrants to subscribe for or to purchase Common Stock (such rights or options or warrants being herein called "Options") or in any stock or other securities convertible into or exchangeable for Common Stock (such convertible or exchangeable stock or securities being herein called "Convertible Securities") or (ii) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(g) Subsequent Equity Sales.

(i) If, at any time while this Debenture is outstanding, the Company enters into a new financing arrangement to issue additional shares of Common Stock or rights, warrants, options or other securities or debt convertible, exercisable or exchangeable for shares of Common Stock or otherwise entitling any Person to acquire shares of Common Stock (collectively, "Common Stock Equivalents") such that the effective net price to the Company per share of Common Stock (the "Effective Price") is less than 75% of the Conversion Price (as adjusted hereunder to such date), then the Conversion Price shall be reduced to equal the Effective Price. For purposes of this paragraph, in connection with any issuance of any Common Stock Equivalents, (A) the maximum number of shares of Common Stock potentially issuable at any time upon conversion, exercise or exchange of such Common Stock Equivalents (the "Deemed Number") shall be deemed to be outstanding upon issuance of such Common Stock Equivalents, (B) the Effective Price applicable to such Common Stock shall equal the minimum dollar value of consideration payable to the Company to purchase such Common Stock Equivalents and to convert, exercise or exchange them into Common Stock (net of any discounts, fees, commissions and other expenses), divided by the Deemed Number, and (C) no further adjustment shall be made to the Conversion Price upon the actual issuance of Common Stock upon conversion, exercise or exchange of such Common Stock Equivalents.

(ii) If, at any time while this Debenture is outstanding, the Company enters into a new financing arrangement to issue Common Stock Equivalents with an Effective Price or a number of underlying shares that floats or resets or otherwise varies or is subject to adjustment based (directly or indirectly) on market prices of the Common Stock (a "**Floating Price Security**"), then for purposes of applying the preceding paragraph in connection with any subsequent conversion, the Effective Price will be determined separately on each Conversion Date and will be deemed to equal the lowest Effective Price at which any holder of such Floating Price Security is entitled to acquire Common Stock on such Conversion Date (regardless of whether any such holder actually acquires any shares on such date).

(iii) Notwithstanding the foregoing, no adjustment will be made under this Section 2.4(g) in respect of:

A. shares of Common Stock issuable upon exercise of rights, options or warrants outstanding on the date hereof;

B. shares of Common Stock issued (or issuable upon exercise of rights, options or warrants outstanding from time to time) granted or issued to officers, directors or employees of, or consultants to, the Company pursuant to a stock grant, stock option grant, stock option plan or other similar plan, in each case as approved by the Company's Board of Directors;

C. shares of Common Stock issued in connection with a strategic alliance, acquisition or others transaction, where the primary purpose of such transaction is not to raise equity capital;

D. shares of Common Stock issued (or issuable upon exercise of rights, options or warrants outstanding from time to time) for bona fide services; or

E. shares of Common Stock issued or issuable as a result of any stock split, combination, dividend, distribution, reclassification, exchange or substitution.

(h) Actions to Maintain Conversion Price Above Par Value. Before taking any action which would cause an adjustment in the Conversion Price such that, upon conversion of this Debenture, shares of Common Stock with par value, if any, would be deemed to be issued below the then par value of the Common Stock, the Company will take any corporate action which may, in the opinion of its counsel, be reasonably necessary in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock at the Conversion Price as so adjusted.

(i) Certificate of Adjustment. In any case of an adjustment of the number of shares of Common Stock or other securities issuable upon conversion of this Debenture, the chief financial officer or the president of the Company shall compute such adjustment in accordance with the provisions hereof and prepare and sign a certificate showing such adjustment, and shall deliver such certificate to the Holder of this Debenture at the Holder's address as shown in the Company's books. The certificate shall set forth such adjustment, showing in detail the facts upon which such adjustment is based, including a statement of the number of shares of Common Stock and the type and amount, if any, of other property which at the time would be received upon conversion of this Debenture.

(j) Notices of Record Date. In the event of (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, (ii) any reclassification or recapitalization of Common Stock outstanding involving a change in Common Stock or (iii) any consolidation, merger, sale of all or substantially all of the Company's assets to another Person (as defined in Section 5.1 hereof) and any transaction which is effected in such a way that holders of more than fifty percent (50%) of the shares of Common Stock then outstanding are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets of another Person with respect to or in exchange for Common Stock (being herein called a "**Change of Control**") or voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall deliver to the Holder of this Debenture, not less than ten (10) days and not more than sixty (60) days prior to the date on which the books of the Company shall close, the record date specified therein or the effective date thereof, as the case may be, a notice specifying (A) the material terms and conditions of the proposed action, (B) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (C) the date on which any such Change of Control, dissolution, liquidation or winding up is expected to become effective, and (D) the time, if any, that is to be fixed, as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Change of Control, dissolution, liquidation or winding up.

(k) Closing of Books. The Company will at no time close its transfer books against the transfer of any shares of Common Stock issued or issuable upon the conversion of this Debenture in any manner which interferes with the timely conversion of this Debenture into shares of Common Stock.

Section 2.5 Maximum Conversion. The Company shall not effect any conversions of this Debenture and the Holder shall not have the right to convert any portion of this Debenture or to the extent that after giving effect to such conversion, the Holder, together with any affiliate thereof, would beneficially own (as determined in accordance with Section 13(d) of the Securities Exchange Act, as amended (the "**Exchange Act**") and the rules promulgated thereunder) in excess of 4.99% (the "**Maximum Percentage**") of the number of shares of Common Stock outstanding immediately after giving effect to such conversion. Since the Holder will not be obligated to report to the Company the number of shares of Common Stock it may hold at the time of a conversion hereunder, unless the conversion at issue would result in the issuance of shares of Common Stock in excess of 4.99% of the then outstanding shares of Common Stock without regard to any other shares which may be beneficially owned by the Holder or an affiliate thereof, the Holder shall have the authority and obligation to determine whether the restriction contained in this Section will limit any particular conversion hereunder and to the extent that the Holder determines that the limitation contained in this Section applies, the determination of which portion of the principal amount of this Debenture is convertible shall be the responsibility and obligation of the Holder. If the Holder has delivered a Conversion Notice for a principal amount of this Debenture that, without regard to any other shares that the Holder or its affiliates may beneficially own, would result in the issuance in excess of the permitted amount hereunder, the Company shall notify the Holder of this fact and shall honor the conversion for the maximum principal amount permitted to be converted on such Conversion Date in accordance with Section 2.2 and, any principal amount tendered for conversion in excess of the permitted amount hereunder shall remain outstanding under this Debenture. By written notice to the Company, the Holder may (but only as to itself and not to any other holder) from time to time increase the Maximum Percentage to any other percentage not in excess of 9.99% specified in such notice; provided that any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company. Upon request of the Company, the holder shall promptly advise the Company as to the number of shares of Common stock then owned by the holder. Upon request of the Company, the Holder shall promptly advise the Company as to the number of shares of Common stock then owned by the Holder.

ARTICLE III

EVENTS OF DEFAULT

Section 3.1 Default. If one or more of the following described events (each of which being an "**Event of Default**" hereunder) shall occur and shall be continuing:

(a) the Company shall default in the payment of any principal on this Debenture when and as the same shall become due and payable or in the delivery of the conversion obligation owing upon any conversion of this Debenture within the time period set forth herein;

(b) the Company shall default in the payment of interest on this Debenture within five (5) Business Days of written notice to the Company that such amount is due and payable;

(c) any of the representations, covenants, or warranties made by the Company herein shall have been incorrect when made in any material respect;

(d) the Company shall breach, fail to perform, or fail to observe in any material respect any material covenant, term, provision, condition, agreement or obligation of the Company under this Debenture, and such breach or failure to perform shall not be cured within thirty (30) days after written notice to the Company; or

(e) bankruptcy, reorganization, insolvency or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Company and, if instituted against the Company, the Company shall by any action or answer approve of, consent to or acquiesce in any such proceedings or admit the material allegations of, or default in answering a petition filed in any such proceeding or such proceedings shall not be dismissed within ninety (90) calendar days thereafter:

then, or at any time thereafter, and in each and every such case, unless such Event of Default shall have been waived in writing by the Holder (which waiver shall not be deemed to be a waiver of any subsequent default) or cured as provided herein, the Holder may consider the entire principal amount of this Debenture (and all interest through such date) immediately due and payable in cash, without presentment, demand protest or notice of any kind, all of which are hereby expressly waived, anything herein or in any Debenture or other instruments contained to the contrary notwithstanding, and the Holder may immediately enforce any and all of the Holder's rights and remedies provided herein or any other rights or remedies afforded by law.

ARTICLE IV

REGISTRATION RIGHTS

Section 4.1 Registration Rights.

(a) The Company shall use its reasonable best efforts to prepare and file with the Securities and Exchange Commission (the "**Commission**") a Registration Statement on Form S-1 or other applicable form under the Securities Act (the "**Registration Statement**") covering the resale the Registrable Securities (as defined in Section 5.1) by the Holder (and certain other subscribers of the Company's securities) as promptly as possible, and in any event within ninety (90) days after the Issuance Date (the "**Filing Date**"). Notwithstanding anything in this Debenture to the contrary, the Company may, by written notice to the Holder, delay the filing of a Registration Statement or any amendment thereto, if in the good faith determination of the Board of Directors of the Company, the filing of any registration statement would adversely affect a material proposed or pending acquisition, merger or other material corporate event to which the Company is or expects to be a party.

(b) If a Registration Statement covering the resale the Registrable Securities is not filed on or prior to its Filing Date (any such failure or breach being referred to as an "Filing Default"), then on the date of the Filing Default and on each monthly anniversary thereof (if the Filing Default shall not have been cured by such date) until the Filing Default is cured, the Company shall pay to each holder of this Debenture an amount in cash, as liquidated damages ("Liquidated Damages") and not as a penalty, equal to 1.0% of the principal amount represented by this Debenture. The parties agree that the Company shall not be liable for Liquidated Damages with respect to any Warrants or Warrant Shares. The Liquidated Damages pursuant to the terms hereof shall apply on a daily *pro rata* basis for any portion of a month prior to the cure of a Filing Default.

Section 4.2 Obligations of the Company. In connection with the registration of the Registrable Securities as contemplated by Section 4.1, the Company shall:

(a) prepare a Registration Statement and file it with the Commission, and thereafter use its reasonable best efforts to cause the Registration Statement to become effective as soon as possible after the filing thereof, but in any event within 180 days after the Issuance Date, which Registration Statement (including any amendments or supplements thereto and prospectuses contained therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading;

(b) use its reasonable best efforts to prepare and file with the Commission such amendments (including post-effective amendments) and supplements to the Registration Statement and the prospectus used in connection with the Registration Statement as may be necessary to keep the Registration Statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by the Registration Statement until the Registrable Securities can be sold under Rule 144 under the Securities Act or such earlier date when all Registrable Securities covered by such Registration Statement have been sold publicly; provided, however, the Company shall not be required to keep the Registration Statement effective for a period of more than three years from the Issuance Date;

(c) furnish to the Holder such number of copies of a prospectus, including a preliminary prospectus and all amendments and supplements thereto, and such other documents, as the Holder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by the Holder;

(d) use reasonable efforts to (i) register and qualify the Registrable Securities covered by the Registration Statement under such other securities or Blue Sky laws of such jurisdictions reasonably requested by the Holder, (ii) prepare and file in those jurisdictions all required amendments (including post-effective amendments) and supplements, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times the Registration Statement is in effect, and (iv) take all other actions necessary or advisable to enable the disposition of such securities in all such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Article IV;

(e) use its reasonable best efforts to prepare a supplement or amendment to the Registration Statement to correct any untrue material statement or omission, and deliver a number of copies of such supplement or amendment to the Holder as he, she or it may reasonably request;

(f) promptly notify the Holder (or, in the event of an underwritten offering, the managing underwriters) of the issuance by the Commission of any stop order or other suspension of effectiveness of the Registration Statement, and make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of the Registration Statement at the earliest possible time;

(g) provide a transfer agent and registrar, which may be a single entity, for the Registrable Securities not later than the effective date of the Registration Statement; and

(h) cooperate with the Holder to enable such certificates to be in such denominations or amounts, as the case may be, and registered in such names as the managing underwriter or underwriters, if any, or the Holder may reasonably request in order for the Holder and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing Registrable Securities to be sold pursuant to the Registration Statement.

Section 4.3 Obligations of the Holder.

(a) It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Article IV with respect to the Holder that the Holder shall furnish to the Company such information regarding the Holder, the Registrable Securities held by the Holder and the intended method of disposition of such securities as shall be reasonably required to effect the registration of the Registrable Securities and shall execute such documents and agreements in connection with such registration as the Company may reasonably request. At least five (5) Business Days prior to the first anticipated filing date of the Registration Statement, the Company shall notify the Holder of the information the Company requires from the Holder (the "**Requested Information**") if the Holder elects to have any of its Registrable Securities included in the Registration Statement. If within three (3) Business Days of the filing date the Company has not received the Requested Information from the Holder, then the Company may file the Registration Statement without including Registrable Securities of the Holder.

(b) The Holder, by its acceptance of the Registrable Securities, agrees to cooperate with the Company in connection with the preparation and filing of any Registration Statement hereunder.

(c) In the event of an underwritten offering, the Holder agrees to enter into and perform its obligations under an underwriting agreement, in usual and customary form, including, without limitation, customary indemnification and contribution obligations, with the managing underwriter of such offering and to take such other actions as are reasonably required in order to expedite or facilitate the disposition of the Registrable Securities, unless the Holder has decided not to participate.

(d) The Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4.2(e), the Holder will immediately discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until its receipt of the copies of the supplemented or amended prospectus contemplated by Section 4.2(e). In addition, the Company may restrict disposition of Registrable Securities and the Holder will not be able to dispose of such Registrable Securities, if the Company shall have delivered a certificate to the Holder signed by an officer of the Company stating that in the good faith judgment of the Board of Directors of the Company a delay in the disposition of such Registrable Securities is necessary because the Company has determined that such sales would require public disclosure by the Company of material nonpublic information that is not included in such registration statement.

Section 4.4 Expenses of Registration. In connection with any and all registrations pursuant to Article IV, all expenses other than underwriting discounts and commissions incurred in connection with registration, filings or qualifications, including, without limitation, all registration, listing, filing and qualification fees, printing and accounting fees and costs and the fees and disbursements of counsel for the Company shall be borne by the Company.

Section 4.5 Indemnification. In the event any Registrable Securities are included in a Registration Statement under this Debenture:

(a) To the extent permitted by law, the Company will indemnify and hold harmless the Holder (in such capacity) and its members, managers, directors, officers and/or agents, any underwriter (as defined in the Securities Act) for the Holder, and each person, if any, who controls any such underwriter within the meaning of Section 15 of the Securities Act (each, an "**Indemnified Party**"), against any losses, claims, damages, expenses, liabilities joint or several) (collectively, "**Claims**") to which any of them may become subject under of the Exchange Act, or otherwise, insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise *out* of or are based upon any of the following statements, omissions or violations (each, a "**Violation**"); (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post-effective amendment thereof, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented if the Company files any amendment thereof or supplement thereto with the Commission), or the omission or alleged omission to state therein a material fact required to be stated therein, or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Subject to the restrictions set forth in Section 4.5(d) with respect to the number of legal counsel, the Company shall promptly reimburse the Holder, and each such other person entitled to indemnification under this Section 4.5, as such expenses are incurred and are due and payable, for any legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim, whether or not such Claim, investigation or proceeding is brought or initiated by the Company or a third party. Notwithstanding anything to the

contrary contained herein, the indemnification agreement contained in this Section 4.5(a) shall not (i) apply to a Claim arising *out of or based upon* a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by the Holder expressly for use in connection with the preparation of the Registration Statement, any prospectus or any such amendment thereof or supplement thereto or any failure of the Holder to deliver a prospectus as required by the Securities Act; or (ii) apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Holder and shall survive the transfer of the Registrable Securities by the Holder as provided herein.

(b) In connection with any Registration Statement in which the Holder is participating in such capacity, the Holder agrees to indemnify and hold harmless, to the same extent and in the same manner set forth in Section 4.5(a), the Company, each of its directors, each of its officers who signs the Registration Statement, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other stockholder selling securities pursuant to the Registration Statement or any of its directors or officers or any person who controls such stockholder or underwriter (each, also an "**Indemnified Party**"), against any Claim to which any of them may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such Claim arises out of or is based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by the Holder expressly for use in connection with such Registration Statement; and the Holder shall promptly reimburse an Indemnified Party, as such expenses are incurred and are due and payable, for any legal fees or other reasonable expenses incurred by the Indemnified Party in connection with investigating or defending any such Claim, whether or not such Claim, investigation or proceeding is brought or initiated by the Indemnified Party or a third party; provided, however, that the indemnity agreement contained in this Section 4.5(b) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Holder, which consent shall not be unreasonably withheld.

(c) The Company shall be entitled to receive indemnification from underwriters, selling brokers, dealer managers, and similar securities industry professionals participating in the distribution to the same extent as provided above, with respect to information about such persons so furnished in writing by such persons expressly for inclusion in the Registration Statement.

(d) Promptly after receipt by an Indemnified Party under this Section 4.5 of notice of the commencement of any action (including any governmental action), such Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 4.5, deliver to an indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly given notice, to assume control of the defense thereof with counsel satisfactory to the Indemnified Party; provided, however, that an Indemnified Party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if, in the reasonable opinion of counsel for such party, representation of such party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such party and any other party represented by such counsel in such proceeding. The Company shall pay for only one legal counsel for the Holder and any Indemnified Party related thereto; such legal counsel shall be selected by the Holder or such other Indemnified Party subject to the Company's approval which shall not be unreasonably withheld. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to another under this Section 4.5, except to the extent that such failure to notify results in the forfeiture by the indemnifying party of substantive rights or defenses. The indemnification required by this Section 4.5 shall be made by periodic payments of the amount thereof during the course of the investigation or defense as such expense, loss, damage or liability is incurred and is due and payable.

Section 4.6 Contribution. To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which, he, she or it would otherwise be liable under Section 4.5 to the fullest extent permitted by law; provided, however, that (a) no contribution shall be made under circumstances where the maker would not have been liable for indemnification under Section 4.5, (b) no seller of Registrable Securities guilty of fraudulent misrepresentation (within the meaning used in the Securities Act) shall be entitled to contribution from any seller of Registrable Securities who was not guilty of such fraudulent misrepresentation, and (c) contribution by any seller of Registrable Securities shall be limited in amount to the net amount of proceeds received by such seller from the sale of such Registrable Securities.

ARTICLE V DEFINITIONS

Section 5.1 Definitions. In addition to those terms already defined herein, the following terms as used in this Debenture shall have the meanings set forth below:

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling (including but not limited to all directors and officers of such Person), controlled by, or under direct or indirect common control with such Person. For purposes of this definition, "controlling" (including with its correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person shall mean the possession, directly or indirectly, of the power (a) to vote or direct the vote of ten percent (10%) or more of the securities having ordinary voting power for the election of directors of such Company or (b) to direct or cause the direction of the management and policies of such corporation, whether through the ownership of securities, by contract or otherwise.

"**Business Day**" means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York.

"**Closing Sale Price**" means, for any security as of any date, the last trade price for such security on the Principal Trading Market, as reported by Bloomberg Financial Markets, or, if the Principal Trading Market begins to operate on an extended hours basis and does not designate the last trade price then the last trade price of such security prior to 4:00 p.m., New York City time, as reported by Bloomberg, Financial Markets, or if the foregoing do not apply, the last trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg Financial Markets, or, if no closing price is reported for such security by Bloomberg Financial Markets, the average of the bid prices and asked prices of any market makers for such security as reported in the "pink sheets" by Pink Sheets LLC. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as determined by the Company's Board of Directors in good faith.

"**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

"**Principal Trading Market**" means the Trading Market on which the Common Stock is primarily listed on and quoted for trading, which, as of the Issuance Date, is the OTC Bulletin Board.

"**Registrable Securities**" means (i) the shares of Common Stock issuable upon conversion of this Debenture, and (ii) any securities issued or issuable with respect to Common Stock by way of a stock dividend or stock split or in connection with a combination or reorganization or otherwise.

"**Securities Act**" has the meaning specified on the cover of this Debenture, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time. Reference to a particular section of the Securities Act shall include a reference to the comparable section, if any, of any such similar Federal statute.

"**Trading Day**" means any day on which the Common Stock is listed or quoted and traded on its Principal Trading Market.

"**Trading Market**" means whichever of the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or the OTC Bulletin Board on which the Common Stock is listed or quoted for trading on the date in question.

"**Warrant**" or "**Warrants**" means that certain warrant issued to the initial Holder pursuant to the Subscription Agreement in connection with the issuance of this Debenture, or as such initial Warrant may be transferred in part and be represented by more than one Warrant.

"**Warrant Shares**" means the shares of Common Stock issuable upon exercise of the Warrant.

"**Weighted Average Price**" means the price determined by dividing (a) the sum of (i) Closing Sales Price of the Common Stock on each Trading Day multiplied by (ii) the trading volume of the Common Stock for each day during the thirty (30) Trading Days ending on the Trading Day traded immediately preceding the day as of which Weighted Average Price is being determined by (b) the total trading volume of the Common Stock during such thirty (30) Trading Day Period.

ARTICLE VI MISCELLANEOUS

Section 6.1 Rights Cumulative. The rights, powers and remedies given to the Holder under this Debenture shall be in addition to all rights, powers and remedies given to him, her or it by virtue of any document or instrument executed in connection therewith, or any statute or rule of law.

Section 6.2 No Waivers. Any forbearance, failure or delay by the Payee in exercising any right, power or remedy under this Debenture, any documents or instruments executed in connection therewith or otherwise available to the Holder shall not be deemed to be a waiver of such right, power or remedy, nor shall any single or partial exercise of any right, power or remedy preclude the further exercise thereof.

Section 6.3 Amendments in Writing. Except as otherwise provided herein, the provisions of this Debenture may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder.

Section 6.4 Governing Law. This Debenture and the rights and obligations of the parties hereto, shall be governed, construed and interpreted according to the laws of the State of New York applicable to agreements made and to be performed entirely within such State.

Section 6.5 Successors. The term "Payee" and "Holder" as used herein shall be deemed to include the Payee and its successors, endorsees and permitted assigns. This Debenture may not be assigned without the prior written consent of the other party hereto.

Section 6.6 Stamp or Transfer Tax. The Company will pay any documentary stamp or transfer taxes attributable to the initial issuance of the Common Stock issuable upon the conversion of this Debenture; provided, however, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issuance or delivery of any certificates for the Common Stock in a name other than that of the Holder in respect of which such Common Stock is issued, and in such case the Company shall not be required to issue or deliver any certificate for the Common Stock until the person requesting the same has paid to the Company the amount of such tax or has established to the Company's satisfaction that such tax has been paid.

Section 6.7 Mutilated, Lost, Stolen or Destroyed Debenture. In case this Debenture shall be mutilated, lost, stolen or destroyed, the Company shall issue and deliver in exchange and substitution for and upon cancellation of the mutilated Debenture, or in lieu of and substitution for the Debenture, mutilated, lost, stolen or destroyed, a new Debenture of like tenor and representing an equivalent right or interest, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and an indemnity or bond, if requested, also reasonably satisfactory to it.

Section 6.8 No Rights as Stockholder. Nothing contained in this Debenture shall be construed as conferring upon the Holder the right to vote or to receive dividends (except as provided in Article II of this Debenture) or to consent or to receive notice as a stockholder in respect of any meeting of stockholders for the election of directors of the Company or of any other matter, or any rights whatsoever as stockholders of the Company.

Section 6.9 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder (including, without limitation, any Conversion Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile (provided the sender receives a machine-generated confirmation of successful transmission) at the facsimile number specified below prior to 5:00 P.M., New York City time, on a trading day, (ii) the next trading day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified below on a day that is not a trading day or later than 5:00 P.M., New York City time, on any trading day, (iii) the trading day following the date of mailing, if sent by nationally recognized overnight courier service specifying next Business Day delivery, or (iv) upon actual receipt by the party to whom such notice is required to be given, if by hand delivery. The address and facsimile number of a party for such notices or communications shall be as set forth below unless changed by such party by two (2) Business Days' prior notice to the other party in accordance with this Section 6.9:

(a) if to the Company, addressed to:

CopyTele, Inc.
900 Walt Whitman Road
Melville, New York 11747
Attn: Chief Executive Officer
Facsimile: (631) 549-5974

(b) if to Holder, to the address set forth in the Subscription Agreement, or if to any permitted assignee of Holder, at the address of such Person provided to the Company.

IN WITNESS WHEREOF, CopyTele, Inc. has caused this Debenture to be duly executed and delivered as of the date first above written.

COPYTELE, INC.

By: /s/ Robert A. Berman

Name: Robert A. Berman

Title: President and CEO

ATTACHMENT I

Assignment

For value received, the undersigned hereby assigns to _____, \$_____ principal amount of 6% Convertible Debenture due 2016 evidenced hereby and hereby irrevocably appoints _____ attorney to transfer the Debenture on the books of the within named corporation with full power of substitution in the premises.

Dated:

In the presence of: _____

Print Name

Signature

ATTACHMENT II
CONVERSION NOTICE

TO: COPYTELE, INC.

The undersigned holder of this Debenture hereby irrevocably exercises the option to convert \$ _____ principal amount of such Debenture (which may be less than the stated principal amount thereof) into shares of Common Stock of CopyTele, Inc., in accordance with the terms of such Debenture, and directs that the shares of Common Stock issuable and deliverable upon such conversion, together with a check (if applicable) in payment for any fractional shares as provided in such Debenture, be issued and delivered to the undersigned unless a different name has been indicated below. If shares of Common Stock are to be issued in the name of a person other than the undersigned holder of such Debenture, the undersigned will pay all transfer taxes payable with respect thereto.

The delivery by (or on behalf of) the holder of this Conversion Notice shall constitute the holder's certification to CopyTele, Inc. that its representations and warranties contained in Section 6 of the Subscription Agreement, including without limitation the representation and warranty that the Holder is an "accredited investor," are true and correct as of the date hereof.

Address of Holder

Print Name of Holder

Signature of Holder

Principal amount of Debenture to be converted \$ _____

If shares are to be issued otherwise than to the holder:

Address of Transferee

Print Name of Transferee

Social Security or Employer Identification Number of Transferee

Issuance Date of Debenture: November 11, 2013 21

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3 of CopyTele, Inc. (the “Company”) of our report dated January 16, 2014, relating to our audit of the Company’s consolidated financial statements as of October 31, 2013 and 2012, and for each of the years ended October 31, 2013 and 2012, included in the Company’s Annual Report on Form 10-K for the year ended October 31, 2013. We also consent to the reference to us under the heading “Experts” in this Registration Statement.

/s/ Haskell & White LLP
HASKELL & WHITE LLP

Irvine, California
February 6, 2014
